



CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
(Company Registration No: 200711863D)

Unaudited Results for the Fourth Quarter and Full Year ended
31 December 2014

PART I - INFORMATION REQUIRED FOR QUARTERLY ANNOUNCEMENTS

- 1.(a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediate preceding financial year.

Consolidated Statement of Comprehensive Income

	Group			Group		
	4Q14	4Q13	% change	FY2014	FY2013	% change
	<u>RMB'000</u>	<u>RMB'000</u>	<u>+ / (-)</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>+ / (-)</u>
Revenue	56,389	268,408	-79.0%	798,019	729,261	9.4%
Cost of sales	(533,120)	(215,478)	147.4%	(1,123,116)	(679,862)	65.2%
Gross (loss)/profit	(476,731)	52,930	-1000.7%	(325,097)	49,399	-758.1%
Other operating income	5,383	4,151	29.7%	9,307	7,774	-19.7%
Distribution costs	(542)	(373)	45.3%	(1,601)	(1,663)	-3.8%
Administrative expenses	(3,013)	(5,023)	-40.0%	(12,072)	(13,301)	-9.2%
Other operating expenses	(100,668)	(4,500)	2137.1%	(101,693)	(37,231)	173.1%
Finance costs	(539)	(623)	-13.5%	(2,487)	(2,276)	9.3%
(Loss)/Profit before taxation	(576,110)	46,562	-1337.3%	(433,643)	2,702	-16145.0%
Income tax credit/(expense)	35,806	(1,521)	-2454.1%	(429)	(1,521)	-71.8%
(Loss)/Profit for the period/year attributable to the equity holders of the Company	(540,304)	45,041	-1299.6%	(434,072)	1,181	-36845.7%
Other comprehensive income	—	—		—	—	
Total comprehensive (loss)/income for the period/year	(540,304)	45,041	-1299.6%	(434,072)	1,181	-36845.7%
	<u>4Q14</u>	<u>4Q13</u>		<u>FY2014</u>	<u>FY2013</u>	
(Loss)/Earnings Per Ordinary Share						
— Basic and diluted (RMB cents)	(48.28)	4.02		(38.79)	0.11	
— Basic and diluted*(S\$ cents)	(10.03)	0.85		(8.06)	0.02	
Earnings Per TDR						
— Basic and diluted^(NTD)	(4.79)	0.40		(3.84)	0.01	

* Based on Bloomberg exchange rate of RMB1: S\$0.2078 (4Q13: RMB1: S\$0.2113) as at end of 31 December 2014 for reference purpose.

^ Based on Bloomberg exchange rate of RMB1: NTD4.9561 (4Q13: RMB1: NTD4.9868) as at end of 31 December 2014 for reference purpose. 1TDR (Taiwan Depositary Receipt) represents 2 ordinary shares.

Please also refer to paragraph 1(d)(ii) and 6 of this announcement on Earnings Per Share calculation.

- 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:-

N M	Group			Group		
	4Q14 RMB'000	4Q13 RMB'000	% change + / (-)	FY2014 RMB'000	FY2013 RMB'000	% change + / (-)
<u>Expenses/(Income):</u>						
Amortisation of land use rights	–	1	-100%	2	3	-33%
(Over amortisation)/Amortisation of other asset	–	(3,200)	-100%	800	4,000	-80%
Bad debts written off	49	1	490%	49	532	-90%
Allowance for Bad debts	60,873	–	NM	60,873	–	NM
Depreciation of property, plant and equipment	16,479	16,823	-2%	67,221	67,553	-1%
Reversal of over accrual of welfare	–	(1,767)	-100%	–	(1,767)	-100%
Impairment of inventories / (Reversal of impairment)	2,000	(1,346)	-249%	2,000	(1,346)	-249%
Written-off of inventories	34,078	–	NM	34,078	–	NM
Interest income	(375)	(1,017)	-63%	(3,568)	(4,085)	-13%
Interest on borrowings	539	623	-13%	2,487	2,276	9%
Exchange loss net	5	2,723	-100%	22	2,699	-99%
Toss/(Gain) on disposal of raw materials	51	(27)	-289%	59	(27)	-319%
Loss of disposal of property, plant and equipment	3,611	–	NM	3,611	–	NM
Government grants	223	(18)	-1339%	(508)	(521)	-2%
Sales of scraps	5,231	–	NM	5,231	(28)	-18782%

NM: Not meaningful

1.(b) (i) A statements of financial position (for the issuer and group), together with a comparative statements as at the end of the immediately preceding financial year.

Statement of Financial Position

	Group		Company	
	At 31 December 2014	At 31 December 2013	At 31 December 2014	At 31 December 2013
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
ASSETS				
Non-current assets				
Property, plant and equipment	517,736	588,823	–	–
Intangible assets	102	104	–	–
Investment in subsidiary	–	–	88,268	88,268
Other asset	2,400	3,200	–	–
	520,238	592,127	88,268	88,268
Current assets				
Inventories	69,339	39,299	–	–
Trade and other receivables	731,165	401,542	12	37
Amount owing by subsidiary	–	–	469,495	472,658
Cash and bank balances	25,916	379,780	874	720
	826,420	820,621	470,381	473,415
Total assets	1,346,658	1,412,748	558,649	561,683
EQUITY AND LIABILITIES				
Capital and reserves attributable to equity holders of the company				
Share capital	562,103	562,103	562,103	562,103
Treasury Shares	(4,709)	(4,709)	(4,709)	(4,709)
Merger reserve	11,491	11,491	–	–
Statutory reserve	97,012	97,012	–	–
Accumulated profits	91,800	525,872	164	3,095
Total equity	757,697	1,191,769	557,558	560,489
Current liabilities				
Trade and other payables	548,851	174,353	1,091	1,194
Amounts owing to related parties	2,878	2,103	–	–
Interest-bearing liabilities	34,500	40,000	–	–
Provision for taxation	2,732	4,523	–	–
	588,961	220,979	1,091	1,194
Total equity and liabilities	1,346,658	1,412,748	558,649	561,683

- 1.(b) (ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

(A) the amount repayable in one year or less, or on demand; and whether the amounts are secured or unsecured;

	As at 31 December 2014		As at 31 December 2013	
	Secured	Unsecured	Secured	Unsecured
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Bank loans	34,500	–	40,000	–
Shareholder's loan	–	2,878	–	2,103
	34,500	2,878	40,000	2,103

(B) the amount repayable after one year; whether the amounts are secured or unsecured; and

None.

(C) details of any collateral.

	As at 31 December 2014 <u>RMB'000</u>	As at 31 December 2013 <u>RMB'000</u>
Secured by legal mortgage over leasehold property and land use rights	13,000	13,000
Guaranteed by other company	21,500	27,000
	34,500	40,000

Note:

- 1) The above bank loans as at 31 December 2014 and 31 December 2013 are also pledged by personal guarantee provided by a director.

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

Consolidated Statement of Cash Flows

	Group		Group	
	4Q14	4Q13	FY2014	FY2013
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Operating activities				
(Loss)/Profit before taxation	(576,110)	46,562	(433,643)	2,702
Adjustments for:				
(Reversal of over amortisations)/Amortisations	–	(3,199)	802	4,003
Allowance for bad debts	60,873	–	60,873	–
Bad debts written off	49	1	49	532
Depreciation of property, plant and equipment	16,479	16,823	67,221	67,553
Reversal of over accrual of welfare	–	(1,767)	–	(1,767)
Loss on disposal of property, plant and equipment	3,611	–	3,611	–
Impairment of inventories/(Reversal of impairment)	2,000	(1,346)	2,000	(1,346)
Inventories written off	34,078	–	34,078	–
Interest income	(375)	(1,017)	(3,568)	(4,085)
Interest expense	539	623	2,487	2,276
Operating cash flows before movements in working capital	(458,856)	56,680	(266,090)	69,868
Inventories	1,918	18,500	(66,118)	16,816
Trade and other receivables	(101,846)	(118,760)	(390,542)	(81,830)
Trade and other payables	258,639	42,749	374,495	(32,477)
Cash used in operations	(300,145)	(831)	(348,255)	(27,623)
Interest received	375	1,017	3,568	4,085
Income tax and VAT paid	(123)	–	(2,220)	(731)
Cash flows generated (used in)/from operating activities	(299,893)	186	(346,907)	(24,269)
Investing activities				
Proceeds from disposal of property, plant and equipment	255	–	255	–
Cash flows used in investing activities	255	–	255	–
Financing activities				
Repayment of bank loans	(9,500)	(7,500)	(40,000)	(30,000)
Proceeds of bank loans	4,000	11,500	34,500	40,000
Receipt of amount owing to a related party	(1)	1,022	775	1,022
Interest paid	(539)	(623)	(2,487)	(2,276)
Net cash generated (used in)/from financing activities	(6,040)	4,399	(7,212)	8,746
Net (decrease)/increase in cash and cash equivalents	(305,678)	4,585	(353,864)	(15,523)
Cash and cash equivalents at the beginning of the financial period/year	331,594	375,195	379,780	395,303
Cash and cash equivalents at the end of the financial period/year	25,916	379,780	25,916	379,780

- 1.(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Shareholders' Equity

<u>Group</u>	<u>Share Capital RMB'000</u>	<u>Treasury Shares RMB'000</u>	<u>Merger Reserve RMB'000</u>	<u>Statutory Reserve RMB'000</u>	<u>Accumulated Profits RMB'000</u>	<u>Total Equity RMB'000</u>
At 1 January 2013	562,103	(4,709)	11,491	97,012	524,691	1,190,588
Total comprehensive income for the year	—	—	—	—	1,181	1,181
At 31 December 2013	562,103	(4,709)	11,491	97,012	525,872	1,191,769
At 1 January 2014	562,103	(4,709)	11,491	97,012	525,872	1,191,769
Total comprehensive loss for the year	—	—	—	—	(434,072)	(434,072)
At 31 December 2014	562,103	(4,709)	11,491	97,012	91,800	757,697

Statement of Changes in Shareholders' Equity

<u>Company</u>	<u>Share Capital RMB'000</u>	<u>Treasury Shares RMB'000</u>	<u>Accumulated Profits RMB'000</u>	<u>Total Equity RMB'000</u>
At 1 January 2013	562,103	(4,709)	6,716	564,110
Total comprehensive loss for the year	—	—	(3,621)	(3,621)
At 31 December 2013	562,103	(4,709)	3,095	560,489
At 1 January 2014	562,103	(4,709)	3,095	560,489
Total comprehensive loss for the year	—	—	(2,931)	(2,931)
At 31 December 2014	562,103	(4,709)	164	557,558

- 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 held as treasury shares, if any, against the total number of 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 in the Company's share capital since the end of the previous period reported on and there were no outstanding convertibles held as at 31 December 2014 and 31 December 2013 respectively.

The Company held 7,500,000 treasury shares as at 31 December 2014 and 31 December 2013 respectively.

- 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.

	<u>Group</u>	
	As at 31 December 2014	As at 31 December 2013
Number of ordinary shares in issue	1,126,598,518	1,126,598,518
Less: Ordinary shares kept as treasury shares	<u>(7,500,000)</u>	<u>(7,500,000)</u>
Number of ordinary shares excluding treasury shares	<u>1,119,098,518</u>	<u>1,119,098,518</u>

- 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.

There is no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period report on.

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

The financial information for the fourth quarter and full year ended 31 December 2014 have neither been audited nor 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).

This announcement were not been audited or reviewed by auditor.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted all the Singapore Financial Reporting Standards ("FRS") that are applicable for financial year beginning on or after 1 January 2014. The application of these FRS has no material impact on the financial statements of the Group and the Company.

The accounting policies and methods of computation are consistent with the latest audited financial statements for the year ended 31 December 2013.

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 period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: -

- (a) Based on the weighted average number of ordinary shares on issue; and
(b) On a fully diluted basis (detailing any adjustments made to the earnings).

	<u>Group</u>		<u>Group</u>	
	<u>4Q14</u>	<u>4Q13</u>	<u>FY2014</u>	<u>FY2013</u>
	<u>RMB Cents</u>	<u>RMB Cents</u>	<u>RMB Cents</u>	<u>RMB Cents</u>
Earnings per share ("EPS")				
Based on the weighted average number of ordinary shares in issue	(48.28)	4.02	(38.79)	0.11
Number of shares				
Weighted average number of issued ordinary shares	1,119,098,518	1,119,098,518	1,119,098,518	1,119,098,518

No dilutive EPS has been presented as there are no dilutive instruments in issue.

7. Net asset value (for the issuer and group) per ordinary share based on the total issued share capital of the issuer at the end of the: -
(a) current period reported on; and
(b) immediately preceding financial year.

	<u>Group</u>		<u>Company</u>	
	<u>As at</u>	<u>As at</u>	<u>As at</u>	<u>As at</u>
	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>RMB Cents</u>	<u>RMB Cents</u>	<u>RMB Cents</u>	<u>RMB Cents</u>
Net asset value per ordinary share	67.71	106.39	49.82	50.41
Number of issued ordinary shares excluding treasury shares as at end of the year	1,119,098,518	1,119,098,518	1,119,098,518	1,119,098,518

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on.

Revenue

The Group's revenue for the fourth quarter ended 31 December 2014 ("4Q14") decreased by 79.0% to RMB56.4 million as compared to RMB268.4 million for the fourth quarter ended 31 December 2013 ("4Q13"). For the full year ended 31 December 2014 ("FY2014"), the Group recorded revenue of about RMB798.0 million, increased by 9.4% from the RMB729.3 million in FY2013.

The decrease in revenue for 4Q14 versus 4Q13 by 79.0% is mainly attributed to the production of one to one replacement amounting to RMB412 million instead of production for goods for sales. With reference to the announcement dated 2 April 2015 via SGX, due to quality issue of the new products, the Group have to reproduce products amounts to approximately 6,270 tonnes as replacement and the Group have produced and delivered approximately 4,272 tonnes during 4Q14, the remaining 1,998 tonnes will be delivered in 1Q15.

In overall, the increase in revenue mainly resulted from the increase in the average selling price of performance fabrics in FY2014 by 42.1% from RMB 47,600/tonnes in FY2013 to RMB 67,700/tonnes. The increase is mainly due to the high selling price for the two new products which were released during 1Q14.

A breakdown of the Group's revenue by products:

	<u>Revenue</u>					
	4Q14	4Q13	% change	FY2014	FY2013	% change
	<u>RMB'000</u>	<u>RMB'000</u>	<u>+ / (-)</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>+ / (-)</u>
Manufacturing and sale of performance fabrics	49,862	263,438	-81.1%	771,720	694,896	11.1%
Fabric processing services	6,527	4,970	31.3%	26,299	34,365	-23.5%
Total	56,389	268,408	-79.0%	798,019	729,261	9.4%

A breakdown of the Group's sales quantity by products:

	<u>Sales Quantity</u>					
	4Q14	4Q13	% change	FY2014	FY2013	% change
	<u>Tonnes</u>	<u>Tonnes</u>	<u>+ / (-)</u>	<u>Tonnes</u>	<u>Tonnes</u>	<u>+ / (-)</u>
Manufacturing and sale of performance fabrics	1,287	5,798	-77.8%	11,406	14,610	-21.9%
Fabric processing services	1,000	790	26.6%	4,013	5,542	-27.6%
Total	2,287	6,588	-65.3%	15,419	20,152	-23.5%

Average selling price per tonne ("ASP") by products:

	<u>Average Selling Price</u>					
	4Q14	4Q13	% change	FY2014	FY2013	% change
	<u>RMB'000</u>	<u>RMB'000</u>	<u>+ / (-)</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>+ / (-)</u>
Manufacturing and sale of performance fabrics	38.7	45.4	-14.7%	67.7	47.6	42.1%
Fabric processing services	6.5	6.3	3.6%	6.6	6.2	5.7%
Weighted average ASP	24.7	40.7	-39.4%	51.7	36.2	43.0%

Cost of Sales

Despite the decrease of sale in 4Q14 vis-a-vis 4Q13, the cost of sale for 4Q14 has increased by 160.8% compare to 4Q13, this is mainly due to the production of replacement goods amounting to RMB 412 million (4,272 tonnes) in 4Q14.

In 4Q14, the Group's cost of sales comprises mainly cost of replacement of RMB357 million (4,272 tonnes) and the accrual amounting to RMB 165.5 million for the remaining replacements goods of 1,998 tonnes to produce the problem stocks expected in 1Q15. For detail of financial impact on the product quality issue, please refer the table below:

Financial impact on replacement

	<u>Replacement of 6,270 tonnes</u>	
	4Q14 &FY2014	FY2013
	<u>RMB'000</u>	<u>RMB'000</u>
Income statement		
Revenue*	—	—
Cost of sale - Replacement of 4,272 tonnes	(357,064)	—
- Replacement of 1,998 tonnes	(165,617)	—
- Scrap sale of defects goods	51,595	—
Total cost of sale impact	(471,086)	—
Other operating income	5,231	—
Other operating expenses - Allowance for bad debts	(60,873)	—
- Written off inventory	(34,078)	—
Total other operating expenses impact	(94,951)	
Total income statement impact	(560,806)	—
Balance sheet		
Trade receivable*	(60,873)	—
Other payable - Accruals for replacement of 1998 tonnes	165,617	—

* No revenue and trade receivable will be recognised due to 1 for 1 replacement policy.

There were 4,272 tonnes already replaced during 4Q14 and company incurred additional cost for the production, which RMB289.7 million were direct to the raw materials and RMB67.4 million were related to the direct labour and other production cost.

Due to one to one exchange policy, there is 10-15% allowance will be given to customer, the impact is around to RMB60.8 million.

Amounting to RMB165.7 million is the accrual of additional cost for 1,998 tonnes is based on the 4Q14 actual cost incurred for the production of replacement of 4,272 tonnes. This accrual is including the raw material cost, direct labour and other production.

In summary, there is a RMB560.8 million losses due to replacement of 6,270 tonnes for the replacement.

Other Operating Income

Other operating income increased by 29.7% from RMB4.2 million in 4Q13 to RMB5.4 million in 4Q14 due to sale of scrap for the quality issue products amounting to RMB5.2 million.

Distribution Costs

Distribution costs increased by 45.3% from RMB373,000 in 4Q13 to RMB542,000 in 4Q14 mainly due to the reclassification entertainment expenses amounting to RMB165,000 from administrative expenses.

Administrative Expenses

Administrative expenses decreased by 40.0% from RMB5.0 million in 4Q13 to RMB3.0 million in 4Q14. The decrease is mainly due to salary and staff welfare cost of administrative staff decreased by RMB2 million in FY2014.

Other Operating Expenses

Other operating expenses increased by RMB 96.1 million from RMB4.5 million in 4Q13 to RMB100.6 million in 4Q14. The increase is mainly due to impairment for the trade receivable amounting to RMB60.9 million and inventory written off of RMB34.1 million due to problem stock delivered in FY2014.

Finance Costs

The Group incurred lower finance costs as it decreased by 13.5% from RMB623,000 in 4Q13 to RMB540,000 in 4Q14 due to lower borrowing amount.

Income Tax Expense

There was reversal of RMB35.8 million in 4Q14 due to the Group suffered loss during the period.

(Loss)/Profit attributable to shareholders

As a result of loss incurred by the Group, there is a loss attribution to shareholders by RMB540.3 million during 4Q14.

Consolidated Statement of Financial Position

The property, plant and equipment decreased by 12.1% from RMB588.8 million as at 31 December 2013 to RMB517.7 million as at 31 December 2014 due to depreciation charge of RMB67.2 million and disposal of 14 machineries of RMB3.6 million during FY2014.

Other asset decreased by RMB800,000 as amortisation was charged for delivery of research results of 1 new product prototypes from Wuhan Textile University during the year.

Inventories as of 31 December 2014 were approximately RMB69.3 million, representing a increase of RMB30.0 million from RMB39.3 million as of 31 December 2013. The increase is mainly due to increase in finished goods and raw material by RMB4.0 million and RMB25.7 million respectively which were mainly used for replacement production in 1Q15.

Trade and other receivables increased by 82.1% from RMB401.5 million as at 31 December 2013 to RMB731.2 million as at 31 December 2014. The increase was mainly the result of increase in trade receivables during the year as the Group has extended the credit term to most of customer due to the products which are not up to customers specification.

Trade and other payables increased by RMB374.5 million from RMB174.4 million as at 31 December 2013 to RMB548.8 million as at 31 December 2014. The increase is mainly due to the extension of credit terms given by suppliers and raw material purchased for production of replacement for the financial year 31 December 2014.

Provision for taxation decreased by RMB1.8million from RMB4.5 million as at 31 December 2013 to RMB2.7 million as at 31 December 2014 due to RMB2.2 million paid for under provision tax in FY2013. The provision as at 31 December 2014 mainly represents the withholding tax for the dividend paid to the holding company in FY2008 to FY2010.

Consolidated Statement of Cash Flows

During FY2014, cash and bank balances decreased by RMB 353.9 million to RMB25.9 million as at 31 December 2014 from RMB379.8 million as at 31 December 2013. The Group's cash outflows were mainly due to operating activities as a result of slower collection in trade and other receivables due to products which are not up to customers specification and return of quality issue products.

The Group recorded a cash outflow from operating activities of RMB346.9 million in FY2014, versus approximately RMB24.3 million of cash outflow for FY2013. That is mainly due to the slower collection in trade receivable and losses from operating activities due to one to one replacement.

The Group experienced a net cash outflow of RMB7.2 million from financing activities in FY2014 mainly due to RMB34.5 million received from bank loans net off RMB40 million repayment of bank loan.

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 from paragraph 10 of the previous announcement on unaudited results for the third quarter ended 30 September 2014.

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.

For FY2015, the Group's operating environment will remain challenging due to the products which are not up to customers specification.

Notwithstanding the challenges faced, the Group would continue to develop our products in future so as to further differentiate ourselves from our peers.

11. Dividend

Current Financial Period Reported On - Any dividend declared for the current financial period reported on?

No dividend has been declared for the current financial period.

Corresponding Period of the Immediately Preceding Financial Year – Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

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

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

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 obtained from shareholder for IPTs.

14. Confirmation pursuant to Rule 705(5) of the SGX Listing Manual

Not applicable.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 15. Segmented revenue and results for business or geographical 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.**

The Group is essentially a single operating segment by itself under FRS 108 Operating Segments, and no separate segment information is presented. As there is only one single operating segment, information on the reconciliation of the reportable segment as required under FRS 108 does not apply.

The entity-wide disclosures applicable to a single operating segment are as follows:

- all the revenue of the Group are from external customers who are domiciled in the PRC.
- the majority of the assets of the Group are employed in PRC.
- segment assets employed by the Group in a country other than the PRC as at 31 December 2014 was approximately RMB815,000 (FY2013: RMB685,000). There are no non-current assets deployed outside of the PRC.
- no single external customer accounted for 10% or more of the Group's revenue for the years ended 31 December 2014 and 2013.

- 16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 8 above.

- 17. A breakdown of sales.**

	2014	2013	increase/ (decrease)
	<u>RMB'000</u>	<u>RMB'000</u>	%
(a) Sales reported for first half year	440,666	251,543	0.75%
(b) Operating profit after tax before deducting minority interests reported for first half year	60,501	(51,131)	(2.18%)
(c) Sales reported for second half year	357,353	477,718	(0.52%)
(d) Operating profit after tax before deducting minority interests reported for second half year	(494,572)	52,312	(10.00%)

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

	<u>FY2014</u>	<u>FY2013</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Ordinary shares	—	—
Preference shares	—	—
Total	—	—

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

The Company has no preference share in issue.

19. Summary of interested person transactions for the financial year ended 31 December 2014.

The aggregate value of interested person transactions for the year ended 31 December 2014 is as follows:

Name of interested person and nature of transactions	Aggregate value of all interested person transaction during the financial year under review (excluding transactions less than S\$100,000)
Corporate guarantee provided by Jinjiang Suisheng Spinning Industrial Co., Ltd in favour of China Construction Bank, Jinjiang Sub-Branch to secure bank loans provided to subsidiary, Jinjiang Lianjie Textile & Printing Dyeing Industrial Co., Ltd	Nil ¹
Personal guarantee provided by Mr. Lin Wen Chang in favour of China Construction Bank, Jinjiang Sub-Branch to secure bank loans provided to subsidiary, Jinjiang Lianjie Textile & Printing Dyeing Industrial Co., Ltd	Nil ²

¹ The value of the amount at risk to the Company is nil as the corporate guarantee provided by Jinjiang Suisheng Spinning Industrial Co., Ltd is free of charge and the value of the bank loans guaranteed by this corporate guarantee is RMB 34.5 million.

² The value of the amount at risk to the Company is nil as the personal guarantee provided by Mr. Lin Wen Chang is free of charge and the value of the bank loans guaranteed by this personal guarantee is RMB 34.5 million. The bank loans of RMB21.5 million secured by the corporate guarantee provided by Jinjiang Suisheng Spinning Industrial Co., Ltd are also secured by the personal guarantee provided by Mr. Lin Wen Chang.

The Company has no general mandate pursuant to Rule 920 of the Listing Manual.

20. 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(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any during the year
Mr Chen Jiayi	57	Cousin of Choi Cheung Kong, Director and Substantial Shareholder of the Company	Mr Chen is our Procurement manager and has been with our Group since the establishment in 1996. He is responsible for sourcing and procuring the raw materials used in the Group's production process. Mr Chen is appointed as our executive director on 17 August 2011. He also performs his duties as the vice general manager of the subsidiary and assists our CEO and Mr. Cai Binghuang in the daily operation	N.A.

Mr Cai Bing Huang	52	Cousin of Choi Cheung Kong, Director and Substantial Shareholder of the Company	Mr Cai is our General Manager since August 2010. He primarily oversees the operations of human resources, administration and purchasing departments. He also assists our CEO in the day-to-day running of Jinjiang Lianjie Textile & Printing Dyeing Industrial Co., Ltd.	N.A.
Mr Cai Jin Ding	42	Brother of Mr Choi Cheung Kong, Director and Substantial Shareholder of the Company	Appointed as our Sales & Marketing Manager and has been with our Group since the establishment of Jinjiang Lianjie Textile & Printing Dyeing Industrial Co., Ltd in 1996. He is responsible for developing sales and marketing strategies, recommending products to existing customers, maintaining customer relationships and providing our customers with after sales services, securing new customers and monitoring and analysing market and industry trend.	N.A.
Mr Cai Chang Jing	51	Brother of Mr Choi Cheung Kong, Director and Substantial Shareholder of the Company	Appointed as the Consultant of Jinjiang Lianjie Textile & Printing Dyeing Industrial Co., Ltd in 2008.	N.A.
Mr Cai Jin Sheng	48	Brother of Mr Choi Cheung Kong, Director and Substantial Shareholder of the Company	Appointed as the Human Resources Manager of Jinjiang Lianjie Textile & Printing Dyeing Industrial Co., Ltd in 2008.	N.A.
Mr Cai Chang Shi	45	Brother of Mr Choi Cheung Kong, Director and Substantial Shareholder of the Company	Appointed as the Public Relationship Manager of Jinjiang Lianjie Textile & Printing Dyeing Industrial Co., Ltd in 2008.	N.A.

By order of the Board

Lin Wen Chang
Chief Executive Officer and Director
9 April 2015