Forise International Limited

FULL YEAR UNAUDITED RESULTS FOR YEAR ENDED 31 DECEMBER 2017

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

Note: The Group has ceased its garment trading business and is in the process of de-registration of Great Holding Limited ("GHL"). It has accordingly presented GHL and its subsidiaries as "discontinued operations" in its Consolidated Statement of Comprehensive Income. Certain items of comparative figures have been re-presented so as to conform with the change of presentation.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	4Q17 RMB'000	4Q16 RMB'000	%Change +/(-)	**FY2017 RMB'000**	FY2016 RMB'000	%Change +/(-)
Continuing Operations						
Revenue	**6,234**	2,642	n.m.	**19,389**	5,042	n.m.
Other income/(loss)	**13**	(1)	n.m.	**226**	-	100.00
Interest income	**87**	28	n.m.	**166**	269	(38.29)
Other gain/(loss), net						
Gain/(loss) on disposal of subsidiaries	**-**	(10,081)	(100.00)	**-**	253,006	(100.00)
Currency exchange gain/(loss), net	**(113)**	(575)	n.m.	**208**	175	18.89
	6,221	(7,987)	n.m.	**19,989**	258,492	n.m.
Expenses						
-Consultancy charges	**(7)**	(923)	n.m.	**(1,931)**	(923)	n.m.
-Depreciation	**(13)**	(10)	30.00	**(48)**	(42)	14.29
-Employee compensation	**(1,290)**	591 *	n.m.	**(4,760)**	(1,892)	n.m.
-Professional fees	**(1,112)**	310 *	n.m.	**(2,709)**	(868)	n.m.
-Rental on operating leases	**(875)**	428 *	n.m.	**(3,016)**	(896)	n.m.
-Finance	**(1)**	-	100.00	**(12)**	(1)	n.m.
-Other operating expenses	**(419)**	(171)	n.m.	**(1,214)**	(761)	n.m.
Total expenses	**(3,717)**	225	n.m.	**(13,690)**	(5,383)	n.m.
Share of loss of a joint venture	**(285)**	-	100.00	**(640)**	-	100.00
Share of loss of an associated company	**(65)**	-	100.00	**(65)**	-	100.00
Profit/(loss) before income tax	**2,154**	(7,762)	n.m.	**5,594**	253,109	n.m.
Income tax expenses	**(953)**	(260)	n.m.	**(3,121)**	(260)	n.m.
Profit/(loss) from continuing operations	**1,201**	(8,022)	n.m.	**2,473**	252,849	n.m.
Discontinued operations						
Profit/(loss) from discontinued operations, net of tax	**(344)**	8,188	n.m.	**(926)**	36,650	n.m.
Total profit, representing total comprehensive income	**857**	166	n.m.	**1,547**	289,499	n.m.
Profit/(loss) attributable to						
-Equity holders of the Company	**857**	166	n.m.	**1,547**	289,499	n.m.
-Non-controlling interests	**-**	-	-	**-**	-	-
	857	166	n.m.	**1,547**	289,499	n.m.
Profit/(loss) attributable to equity holders of the Company related to:						
-Profit/(loss) from continuing operation	**1,201**	(8,022)	n.m.	**2,473**	252,849	n.m.
-Profit/(loss) from discontinued operations	**(344)**	8,188	n.m.	**(926)**	36,650	n.m.
	857	166	n.m.	**1,547**	289,499	n.m.
Total comprehensive income attributable to						
-Equity holders of the Company	**857**	166	n.m.	**1,547**	289,499	n.m.
-Non-controlling interests	**-**	-	-	**-**	-	-
	857	166	n.m.	**1,547**	289,499	n.m.

***** Refer to explanatory notes in para 8 – expenses 4) A & B

(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

	Group			Group		
	4Q17 RMB'000	4Q16 RMB'000	%Change +/(-)	**FY2017 RMB'000**	FY2016 RMB'000	%Change +/(-)
(Expense)/Income						
Depreciation of property, plant and equipment	**(13)**	(10)	30.00	**(48)**	(42)	14.29
Interest income	**87**	28	22.43	**166**	269	(38.29)
Foreign exchange (losses)/gains, net	**(113)**	(575)	n.m.	**208**	176	18.18
Share of loss of joint venture	**(285)**	-	100.00	**(640)**	-	100.00
Share of loss of an associated company	**(65)**	-	100.00	**(65)**	-	100.00

"n.m." denotes "not meaningful"

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

	Group		Company	
	As at 31 Dec 2017 RMB'000	As at 31 Dec 2016 RMB'000	**As at 31 Dec 2017 RMB'000**	As at 31 Dec 2016 RMB'000
ASSETS				
Current assets				
Cash and cash equivalents	**34,957**	38,857	**21,218**	25,146
Trade and other receivables	**8,595**	20,797	**4,953**	9,061
Inventories	**-**	12	**-**	-
Other current assets	**619**	589	**344**	582
Current Assets	**44,171**	60,255	**26,515**	34,789
Non-current assets				
Investment in subsidiaries	**-**	-	**1,259**	923
Investment in associated company	**1,975**	-	**-**	-
Investment in joint venture	**3,282**	-	**3,282**	-
Property, plant and equipment	**41**	305	**38**	51
	5,298	305	**4,579**	974
Total assets	**49,469**	60,560	**31,094**	35,763
LIABILITIES				
Current liabilities				
Trade and other payables	**2,984**	16,284	**2,843**	1,705
Current income tax liabilities	**2,049**	1,387	**-**	-
Total liabilities	**5,033**	17,671	**2,843**	1,705
NET ASSETS	**44,436**	42,889	**28,251**	34,058
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	**145,320**	145,320	**145,320**	145,320
Currency translation reserve	**-**	9	**-**	-
Accumulated losses	**(100,884)**	(102,440)	**(117,069)**	(111,262)
	44,436	42,889	**28,251**	34,058
Non-controlling interests	**-**	-	**-**	-
TOTAL EQUITY	**44,436**	42,889	**28,251**	34,058

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities

The Group has no borrowings and debts securities as at 31 December 2017 and 31 December 2016.

1(b)(iii) Details of any collaterals

Nil.

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.

The presentation of the statement cash flows (for the Group) is inclusive of both Continuing and Discontinued Operations.

	Group		Group	
	4Q17	4Q16	**FY2017**	FY2016
	RMB'000	RMB'000	**RMB'000**	RMB'000
Cash flows from operating activities				
Profit/(loss) from continuing operations	**1,201**	(8,022)	**2,473**	36,650
(Loss)/profit from discontinued operation	**(344)**	8,862	**(926)**	252,849
Adjustments for:				
-Income tax expense	**953**	1,374	**3,121**	1,374
-Amortisation and depreciation	**13**	15	**86**	72
-Gain on disposal of subsidiaries	**-**	(1,628)	**-**	(285,693)
-Property, plant and equipment written off	**213**	30	**213**	30
-Inventory written off	**-**	-	**6**	-
-Interest income	**(81)**	(35)	**(166)**	(276)
-Write off of trade receivables	**63**	-	**63**	-
-Write back of trade payables	**(190)**	-	**(190)**	-
-Unrealised currency translation losses	**(31)**	(141)	**(25)**	(120)
-Share of loss of joint venture and associated company	**350**	-	**705**	-
-Allowance for impairment of other receivables	**-**	793	**-**	793
Operating profit before changes in working capital	**2,147**	1,248	**5,360**	5,679
Changes in working capital, net of effects from disposal of subsidiaries:				
-Trade and other receivables	**(534)**	(30,829)	**14,252**	(70,811)
-Inventories	**-**	(7)	**-**	230
-Other current assets	**807**	(62)	**(30)**	(187)
-Trade and other payables	**(222)**	33,989	**(13,110)**	65,138
Cash generated from operations	**2,198**	4,339	**6,472**	49
Interest received	**67**	35	**152**	276
Income tax (paid)/refunded	**(1,628)**	171	**(2,428)**	195
Net cash generated from operating activities	**637**	4,545	**4,196**	520
Cash flows from investing activites				
Disposal of subsidiaries, net of cash disposed of	**-**	-	**-**	(475)
Additions to property, plant and equipment	**-**	(5)	**(34)**	(5)
Investment in associated company	**-**	-	**(2,040)**	-
Investment in a joint venture	**-**	-	**(3,922)**	-
Loan to associated company	**(2,100)**	-	**(2,100)**	-
Net cash used in investing activities	**(2,100)**	(5)	**(8,096)**	(480)
Net (decrease)/increase in cash and cash equivalents	**(1,463)**	4,540	**(3,900)**	40
Cash and cash equivalents at beginning of financial period	**36,420**	34,317	**38,857**	38,817
Cash and cash equivalents at end of financial year	**34,957**	38,857	**34,957**	38,857

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

Note:

For the purpose of consolidated cash flows statement, cash and cash equivalents comprise the following :-

	Group		Group	
	4Q17	4Q16	**FY 2017**	FY 2016
	RMB'000	RMB'000	**RMB'000**	RMB'000
Cash and bank balances	**34,957**	38,857	**34,957**	38,857

1(d)(i) A statement (for the issuer and the Group) 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.

	Attributable to equity holders of the Company							
	Share capital (RMB'000)	Restructuring reserve (RMB'000)	Warrant reserve (RMB'000)	Currency translation reserve (RMB'000)	Accumulated losses (RMB'000)	Total (RMB'000)	Non-controlling interest (RMB'000)	Total equity (RMB'000)
Group								
At 1 January 2017	145,320	-	-	9	(102,440)	42,889	-	42,889
Exchange Conversion Reserve	-	-	-	(9)	9	-	-	-
Total comprehensive income for the financial year	-	-	-	-	1,547	1,547	-	1,547
At 31 December 2017	145,320	-	-	-	(100,884)	44,436	-	44,436
At 1 January 2016	145,320	114,040	674	(109)	(392,613)	(132,688)	(8)	(132,696)
Write back of warrant reserve	-	-	(674)	-	674	-	-	-
Profit for the financial year	-	-	-	-	289,499	289,499	-	289,499
Foreign currency translation difference	-	-	-	118	-	118	-	118
Disposal of subsidiaries	-	(114,040)	-	-	-	(114,040)	8	(114,032)
Total comprehensive income for the financial year	-	(114,040)	-	118	289,499	175,577	8	175,585
At 31 December 2016	145,320	-	-	9	(102,440)	42,889	-	42,889
Company								
At 1 January 2017	145,320	-	-	-	(111,262)	34,058	-	34,058
Total comprehensive loss for the financial year	-	-	-	-	(5,807)	(5,807)	-	(5,807)
At 31 December 2017	145,320	-	-	-	(117,069)	28,251	-	28,251
At 1 January 2016	145,320	114,040	674	-	(243,702)	16,332	-	16,332
Write back of warrant reserve	-	-	(674)	-	674	-	-	-
Disposal of subsidiaries	-	(114,040)	-	-	136,868	22,828	-	22,828
Total comprehensive loss for the financial year	-	-	-	-	(5,102)	(5,102)	-	(5,102)
At 31 December 2016	145,320	-	-	-	(111,262)	34,058	-	34,058

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 issued 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 and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital

There were no changes in the share capital of the Company in the Q4 2017.

	Group and Company	
	As at 31 December 2017	As at 31 December 2016
	(No. of shares)	
Ordinary shares issued and fully paid		
Beginning and end of financial period/year	**2,130,000,000**	2,130,000,000

There were no changes in the Company's share capital since the end of the previous period/year reported on and save as disclosed above there were no outstanding convertibles or treasury shares held as at 31 December 2017.

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

	Group and Company	
	As at 31 December 2017	As at 31 December 2016
Number of issued shares excluding treasury shares		
Beginning and end of financial period/year	**2,130,000,000**	2,130,000,000

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 report on.

Not applicable.

1(d)(v) A statement showing all sales, transfers, disposals, cancellation and/or use of subsidiary holdings 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 standard and practice.

The figures in this announcement have not been audited or reviewed by the Group's auditors.

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

Not applicable.

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

The Group had applied the same accounting policies and methods of computation in the Group's financial statement consistent with those applied for the most recently audited consolidated financial statements for the financial year ended 31 December 2016.

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

In the current financial period, the Group adopted all the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual period beginning on or after 1 January 2017. The adoption of the new / revised FRS did not result in any substantial change to the Group's accounting policies.

6. Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group		Group	
	Fourth Quarter ended 31 Dec		Full Year ended 31 Dec	
	2017	2016	**2017**	2016
	RMB Cents	RMB Cents	**RMB Cents**	RMB Cents
Earnings/ (Losses) per Share (Basic)				
- Continuing operations	**0.0564**	(0.3766)	**0.1161**	11.8708
- Discontinued operations	**(0.0162)**	0.3844	**(0.0435)**	1.7207
Number of shares				
Weighted average number of issued ordinary shares	**2,130,000,000**	2,130,000,000	**2,130,000,000**	2,130,000,000

	Group		Group	
	Fourth Quarter ended 31 Dec		Full Year ended 31 Dec	
	2017	2016	**2017**	2016
	RMB Cents	RMB Cents	**RMB Cents**	RMB Cents
Earnings/ (Losses) per Share (Diluted)				
- Continuing operations	**0.0564**	(0.3766)	**0.1161**	11.8708
- Discontinued operations	**(0.0162)**	0.3844	**(0.0435)**	1.7207
Number of shares				
Weighted average number of issued ordinary shares	**2,130,000,000**	2,130,000,000	**2,130,000,000**	2,130,000,000

Basic earnings/(losses) per share is computed by dividing the earnings attributable to the equity holders of the Company in each financial period by the weighted average number of ordinary shares outstanding at the end of the respective financial period.

7. Net assets value (for the issuer and Group) 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 period

	Group		Company	
	As at 31 Dec 2017	As at 31 Dec 2016	**As at 31 Dec 2017**	As at 31 Dec 2016
	RMB Cents	RMB Cents	**RMB Cents**	RMB Cents
Net assets value per ordinary share	**2.08**	2.01	**1.33**	1.60
Number of issued ordinary shares as at end of the financial period/year	**2,130,000,000**	2,130,000,000	**2,130,000,000**	2,130,000,000

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review 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/year reported on, including (where applicable) seasonal or cyclical factors; and

b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period/year reported on.

Commentary on Financial Results

As mentioned in paragraph 1.a.(i), the results of garment trading business were presented as "discontinued operations" in the Consolidated Statement of Comprehensive Income. Certain items of comparative figures have been re-presented so as to conform with the change of presentation.

Revenue

The revenue arose solely from the business of providing corporate advisory services. Our corporate advisory services comprise 2 categories; advise to SMEs (and high net worth individuals) with respect to better deployment of idle capital; and advise to fund and investment managers with respect to corporate actions such as pre-IPO, mezzanine financing, private equity etc.

	Revenue			Revenue		
	4Q17 RMB'000	4Q16 RMB'000	%Change +/(-)	**FY2017 RMB'000**	FY2016 RMB'000	%Change +/(-)
Corporate Advisory	**6,234**	2,642	n.m.	**19,389**	5,042	n.m.

Revenue analysed by the geographical areas is as follows:

	Revenue			Revenue		
	4Q17 RMB'000	4Q16 RMB'000	%Change +/(-)	**FY2017 RMB'000**	FY2016 RMB'00	%Change +/(-)
China	**6,234**	2,642	n.m.	**19,389**	5,042	n.m.

For the three months of 4Q17 ("4Q17"), Group's revenue increased by RMB3.59 million, from RMB2.64 million in 4Q16 ("4Q16") to RMB6.23 million in 4Q17. Group's revenue for the 12 months ended 31 December 2017 ("FY2017") increased by RMB14.35 million, from RMB5.04 million for the 12 months ended 31 December 2016 ("FY2016") to RMB19.39 million for FY2017. The increase was due to more corporate advisory contracts being clinched in FY2017 as compared to FY2016 when the business just commenced.

Other income

Other income of the Group mainly comprised of tax refund of RMB0.21 million from China Tax Authority during 3Q17.

Interest Income

The Group's interest income decreased by RMB0.10 million or 38.29% from RMB0.27 million for FY2016 to RMB0.17 million for FY2017. The decrease was attributable to decrease in interest earned from fixed deposits with financial institutions as a result of lower amounts of fixed deposit placements in FY2017 as compared to FY2016.

Other gain/(loss), net

The gain/(loss) on disposal of subsidiaries was related to disposal of garment manufacturing subsidiaries which was completed in FY2016. There was no such gain/(loss) during FY2017.

The Group has recorded currency exchange loss of RMB0.11 million and currency exchange gain of RMB0.21 million in 4Q2017 and FY2017 respectively. It was mainly due to weakening of Singapore Dollar ("SGD") and United States Dollar ("USD") against Renminbi ("RMB") during 4Q2017 as opposed to strengthening of SGD and USD against RMB at earlier quarters of FY2017.

Expenses

1) Consultancy charges

The consultancy charges represented the cost incurred for certain consultancy projects which the Group engaged other service providers to assist in completion of the consultancy deliverables to clients.

Consultancy charges increased by RMB1.01 million or 109.21% in FY2017, from RMB0.92 million in FY2016 to RMB1.93 million in FY2017, as a result of more services rendered by other service providers in FY2017.

2) Employee compensation

Employee compensation of the Group has increased by RMB2.87 million or 151.59% in FY2017, from RMB1.89 million in FY2016 to RMB4.76 million in FY2017 and was mainly due to the increase in employee costs of Tianjin WFOE. As Tianjin WFOE only commenced its business from 4Q2016, hence, full year employee costs were recorded in FY2017 as opposed to only 4Q2016 employee costs were being recorded in FY2016.

Please refer to explanatory A below for the commentary of 4Q2017 versus 4Q2016.

3) Professional fees

Professional fees of the Group has increased by RMB1.84 million or 212.09% in FY2017, from RMB0.87 million in FY2016 to RMB2.71 million in FY2017. The increase was mainly due to more professional services rendered during FY2017 in relation to the proposed Rights Issue, Cayman Seggregated Portfolio Company set up fees and other advisory matters.

Please refer to explanatory B below for the commentary of 4Q2017 versus 4Q2016.

4) Rental on operating leases

Rental on operating leases of the Group has increased by RMB2.12 million or 236.61% in FY2017, from RMB0.90 million in FY2016 to RMB3.02 million in FY2017. The increase was mainly due to office rental expenses incurred by Tianjin WFOE in FY2017 as opposed to no such rental expenses recorded in FY2016.

Please refer to explanatory A below for the commentary of 4Q2017 versus 4Q2016.

Explanatory:

A: As there were late adjustments made in 4Q2016 with respect to recharge of FY2016 employee compensation and rental expenses to subsidiaries and it has resulted in a negative amount of employee costs and rental expenses in 4Q2016. Therefore, employee compensation and rental expeses of the Group for 4Q2016 were not meaningful and not comparable wth 4Q2017.

B: As there were late adjustments made in 4Q2016 with respect to reversal of accruals and it has resulted in a negative amount of professional fees in 4Q2016. Therefore, professional fees of the Group for 4Q2016 were not meaningful and not comparable wth 4Q2017.

Share of loss of a joint venture

The Company and the Group has recognised its share of loss from a joint venture amounting to RMB0.28 million and RMB0.64 million for 4Q2017 and FY2017 respectively.

Share of loss of an associated company

The Group has recognised its share of loss from an associated company amounting to RMB0.64 million for 4Q2017 and FY2017.

Profit before tax

As a result of the above, the Group recorded a profit before tax of RMB2.15 million for 4Q2017 and RMB5.59 million for FY2017 as compared to loss before tax of RMB 7.76 million for 4Q2016 and profit before tax of RMB 253.11 million for FY2016 respectively.

The decrease in FY2017 profit before tax was mainly due to there was an one-off gain on disposal of RMB253.01 million was recorded in FY2016.

Income tax

The income tax expense of RMB0.95 million for 4Q2017 and RMB3.12 million for FY2017 incurred solely by Tianjin WFOE, and the tax expenses translated to effective tax rates of 56.69% and 51.43% respectively.

The effective tax rate was significantly higher than China's statutory tax rate of 25%. It was mainly due to losses incurred by other group entities with different tax jurisdictions which cannot be offset against profits earned by Tianjin WFOE.

Profit after tax

Consequent to the above, the Group recorded net profit of RMB1.20 million in 4Q2017 and RMB2.47 million in FY2017 as compared to loss after tax of RMB8.02 million in 4Q2016 and profit after tax of RMB252.85 million in FY2016.

Discontinued operations

The garment trading business has been reclassified as "Discontinued Operations". The Group has recorded net loss of RMB0.30 million in 4Q2017 and RMB0.90 million in FY2017 as compared to net profit of RMB8.19 million in 4Q 2016 and RMB36.65 million in FY2016 respectively.

Commentary on Financial Position

Non current assets

Property, plant and equipment of the Group decreased by RMB0.26 million from RMB0.30 million as at 31 December 2016 to RMB0.04 million as at 31 December 2017 and was mainly due to write-off of property, plant and equipments of a subsidiary from discontinued operatons. On the other hand, the decrease of property, plant and equipment of the Company by RMB0.01 million from RMB0.05 million as at 31 December 2016 to RMB0.04 million as at 31 December 2017 was due to depreciation charge.

Investment in associated company amounted to RMB1.97 million as at 31 December 2017 represented by investment in a financial factoring company by Tianjin WFOE in FY2017.

During FY2017, the Company has made an investment in joint venture with a Singapore registered fund management company as a platform for entry into the business of asset management activities.

Investment in subsidiaries of the Company has increased by RMB0.34 million, from RMB0.92 million as at 31 December 2016 to RMB1.26 million as at 31 December 2017, was due to investments made for the newly incorporated subsidiary in British Virgin Islands and Segregated Portfolio Company in Cayman Islands.

Current Assets

Cash and cash equivalents decreased by RMB3.90 million, from RMB38.86 million as at 31 December 2016 to RMB34.96 million as at 31 December 2017, mainly due to net cash used in investing activities of RMB8.10 million offset with the net cash generated from operating activities of RMB4.20 million.

Trade and Other Receivables

	31 Dec 2017	31 Dec 2016	% Change
	RMB'000	RMB'000	+/ (-)
Trade receivables	**6,488**	24,526	(73.54)
Less: Allowance for impairment of trade receivables	**-**	(3,761)	(100.00)
Trade receivables - net	**6,488**	20,765	(68.75)
Other receivables	**2,107**	32	n.m.
Total	**8,595**	20,797	(58.67)

Trade and other receivables of the Group decreased by RMB12.21 million from RMB20.80 million as at 31 December 2016 to RMB8.59 million as at 31 December 2017 and was due to:

i) Decrease in net trade receivables of RMB14.28 million as a result of subsequent collection from debtors. The net balance of RMB6.49 million as at 31 December 2017 arose solely from the business of corporate

advisory as opposed with the net balance of RMB20.76 million as at 31 December 2016 arose from both business of garment trading and corporate advisory.

ii) Increase in other receivables was due to an interest-bearing loan of RMB2.10 million made to the associated company by Tianjin WFOE.

Other current assets of the Company decreased by RMB0.24 million from RMB0.58 million as at 31 December 2016 to RMB0.34 million as at 31 December 2017 and was due to refund of excess rental deposit amounted to RMB0.10 million and decrease in prepayment in FY2017. On the other hand, other current assets of the Group increased by RMB0.03 million from RMB0.59 million as at 31 December 2016 to RMB0.62 million as at 31 December 2017. The increase was due to increase in prepayment of office rental of Tianjin WFOE.

Consequent to the above, the Group's current assets decrease by RMB16.02 million from RMB60.25 million as of 31 December 2016 to RM44.17 million as of 31 December 2017.

Current Liabilities

Trade and other payables decreased by RMB13.30 million from RMB16.28 million as at 31 December 2016 to RMB2.98 million as at 31 December 2017. The decrease was mainly due to settlement of trade and other payables.

The current income tax liabilities increased by RMB0.66 million from RMB1.39 million as at 31 December 2016 to RMB2.05 million as at 31 December 2017. The increase was mainly due to tax provision which arose from revenue generated from corporate advisory. The current income tax liabilities of RMB2.05 million as at 31 December 2017 are made up of provision of income tax for the revenue generated from Tainjin WFOE amounting to RMB0.95 million and provision for income tax made in FY2016 with respect to revenue generated from a Hong Kong garment trading company.

Consequent to the above, the Group's current liabilities decreased by RMB12.64 millon from RMB17.67 million as at 31 December 2016 to RMB5.03 million as at 31 December 2017.

Commentary on financial cash flows

The Group generated net cash from operating activities of RMB0.64 million in 4Q2017 and RMB4.20 million for FY2017. This was mainly due to reduction in both trade and other receivables and trade and other payables offset with the operating profits for 4Q17 and FY2017 respectively.

Net cash used in investing activities was RMB2.10 million and RMB8.10 million in 4Q17 and FY2017 respectively. This was mainly due to the investments made in the joint venture and associated company and a loan to associated company.

Consequent to the above, cash and cash equivalents decreased by RMB1.46 million for 4Q2017 and increased by RMB3.90 million for FY2017 respectively.

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

There is no variance between the commentary given in our previous results announcement and the actual results for the period reported on.

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 events that may affect the Group in the next reporting period and the next 12 months

The Group has been focusing on the development and growth of its strategic planning, corporate advisory, financial restructuring and management consultancy services. As a platform for entry into the business of asset and wealth management, the Group has entered into a joint venture with a Singapore registered fund management company, incorporated an offshore fund management company in British Virgin Islands as well as set up a segregated portfolio company in Cayman Islands. The Group aims to provide, value added and comprehensive one-stop services, to clients by expanding its range of services.

While the global economy is showing signs of recovery, the Group expects the global market and equity market to remain challenging. The Group will continue to source for other related business opportunities to expand and enhance the performance and net asset value of the Group.

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

Not applicable.

13. Segmented revenue and results for business or geographic segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Group	Trading (Discontinued operations)		Corporate advisory		Other		Total	
	2017 RMB'000	2016 RMB'000	2017 RMB'000	2016 RMB'000	2017 RMB'000	2016 RMB'000	2017 RMB'000	2016 RMB'000
Revenue	**-**	-	**19,389**	5,042	**-**	**-**	**19,389**	5,042
Other gains, net	**-**	-	**207**	-	**19**	253,006	**226**	253,006
Interest income	**-**	-	**37**	4	**129**	266	**166**	270
Currency exchange gain/(loss)	**-**	-	**(242)**	4	**450**	179	**208**	183
Consultancy charges	**-**	-	**(1,931)**	(923)	**-**	-	**(1,931)**	(923)
Depreciation	**-**	-	**(2)**	-	**(46)**	(42)	**(48)**	(42)
Employee compensation	**-**	-	**(1,223)**	-	**(3,538)**	(1,281)	**(4,761)**	(1,281)
Professional fees	**-**	-	**(302)**	(76)	**(2,407)**	(792)	**(2,709)**	(868)
Rental on operating leases	**-**	-	**(1,345)**	(438)	**(1,672)**	(457)	**(3.017)**	(895)
Finance	**-**	-	**(4)**	-	**(8)**	(1)	**(12)**	(1)
Other operating expenses	**-**	-	**(420)**	(1,714)	**(792)**	(668)	**(1,213)**	(2,383)
Share of loss of joint venture	**-**	-	**-**	-	**(640)**	-	**(640)**	-
Share of loss of associate	**-**	-	**(65)**	-	**-**	-	**(65)**	-
Profit/(loss) before income tax	**-**	-	**14,099**	1,899	**(8,505)**	250,210	**5,594**	251,841
Income tax expense	**-**	-	**(3,121)**	(260)	**-**	-	**(3,121)**	(260)
Net profit/(loss)	**-**	-	**10,978**	1,639	**(8,505)**	250,210	**2,473**	251,581
(Loss)/profit from discontinued operation	**(926)**	36,650	**-**	-	**-**	-	**(926)**	36,650
	(926)	36,650	**10,978**	1,639	**(8,505)**	250,210	**1,547**	288,499
Segment assets	**10**	23,852	**24,583**	10,937	**24,876**	25,771	**49,469**	60,560
Segment liabilities	**1,115**	15,556	**2,781**	410	**1,137**	1,705	**5,033**	17,671

14. 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.

No general mandate has been obtained from shareholders for IPTs.

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

To the best of their knowledge and belief, nothing has come to the attention of the Board of Directors which may render the unaudited Fourth Quarter Results of the Group for the financial year ended 31 December 2017 to be false or misleading in any material aspect.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that the undertakings required under Rule 720(1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

17. Disclosure on the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of the proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed.

The details of the utilisation of proceeds for the rights issue as at 31 December 2017 are as follows:

Intented used	Amount re-allocated S$ million	Amount utilised S$ million	Balance S$ million
To fund new potential investment and business through acquisition, joint venture/or collaboration in business	4.27	(2.73)	1.54
For general working capital purposes	4.50	(3.73)	0.77
Total	8.77	(6.46)	2.31

The breakdown for S$3.73 million used for general working capital purposes are as follows:

	For general working capital purposes S$ million
1) Salaries	1.59
2) Rental	0.82
3) Professional fees	0.66
4) Others	0.66
Total	**3.73**

18. Disclosure of person occupying a managerial position in the issuer or any of its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There are no employees as at 31st December 2017 who are related to the Directors or substantial shareholder.

BY ORDER OF THE BOARD
Leo Peng WeiLe
Executive Director
22 February 2018