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FORISE INTERNATIONAL LIMITED

UNAUDITED RESULTS FOR THE PERIOD ENDED 30 JUNE 2018

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		
	2Q18 RMB'000	2Q17 RMB'000	%Change +/(-)	**1H2018 RMB'000**	1H2017 RMB'000	%Change +/(-)
Continuing Operations						
Revenue	**3,930**	3,044	29.11	**7,354**	7,799	(5.71)
Interest income	**288**	27	966.67	**377**	51	639.22
Other income	**816**	3	27,100.00	**960**	6	15,900.00
Other gains/(loss), net						
Currency exchange gain/(loss), net	**595**	(200)	n.m.	**380**	523	(27.34)
Expenses						
-Consultancy charges	**-**	-		**-**	(1,931)	n.m.
-Depreciation	**(3)**	(10)	(70.00)	**(16)**	(22)	(27.27)
-Directors' fee	**(187)**	(234)	(20.09)	**(416)**	(465)	(10.54)
-Employee compensation	**(875)**	(603)	45.11	**(1,792)**	(1,230)	45.69
-Professional fees	**(140)**	(480)	(70.83)	**(250)**	(1,065)	(76.53)
-Rental on operating leases	**(805)**	(232)	246.98	**(1,665)**	(459)	262.75
-Finance	**(4)**	(2)	100.00	**(9)**	(7)	28.57
-Other operating expenses	**(474)**	(109)	334.86	**(697)**	(479)	45.51
Total expenses	**(2,488)**	(1,670)	48.98	**(4,845)**	(5,658)	(14.35)
Share of loss of joint venture	**(3)**	-	n.m.	**(76)**	-	n.m.
Share of profit of an associated company	**4**	-	n.m.	**4**	-	n.m.
Profit before income tax	**3,142**	1,204	160.96	**4,154**	2,721	52.66
Income tax expenses	**(973)**	(450)	116.22	**(1,575)**	(830)	89.76
Profit from continuing operations	**2,169**	754	187.67	**2,579**	1,891	36.38
Discontinued operations						
Loss from discontinued operations, net of tax	**-**	(629)	n.m.	**(251)**	(1,239)	(79.74)
Total income, representing total comprehensive income	**2,169**	125	1,635.20	**2,328**	652	257.05
Profit attributable to:						
-Equity holders of the Company	**2,169**	125	1,635.20	**2,328**	652	257.05
Profit/(loss) attributable to equity holders of the Company relates to:						
-Profit from continuing operations	**2,169**	754	187.67	**2,579**	1,891	36.38
-Loss from discontinued operations	**-**	(629)	n.m.	**(251)**	(1,239)	(79.74)
	2,169	125	1,635.20	**2,328**	652	257.05
Total comprehensive income attributable to						
-Equity holders of the Company	**2,169**	125	1,635.20	**2,328**	652	257.05

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 period:-

	Group			Group		
	2Q18 RMB'000	2Q17 RMB'000	%Change +/(-)	**1H 2018 RMB'000**	1H 2017 RMB'000	%Change +/(-)
(Expense)/Income						
Depreciation of property, plant and equipment	**(3)**	(10)	(70.00)	**(16)**	(22)	(27.27)
Interest income	**288**	27	966.67	**377**	51	639.22
Foreign exchange gains/(losses), net	**595**	(200)	n.m.	**380**	523	(27.34)

"n.m." denotes "not meaningful"

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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 30 Jun 2018 RMB'000	As at 31 Dec 2017 RMB'000	**As at 30 Jun 2018 RMB'000**	As at 31 Dec 2017 RMB'000
ASSETS				
Current assets				
Cash and cash equivalents	**26,059**	34,957	**20,459**	21,218
Trade and other receivables	**18,331**	8,595	**2,831**	4,953
Other current assets	**774**	619	**367**	344
	45,164	44,171	**23,657**	26,515
Non-current assets				
Investment in subsidiaries	**-**	-	**1,259**	1,259
Investment in associated company	**1,979**	1,975	**-**	-
Investment in a joint venture	**3,206**	3,282	**3,206**	3,282
Property, plant and equipment	**25**	41	**22**	38
	5,210	5,298	**4,487**	4,579
Total assets	**50,374**	49,469	**28,144**	31,094
LIABILITIES				
Current liabilities				
Trade and other payables	**1,591**	2,984	**2,449**	2,843
Current income tax liabilities	**2,019**	2,049	**-**	-
Total liabilities	**3,610**	5,033	**2,449**	2,843
NET ASSETS	**46,764**	44,436	**25,695**	28,251
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	**145,320**	145,320	**145,320**	145,320
Accumulated losses	**(98,556)**	(100,884)	**(119,625)**	(117,069)
TOTAL EQUITY	**46,764**	44,436	**25,695**	28,251

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

The Group has no borrowings and debt securities as at 30 June 2018 and 31 December 2017.

1(b)(iii) Details of any collaterals

Nil.

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

	Group		Group	
	2Q18	2Q17	**1H 2018**	1H 2017
	RMB'000	RMB'000	**RMB'000**	RMB'000
Cash flows from operating activities				
Total profit	**2,169**	125	**2,328**	652
Adjustments for:				
-Income tax expense	**973**	450	**1,575**	830
-Amortisation and depreciation	**3**	10	**16**	58
-Interest income	**(288)**	(31)	**(377)**	(58)
-Inventory written off	**-**	6	**-**	6
-Unrealised currency translation (gains)/losses	**-**	-	**(43)**	6
-Share of profit of associated company	**(4)**	-	**(4)**	-
-Share of loss of joint venture	**3**	-	**76**	-
Operating profit before changes in working capital	**2,856**	560	**3,571**	1,494
Changes in working capital:				
-Trade and other receivables	**681**	558	**3,232**	10,245
-Other current assets	**471**	(34)	**(155)**	(86)
-Trade and other payables	**(320)**	(6,729)	**(1,393)**	(12,595)
Cash generated from/(used in) operations	**3,688**	(5,645)	**5,255**	(942)
Interest received	**63**	31	**109**	58
Income tax paid	**(619)**	(296)	**(1,562)**	(559)
Net cash generated from/(used in) operating activities	**3,132**	(5,910)	**3,802**	(1,443)
Cash flows from investing activites				
Additions of property, plant and equipment	**-**	(16)	**-**	(16)
Investment in associated company	**-**	(40)	**-**	(40)
Loans to associated company	**(12,500)**	-	**(12,700)**	-
Net cash used in investing activities	**(12,500)**	(56)	**(12,700)**	(56)
Net decrease in cash and cash equivalents	**(9,368)**	(5,966)	**(8,898)**	(1,499)
Cash and cash equivalents at beginning of financial period	**35,427**	43,324	**34,957**	38,857
Cash and cash equivalents at end of financial period	**26,059**	37,358	**26,059**	37,358

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

	Group		Group	
	2Q18	2Q17	**1H 2018**	1H 2017
	RMB'000	RMB'000	**RMB'000**	RMB'000
Cash and bank balances	**26,059**	37,358	**26,059**	37,358

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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					
	Share Capital	Currency Translation Reserve	Retained Profits/ (Accumulated Losses)	Total	Non-controlling interest	Total Equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group						
At 1 January 2018	145,320	-	(100,884)	44,436	-	44,436
Total comprehensive income for the financial period	-	-	2,328	2,328	-	2,328
At 30 June 2018	145,320	-	(98,556)	46,764	-	46,764
At 1 January 2017	145,320	9	(102,440)	42,889	-	42,889
Total comprehensive income for the financial period	-	-	652	652	-	652
At 30 June 2017	145,320	9	(101,788)	43,541	-	43,541
Company						
At 1 January 2018	145,320	-	(117,069)	28,251	-	28,251
Total comprehensive loss for the financial period	-	-	(2,556)	(2,556)	-	(2,556)
At 30 June 2018	145,320	-	(119,625)	25,695	-	25,695
At 1 January 2017	145,320	-	(111,262)	34,058	-	34,508
Total comprehensive loss for the financial period	-	-	(2,304)	(2,304)	-	(2,304)
At 30 June 2017	145,320	-	(113,566)	31,754	-	31,754

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

	Group and Company	
	As at 30 June 2018	As at 31 December 2017
	(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 was no change 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 30 June 2018.

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 30 June 2018	As at 31 December 2017
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

Except as disclosed in paragraph 5 below, the Group has consistently applied the same accounting policies and methods of computation in the Group's financial statement for the current reporting period as compared with the audited financial statements for the financial year ended 31 December 2017.

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's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") issued by the Accounting StandardS Council ("ASC") and International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The adoption of the new framework and the new SFRS(I)s, amendements and interpretations of SFRS(I)s which took effect from the current financial year will not result in any changes to the Group's and the Company's accounting policies and will have no material impact on the accounts reported for the current or prior financial years.

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	
	Second Quarter ended 30 June		Half Year ended 30 June	
	2018	2017	**2018**	2017
	RMB Cents	RMB Cents	**RMB Cents**	RMB Cents
Earnings/(Losses) per share (Basic)				
- Continuing operations	**0.102**	0.035	**0.121**	0.089
- Discontinued operations	**-**	(0.029)	**(0.012)**	(0.058)
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	
	Second Quarter ended 30 June		Half Year ended 30 June	
	2018	2017	**2018**	2017
	RMB Cents	RMB Cents	**RMB Cents**	RMB Cents
Earnings/(losses) per share (Diluted)				
- Continuing operations	**0.102**	0.035	**0.121**	0.089
- Discontinued operations	**-**	(0.029)	**(0.012)**	(0.058)
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 loss per share is computed by dividing the loss 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 30 Jun 2018	As at 31 Dec 2017	**As at 30 Jun 2018**	As at 31 Dec 2017
	RMB Cents	RMB Cents	**RMB Cents**	RMB Cents
Net assets value per ordinary share	**2.20**	2.09	**1.21**	1.33
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

Revenue

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

	Revenue			Revenue		
	2Q18	2Q17	% Change +/(-)	**1H 2018**	1H 2017	% Change +/(-)
	RMB'000	RMB'000		**RMB'000**	RMB'000	
China - fund/investment managers	**3,930**	3,044	29.11	**7,354**	7,799	(5.71)

Revenue from corporate advisory business increased by RMB0.89 million or 29.11%, from RMB3.04 million in 2Q2017 to RMB3.93 million in 2Q2018, as the value of the contracts completed in 2Q2018 was higher as compared to 2Q2017. The revenue for the half year ended 30 June 2018 ("1H 2018") decreased by RMB0.45 million or 5.71%, from RMB7.80 million for the first half year ended 30 June 2017 ("1H 2017") to RMB7.35 million, in 1H 2018, due mainly to fewer advisory service contracts completed by the Group in 1H2018 as opposed to 1H2017.

Interest income

The Group's interest income increased by RMB0.33 million, from RMB0.05 miillion in 1H2017 to RMB0.38 million in 1H 2018, and increased by RMB0.26 million, from RMB0.03 million for 2Q2017 to RMB0.29 million for 2Q2018. The increase was attributable to:

i) interest earned from fixed deposits with financial institutions as a result of higher amounts of fixed deposits placements in 1H2018 and 2Q2018 as compared to 1H2017 and 2Q017 respectively; and

ii) interest income from loans to associated company amounting to RMB0.27 million for 1H2018 and RM0.21 million for 2Q2018. No such interest income was recorded in 1H2017 and 2Q2017 respectively.

Other income

Other income of the Group increased by RMB0.95 million, from RMB0.01 million in 1H2017 to RMB0.96 million in 1H2018, and increased by RMB0.817 million, from RMB0.003 million for 2Q2017 to RMB0.82 million for 2Q2018. The increase was attributable to:

i) rental income of RMB0.29 million for 1H2018 and RMB0.14 million for 2Q2018 from sub-lease of office space to a related party lessee. The Group has sub-leased its Singapore office premises with a tenure of 2 years effective from 1 January 2018. The sub-lease rental income is derived from the occupancy of floor area by the related party lessee paid on monthly basis.

ii) tax refund of RMB0.67 million received from the China Local Tax Authority during 2Q2018 and 1H2018 respectively. The tax refund is to incentivise the local entreprises for setting up more companies within the local proximity.

Other gains/(loss), net

The Group has recorded currency exchange gain of RMB0.60 million for 2Q2018 and RMB0.38 million in 1H2018, mainly due to the strengthening of Singapore Dollar ("SGD") and United States Dollar ("USD") against Renminbi ("RMB") during 2Q2018 and 1H2018 respectively.

Expenses

1) Consultancy charges

The consultancy charges incurred in 1H2017 consisted of the costs incurred for certain consultancy projects where other service providers were engaged by the Group to assist in completion of the consultancy deliverables to clients.

No consultancy charges were incurred for 2Q2018 and 1H2018 as the contracts were completed by the internal resources of the Group.

2) Employee compensation

Employee compensation of the Group increased by RMB0.56 million or 45.69%, from RMB1.23 million in 1H2017 to RMB1.79 million in 1H2018 and increased by 0.27 million or 45.11%, from RMB0.60 million for 2Q2017 to RMB0.88 million for 2Q2018. The increase was due to higher employee costs in our Tianjin WFOE where certain employees were recruited in mid-2017.

3) Professional fees

Professional fees of the Group decreased by RMB0.82 million or 76.53%, from RMB1.07 million in 1H2017 to RMB0.25 million in 1H2018 and decreased by RMB0.34 million or 70.83%, from RMB0.48 million for 2Q2017 to RMB0.14 million for 2Q2018. The decrease was mainly due to more professional services rendered during 2Q2017 and 1H2017 in relation to the proposed Rights Issue (particularly fees paid to Rights Issue Manager and legal advisor) and other advisory matters.

4) Rental on operating leases

Rental on operating leases of the Group increased by RMB1.21 million or 262.75%, from RMB0.46 million in 1H2017 to RMB1.67 million in 1H2018 and increased by RMB0.57 million or 246.98%, from RMB0.23 million for 2Q2017 to RMB0.81 million for 2Q2018. The increase was mainy mainly due to office rental expenses incurred by Tianjin WFOE in 2Q 2018 and 1H2018. No such rental expense was recorded in 2Q2017 and 1H2017 respectively.

5) Other operating expenses

Other operating expenses of the Group increased by RMB0.22 million or 45.51%, from RMB0.48 million in 1H2017 to RMB0.70 million in 1H2018 and increased by RMB0.36 million or 334.86%, from RMB0.11 million for 2Q2017 to RMB0.47 million for 2Q2018. The increase was mainly due to higher travelling, printing and stationeries and IT maintenance expenses incurred in 2Q2018 and 1H2018 respectively.

Share of loss of a joint venture

The Group has recognised its share of loss from a joint venture amounting to RMB0.08 million for 1H2018.

Profit before tax

As a result of the above, the Group recorded a profit before tax of RMB3.14 million in 2Q2018 and RMB4.15 milion for 1H2018 as compared to RMB1.20 million in 2Q2017 and RMB2.72 million in 1H2017 respectively.

Income tax expenses

The income tax expense of RMB0.97 million for 2Q2018 and RMB1.58 million in 1H2018 was incurred solely by Tianjin WFOE translated to effective tax rates of 30.97% and 37.92% respectively.

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

Profit after tax

Consequent to the above, the Group recorded net profit of RMB2.17 million for 2Q2018 and RMB2.58 million in 1H2018 as compared to net profit of RMB0.75 million for 2Q2017 and RMB1.89 million in 1H 2017 respectively.

Discontinued operations

The Group has recorded net loss of RMB0.25 million from its discontinued operations in 1H2018 arising from the garment trading entities which had been presented as "Discontinued Operations".

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Commentary on Financial Position

Non current assets

Property, plant and equipment of the Company and the Group decreased by RMB0.02 million ,from RMB0.04 million as at 31 December 2017 to RMB0.02 million as at 30 June 2018 mainly due to depreciation charge.

The Group has an investment in an associated company which is in the business of commercial factoring in China. The Group's investment in associated company increased by RMB0.004 million, from RMB1.975 million as at 31 December 2017 to RMB1.979 million as at 30 June 2018, due to share of profit for 1H2018.

Investment in joint venture decreased by RMB0.07 million, from RMB3.28 million as at 31 December 2017 to RMB3.21 million as at 30 June 2018, mainy due to the Group's share of losses of RMB0.07 million in 1H2018.

Current Assets

Current assets of the Group had increased by RMB0.99 million, from RMB44.17 million as at 31 December 2017 to RMB45.16 million as at 30 June 2018, mainly due to the increase in trade and other receivables, offset by decrease in cash and cash equivalents. On the other hand, current assets of the Company had decreased by RMB2.86 million, from RMB26.52 million as at 31 December 2017 to RMB23.66 million as at 30 June 2018, mainly due to the decrease in both trade and other receivables and cash and cash equivalents.

Cash and cash equivalents of the Group decreased by RMB8.90 million, from RMB34.96 million as at 31 December 2017 to RMB26.06 million as at 30 June 2018, mainly due to net cash used in investing activities for the 1H 2018 reported on. On the other hand, cash and cash equivalents of the Company decreased by RMB0.76 million, from RMB21.22 million as at 31 December 2017 to RMB20.46 million as at 30 June 2018, mainly due to net cash used in operating activities for the 1H2018 reported on.

Trade and Other Receivables

	Group			**Company**		
	30 June 2018	31 Dec 2017	% Change	**30 June 2018**	31 Dec 2017	% Change
	RMB'000	RMB'000		**RMB'000**	RMB'000	+/ (-)
Trade receivables	**3,257**	6,488	**(49.80)**	**-**	-	-
Other receivables	**15,074**	2,107	**615.42**	**2,831**	4,953	(42.84)
Total	**18,331**	8,595	**113.27**	**2,831**	4,953	(42.84)

Trade and other receivables of the Group increased by RMB9.74 million, from RMB8.59 million as at 31 December 2017 to RMB18.33 million as at 30 June 2018 due to:

i) decrease in net trade receivables of RMB3.23 million as a result of subsequent collection from debtors.
ii) increase in other receivables mainly due to additional interest-bearing loans of RMB12.70 million made to the associated company by Tianjin WFOE and the accumulated loan interest receivable. The loans to associated company are interest-bearing at rates ranging from 8% to 9% per annum and are recoverable within 8 to 12 months.

Other current assets

Other current assets of the Group increased by RMB0.15 million from RMB0.62 million as at 31 December 2017 to RMB0.77 million as at 30 June 2018. The increase was mainly due to increase in prepayment of office rental made by Tianjin WFOE.

Current liabilities

Trade and other payable of the Group decreased by RMB1.39 million from RMB2.98 million as at 31 December 2017 to RMB1.59 million as at 30 June 2018. The decrease was mainly due to settlement of trade and other payables and payments made for accrued expenses during the period reported on.

The current income tax liabilities of the Group decreased by RMB0.03 million from RMB2.05 million as at 31 December 2017 to RMB2.02 million as at 30 June 2018. The decrease was due to payment of income tax netting out with income tax provision of Tianjin WFOE for the period reported on. The current income tax liabilities of RMB2.02 million are made up of provision for income tax for the revenue generated from Tianjin WFOE of RMB0.97 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 RMB1.42 million from RMB5.03 million as at 31 December 2017 to RMB3.61 million as at 30 June 2018.

Commentary on financial cash flow

The Group generated net cash from operating activities of RMB3.80 million in 1H2018. This was attributable to operating profits before working capital changes of RMB3.57 million and a reduction of trade and other receivables netting out settlement of trade and other payables and payment of income taxes.

Net cash used in investing activities of RMB12.70 million in 1H2018 related to provision of interest-bearings loans to an associated company of the Group.

Consequent to the above, cash and cash equivalents decreased by RMB9.37 million for 2Q2018 and RMB8.90 million in 1H2018.

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 on 8 May 2018 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 recent tit-for-tat tariff threats by the United States and China has caused turmoil as evidenced by the sharp decline in both the equity and currency markets. Our business, which generally does better when markets are not so volatile, is thus likely to be impacted. However, the degree of the impact is still unknown. Nevertheless, the Group expects the global market and equity market to remain challenging.

The Group will continue to focus on the development and growth of its strategic planning, corporate advisory, financial restructuring and management consultancy business. In particular, the Group aims to further develop its business of asset management and fund management utilising largely existing internal fundings and resources.

Alongside the strategies highligted in our announcement dated 8 May 2018, the Group remains committed to sourcing for other 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. 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.

14. 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 Second Quarter Results of the Group for the financial period ended 30 June 2018 to be false or misleading in any material aspect.

15. 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.

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16. Disclosure 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 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 July 2018 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	(4.50)	-
Total	8.77	(7.23)	1.54

	For general working capital purposes (S$ million)
1) Salaries	1.97
2) Rental	0.99
3) Professional fees	0.78
4) Others	0.76
Total	**4.50**

BY ORDER OF THE BOARD
Leo Peng WeiLe
Executive Director
14 August 2018