FORISE INTERNATIONAL LIMITED

FULL YEAR UNAUDITED RESULTS FOR YEAR ENDED 31 DECEMBER 2016

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

1(a)(i) A consolidated income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial period.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	4Q16 RMB'000	4Q15 RMB'000	%Change +/(-)	**FY 2016 RMB'000**	FY 2015 RMB'000	%Change +/(-)
Continuing Operations						
Revenue	**15,257**	49	n.m.	**91,273**	862	n.m.
Other income	**-**	50	n.m.	**7**	146	-93.81%
Gains on disposal of subsidiaries	**-**	-	n.m.	**285,693**	-	n.m.
Write back of warrant reserve	**-**	-	n.m.	**674**	-	n.m.
Interest income	**28**	-	n.m.	**269**	-	n.m.
	15,285	99	n.m.	**377,916**	1,008	n.m.
Expenses						
-Purchase of trading goods	**(11,063)**	(55)	n.m.	**(77,511)**	(831)	n.m.
-Selling and distribution	**(79)**	-	n.m.	**(239)**	-	n.m.
-Administrative	**(1,800)**	1,914	n.m.	**(7,397)**	(4,048)	82.73%
-Other operating expenses	**(167)**	(16,708)	99.00%	**(653)**	(6,449)	(89.87%)
-Finance	**(1)**	(2)	50.00%	**(4)**	-	n.m.
Profit/(Loss) before income tax	**2,175**	(14,752)	n.m.	**292,112**	(10,320)	n.m.
Income tax expenses	**(725)**	-	n.m.	**(725)**	-	n.m.
Net profit/(loss)	**1,450**	(14,752)	n.m.	**291,387**	(10,320)	n.m.
Discontinued operation						
Loss from discontinued operation, net of tax	**-**	(160,233)	n.m.	**-**	(178,562)	n.m.
Total Profit/ (Loss), representing total comprehensive income/(loss)	**1,450**	(174,985)	n.m.	**291,387**	(188,882)	n.m.
Net profit/ (loss) attributable to						
-Equity holders of the Company	**1,450**	(174,985)	n.m.	**291,387**	(188,882)	n.m.
-Non-controlling interests	**-**	-	-	**-**	-	n.m.
	1,450	**(174,985)**	n.m.	**291,387**	(188,882)	n.m.
Total comprehensive income /(loss) attributable to						
-Equity holders of the Company	**1,450**	(174,985)	n.m.	**291,387**	(188,882)	n.m.
-Non-controlling interests	**-**	-	-	**-**	-	n.m.
	1,450	**(174,985)**	n.m.	**291,387**	**(188,882)**	n.m.

(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 period:-

	Group			Group		
	4Q16 RMB'000	4Q15 RMB'000	%Change +/(-)	**FY 2016 RMB'000**	FY 2015 RMB'000	%Change +/(-)
(Expense)/Income						
Depreciation of property, plant and equipment	**(14)**	(24)	-41.67%	**(72)**	(41)	75.61%
Interest income	**28**	-	n.m.	**269**	-	n.m.
Foreign exchange (losses)/gains, net	**(167)**	(128)	30.47%	**371**	(128)	n.m.

"n.m." denotes "not meaningful"

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

	Group		Company	
	As at 31 Dec 2016 RMB'000	As at 31 Dec 2015 RMB'000	**As at 31 Dec 2016 RMB'000**	As at 31 Dec 2015 RMB'000
ASSETS				
Current assets				
Cash and cash equivalents	**38,857**	79,581	**25,146**	38,244
Trade and other receivables	**21,204**	50,007	**6,922**	-
Inventories	**12**	10,949	**-**	-
Other current assets	**589**	1,699	**582**	401
Derivative financial assets	**-**	439	**-**	-
Current Assets	**60,662**	142,675	**32,650**	38,645
Non-current assets				
Investment in subsidiaries	**-**	-	**923**	-
Property, plant and equipment	**305**	37,721	**51**	122
Intangible assets	**-**	15,433	**-**	-
	305	53,154	**974**	122
Total assets	**60,967**	195,829	**33,624**	38,767
LIABILITIES				
Current liabilities				
Trade and other payables	**16,126**	93,858	**1,871**	22,435
Borrowings	**-**	233,049	**-**	-
Current income tax liabilities	**739**	1,618	**-**	-
Total liabilities	**16,865**	328,525	**1,871**	22,435
NET ASSETS/ (LIABILITIES)	**44,102**	(132,696)	**31,753**	16,332
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	**145,320**	145,320	**145,320**	145,320
Restructuring reserve	**-**	114,040	**-**	114,040
Currency translation reserve	**9**	(109)	**-**	-
Warrant reserve	**-**	674	**-**	674
Accumulated losses	**(101,227)**	(392,613)	**(113,567)**	(243,702)
	44,102	(132,688)	**31,753**	16,332
Non-controlling interests	**-**	(8)	**-**	-
TOTAL EQUITY	**44,102**	(132,696)	**31,753**	16,332

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

Amount repayable within one year

	As at 31 Dec 2016		As at 31 Dec 2015	
	Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
Bank borrowings	-	-	120,359	-
Bills payable	-	-	75,111	-
Trade financing	-	-	37,579	-
	-	-	233,049	-

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

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

	Group		Group	
	4Q16	4Q15	**FY 2016**	FY 2015
	RMB'000	RMB'000	**RMB'000**	RMB'000
Cash flows from operating activities				
Total profit/ (loss)	**2,054**	(174,985)	**291,387**	(188,882)
Adjustments for:				
-Income tax expense	**725**	(139)	**725**	3,437
-Amortisation and depreciation	**15**	1,531	**72**	6,849
-Gain on disposal of property, plant and equipment	**-**	(5,746)	**-**	(5,942)
-Interest expense	**-**	3,326	**-**	9,873
-Interest income	**(28)**	(374)	**(269)**	(3,105)
-Fair value losses on derivative financial instruments	**-**	1,854	**-**	1,854
-Gains on disposal of subsidiaries	**-**	-	**(285,693)**	-
-Write back of warrant reserve	**-**	-	**(674)**	-
-Unrealised currency translation losses	**105**	1,979	**126**	84
Operating profit/ (losses) before changes in working capital	**2,871**	(172,554)	**5,674**	(175,832)
Changes in working capital, net of effects from disposal of subsidiaries:				
-Trade and other receivables	**(32,070)**	147,815	**(70,424)**	127,727
-Inventories	**7**	24,635	**230**	41,879
-Other current assets	**(61)**	1,362	**(187)**	(1,295)
-Trade and other payables	**33,832**	(23,225)	**64,981**	16,020
Cash generated from/(used in) operations	**4,579**	(21,967)	**274**	8,499
Interest received	**28**	374	**269**	3,105
Income tax paid	**171**	4,870	**195**	(4,335)
Net cash generated from/(used in) operating activities	**4,778**	(16,723)	**738**	7,269
Cash flows from investing activites				
Disposal of subsidiaries, net of cash disposed of	**-**	-	**(475)**	-
Additions to property, plant and equipment	**(221)**	(88)	**(221)**	(255)
Proceeds from disposal of property, plant & machinery	**-**	9,961	**-**	2,080
Net cash (used in)/ generated from investing activities	**(221)**	9,873	**(696)**	1,825
Cash flows from financing activities				
Proceeds from borrowings	**-**	206,795	**-**	269,195
Repayment of borrowings	**-**	(212,664)	**-**	(342,533)
Proceeds from rights isssues	**-**	-	**-**	42,133
Rights Issues expenses	**-**	-	**-**	(2,425)
Proceeds from warrants exercised	**-**	793	**-**	793
Interest paid	**-**	(3,326)	**-**	(9,873)
Decrease in short-term bank deposits pledged	**-**	15,662	**-**	52,614
Net cash generated from financing activities	**-**	7,260	**-**	9,904
Net increase in cash and cash equivalents	**4,557**	410	**42**	18,998
Cash and cash equivalents at beginning of financial period	**34,317**	39,774	**38,817**	20,190
Effects on currency translation on cash and cash equivalents	**(17)**	(1,367)	**(2)**	(371)
Cash and cash equivalents at end of financial period	**38,857**	38,817	**38,857**	38,817

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

Note:

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

	Group		Group	
	4Q16	4Q15	**FY 2016**	FY 2015
	RMB'000	RMB'000	**RMB'000**	RMB'000
Cash and bank balances	**38,857**	79,581	**38,857**	79,581
Less: Short-term bank deposits pledged	**-**	(40,764)	**-**	(40,764)
	38,857	38,817	**38,857**	38,817

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 period

(RMB'000)	Attributable to equity holders of the Company							Non-controlling interest	Total equity
	Share Capital	Shares to be issued	Restructuring Reserve	Warrant Reserve	Currency Translation Reserve	Retained Profits/ (Accumulated Losses)	Total		
Group									
At 1 January 2016	145,320	-	114,040	674	(109)	(392,613)	(132,688)	(8)	(132,696)
Exchange Conversation Reserve					118	-	118	-	118
Write back of warrant reserve	-	-	-	(674)	-	674	-	-	-
Disposal of Subsidiaries	-	-	(114,040)	-	-	285,693	171,653	8	171,661
Total comprehensive income for the financial year	-	-	-	-		5,019	5,019	-	5,019
At 31 December 2016	145,320	-	-	-	9	(101,227)	44,102	-	44,102
At 1 January 2015	104,766	-	114,040	727	178	(203,731)	15,980	(8)	15,972
Rights Issues	39,708	-	-	-	-	-	39,708	-	39,708
Warrants reserve exercised	846	-	-	(53)	-	-	793	-	793
Total comprehensive loss for the financial year	-	-	-	-	(287)	(188,882)	(189,169)	-	(189,169)
At 31 December 2015	145,320	-	114,040	674	(109)	(392,613)	(132,688)	(8)	(132,696)
Company									
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)	-	-	134,563	20,523	-	20,523
Total comprehensive loss for the financial year	-	-	-	-	-	(5,102)	(5,102)	-	(5,102)
At 31 December 2016	145,320	-	-	-	-	(113,567)	31,753	-	31,753
At 1 January 2015	104,766	-	114,040	727	-	(187,730)	31,803	-	31,803
Right Issues	39,708	-	-	-	-	-	39,708	-	39,708
Warrants reserve exercised	846	-	-	(53)	-	-	793	-	793
Total comprehensive loss for the financial year	-	-	-	-	-	(55,972)	(55,972)	-	(55,972)
At 31 December 2015	145,320	-	114,040	674	-	(243,702)	16,332	-	16,332

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 period

Share Capital

	Group and Company	
	As at 31 December 2016	As at 31 December 2015
	(No. of shares)	
Ordinary shares issued and fully paid		
At 1 January	**2,130,000,000**	265,000,000
Issue of new shares arising from rights issue (as announced on 14 August 2015)	**-**	1,855,000,000
Issue of new shares arising from exercise of warrants (as announced on 6 November 2015)	**-**	10,000,000
At reporting date	**2,130,000,000**	2,130,000,000

On 14 August 2015 the Company announced the results of rights issue (please refer to announcement dated 14 August 2015 "Renouceable non-underwritten rights issue in the capital of the company – results of rights issue") where 1,855,000,000 rights shares were alloted and issued by the Company on 18 August 2015.

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 2016	As at 31 December 2015
Number of issued shares excluding treasury shares		
At 1 January	**2,130,000,000**	265,000,000
Issue of new shares arising from rights issue (as announced on 14 August 2015)	**-**	1,855,000,000
Issue of new shares arising from exercise of warrants (as announced on 6 November 2015)	**-**	10,000,000
At reporting date	**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.

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 2015.

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 2016. 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	
	2016	2015	**2016**	2015
	RMB Cents	RMB Cents	**RMB Cents**	RMB Cents
Earnings/ (Losses) per Share (Basic)				
- Continuing operations	**0.07**	(0.21)	**13.68**	(1.10)
Number of shares				
Weighted average number of issued ordinary shares	**2,130,000,000**	2,126,195,652	**2,130,000,000**	942,493,151

	Group		Group	
	Fourth Quarter ended 31 Dec		Full Year ended 31 Dec	
	2016	2015	**2016**	2015
	RMB Cents	RMB Cents	**RMB Cents**	RMB Cents
Earnings/ (Losses) per Share (Diluted)				
- Continuing operations	**0.07**	(0.19)	**13.27**	(1.03)
Number of shares				
Weighted average number of issued ordinary shares	**2,130,000,000**	2,248,000,000	**2,194,334,247**	1,006,641,096

Basic earnings 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 2016	As at 31 Dec 2015	**As at 31 Dec 2016**	As at 31 Dec 2015
	RMB Cents	RMB Cents	**RMB Cents**	RMB Cents
Net assets value per ordinary share	**2.07**	(6.23)	**1.49**	0.77
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 announced in the Company's financial results for the year ended 31 December 2015, the Company had ceased the manufacturing component of its garment business (excluding the trading business) in the fourth quarter 2015, disposed of all the machineries of its production facilities held under its two main manufacturing subsidiaries to various third parties, retrenched all production workers and leased out its premises.

The Group has, on 6 April 2016, entered into a Sale and Purchase Agreement ("SPA") to sell the subsidiaries related to the manufacturing segment of the Group's business. The Company has received approval for the disposal of the subsidiaries related to the manufacturing segment of the Group's business. The shareholders of the Company had at an extraordinary general meeting held on 18 August 2016 approved the disposal of the manufacturing subsidiaries ("Disposed group").

Upon signing the SPA, the Group has deconsolidated the disposed group from 6 April 2016 as the Group has no influence over the decision making of the operations and financial matters of the Disposed Group.

Notwithstanding the fact the loss on control was on 6 April 2016, in accordance with the contractual terms in the SPA, all parties have agreed that all risks and rewards will be transferred to the Purchaser effective from 1 January 2016, consequently, the financial results of the Disposed Group for the period from 1 January 2016 to 6 April 2016 will be transferred to the Purchaser.

Further, as part of the the Company's ongoing business strategy to broaden the Group's revenue stream and to pursue business opportunities with good prospects for long-term growth, the Company had obtained the approval of its shareholder at an extraordinary general meeting held on 23 June 2016 to diversify its core business into the business of providing strategic planning, corporate advisory, financial restructuring advisory and management consulting services ("New Business" or "Corporate Advisory").

The Group has continued its trading business in FY2016 which contributed revenue of RMB12.62 million and RMB86.23 million in 4Q2016 and FY2016 respectively.

Revenue

The shareholders approved the New Business during the EGM held on 23 June 2016. The New Business has generated a revenue of RMB5.04 million for FY2016. The Group will continue to strive and expand the New Business.

For the three months of 4Q16 ("4Q16"), Group's revenue increased by RMB15.21 million, from RMB0.05 million in 4Q15 ("4Q15") to RMB15.26 million in 4Q16. Group's revenue for the 12 months ended 31 December 2016 ("FY2016") increased by RMB90.41 million, from RMB0.86 million for the 12 months ended 31 December 2015 ("FY2015"). This was mainly due to the trading business and commencement of the New Business with revenue of RMB5.04 million in FY2016.

Trading revenue had increased by RMB12.57 million in 4Q16, from RMB0.05 million in 4Q15 to RMB12.62 million in 4Q16. For FY2016, there was an increase of RMB85.37 million, from RMB0.86 million in FY2015 to RMB86.23 million in FY2016.

The New Business generated a revenue of RMB2.64 million and RMB5.04 million in 4Q16 and FY2016 respectively.

	Revenue			**Revenue**		
	4Q16	4Q15	% Change +/(-)	**FY 2016**	FY 2015	% Change +/(-)
	RMB'000	RMB'000		**RMB'000**	RMB'000	
Trading	**12,615**	49	n.m.	**86,231**	862	n.m.
Corporate Advisory	**2,642**	-	n.m.	**5,042**	-	n.m.
Total	**15,257**	49	n.m.	**91,273**	862	n.m.

Revenue analysed by the geographical areas is as follows:

	Revenue			**Revenue**		
	4Q16 RMB'000	4Q15 RMB'000	**%Change** +/(-)	**FY 2016 RMB'000**	FY 2015 RMB'00	**%Change** +/(-)
Asia	**14,060**	49	n.m.	**53,072**	862	n.m.
Europe	**-**	-	n.m.	**5,588**	-	n.m.
America	**1,197**	-	n.m.	**29,116**	-	n.m.
Other	**-**	-	n.m.	**3,497**	-	n.m.
Total	**15,257**	49	n.m.	**91,273**	862	n.m.

A gain of RMB285.69 million was recorded in FY2016 for the disposal of the Disposed group.

The SAPO unlisted and non-transferable warrants expired on 18 July 2016 and the warrant reserves of RMB0.67 million has been written back.

Interest Income

The Group's interest income of RMB0.03 million and RMB0.27 million for 4Q2016 and FY2016 was related to interest from fixed deposit.

Purchase of Trading Goods

The goods purchased for trading increased by RMB11.01 million in 4Q16, from RMB0.06 million in 4Q15 to RMB11.07 million in 4Q16. For FY2016, there was an increase of RMB76.68 million, from RMB0.83 million in FY2015 to RMB77.51 million in FY2016.

Administrative Expenses and Other Operating Expenses

Administrative expenses increased by RMB3.71 million in 4Q16. For FY2016, administrative expenses increased by RMB3.35 million, from RMB4.05 million in FY2015 to RMB7.40 million in FY2016. The increase was due to higher administration and operating cost arising from the head office and professional fees of RMB0.80 million incurred for the New Business.

Other operating expenses of RMB0.17 million in 4Q16 and RMB0.65 million for FY2016, were primarily due to foreign exchange losses and gains. The trading business includes US$ denominated sales and receipts as opposed to RMB denominated trade sales and receipts in last year same period.

Consequent to the above, the Group recorded a profit before tax of RMB292.11 million in FY2016 and RMB2.17 million in 4Q 2016 as compared to losses of RMB10.32 million and RMB14.75 million in FY2015 and 4Q15 respectively.

Commentary on Financial Position

Non current assets

Non-current assets decreased by RMB52.85 million from RMB53.15 million as at 31 December 2015 to RMB0.31 million as at 31 December 2016 mainly due to the deconsolidation of the Disposed group.

Current Assets

The Group's current assets decrease by RMB82.01 million from RMB142.67 million as of 31 December 2015 to RMB60.66 million as of 31 December 2016 mainly due to the deconsolidation of the Disposed group.

Cash and cash equivalents decreased by RMB40.72 million from RMB79.58 million as at 31 December 2015 to RMB38.86 million as of 31 December 2016 mainly due to those cash balances of the Disposed group being deconsolidated.

Trade and other receivables decreased by RMB28.81 million from RMB50.01 million as at 31 December 2015 to RMB21.20 million as at 31 December 2016. The decrease was mainly due to the deconsolidation of the Disposed group.

Inventories decreased by RMB10.94 million from RMB10.95 million as at 31 December 2015 to RMB0.01 million as at 31 December 2016. The decrease was mainly due to the deconsolidation of the Disposed group and the trading business phasing out inventory holding and arranging direct shipment from suppliers to customers.

Current Liabilities

Current liabilities decreased by RMB311.66 million from RMB328.53 million as at 31 December 2015 to RMB16.87 million as at 31 December 2016. The decrease was mainly due to the deconsolidation of the Disposed group.

The bank borrowings of approximately RMB233.05 million as at 31 December 2015 has been reduced to NIL as at 31 December 2016. These borrowings were related to the Disposed group and had been deconsolidated accordingly.

Trade and other payables decreased by RMB77.73 million from RMB93.86 million as at 31 December 2015 to RMB16.13 million as at 31 December 2016, mainly due to the deconsolidation of the Disposed group.

Commentary on financial cash flow

The Group generated net cash from operating activities of RMB4.78 million in 4Q2016 and RMB0.74 million for FY2016. This was mainly due to reduction in inventories and offset from trade and other receivables and trade and other payables and operating profits for 4Q16 and FY2016 respectively.

Net cash used in investing activities was RMB0.022 million and RMB0.69 million in 4Q16 and FY2016 respectively. This was mainly due to the cash that was deconsolidated from the Disposed group.

Cash and cash equivalents increased by RMB4.56 million for 4Q2016 and increased by RMB0.042 million for FY2016 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 prospect 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 will continue its focus on trading business. However, it is increasingly challenging due to the changing competitive conditions in this industry, the weakening of both the PRC and the global economy, and trade protectionism which has affected trading businesses. The Company expects that the abovementioned factors will also affect the Group's modest trading business.

The Group has commenced the business of providing strategic planning, corporate advisory, financial restructuring advisory and management consulting services ("New Business"). This New Business comprised mainly of referral fees and has generated a recognized revenue of RMB5.04 million in FY2016. The Group strategy will focus on the New Business and continue to deploy resources to develop and expand the business.

The Group will continue to source for other business opportunities to expand and enhance the performance and net asset value of the Group.

On 29 December 2016, the Company announced that the Company is proposing a renounceable non-underwritten rights issue of up to 1,065,000,000 new ordinary shares in the capital of the Company at an issue price of S$0.023 for each Rights Share on the basis of one (1) Rights Share for every two (2) existing ordinary shares in the capital of the Company held by the shareholders of the Company. The Proposed Rights Issue has been proposed to (a) strengthen the capital base of the Company and (b) better position the Company to take advantage of opportunities for business growth and development. Pending such deployment, the proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, and/or used for any other purposes on a short-term basis, as the Directors may in their absolute discretion deem fit. In addition, the Proposed Rights Issue will also provide Shareholders with an opportunity to maintain their equity participation in the Company, and increase the Company's capital base. The Company has since submitted its additional listing application to the Singapore Exchange Trading Securities Limited.

On 21 January 2017, the Company also announced i) a memorandum of understanding ("**MOU**") entered into with Emerald Investment Management Pte Ltd to establish a joint venture company to undertake the business of fund and asset management in Singapore; and ii) the possible acquisition of a factoring company in the People's Republic of China. Although discussions are on-going, these transactions are in preliminary stages and subject to requisite approvals, including regulatory approval/licensing. The Company will provide updates when there are material developments.

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		Corporate Advisory		Other		Total	
	2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000
Revenue	**86,231**	862	**5,042**	-	**-**	-	**91,273**	862
Other gains, net	**7**	118	**3**	-	**266**	28	**276**	146
Purchasing of trading goods	**(77,511)**	(831)	**-**		**-**	-	**(77,511)**	(831)
Selling and distribution expenses	**(1)**	-	**-**	-	**(238)**	-	**(239)**	-
Administrative expenses	**(51)**	(331)	**(2,039)**	-	**(5,307)**	(3,717)	**(7,397)**	(4,048)
Other operating income/(expenses)	**31,858**	(2,003)	**(4)**	-	**253,860**	(4,446)	**285,714**	(6,449)
Finance expenses	**(3)**	-	**-**	-	**(1)**	-	**(4)**	-
Loss before income tax	**40,530**	(2,185)	**3,002**	-	**248,580**	(8,135)	**292,112**	(10,320)
Income tax expense	**-**	-	**(725)**	-	**-**	-	**(725)**	-
Net Profit/(Loss)	**40,530**	(2,185)	**2,277**	-	**248,580**	(8,135)	**291,387**	(10,320)
Net loss includes :								
- **Depreciation of property, plant and equipment**	**30**	-	**-**	-	**42**	41	**72**	41
Segment assets	**24,251**	1,045	**10,937**	-	**25,779**	38,767	**60,967**	39,812
Segment liabilities	**14,181**	306,090	**813**	-	**1,871**	22,435	**16,865**	328,525

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 period ended 31 December 2016 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. Dislosure on the status on the used 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 purposed, 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 2016 are as follows:

Intented Used	Amount allocated S$ million	Amount utilised S$ million
To fund new potential investment and business through acquisition, joint venture/or collaboration in business	6.27	-
For general working capital purposes	2.50	2.30
Total	8.77	2.30

On Behalf of the Board of Directors

BY ORDER OF THE BOARD
Leo Peng WeiLe
Executive Director
28 February 2017