



DAPAI INTERNATIONAL HOLDINGS CO. LTD.
(Company Registration No: 41211)

UNAUDITED FULL YEAR FINANCIAL STATEMENTS
AND DIVIDEND ANNOUNCEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF 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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Full Year		
	2015	2014	%
	RMB'000	RMB'000	Change
	Unaudited	Audited	
Revenue	217,318	285,452	(23.9)
Cost of sales	(167,553)	(219,241)	(23.6)
Gross profit	49,765	66,211	(24.8)
Other operating income	3,686	2,857	29.0
Selling and distribution expenses	(4,840)	(5,110)	(5.3)
Administrative expenses	(29,467)	(36,910)	(20.2)
Finance costs	(13,127)	(14,833)	(11.5)
Profit before taxation	6,017	12,215	(50.7)
Income tax	(1,160)	(2,888)	(59.8)
Profit attributable to shareholders	4,857	9,327	(47.9)
Other comprehensive income	-	-	-
Total comprehensive income attributable to shareholders	4,857	9,327	(47.9)
Gross profit margin	22.9%	23.2%	
Profit before tax margin	2.8%	4.3%	
Net profit after tax margin	2.2%	3.3%	
Basic and fully diluted EPS (RMB cents)	0.49	0.94	



1(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.

Notes to statement of comprehensive income:

	Full Year		
	2015	2014	%
	RMB'000	RMB'000	Change
	Unaudited	Audited	
(a) Income statement includes the following:			
Amortisation of land use rights	594	594	-
Amortisation of intangible assets	28	28	-
Depreciation of property, plant and equipment	13,529	14,905	(9.2)
Depreciation of investment property	1,692	1,550	9.2
Interest expenses	13,127	14,833	(11.5)
Exchange gains	(2,039)	(762)	167.6
(b) Other operating income includes the following:			
Interest income	302	236	28.0
Awards, incentives and subsidies	-	249	NM
Rental lease income	2,744	1,601	71.4
Gain on disposal of property, plant and equipment	-	333	NM
Commissions	170	155	9.7
Other sundry income	470	283	66.1

NM - *Not meaningful*



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.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	The Group		The Company	
	As at 31 December 2015 RMB '000 Unaudited	As at 31 December 2014 RMB '000 Audited	As at 31 December 2015 RMB '000 Unaudited	As at 31 December 2014 RMB '000 Audited
Non-Current assets				
Land use rights	25,718	26,312	-	-
Intangible assets	59	87	-	-
Property, plant and equipment	159,183	171,915	-	-
Investment property	30,321	32,013	-	-
Investment in subsidiaries	-	-	100,506	100,509
	215,281	230,327	100,506	100,509
Current assets				
Inventories	65,636	49,531	-	-
Trade receivables	45,590	60,040	-	-
Prepayment and other receivables	18,438	21,346	-	43
Cash and bank balances	6,161	36,920	153	101
	135,825	167,837	153	144
Less: Current Liabilities				
Trade and bills payables	10,066	15,228	-	-
Accrued liabilities and other payables	6,256	8,185	3,456	2,832
Loan from a director	3,813	11,229	3,813	-
Interest-bearing bank borrowings	189,341	226,378	-	-
Income tax payables	284	655	-	-
	209,760	261,675	7,269	2,832
Net current liabilities	(73,935)	(93,838)	(7,116)	(2,688)
Net assets	141,346	136,489	93,390	97,821
Share capital and reserves				
Share capital	5,042	5,042	5,042	5,042
Share premium	475,527	475,527	475,527	475,527
Merger reserve	65,939	65,939	65,939	65,939
Statutory reserves	166,883	166,883	-	-
Accumulated losses	(572,045)	(576,902)	(453,118)	(448,687)
Total equity	141,346	136,489	93,390	97,821



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

Amount repayable in one year or less, or on demand

	As at 31 December 2015		As at 31 December 2014	
	Secured	Unsecured	Secured	Unsecured
	RMB '000	RMB '000	RMB '000	RMB '000
Interest-bearing bank borrowings	189,341	-	226,378	-

Amount repayable after one year

Not applicable.

Details of any collateral

Certain Group's assets were pledged against interest bearing bank borrowings of the Group. The aggregate carrying amount were:

	As at 31 December 2015 RMB '000	As at 31 December 2014 RMB '000
Land Use Right	25,718	26,312
Property, Plant and Equipment	97,019	104,296



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.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Full Year	
	2015	2014
	RMB'000	RMB'000
	Unaudited	Audited
Cash flows from operating activities		
Profit before taxation	6,017	12,215
Adjustments for:		
Depreciation of property, plant and equipment	13,529	14,905
Depreciation of investment property	1,692	1,550
Amortization of land use rights	594	594
Amortization of intangible assets	28	28
Gain on disposal of property, plant and equipment	-	(333)
Interest income	(302)	(236)
Interest expenses	13,127	14,833
Operating profits before working capital changes	34,685	43,556
Increase in inventories	(16,105)	(1,054)
Decrease/ (increase) in trade receivables	14,450	(14,627)
Decrease/ (increase) in prepayments and other receivables	2,908	(3,842)
Decrease in trade and bills payables	(5,162)	(1,833)
(Decrease)/ increase in accrued liabilities and other payables	(1,929)	1,233
Net cash generated from operations	28,847	23,433
Income taxes paid	(1,531)	(2,233)
Net cash generated from operating activities	27,316	21,200
Cash flows from investing activities		
Acquisition of property, plant and equipment	(797)	(1,357)
Acquisition of short term investment	(6,000)	-
Proceeds from disposal of short term investment	6,000	-
Proceeds from disposal of property, plant and equipment	-	2,687
Interest received	302	236
Net cash (used in)/ generated from investing activities	(495)	1,566
Cash flows from financing activities		
Repayment of loan to director	(11,229)	(3,771)
Loan from director	3,813	-
Bank borrowings obtained	211,437	271,243
Repayment of bank borrowings	(248,474)	(253,746)
Decrease in bank deposits pledged	3,100	4,900
Interest paid	(13,127)	(14,833)
Net cash (used in)/ generated from financing activities	(54,480)	3,793
Net (decrease)/ increase in cash and cash equivalents	(27,659)	26,559
Cash and cash equivalents at beginning of the year	33,820	7,261
Cash and cash equivalents at end of the year	6,161	33,820
Cash and bank balances at end of the year	6,161	36,920
Less: fixed deposits pledged	-	(3,100)
Cash and cash equivalents at end of the year	6,161	33,820



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.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital RMB'000	Share premium RMB'000	Merger reserve RMB'000	Statutory reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
Group						
At 1 January 2014 (Audited)	5,042	475,527	65,939	166,883	(586,229)	127,162
Total comprehensive income for the year	-	-	-	-	9,327	9,327
At 31 December 2014 (Audited)	5,042	475,527	65,939	166,883	(576,902)	136,489
Total comprehensive income for the period	-	-	-	-	4,857	4,857
At 31 December 2015 (Unaudited)	5,042	475,527	65,939	166,883	(572,045)	141,346

	Share capital RMB'000	Share premium RMB'000	Merger reserve RMB'000	Statutory reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
Company						
At 1 January 2014 (Audited)	5,042	475,527	65,939	-	(443,654)	102,854
Total comprehensive loss for the year	-	-	-	-	(5,033)	(5,033)
At 31 December 2014 (Audited)	5,042	475,527	65,939	-	(448,687)	97,821
Total comprehensive income for the period	-	-	-	-	(4,431)	(4,431)
At 31 December 2015 (Unaudited)	5,042	475,527	65,939	-	(453,118)	93,390



- 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 were no changes to the issued and paid-up share capital of the Company since the end of the previous period reported on, up to 31 December 2015.

Details of the issued and paid-up share capital of the Company are as follows:

	As at 31 December 2015	As at 31 December 2014
Number of shares	992,250,000	992,250,000
Issued and paid up capital (S\$)	992,250	992,250

There were no outstanding convertibles or treasury shares held as at 31 December 2015 and 31 December 2014.

- 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.**

	As at 31 December 2015	As at 31 December 2014
Total number of issued shares	992,250,000	992,250,000

- 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 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.



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.**

There were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual 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.**

Not applicable.

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.**

	Full Year	
	2015	2014
Basic earnings per share (RMB cents)	0.49	0.94
Weighted average number of ordinary shares ('000)	992,250	992,250

The basic earnings per share has been calculated based on net profit attributable to shareholders divided by the weighted average number of ordinary shares of 992,250,000 shares for the full year ended 31 December 2015 and 31 December 2014, respectively.

There is no difference between the basic and diluted earnings per share.



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.

	The Group		The Company	
	As at 31	As at 31	As at 31	As at 31
	December 2015	December 2014	December 2015	December 2014
	Unaudited	Audited	Unaudited	Audited
Net assets value per share based on existing issued capital as at the respective period (RMB cents)	14.24	13.76	9.41	9.86
Number of ordinary shares in issue at the end of financial period/year ('000)	992,250	992,250	992,250	992,250

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

Commentary on Financial Results

Revenue, Cost of Sales and Gross Profit

For the financial year ended 31 December 2015 ("FY 15"), the Group recorded a revenue of RMB217.3 million, a decrease of RMB68.2 million or 23.9%, from RMB285.5 million for the financial year ended 31 December 2014 ("FY 14"). The backpack segment formed almost the entire revenue for FY 15, with insignificant contributions from the luggage segment as the Group continues to focus on backpacks segment.

The decline in overall revenue for FY 15 was due to a reduction in the consumption of our backpacks products within the domestic market. Domestic revenue constituted approximately RMB103.2 million, which was 47.5% of the total revenue for FY 15, as compared to RMB218.1 million (76.4%) of total revenue for FY 14. OEM revenue performed relatively better as contribution was RMB114.1 million, which was 52.5% of FY 15 revenue, as compared to RMB67.4 million (23.6%) for FY 14.

This decline in overall domestic revenue and sales volume was due largely to the swing in consumer preferences towards more renowned international brand named products, when comparing to domestic brand named products in the PRC. In addition, smaller unknown brand named competitors had also undercut prices to remain competitive, resulting in consumers switching to their products. Therefore, Dapai's brand of products, being positioned in the middle segment of these two tiers of competitors, experienced a slow down in demand.



However, as the Group was able to secure more OEM sales in FY 15, this partially offset the decline in overall sales revenue for the financial year under review.

Comparing FY 15 to FY 14, the overall average selling price ("ASP") for backpacks was RMB28.8 in FY 15, as compared to RMB30.7 in FY 14, which declined marginally by RMB1.9 or 6.2%. This decline in overall ASP was due to lower price ranges of backpacks being pushed to the mass market in 4Q 15 as compared to the immediate preceeding periods. In Q4 15, the Group had pushed more of the lower priced tier backpacks to the market, which its volume was significantly higher than the preceeding periods and thus, weighting down the overall ASP in FY 15.

For FY 15, overall cost of sales decreased by RMB51.7 million or 23.6% to RMB167.6 million, and this was directly correspondent to the decline in overall sales volume. In addition, with the utilisation of the raw materials built up in the earlier part of FY 15, the Group was able to realise some costs savings and thus, managed to contribute to the overall decrease in costs of sales for FY 15.

The Group continued to generate a gross profit for the financial year ended FY 15, which amounted to RMB49.8 million in FY 15, as compared to RMB66.2 million in FY 14. In FY 15, the overall gross profit margin remained comparable at 22.9%, as compared to 23.2% in FY 14.

Other operating income

For the year FY 15, the Group recorded other operating income of RMB 3.7 million, an increase of RMB 0.8 million or 29.0% from RMB 2.9 million in FY 14. The increase was mainly due to the increased rental income of RMB1.1 million due to a full year of rental income received in FY 15, as compared to seven months in FY 14. However, the absence of RMB 0.2 million of awards, incentives and subsidies and RMB 0.3 million of gains on disposal of property, plant and equipment partially offset the increase in rental income.

Operating expenses

(a) Selling and distribution expenses

Our selling and distribution expenses decreased marginally by RMB0.3 million or 5.3% from RMB5.1 million in FY 14 to RMB4.8 million in FY 15. The decrease was due mainly to the decrease in:

- advertising and promotional expenses of RMB0.7 million;
- staff costs and related expenses of RMB0.3 million; and
- other expenses of RMB0.7 million.

The above decline was partially offset by increase in delivery and related expenses of RMB1.4 million. This increase relates to the increase in port charges, as a result of the higher export activities of our products in FY 15.



(b) Administrative expenses

Our administrative expenses decreased by approximately RMB7.4 million, or 20.2% from RMB36.9 million in FY 14, to RMB29.5 million in FY 15. This was due mainly to a decrease in:

- salaries and related expenses of RMB2.0 million;
- reduction in property taxes of RMB1.7 million, as a portion of these expenses were passed onto the current tenant of the Anhui facility; and
- other miscellaneous expenses (i.e. travelling, depreciation, office, bank charges, etc.) of RMB2.4 million.

In-addtion, contributing to the overall decrease in administrative expenses was an incease in foreign exchange gain of RMB1.3 million arising from the appreciation of US dollars against the RMB and increasing proportion of OEM revenue from overseas sales.

(c) Finance costs

In FY 15, our finance costs had decreased by RMB1.7 million. The decrease in interest expense was due mainly to the repayment of bank borrowings outstanding for the year.

(d) Taxation

Taxation in FY 15 was due to the local tax authorities initially assessing the profits for respective quarters, which amounted to RMB1.0 million. In addition, upon the finalisation of the previous financial year's tax assessments for a certain subsidiary in 2Q 15, an underprovision of tax of RMB0.2 million was charged by the tax authorities.

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

Commentary on Financial Position

Non-current assets

Our non-current assets comprised mainly land use rights, intangible assets, property, plant and equipment and investment property.

Land use rights amounted to RMB25.7 million and RMB26.3 million as at 31 December 2015 and 31 December 2014, respectively. They comprised mainly the land use rights for Dapai (China) Bags Co., Ltd, Dapai (China) Co., Ltd and Dapai Anhui Co. Ltd ("Dapai Anhui"). The decrease was due mainly to the amortization of the land use rights during the financial year.

Net book value of property, plant and equipment amounted to RMB159.2 million and RMB171.9 million as at 31 December 2015 and 31 December 2014, respectively. Property, plant and equipment comprised mainly buildings, plant and machinery, furniture, fixtures, office equipment and motor vehicles. The decrease was due mainly to the depreciation charged during the financial year, amounting to RMB13.5 million, which was partially offset by additions of RMB0.8 million. This relates to replacement of sewing and stitching and related equipment.



The net book value of investment property amounted to RMB30.3 million and RMB32.0 million as at 31 December 2015 and 31 December 2014, respectively. The decrease was due to the depreciation charged during the financial year.

Current Assets

Our current assets comprised mainly inventories, trade receivables, prepayments and other receivables and cash and bank balances.

The increase in inventories was due mainly to the Group utilizing the previously built up raw materials in 2Q 15, which had been converted to work in progress as at 31 December 2015. This increase in work in progress was in anticipation of 2016's sales.

Trade receivables amounted to RMB45.6 million and RMB60.0 million as at 31 December 2015 and 31 December 2014, respectively. The lower trade receivables as at 31 December 2015 was due to receipts, coupled with the contraction in sales for financial year, thus, lesser revenue and trade receivables were recognized. Based on the aging of the trade receivables, 36.9% are 30 days past due and not provided for.

These receivables relates to mainly to three debtors whom had been appointed distributors for our Group for at least 2 years and have had very good repayment records. They had previously requested for an extension of credit period, and had committed to settle all over due debts by FY 2015. However, due to certain financial difficulties and also slower receipts on their end, these debtors were unable to fulfil their commitment to settle all outstanding debts as at year end FY 15.

The Group had reached an agreement with these debtors to repay the debts over instalment period, ranging from nine months to twelve months in FY 2016 and all debts are to be settled by the expiry of the instalment agreement. As at date of this report, the first instalments from these debtors had been collected. Therefore, the management is of the opinion that no additional provision for doubtful debts is required for these debtors.

Prepayments and other receivables amounted to RMB18.4 million and RMB21.3 million as at 31 December 2015 and 31 December 2014, respectively. The decrease of RMB2.9 million during the year was due mainly to lesser deposits placed with suppliers, for the purchase of raw materials and the utilisation of VAT recoverable during the year.

Current Liabilities

Our current liabilities comprised mainly trade and bills payables, accrued liabilities and other payables, amount due to director, interest-bearing bank borrowings and income tax payables.

Trade and bills payables amounted to RMB10.1 million and RMB15.2 million as at 31 December 2015 and 31 December 2014, respectively. The decrease was due mainly to the Group making payments to suppliers and to clear the bills payables.

Accrued liabilities and other payables amounted to RMB6.3 million and RMB8.2 million as at 31 December 2015 and 31 December 2014, respectively. Accrued liabilities and other payables comprised mainly accrued liabilities (mainly accrued wages, insurance and staff



welfare), other payables and advance payments from customers (mainly deposits received from overseas customers). The decrease was due to the utilisation of certain customers' deposits (against trade debts), coupled with a reduction in customers' deposits received during 4Q 15.

The reduction in amounts due to a director was due to the continual repayments made during the financial year. Notwithstanding the repayments made to a director, the Board is of the reasonable opinion that, after having made due and careful enquiry and after taking into account our Group's positive cash flows generated from our operating activities, together with the credit facilities available to us and our existing cash and cash equivalents, the working capital available to us as at 31 December 2015 is sufficient for our present requirements and for the next 12 months.

Interest-bearing bank borrowings amounted to RMB189.3 million and RMB226.4 million as at 31 December 2015 and 31 December 2014, respectively. The decrease was due mainly to the repayment of bank borrowings during the year, particularly in 4Q 15.

The reduction of income tax payables was due largely to the payment of last year's income tax payables.

Commentary on Cash Flow

Cash and cash equivalents amounted to RMB6.2 million and RMB33.8 million as at 31 December 2015 and 31 December 2014, respectively.

For FY 15, net cash generated from operating activities amounted to approximately RMB27.3 million.

Cash used in investing activities amounted to approximately RMB0.5 million, which relates to the purchase of property, plant and equipment of RMB0.8 million, which was partially offset by interest income received of RMB0.3 million.

Net proceeds of RMB6.0 million was realised upon the maturity and disposal of the short term investment, that was purchased in 2Q 15.

The net cash used in financing activities was mainly resultant of the net repayment of bank borrowings, amounting to approximately RMB37.0 million. In addition, interest payments of RMB13.1 million and the repayment of RMB7.4 million to a Director, during the year, further contributed to the overall cash used in financing activities. Therefore, resulting in the overall net cash used in financing activities of RMB54.5 million for the year.

As a result, the net decrease in cash and cash equivalents for FY 15 amounted to approximately RMB27.7 million.

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

The current results are in line with the Company's discussion presented in Note 10 of the unaudited results announcement dated 9 November 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 events that may affect the group in the next reporting period and the next 12 months.

The Board of Directors, together with the management, would like to highlight that the trend of demand contraction might continue to affect domestic sales as consumers continue to choose from more renowned international brands, when compared to domestic brands. In addition, price competition continue to affect the industry as smaller unknown brand names/ players are cutting prices just to remain competitive.

The Group will continue to work closely with our distributors, to its best endeavours, to maintain the current positive trend.

As at 31 December 2015, the Group had been maintaining and renewing its short term borrowings to manage its negative working capital position. As at the date of this announcement, the management and the Executive Chairman, are not aware of any adverse circumstances that might cause the financial institutions to withdraw credit facilities granted to the Group. The Group still has unutilised credit facilities amounting to approximately RMB74.7 million with its principal bankers. Therefore, the Group believes that it will be able to meet its short term obligations and to continue to operate as a going concern.

With reference to the Company's announcement entitled, "The Placement and Memorandum of Understanding", dated 17 February 2016, the Company had put forth an application to the SGX-ST for the listing of and quotation for the placement shares on the Mainboard of the SGX-ST. The Company will make the necessary announcements in due course upon obtaining the approval in-principal from the SGX- ST.

In-addition, the Company also announced that it had entered into a Memorandum of Understanding ("MOU") with the controlling shareholder of Smart Traffic Co., Ltd ("Smart Traffic"), in relation to the proposed acquisition by the Company of a substantial interest in Smart Traffic held by the controlling shareholder in connection with the potential reverse takeover of the Company, and the transfer of listing of and quotation for the shares from the SGX-ST Main Board to the SGX-ST Catalist.

Pursuant to the MOU, the parties will negotiate in good faith the terms and conditions of the definitive agreements with the view to executing the same by no later than 31 March 2016 (or such date as may be agreed by the parties).

The Company will make further announcement(s) to update shareholders as and when appropriate.

In the meantime, shareholders of the Company and potential investors should exercise caution when trading in the shares, and where in doubt as to the action they should take, they should consult their financial, tax, legal or other professional advisers.



11. Dividend

(a) Current Financial Period Reported On

None.

(b) 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/recommendeded, a statement to that effect.

No dividend has been recommended or declared for the financial year ended 31 December 2015.

13. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.



PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for operating 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.

For the year ended 31 December 2015

	Backpacks RMB'000	Luggage RMB'000	Total RMB'000
Revenue	217,131	187	217,318
Segment result:	44,886	39	44,925
Corporate expenses			(29,467)
Other operating income			3,686
Finance costs			(13,127)
Profit before taxation			6,017
Income tax expenses			(1,160)
Profit after taxation			4,857
Other information			
Capital expenditure	796	1	797
Depreciation of property, plant and equipment	13,517	12	13,529
Amortisation of land use rights	593	1	594
Amortisation of intangible asset	28	-	28
Segment assets	314,353	271	314,624
Unallocated corporated assets			36,482
Consolidated total assets			351,106
Segment liabilities	16,592	14	16,606
Unallocated corporate liabilities			193,154
Consolidated total liabilities			209,760

For the year ended 31 December 2014

	Backpacks RMB'000	Luggage RMB'000	Total RMB'000
Revenue	283,386	2,066	285,452
Segment result:	60,661	440	61,101
Corporate expenses			(36,910)
Other operating income			2,857
Finance costs			(14,833)
Profit before taxation			12,215
Income tax expenses			(2,888)
Profit after taxation			9,327
Other information			
Capital expenditure	1,347	10	1,357
Depreciation	16,336	119	16,455
Amortisation of land use rights	590	4	594
Amortisation of intangible asset	28	-	28
Segment assets	358,643	2,601	361,244
Unallocated corporated assets			36,920
Consolidated total assets			398,164
Segment liabilities	23,895	173	24,068
Unallocated corporate liabilities			237,607
Consolidated total liabilities			261,675



15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Our overall sales had experienced a material decrease in FY 15. The decrease was mainly attributable to the following reasons:

- (i) the shift in consumer preferences towards more renowned international brand named products; and
- (ii) keen competition from other local brand names, engaging in price cutting to remain competitive.

Nevertheless, the Group still managed to generate profit after tax was mainly attributable to the continual co-operation with our distributors to increase our OEM segment contributions and continued stringent costs controlling measures in FY 15.

16. A breakdown of sales.

Group	2015 RMB'000	2014 RMB'000	% Change
Sales reported for the first half year	125,655	152,609	(17.7)
Operating (losses)/ profits after tax before deducting minority interests for the first half year	(984)	6,379	NM
Sales reported for the second half year	91,663	132,843	(31.0)
Operating profits after tax before deducting minority interests for the second half year	5,841	2,948	98.1

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

No dividend has been recommended or declared for the year ended 31 December 2015 and 2014.



18. Interested Person Transactions

The Company does not have a shareholders' mandate for interested person transactions.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Chen Yi	S\$597,000*	NIL

* Ms Chen Yi, daughter of Mr. Chen Xizhong (our Company's Executive Chairman, Director and controlling shareholder), has 45% of the shareholding interest in Anhui Sanda Textile Technology Co. Ltd, which the Group had leased its Anhui facility to, since 1 June 2014. The aggregate amount of lease rental collected by the Group to-date had been rounded up to the nearest thousand.

Loan from a director, Mr. Chen Xizhong, amounting to RMB3.8 million was still outstanding as at 31 December 2015. The loan is unsecured, interest-free, and it is for the benefit of the Group's operational cashflow. The loan is repayable within 6 months of any notice of demand for repayment from the lender.

The Audit Committee of the Company is of the view that the transaction which is interest free and other than that is on normal commercial terms, is not prejudicial to the interests of the Company and its minority shareholders.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal 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.

Pursuant to Listing Rule 704(13) of the Listing Manual, we confirm that there are no persons occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Chen Xizhong
Executive Chairman

29 February 2016