

BONDS ISSUE – UPDATE ON USE OF PROCEEDS

Reference is made to the issue of S\$60 million in aggregate principal amount of unsecured convertible bonds due 2018 (the “**Bonds Issue**”), the closing of which was announced on 9 November 2015. All capitalised terms used and not defined herein shall have the meanings ascribed to them in the circular dated 19 October 2015 relating to the Bonds Issue (the “**Circular**”).

The Board of Directors (the “**Board**”) of the Company wishes to provide an update on the use of the net proceeds raised from the Bonds Issue as follows:

Use of Proceeds	Amount Allocated (RMB) ⁽²⁾	Amount Allocated (S\$) ^{(2) (3)}	Amount Utilised (RMB)	Balance (RMB)
Repayment of bank loans	125,000,000	27,512,500	125,000,000	0
Business Expansion	122,600,000	26,984,260	30,000,000	92,600,000
General working capital	21,823,000	4,803,242	9,086,779	12,736,221

Notes:

- (1) The above figures do not take into account costs and expenses of S\$700,000, which had since been utilised for payment to the relevant professionals involved in the Bonds Issue.
- (2) As stated in the Circular.
- (3) Based on an exchange rate of RMB1.00 to S\$0.2201 as stated in the Circular.

Further details on the use of the proceeds are found in section 2.8 of the Circular entitled “Use of Proceeds”.

The use of proceeds from the Bonds Issue is in accordance with the intended use as stated in the Circular. The Company will provide further updates on the use of the net proceeds as and when such proceeds have been materially disbursed.

BY ORDER OF THE BOARD

Zhang Jingtang
Executive Chairman

27 May 2016