

P99 HOLDINGS LIMITED

(Formerly known as China Fashion Holdings Limited)
(Registration No: 200311696K)

Unaudited Half-Year Financial Statements and Dividend Announcement for the Six Months Ended 30 June 2015

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Thomas Lam, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

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

- 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.**

| | Group | | Change % |
|---|------------------|------------|-------------|
| | Unaudited | Unaudited | |
| | Six Months Ended | | |
| | 30/6/2015 | 30/6/2014 | |
| | S\$'000 | S\$'000 | |
| Revenue | - | - | n.m. |
| Cost of sales | - | - | n.m. |
| Gross profit | - | - | n.m. |
| Other operating income | 172 | 945 | (82.9) |
| Administrative expenses | (537) | (592) | (10.0) |
| Other operating expenses | (4) | (7) | (44.3) |
| Finance costs | (1) | (0) | n.m. |
| (Loss)/Profit before income tax | (370) | 346 | n.m. |
| Income tax expense | - | - | n.m. |
| Total (Loss)/Profit for the financial period | (370) | 346 | n.m. |
| Other comprehensive income, net of tax | | | |
| - Foreign currency translation gain | - | - | n.m. |
| Total comprehensive (Loss)/Profit for the period | (370) | 346 | n.m. |

n.m – not meaningful

1(a)(ii) Notes to consolidated statement of comprehensive income

Profit before income tax of the Group is arrived at after charging / (crediting) the following:

| | Group | | Change |
|-------------------------------------|------------------|-----------|--------|
| | Unaudited | Unaudited | |
| | Six Months Ended | | |
| | 30/6/2015 | 30/6/2014 | |
| | S\$'000 | S\$'000 | |
| Depreciation of plant and equipment | 4 | 7 | (44.3) |
| Foreign exchange gain | (169) | (146) | 15.4 |
| Interest Income | - | (174) | n.m. |
| Interest expense | 1 | 0 | n.m. |

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 | |
|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------|
| Unaudited 30/6/2015 S\$'000 | Audited 31/12/2014 S\$'000 | Unaudited 30/6/2015 S\$'000 | Audited 31/12/2014 S\$'000 |

ASSETS

Non-current assets

| | | | | |
|--------------------------|---|----|---|----|
| Plant and equipment | 7 | 11 | 7 | 11 |
| Total non-current assets | 7 | 11 | 7 | 11 |

Current assets

| | | | | |
|--|--------|--------|--------|--------|
| Other receivables and other current assets | 329 | 374 | 329 | 374 |
| Cash and cash equivalents | 10,977 | 11,304 | 10,977 | 11,302 |
| Total current assets | 11,306 | 11,678 | 11,306 | 11,676 |

| | | | | |
|---------------------|---------------|---------------|---------------|---------------|
| Total assets | 11,313 | 11,689 | 11,313 | 11,687 |
|---------------------|---------------|---------------|---------------|---------------|

EQUITY AND LIABILITIES

Capital and reserves

| | | | | |
|--------------------------------------|---------------|---------------|---------------|---------------|
| Share capital | 48,540 | 48,540 | 48,540 | 48,540 |
| Foreign currency translation reserve | 3,003 | 3,003 | 2,891 | 2,891 |
| Accumulated losses | (41,055) | (40,685) | (40,217) | (39,847) |
| Total equity | 10,488 | 10,858 | 11,214 | 11,584 |

Current liabilities

| | | | | |
|--------------------------|-----|-----|----|-----|
| Trade and other payables | 825 | 831 | 99 | 103 |
|--------------------------|-----|-----|----|-----|

| | | | | |
|-------------------------------------|---------------|---------------|---------------|---------------|
| Total equity and liabilities | 11,313 | 11,689 | 11,313 | 11,687 |
|-------------------------------------|---------------|---------------|---------------|---------------|

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

| As at 30/6/2015 | | As at 31/12/2014 | |
|--------------------|----------------------|--------------------|----------------------|
| Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| - | - | - | - |

Amount repayable after one year

| As at 30/6/2015 | | As at 31/12/2014 | |
|--------------------|----------------------|--------------------|----------------------|
| Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| - | - | - | - |

Details of any collateral

None.

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.

| | Group | |
|---|-------------------------|------------------|
| | Unaudited | Unaudited |
| | Six Months Ended | |
| | 30/6/2015 | 30/6/2014 |
| | S\$'000 | S\$'000 |
| Cash flows from operating activities | | |
| (Loss)/Profit before income tax | (370) | 346 |
| <u>Adjustments for:-</u> | | |
| Depreciation of plant and equipment | 4 | 7 |
| Unrealised Foreign exchange (gain)/loss | (169) | (146) |
| Interest income | - | (174) |
| Interest expense | 1 | - |
| Operating cash flows before changes in working capital | (534) | 33 |
| <u>Changes in working capital:-</u> | | |
| Other receivables and other current assets | 45 | 5,576 |
| Trade and other payables | (6) | (113) |
| Net cash (used in)/generated from operating activities | (495) | 5,496 |
| Investing activities | | |
| Purchase of plant and equipment | - | (2) |
| Net cash used in investing activities | - | (2) |
| Financing activities | | |
| Interest income received | - | 174 |
| Interest paid | (1) | (0) |
| Net cash (used in)/generated from financing activities | (1) | 174 |
| Net decrease/increase in cash and cash equivalents | (496) | 5,668 |
| Effect of foreign exchange rate changes | 169 | 146 |
| Cash and cash equivalents at beginning of period | 11,304 | 2,286 |
| Cash and cash equivalents at end of period | 10,977 | 8,100 |
| Represented by: | | |
| Cash and bank balances | 10,977 | 8,100 |

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

| | Share Capital | Foreign Currency Translation Reserve | Accumulated Losses | Total |
|---|---------------|--------------------------------------|--------------------|---------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Group | | | | |
| Balance as at 1 January 2015 | 48,540 | 3,003 | (40,685) | 10,858 |
| Loss for the financial period | - | - | (370) | (370) |
| Other comprehensive loss, net of tax | | | | |
| – Foreign currency translation gain | - | - | - | - |
| Total comprehensive loss for the period | - | - | (370) | (370) |
| Balance as at 30 June 2015 | 48,540 | 3,003 | (41,055) | 10,488 |
| Balance as at 1 January 2014 | 48,540 | 3,003 | (42,450) | 9,093 |
| Profit for the financial period | - | - | 346 | 346 |
| Other comprehensive income, net of tax | | | | |
| – Foreign currency translation gain | - | - | - | - |
| Total comprehensive income for the period | - | - | 346 | 346 |
| Balance as at 30 June 2014 | 48,540 | 3,003 | (42,104) | 9,439 |
| Company | | | | |
| Balance as at 1 January 2015 | 48,540 | 2,891 | (39,847) | 11,584 |
| Loss for the financial period | - | - | (370) | (370) |
| Other comprehensive loss, net of tax | - | - | - | - |
| Total comprehensive loss for the period | - | - | (370) | (370) |
| Balance as at 30 June 2015 | 48,540 | 2,891 | (40,217) | 11,214 |
| Balance as at 1 January 2014 | 48,540 | 2,891 | (42,338) | 9,093 |
| Profit for the financial period | - | - | 346 | 346 |
| Other comprehensive income, net of tax | - | - | - | - |
| Total comprehensive income for the period | - | - | 346 | 346 |
| Balance as at 30 June 2014 | 48,540 | 2,891 | (41,992) | 9,439 |

- 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 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.**

There was no change in the issued and paid-up share capital of the Company from 31 December 2014 up to 30 June 2015. The Company's share capital was S\$48,540,000 comprising 216,408,402 shares as at 31 December 2014 and 30 June 2015.

The Company did not have any outstanding convertibles or treasury shares as at 30 June 2015 (30 June 2014: Nil).

- 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 | |
|---|-------------|-------------|
| | 30/6/2015 | 31/12/2014 |
| Total number of issued shares excluding treasury shares | 216,408,402 | 216,408,402 |

The Company did not have any treasury shares as at 30 June 2015 (31 December 2014: Nil).

- 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. There were no sales, transfers, disposals, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

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

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

- 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 annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computations in the financial statements for the period ended 30 June 2015 as those of the audited financial statements as at 31 December 2014.

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 Group has adopted all new and/or revised Singapore Financial Reporting Standards ("FRSs") and interpretation of FRSs ("INT FRSs") that are relevant to its operations and effective for the financial period beginning on or after 1 January 2015.

The adoption of these new/revised FRSs and INT FRSs does not result in changes in the Group's accounting policies and has no material impact on the financial statements reported for the current financial period or prior financial periods.

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 in issue; and
(b) On a fully diluted basis (detailing any adjustments made to the earnings).**

| Earnings per ordinary share ("EPS") for the period based on consolidated net profit attributable to shareholders | Group | |
|--|-------------------------------|-------------------------------|
| | Six Months Ended 30/6/2015 | Six Months Ended 30/6/2014 |
| | S\$ | S\$ |
| Net (Loss)/Profit attributable to shareholders of the Company | (370,000) | 346,000 |
| (a) Based on the weighted average number of ordinary shares in issue (SGD cents) | (0.17) | 0.16 |
| (b) On a fully diluted basis (SGD cents) | (0.17) | 0.16 |

The EPS for the financial period ended 30 June 2015 is calculated based on the weighted average number of ordinary shares in issue of 216,408,402 (30 June 2014: 216,408,402).

The basic and fully diluted EPS are the same as there were no outstanding convertible securities for the financial period ended 30 June 2015 and 30 June 2014.

7. **Net asset 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 year.

| Group | | Company | |
|-----------|------------|-----------|------------|
| 30/6/2015 | 31/12/2014 | 30/6/2015 | 31/12/2014 |
| S\$ | S\$ | S\$ | S\$ |

Net asset value per ordinary share based on number of shares issued at the end of the financial period (SGD cents)

4.85 5.02 5.18 5.35

Net asset value 10,488,000 10,858,000 11,214,000 11,584,000

The net asset value per ordinary shares as at 30 June 2015 and 31 December 2014 are calculated based on 216,408,402 ordinary shares in issue as at end of the respective financial period/year.

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

Six months ended 30 June 2015 ("HY2015") vs six months ended 30 June 2014 ("HY2014")

Statement of Comprehensive Income

No revenue was recognised in HY2015 as the Company became a Cash Company on 1st December 2014.

Other income was S\$172,000 in HY2015 (HY2014: S\$945,000), mainly due to foreign exchange gain was S\$169,000 in HY2015 as compared to a gain of S\$146,000 in HY2014, mainly due to the strengthening of the United States dollar against the Singapore dollar. There was an absence of approximately S\$771,000 of other income in HY2014 from the settlement with Techwin Group Limited.

There were no distribution and marketing expenses recognised in HY2015.

Administrative expenses decreased by approximately S\$55,000 from S\$592,000 in HY2014 to S\$537,000 in HY2015. The decrease was mainly due to decrease in staff costs during HY2015.

Depreciation expense decreased from S\$7,000 in HY2014 to S\$4,000 in HY2015 as most plant and equipment has been written off as at end of FY2014.

Other operating expenses decreased to S\$4,000 in HY2015 from S\$7,000 in HY2014, a decrease of 44.3%.

Finance costs increased by approximately S\$1,000 in HY2015, mainly due to increase in bank charges.

The Group's net loss before income tax was S\$370,000 for HY2015 as compared to a income net of tax of S\$346,000 in HY2014.

Statement of Financial Position

The Group's non-current assets decreased by approximately S\$4,000 from S\$11,000 as at 31 December 2014 to S\$7,000 as at 30 June 2015. The decrease was mainly due to the depreciation expense relating to the plant and equipment.

Other receivables and other current assets decreased to S\$329,000 as at 30 June 2015 from S\$374,000 as at 31 December 2014. The decrease was mainly due to the refund for the claimant from SIAC.

Cash and cash equivalents for the Group decreased to S\$10,977,000 as at 30 June 2015 from S\$11,304,000 as at 31 December 2014, registering a net decrease of S\$327,000.

The Group's share capital remained constant at S\$48,540,000 as at 30 June 2015 and 31 December 2014.

Foreign currency translation reserve remained constant at S\$3,003,000 as at 30 June 2015 and 31 December 2014.

Trade and other payables decreased to S\$825,000 as at 30 June 2015 from S\$831,000 as at 31 December 2014. The decrease was due to payment of accrued expenses during the period.

The Group had a positive working capital of S\$10,481,000 as at 30 June 2015, as compared to S\$10,847,000 as at 31 December 2014. The Group has no borrowings as at 30 June 2015 and 31 December 2014.

Statement of Cash Flows

The Group reported a cash outflow of S\$495,000 in HY2015 from its operating activities, after accounting for movements in working capital, as compared to cash inflow of S\$5,496,000 in HY2014. This was primarily due to the repayment of loans from Techwin Group Limited in HY2014 whereas there is no similar transaction in HY2015.

Net cash used in financing activities of S\$1,000 in HY2015 was due to bank charges.

The Group's cash and cash equivalents decreased by S\$496,000 in HY2015 to S\$10,977,000 as at 30 June 2015, mainly due to net cash outflows from operating activities in HY2015.

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

Not applicable. No forecast or a prospect statement has been previously disclosed to shareholders for the current reporting period.

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.

On 27 May 2015, the Group announced that it entered into a non-binding term sheet with David Pang in respect of a proposed acquisition of the entire equity interest in Barito Pte Ltd. The Exclusivity Period was extended to 25 August 2015. The Company will announce any material developments in respect of this proposed acquisition through the SGXNET.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

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

(b) (i) Amount per share

Not applicable.

(ii) Previous corresponding period

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the Company (up to 5.00 p.m. will be registered before entitlements to the dividend are determined).

Not applicable.

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

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

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions (“IPT”), 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.

The Group does not have any general mandate from shareholders for IPTs pursuant to Rule 920.

14. **Update on the Use of Proceeds**

The net proceeds of approximately S\$3.8 million from the placement of 28,450,000 ordinary shares which was completed on 18 March 2013 (“**2013 Placement**”) has been utilised as follows:

| Use of Net Proceeds | Allocation | Accumulated amount utilised (S\$'000) | Balance (S\$'000) |
|-------------------------|------------|---------------------------------------|-------------------|
| General Working Capital | 100% | 3,800 | 0 |

The amount utilised of approximately S\$3,800,000 was for working capital, namely administrative expenses and professional fees, and is in accordance with the stated use.

15. **Negative Confirmation by the Board pursuant to Rule 705(5).**

The Board of Directors (the “Board”) has confirmed that to the best of their knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial results for the half year ended 30 June 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Sin Huat, Dennis
Executive Director

13 August 2015