ZIWO HOLDINGS LTD.

Incorporated in Singapore on 10 January 2008 (Company Registration Number: 200800853Z)

UNAUDITED FINANCIAL STATEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2015

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group's operations are principally conducted in the People's Republic of China ("PRC"). Accordingly, the consolidated financial statements have been prepared in the Chinese Renminbi ("RMB"), being the functional currency of the Group.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015

	Third Quarter ended 30 September			**Nine Months ended 30 September**		
	Unaudited	Unaudited	**Change**	**Unaudited**	Unaudited	**Change**
(RMB'000)	**2015**	2014	**%**	**2015**	2014	**%**
Revenue	**17,630**	53,941	(67.3)	**77,149**	137,159	(43.8)
Cost of sales	**(16,778)**	(42,987)	(61.0)	**(67,595)**	(113,497)	(40.4)
Gross Profit	**852**	10,954	(92.2)	**9,554**	23,662	(59.6)
Other income	**253**	218	16.1	**930**	863	7.8
Selling and distribution expenses	**(10,190)**	(3,178)	220.6	**(14,971)**	(7,973)	87.8
Administrative expenses	**(3,718)**	(3,281)	13.3	**(11,570)**	(10,336)	11.9
Other operating expenses	**(200,082)**	-	Nm	**(251,107)**	(108)	Nm
(Loss)/profit before taxation	**(212,885)**	4,713	(4,617.0)	**(267,164)**	6,108	(4,474.0)
Income tax expense	**-**	(1,561)	(100.0)	**(209)**	(2,649)	(92.1)
Net (loss)/profit for the period	**(212,885)**	3,152	(6,854.0)	**(267,373)**	3,459	(7,829.8)
Other comprehensive income	**-**	-	-	**-**	-	-
Total comprehensive (loss)/income for the period	**(212,885)**	3,152	(6,854.0)	**(267,373)**	3,459	(7,829.8)

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1(a)(ii) Other information

The Group's profit before taxation is derived at after charging the following:

	Third Quarter ended 30 September			Nine Months ended 30 September		
	Unaudited	Unaudited	**Change**	**Unaudited**	Unaudited	**Change**
(RMB'000)	**2015**	2014	**%**	**2015**	2014	**%**
Depreciation of property, plant and equipment charged in						
Cost of goods sold	**1,187**	2,281	(48.0)	**5,818**	6,702	(13.2)
Administrative expenses	**625**	490	27.6	**1,602**	1,241	29.1
Selling and distribution expenses	**68**	44	54.5	**194**	142	36.6
Amortisation of land use rights	**120**	140	(14.3)	**426**	414	2.9
Interest income	**217**	218	(0.5)	**706**	601	17.5
Directors' remuneration						
Salaries and related cost	**330**	330	-	**990**	990	-
Research and development expenses	**8,785**	897	(879.4)	**9,923**	1,711	480.0
Transportation expenses	**438**	729	(39.9)	**1,671**	2,142	(22.0)
Travelling expenses	**90**	154	(41.6)	**562**	474	18.6
Advertisement expenses	**150**	155	(3.2)	**450**	461	(2.4)
Entertainment expenses	**171**	396	(56.8)	**707**	715	(1.1)
Impairment of property plant and equipment	**48,961**	-	Nm	**48,961**	-	Nm
Tax penalty	**39,023**	-	Nm	**39,023**	-	Nm
Write-down of inventories	**2,848**	-	Nm	**2,848**	-	Nm
Late delivery compensation	**4,687**	-	Nm	**4,687**	-	Nm
Allowance for impairment of trade receivables	**8,524**	-	Nm	**12,908**	98	Nm
Prepaid know-how written off	**-**	-	-	**8,500**	-	Nm
Product defect claims and related expenses	**96,039**	-	Nm	**134,180**	-	Nm

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UNAUDITED FINANCIAL STATEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2015

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
RMB'000	**30/9/2015**	31/12/2014	**30/9/2015**	31/12/2014
	Unaudited	Audited	**Unaudited**	Audited
ASSETS				
Non-Current				
Land use rights	**49,180**	49,606	**-**	-
Property, plant and equipment	**98,132**	152,496	**-**	-
Subsidiaries	**-**	-	**138,458**	138,458
	147,312	202,102	**138,458**	138,458
Current				
Inventories	**11,169**	13,422	**-**	-
Trade and other receivables	**82,173**	181,334	**41,251**	53,882
Other current assets	**347**	8,677	**-**	-
Cash and cash equivalents	**31,325**	133,361	**52**	61
	125,014	336,794	**41,303**	53,943
Total assets	**272,326**	538,896	**179,761**	192,401
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	**185,637**	183,268	**185,637**	183,268
Statutory reserve	**42,794**	42,794	**-**	-
Retained earnings/(accumulated losses)	**27,173**	294,546	**(23,382)**	(6,698)
Total equity	**255,604**	520,608	**162,255**	176,570
LIABILITIES				
Non-Current				
Deferred tax liabilities	**2,291**	2,291	**1,240**	1,240
Current				
Trade and other payables	**14,145**	14,116	**16,266**	14,591
Income tax payable	**286**	1,881	**-**	-
	14,431	15,997	**16,266**	14,591
Total liabilities	**16,722**	18,288	**17,506**	15,831
Total equity and liabilities	**272,326**	538,896	**179,761**	192,401

1(b)(ii) Aggregate amount of Group's borrowing and debt securities.

Amount repayable in one year or less, or on demand

None

Amount repayable after one year

None

Details of any collateral

Not applicable.

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UNAUDITED FINANCIAL STATEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2015

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3rd Quarter ended 30 September		**9 Months ended 30 September**	
	2015	2014	**2015**	2014
Cash flows from operating activities	**RMB'000**	RMB'000	**RMB'000**	RMB'000
(Loss)/profit before taxation	**(212,885)**	4,713	**(267,164)**	6,108
Adjustments for:				
Interest Income	**(217)**	(218)	**(706)**	(601)
Depreciation of property, plant and equipment	**1,880**	2,815	**7,615**	8,085
Share award expenses	**-**	-	**2,369**	1
Prepaid know-how written off	**-**	-	**8,500**	-
Impairment of property, plant and equipment	**48,961**	-	**48,961**	-
Amortisation of land use rights	**120**	140	**426**	414
Write-down of inventories	**2,848**	-	**2,848**	-
Allowance for impairment of trade receivables	**8,524**	-	**12,908**	98
Operating cash (outflows)/inflows before working capital changes	**(150,769)**	7,450	**(184,243)**	14,105
Changes in working capital				
Inventories	**641**	(303)	**(595)**	(136)
Trade and other receivables	**(36,674)**	(114,291)	**(22,247)**	(106,016)
Other current assets	**87**	171	**8,330**	(94)
Trade and other payables	**1,619**	(1,740)	**28**	(2,240)
Cash used in operations	**(185,096)**	(108,713)	**(198,727)**	(94,381)
Interest received	**217**	218	**706**	601
Income tax paid	**-**	(869)	**(1,804)**	(2,902)
Net cash flows used in operating activities	**(184,879)**	(109,364)	**(199,825)**	(96,682)
Cash flows from investing activities				
Purchase of property, plant and equipment	**-**	(4,098)	**(2,211)**	(7,419)
Refund of deposit for purchase of investment	**-**	-	**100,000**	-
Net cash flows (used in)/generated from investing activities		(4,098)	**97,789**	(7,419)
Cash flows from financing activities				
Proceeds from share issuance	**-**	-	**-**	33,675
Net cash flows generated from financing activities	**-**	-	**-**	33,675
Net decrease in cash and cash equivalents	**(184,879)**	(113,462)	**(102,036)**	(70,426)
Cash and cash equivalents at beginning of financial period	**216,204**	238,781	**133,361**	195,745
Cash and cash equivalents at end of financial period	**31,325**	125,319	**31,325**	125,319

1(d)(i) A statement (for the Group and Company) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital RMB'000	Statutory reserve RMB'000	Retained earnings/ (accumulated losses) RMB'000	Total equity RMB'000
The Group				
Balance at 1 January 2015	**183,268**	**42,794**	**294,546**	**520,608**
Share award expenses	**2,369**	**-**	**-**	**2,369**
Total comprehensive loss for the period	**-**	**-**	**(267,373)**	**(267,373)**
Balance at 30 September 2015	**185,637**	**42,794**	**27,173**	**255,604**
Balance at 1 January 2014	149,593	41,785	289,422	480,800
Issue of new shares	33,675	-	-	33,675
Total comprehensive loss for the period	-	-	3,459	3,459
Balance at 30 September 2014	183,268	41,785	292,881	517,934
The Company				
Balance at 1 January 2015	**183,268**	**-**	**(6,698)**	**176,570**
Share award expenses	**2,369**	**-**	**-**	**2,369**
Total comprehensive loss for the period	**-**	**-**	**(16,684)**	**(16,684)**
Balance at 30 September 2015	**185,637**	**-**	**(23,382)**	**162,255**
Balance at 1 January 2014	149,593	-	(2,822)	146,771
Issue of new shares	33,675	-	-	33,675
Total comprehensive loss for the period	-	-	(1,660)	(1,660)
Balance at 30 September 2014	183,268	-	(4,482)	178,786

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issue on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period immediately preceding financial year.

	Number of ordinary shares	Share capital (RMB'000)
Share capital as at 1 July 2015 and 30 September 2015	373,717,184	185,637

There were no outstanding convertibles or treasury shares held as at 30 September 2015.

1(d)(iii) To show the total number of issued shares (excluding treasury shares) as at the end of the current financial period and as at the end of the immediately preceding year.

	Company	
	30 September 2015	31 December 2014
No. of ordinary shares in issue	373,717,184	358,817,184

The Company does not have any treasury shares as at 30 September 2015 and 31 December 2014.

1(d)(iv) A statement showing all sales, transfers disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

These figures have not been audited or reviewed by the Company's auditors.

However, the Company has commissioned an audit of the financial statements for the third quarter and nine months ended 30 September 2015.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied.

Yes.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The new and revised Financial Reporting Standards ("FRSs") which took effect from the current financial year are assessed to have no material impact to the results or the opening balances of the retained earnings of the Group and of the Company for the year ending 31 December 2015.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends. (a) based on the weighted average number of ordinary shares on issue; and (b) on a fully diluted basis (detailing any adjustment made to the earnings).

	Group			
	3Q15	3Q14	**9M15**	9M14
(Loss)/profit after income tax (RMB'000)	**(212,885)**	3,152	**(267,373)**	3,459
Weighted average number of ordinary shares in issue (in '000)	**373,717**	358,817	**369,078**	332,530
(Loss)/earnings per share (RMB cents)				
Basic	**(56.96)**	0.88	**(72.44)**	1.04
Fully diluted	**(56.96)**	0.88	**(72.44)**	1.04

The Company does not have dilutive equity instruments as at 30 September 2015 and 30 September 2014.

7. Net assets value (for the group and the Company) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group		Company	
	30/9/2015	31/12/2014	**30/9/2015**	31/12/2014
Net asset value (RMB'000)	**255,604**	520,608	**162,255**	176,570
Number of ordinary shares in issue (in '000)	**373,717**	358,817	**373,717**	358,817
Net asset value per share (RMB cents)	**68.4**	145.1	**43.4**	49.2

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:

(a) Any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

Revenue

For the three months ended 30 September 2015 ("3Q15"), our Group recorded revenue of RMB 17.6 million, a decrease of approximately RMB 36.3 million or 67.3% from the revenue of RMB 53.9 million from the previous corresponding period ended 30 September 2014 ("3Q14").

The decline in revenue in 3Q15 was largely attributed to the cessation of the 30D Filament Yarn production line (as disclosed in our previous announcements) as well as general decline in demand for the other business segments. Sandwich mesh fabric saw the steepest revenue decline of 62% from RMB 6.6 million in 3Q14 to RMB 2.5 million in 3Q15, while revenue from SBR and other foamed materials declined by 52.2% from RMB 31.6 million to RMB 15.1 million.

For the nine months ended 30 September 2015 ("9M15"), our revenue decreased by approximately RMB 60.0 million or 43.8% from RMB 137.2 million in the previous corresponding period ended 30 September 2014 ("9M14") to RMB 77.1 million in 9M15.

Breakdown of revenue by business segments:

(RMB'000)	**3Q15**	3Q14	**Change %**	**9M15**	9M14	**Change %**
SBR and other foamed materials	**15,105**	31,618	**(52.2)**	**47,391**	81,038	**(41.5)**
30D terylene filament yarn	**-**	15,252	**(100)**	**19,641**	36,323	**(45.9)**
Sandwich mesh fabric	**2,525**	6,649	**(62.0)**	**10,117**	18,824	**(46.3)**
Others	**-**	422	**(100)**	**-**	974	**(100)**
Total	**17,630**	53,941	**(67.3)**	**77,149**	137,159	**(43.8)**

Cost of Sales

Our cost of sales comprise mainly raw material costs, electricity and water costs, direct labour costs and other manufacturing overheads.

Breakdown of costs of sales

(RMB'000)	**3Q15**	3Q14	**Change %**	**9M15**	9M14	**Change %**
Raw material costs	**12,819**	33,695	**(62.0)**	**50,531**	88,802	**(43.1)**
Electricity and water costs	**560**	2,479	**(77.4)**	**3,984**	6,615	**(39.8)**
Direct labour costs	**1,984**	3,291	**(39.7)**	**6,253**	8,513	**(26.5)**
Other manufacturing overheads	**1,415**	2,836	**(50.1)**	**6,827**	8,349	**(18.2)**
Others	**-**	686	**(100)**	**-**	1,218	**(100)**
Total	**16,778**	42,987	**(61.0)**	**67,595**	113,497	**(40.4)**

In 3Q15, cost of sales decreased by RMB 26.2 million or 61.0% compared to 3Q14, corresponding to the decline in revenue during the same period. Raw materials cost declined by RMB 20.9 million or 62.0% in line with reduction in production capacity. Electricity and water costs declined by RMB 1.9 million, from RMB 2.5 million in 3Q14 to RMB 0.6 million in 3Q15. Direct labour costs reduced by RMB 1.3 million or 39.7% due to scale back of production headcount. The decrease in manufacturing overheads by RMB 1.4 million or 50.1% was due to decrease in transportation, depreciation expenses and consumables costs.

In 9M15, cost of sales decreased by approximately RMB 45.9 million or 40.4% from RMB 113.5 million in 9M14 which correspond with the reduction in revenue.

Gross Profit Margin

Gross profit margin by product segments:

	3Q15	3Q14	**Change %**	**9M15**	9M14	**Change %**
SBR and other foamed materials	**14.5**	23.2	(8.7)	**17.6**	18.3	(0.7)
30D terylene filament yarn	**-**	13.0	(13.0)	**10.1**	12.0	(1.9)
Sandwich mesh fabric	**(27.0)**	25.5	(52.5)	**(1.2)**	23.6	24.8

Overall gross profit margin of the Group declined by approximately 15.5 percentage points from 20.3% in 3Q14 to 4.8% in 3Q15. Gross margin for 30D terylene filament yarn declined by 13 percentage points with the cessation of the production line in June 2015. Gross margin for sandwich mesh fabric declined by 52.5 percentage points from 25.5% to negative margin of 27% as demand was severely affected amidst weakening market sentiments. In spite of efforts to streamline production operations with the acquisition of new equipment for SBR and other foamed materials, gross profit margins declined by 8.7 percentage points from 23.2% in 3Q14 to 14.5% in 3Q15.

In 9M15, our gross profit decreased by RMB 14.1 million or 59.5% from RMB 23.7 million in 9M14 to RMB 9.6 million. Overall gross profit margin has also decreased by 4.8 percentage points from 17.3% in 9M14 to 12.4% in 9M15.

Other Income

Other income comprise mainly income from sale of scrap materials and interest income from bank deposits. Other income increased by approximately RMB 35 thousand or 16.1% from RMB 218 thousand in 3Q14 to RMB 253 thousand in 3Q15 mainly due to increase in sale of scrap material, but partially offset by lower income from bank deposits. For 9M15, other income increased by RMB 67 thousand or 7.7% from RMB 863 thousand in 9M14 to RMB 930 thousand in 9M15 largely due to increase in income from bank deposits.

Selling and Distribution Expenses

Selling and distribution expenses comprise mainly transportation costs, salaries, entertainment expenses, advertisement expenses, sales related tax, R&D expenses, travelling expenses and depreciation expenses. Selling and distribution expenses increased by RMB 7.0 million or 220.6% from RMB 3.2 million in 3Q14 to RMB 10.2 million in 3Q15. This was largely due to increase in R&D expenses and

offset by decreases in transportation costs, travelling expenses, entertainment expenses and sales-related tax. The increase in R&D expenses mainly pertains to an amount of approximately Rmb 8.0 million incurred in purchasing know-how relating to the development of SBR and other foamed materials.

In 9M15, selling and distribution expenses increased by approximately RMB 7.0 million or 87.8% from RMB 8.0 million in 9M14, mainly due to decrease in transportation expenses and sales-related tax and offset by increase in R&D expenses.

Administrative Expenses

Administrative expenses comprise mainly salaries, staff welfare, share award expenses, general office expenses, insurance, professional fees, travelling expenses and depreciation expenses. Administrative expenses increased by approximately RMB 0.5 million or 15.5% from RMB 3.3 million in 3Q14 to RMB 3.7 million in 3Q15. The increase in administrative expenses was largely attributed to increase in depreciation expenses and traveling expenses, but partialy offset by reduction in professional fees.

Administrative expenses increased by RMB 1.3 million or 12.7% from RMB 10.3 million in 9M14 to RMB 11.6 million in 9M15. The increase in administrative expenses was largely attributed to share award expenses, traveling expenses and staff welfare. The increase was partially offset by reduction in professional fees.

Other Operating Expenses

Other operating expenses comprise mainly allowance for impairment of trade receivables, impairment of PPE, write-down of inventory, prepaid know-how written off, product defect claims and tax penalty. In 3Q15, other operating expenses increased by approximately RMB 200.1 million due to impairment of property, plant and equipment amounting to RMB 49.0 million, allowance for impairment of trade receivables of RMB 8.5 million, product defect claim of RMB 96.1 million, late delivery compensation of RMB 4.7 million, write down of inventories amounting to RMB 2.8 million and tax penalty of RMB 39.0 million.

Allowance for impairment of trade receivables has increased in 3Q15 due to longer payment cycles amidst weakening business climate in China. With the cessation of the 30D terylene filament yarn business unit, PPE relating to the business unit amounting to RMB 42.2 million has been impaired. In addition, RMB 6.8 million was also provided for PPE relating to sandwich mesh business unit due to slowdown and uncertainty in viability of this business segment.

Product defect claim of RMB 96.1 million included compensation settlement payment to 3 customers over the sale of defective 30D filament yarn materials, as disclosed in our previous announcement dated 6 October 2015. Another RMB 4.7 million in late delivery compensation was also paid out to customers affected by the temporary operational delays due to the fire and safety inspection which was announced on 3 September 2015.

The Group paid a one-off tax penalty of RMB 39.0 million due to non-fulfillment of the condition of maintaining the proportion of technical staff at 30 percent of total staff strength which was imposed under the New High-Tech Enterprise Scheme.

In 9M15, operating expenses increased by RMB 251.0 million due to allowance for impairment of trade receivables of RMB 12.9 million, impairment of PPE amounting to RMB 49.0 million, prepaid know-how written off amounting to RMB 8.5 million, product defect claim totaling RMB 134.2 million, late delivery compensation of RMB 4.7 million, write down of inventories amounting to RMB 2.8 million and tax penalty of RMB 39.0 million.

(b) Any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Assets

Our non-current assets comprise mainly property, plant and equipment and land use rights.

Net book value of property, plant and equipment ("PPE") decreased by approximately RMB 54.4 million from RMB 152.5 million as at 31 December 2014 to RMB 98.1 million as at 30 September 2015 mainly due to the depreciation charge incurred during the period as well as impairment relating to slow down of sandwich mesh business unit and cessation of the filament yarn business unit. Land use rights amounted to RMB 49.2 million as at 30 September 2015 after amortization charge.

Our current assets comprise inventories, trade and other receivables, other current assets and cash and cash equivalent. Current assets reduced by RMB 211.8 million from RMB 336.8 million as at 31 December 2014 to RMB 125.0 million as at 30 September 2015.

Inventories comprised mainly raw materials, finished goods, work-in-progress ("WIP") and consumables. Inventories decreased by approximately RMB 2.2 million

from RMB 13.4 million as at 31 December 2014 to RMB 11.2 million as at 30 September 2015 due to write down of inventories during this period.

Trade and other receivables decreased by RMB 99.1 million from RMB 181.3 million as at 31 December 2014 to RMB 82.2 million as at 30 September 2015 mainly due to the refund of deposit for purchase of investment amounting to RMB 100 million and higher impairment allowance of trade receivables. This reduction in receivables was partially offset by advance deposit amount of RMB 24.4 million for purchase of new equipment.

Cash and cash equivalents decreased by approximately RMB 102.0 million from RMB 133.4 million as at 31 December 2014 to RMB 31.3 million as at 30 September 2015 mainly due to compensation payment made in relation to the product defect claims and late delivery compensation to customers.

Other current assets comprise mainly prepaid and deferred expenses and it was reduced by approximately RMB 8.4 million mainly due to write off of prepaid know-how with the cessation of 30D filament yard production line.

Liabilities

Our current liabilities amounted to RMB 14.4 million as at 30 September 2015, a decrease of approximately RMB 1.6 million from RMB 16.0 million as at 31 December 2014. This decrease is mainly attributed to decrease in income tax payable.

Commentary on Statement of Cashflows

Cash used in operating activities was RMB 185.1 million in 3Q15 and RMB 198.7 million in 9M15 compared to cash generated from operating activities of RMB 7.8 million in 3Q14 and RMB 14.3 million in 9M14. This is largely attributed to net loss for 3Q15 and 9M15, as well as impairment of trade receivables, which had impacted operating cash flows.

There was no cash used in investing activities in 3Q15. Cash used in investing activities pertaining to the purchase of PPE for 9M15 was RMB 2.2 million. Additional cash generated from investing activities during this period was the refund of deposit for the purchase of investment.

As at 30 September 2015, the Group's cash and cash equivalents decreased by RMB 184.9 million for 3Q15 and decreased by RMB 102.0 million for 9M15.

9. Where a forecast, or a prospect statement, has been previously disclose to shareholders, any variance between it and the actual results.

Our current result is in line with our statement made under paragraph 10 in our Second Quarter results announcement released on 14 August 2015.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or event that may affect the Group in the next reporting period and the next 12 month

Due to the current weak business climate caused by faltering global and domestic demands, the Group is experiencing the effects of the persistent slowdown in the manufacturing industry in China. Our previous product, 30D Filament Yarn, was made unexpectedly obsolete and replaced by warped yarn during the year. As previously announced, the production line for Filament Yarn has since been closed. Sandwich mesh is experiencing difficulties in securing orders and production has slowed to their lowest rate since inception. Due to the slowdown in demand for consumers and lifestyle products, coupled with competition from cheaper and more varied alternatives, orders for SBR foam have tapered down in recent months as well.

Group revenue and gross profit margin are expected to be further impacted. The Company has been actively looking for other business opportunities, including diversification, viable ventures or collaborative opportunities to expand its revenue base

11. Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year.

None.

(c) Date Payable

Not applicable

(d) Books Closure Date

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the period ended 30 September 2015.

13. Use of Proceeds from the Placement.

The Company had completed a placement of 59,802,864 new ordinary shares amounting to approximately S$6.91 million in the capital of the Company in May 2014 (the "Placement"). The proceeds from the Placement have been fully utilised as at the date of this announcement.

14. Interested Person Transactions ("IPT")

If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Nil	Nil	Nil

The Company does not have a general mandate from shareholders for IPT.

15. Negative Assurance

Statement Pursuant to SGX Listing Rule 705(5) of the Listing Manual

The Board of Directors of the Company hereby confirm that to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results of the Company and of the Group for the third quarter and nine months ended 30 September 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Ting Chun Yuen
Executive Chairman & CEO
13 November 2015