



CHINA FIBRETECH LTD.

(Company Registration No. 40381)
(Incorporated in Bermuda)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FULL YEAR ENDED 31 DECEMBER 2016

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

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of comprehensive income for the Group

The Group	4Q 31 December			Year ended 31 December		
	2016	2015	Change	2016	2015	Change
	RMB'000 (Unaudited)	RMB'000 (Audited)	%	RMB'000 (Unaudited)	RMB'000 (Audited)	%
Revenue	4,476	16,895	-73.5%	24,971	64,333	-61.2%
Cost of sales	(4,104)	(14,086)	-70.9%	(22,089)	(52,437)	-57.9%
Gross profit	372	2,809	-86.8%	2,882	11,896	-75.8%
Other income	28	863	-96.8%	1,919	3,041	-36.9%
Selling and distribution expenses	(116)	(194)	-40.2%	(580)	(715)	-18.9%
Administrative expenses	(1,265)	(1,396)	-9.4%	(4,724)	(5,416)	-12.8%
Other operating expenses	(610)	(470,721)	-99.9%	(2,164)	(471,508)	-99.5%
Finance cost	(212)	(238)	-10.9%	(894)	(1,038)	-13.9%
Loss before taxation	(1,803)	(468,877)	-99.6%	(3,561)	(463,740)	-99.2%
Income tax expense	(26)	(176)	-85.2%	(26)	(757)	-99.6%
Loss for the period/year	(1,829)	(469,053)	-99.6%	(3,587)	(464,497)	-99.2%
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period/year	(1,829)	(469,053)	-99.6%	(3,587)	(464,497)	-99.2%



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1(a)(ii) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group's loss before taxation is arrived at after charging/(crediting):

The Group	4Q 31 December		Year ended 31 December	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Audited)	2016 RMB'000 (Unaudited)	2015 RMB'000 (Audited)
Amortisation of land use rights	15	15	61	61
Depreciation of property, plant and equipment	794	831	3,148	3,283
Gain on disposal of property, plant and equipment (net)	-	-	-	(105)
Interest income	(28)	(863)	(1,919)	(2,936)
Foreign exchange (gain)/loss	(26)	14	79	50
Cost of inventories recognised as expense	1,413	5,769	7,873	20,722
Utilities expense	1,507	5,652	8,624	21,542
Directors' fee – directors of the Company	66	122	285	503
Staff costs	1,869	2,501	6,786	8,759
Interest expense	212	238	893	1,038



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

Statements of financial position

	The Group		The Company	
	31 December 2016 (Unaudited) RMB'000	31 December 2015 (Audited) RMB'000	31 December 2016 (Unaudited) RMB'000	31 December 2015 (Audited) RMB'000
Assets and Liabilities				
Non-current assets				
Property, plant and equipment	27,694	26,055	-	-
Land use rights	2,305	2,366	-	-
Investment in subsidiaries	-	-	-	-
Due from a subsidiary	-	-	-	-
	<u>29,999</u>	<u>28,421</u>	<u>-</u>	<u>-</u>
Current assets				
Inventories	564	816	-	-
Trade receivables	4,119	15,175	-	-
Prepayment and other receivables	4,560	20,687	-	120
Due from a subsidiary	-	-	4,796	4,796
Cash and bank balances	660	450,127	5	23
	<u>9,903</u>	<u>486,805</u>	<u>4,801</u>	<u>4,939</u>
Current liabilities				
Trade payables	506	2,335	-	-
Provision for compensation	-	470,475	-	-
Accruals and other liabilities	6,837	6,093	3,099	1,286
Interest-bearing bank borrowings	12,900	12,900	-	-
Income tax payable	-	177	-	-
Amount due to a subsidiary	-	-	4,896	4,796
	<u>20,243</u>	<u>491,980</u>	<u>7,995</u>	<u>6,082</u>
Net current assets/liabilities	(10,340)	(5,175)	(3,194)	(1,143)
Net assets/liabilities	<u>19,659</u>	<u>23,246</u>	<u>(3,194)</u>	<u>(1,143)</u>
Equity				
Share capital	135,773	135,773	135,773	135,773
Reserves	(116,114)	(112,527)	(138,967)	(136,916)
Total equity	<u>19,659</u>	<u>23,246</u>	<u>(3,194)</u>	<u>(1,143)</u>



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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 2016		As at 31 December 2015	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
12,900	-	12,900	-

Details of any collateral

The Group's bank loans were secured by certain of the Group's leasehold buildings with an aggregate carrying value of approximately RMB6,267,000 as at 31 December 2016 (31 December 2015: RMB6,702,000), land use rights with an aggregate carrying value of approximately RMB2,305,000 as at 31 December 2016 (31 December 2015: RMB2,366,000).



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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 year.

Consolidated statement of cash flows for the Group

	Year ended 31 December	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Audited)
Cash flows from operating activities		
Loss before taxation	(3,561)	(463,740)
Adjustments for :		
Amortisation of land use rights	61	61
Depreciation of property, plant and equipment	3,148	3,283
Gain on disposal of plant and machinery (net)	-	(105)
Provision of compensation claim	-	470,475
Interest income	(1,919)	(2,936)
Interest expenses	893	1,038
Operating (loss)/profit before working capital changes	(1,378)	8,076
Decrease/(increase) in inventories	252	(119)
Decrease/(increase) in trade receivables	11,056	(762)
Decrease in prepayments and other receivables	16,127	1,799
(Decrease)/increase in trade payables	(1,829)	37
Decrease in accruals and other liabilities	(469,731)	(240)
Cash (used in)/generated from operations	(445,503)	8,791
Interest paid	(893)	(1,038)
Interest received	1,919	2,711
Income tax paid	(203)	(8,018)
Net cash (used in)/generated from operating activities	(444,680)	2,446
Cash flows from investing activities		
Acquisition and construction of property, plant and equipment	(4,787)	(8,573)
Proceeds from disposal of plant and machinery	-	105
Net cash used in investing activities	(4,787)	(8,468)
Cash flows from financing activities		
Bank loans obtained	12,900	12,900
Repayment of bank loans	(12,900)	(12,900)
Acquisition of treasury shares	-	-
Net cash used in financing activities	-	-
Net decrease in cash and cash equivalents	(449,467)	(6,022)
Cash and cash equivalents at the beginning of the financial year	450,127	456,149
Cash and cash equivalents at the end of the financial year	660	450,127



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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.

Statement of changes in equity for the Group

The Group	Attributable to equity holders of the Company								
	Share capital	Treasury shares	Share premium	Share-based payment reserve	Capital reserve	Statutory reserve	Merger reserve	Retained profits/(accumulated losses)	Total Equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1 January 2015	135,704	(35)	79,908	69	4,403	15,000	(102,287)	354,981	487,743
Issue of shares under equity-settled transactions	69	-	-	(69)	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	-	-	(464,497)	(464,497)
Balance at 31 December 2015 (Audited)	135,773	(35)	79,908	-	4,403	15,000	(102,287)	(109,516)	23,246
Balance as at 1 January 2016	135,773	(35)	79,908	-	4,403	15,000	(102,287)	(109,516)	23,246
Total comprehensive loss for the year	-	-	-	-	-	-	-	(3,587)	(3,587)
Balance at 31 December 2016 (Unaudited)	135,773	(35)	79,908	-	4,403	15,000	(102,287)	(113,103)	19,659



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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.

Statement of changes in equity for the Company

The Company	Share capital	Treasury share	Share premium	Share-based payment reserve	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1 January 2015	135,704	(35)	79,908	69	(21,684)	193,962
Issue of shares under equity-settled transactions	69	-	-	(69)	-	-
Total comprehensive loss for the year	-	-	-	-	(195,105)	(195,105)
Balance at 31 December 2015 (Audited)	135,773	(35)	79,908	-	(216,789)	(1,143)
Balance as at 1 January 2016	135,773	(35)	79,908	-	(216,789)	(1,143)
Total comprehensive loss for the year	-	-	-	-	(2,051)	(2,051)
Balance at 31 December 2016 (Unaudited)	135,773	(35)	79,908	-	(218,840)	(3,194)



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- 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.**

Pursuant to an SGM of the Company held on 29 April 2015, the Company has completed the consolidation of every fifty existing issued ordinary shares in the capital of the Company held by shareholders of the Company into one ordinary share effective as at 9.00 am on 29 May 2015. As a result of the completion of the share consolidation exercise, the number of ordinary shares, including treasury shares, of the Company is now 8,979,791.

There are no changes in the issued and paid-up share capital of the Company since 29 May 2015.

There were no convertible shares issued by the Company as at 31 December 2016.

- 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.**

	As at 31 December 2016	As at 31 December 2015
Number of ordinary shares in issue	8,979,791	8,979,791
Less: Ordinary shares kept as treasury shares	(4,000)	(4,000)
Number of ordinary shares excluding treasury shares	<u>8,975,791</u>	<u>8,975,791</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 year reported on.**

There is no sales, transfers, disposal, cancellation and / or use of treasury shares by the Company as at 31 December 2016.

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

The 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.



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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 new or revised Singapore Financial Reporting Standards (“FRS”) and Interpretations to FRS (“INT FRS”) that are mandatory for financial years beginning on or after 1 January 2016.

The accounting policies and methods of computation are consistent with the latest audited financial statements for the financial year ended 31 December 2015.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all new and revised Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2016. The adoption of these new/revised FRS and INT FRS does not result in substantial change to the Group’s and Company’s accounting policies or have any significant impact on the financial statements.

6. Earnings per ordinary share of the group for the current financial year reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Basic and Diluted Earnings Per Share

	3 months ended 31 December		12 months ended 31 December	
	2016 (Unaudited)	2015 (Audited)	2016 (Unaudited)	2015 (Audited)
Net loss attributable to equity holders of the Company (RMB’000)	(1,829)	(469,053)	(3,587)	(464,497)
<u>Basic</u>				
Weighted average number of ordinary shares in issue (’000)	8,976	8,976	8,976	8,974
Earnings/(Loss) per share (RMB)	(0.20)	(52.26)	(0.40)	(51.76)
<u>Diluted</u>				
Weighted average number of ordinary shares in issue (’000)	8,976	8,976	8,976	8,974
Earnings/(Loss) per share (RMB)	(0.20)	(52.26)	(0.40)	(51.76)



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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 year reported on; and
- (b) immediately preceding financial year.

	The Group		The Company	
	As at 31 December 2016 (Unaudited)	As at 31 December 2015 (Audited)	As at 31 December 2016 (Unaudited)	As at 31 December 2015 (Audited)
Net asset value per ordinary share (RMB)	2.2	2.6	-0.4	-0.1
Number of issued ordinary shares excluding treasury share as at end of the period	8,975,791	8,975,791	8,975,791	8,975,791

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 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 year reported on.

Review of Financial Performance

Revenue

The Group recorded revenue of RMB25.0 million for year ended 31 December 2016 ("FY2016"), a decrease of 61.2% compared to RMB64.3 million for year ended 31 December 2015 ("FY2015"). On a quarterly review, the revenue for three months ended 31 December 2016 ("4Q2016") had decreased to RMB4.5 million as compared to RMB16.9 million for three months ended 31 December 2015 ("4Q2015"). The decrease in revenue was mainly due to:

- i) Decrease in fabric processed from 8,143 tonnes in FY2015 to 3,328 tonnes in FY2016 as a result of lower demand from our customers during the period;
- ii) Decrease in average fabric processing fee from RMB7,901 per tonne in FY2015 to RMB7,504 per tonne in FY2016. Changes in product mix had also contributed to lower average processing fees due to higher proportion of polyester, cotton and spandex processed during the period which commands a lower processing fee.



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Review of Financial Performance (cont'd)

Revenue (cont'd)

On a quarterly review, the revenue for three months ended 31 December 2016 ("4Q2016") had decreased to RMB4.5 million as compared to RMB16.9 million for three months ended 31 December 2015 ("4Q2015"). The decrease in revenue was mainly due to:

- Decrease in the fabric processed from 2,104 tonnes in 4Q2015 to 602 tonnes in 4Q2016 as a result of lower demand from our customers during the period;
- Decrease in average fabric processing fee from RMB8,029 per tonne in 4Q2015 to RMB7,436 per tonne in 4Q2016. Changes in product mix had also contributed to lower average processing fees due to higher proportion of polyester, cotton and spandex processed during the period which commands a lower processing fee.

Gross profit and gross profit margin

Our gross profit decreased from RMB11.9 million in FY2015 to RMB2.9 million in FY2016.

Gross profit margin decreased from 18.5% in FY2015 to 11.5% in FY2016. The decrease in gross profit and gross profit margin is mainly due to decrease in quantity of fabric processed and average fabric processing fee during the year.

Other income

Decrease in other income by 36.9% from RMB3.0 million in FY2015 to RMB1.9 million in FY2016 was attributed by the followings:

- Decrease in interest income by RMB1.0 million due to no rollover of fixed deposits amounting to RMB200 million was made on its maturity dates, 1 May 2016 and 30 June 2016.
- Decrease in gain from disposal of property, plant and equipments by RMB105,000.

Selling and distribution expenses

Selling and distribution expenses decreased by 18.9% from RMB0.7 million in FY2015 to RMB0.6 million in FY2016. The decrease was mainly due to decrease in staff cost by RMB90,000 as a result of reduction in number of staff.



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Review of Financial Performance (cont'd)

Administrative expenses

Administrative expenses decreased by 12.8% from RMB5.4 million in FY2015 to RMB4.8 million in FY2016. The decrease was mainly due to the followings:

- Decrease in staff cost by RMB344,000 as a result of reduction in number of staff.
- Decrease in director remuneration by RMB217,000 due to resignation of independent director and non-executive director in January 2016 and July 2015 respectively.
- Decrease in entertainment expenses by RMB46,000 due to tightening cost control during the year.

Other operating expenses

Other operating expenses consisted of unallocated overheads, amounting to RMB1.1 million in FY2015 and RMB2.2 million in FY2016, and provision of compensation claim, amounting to RMB470.4 million in FY2015 and RMB nil in FY2016. As explained in our full year financial statement announcement for FY2013, the unallocated overheads refers to reclassification of depreciation expenses for plant and machinery from production cost in accordance to FRS 2 (inventories) note 13 on "Cost of conversion" in order to accurately reflect the Group's gross profit margin during the period.

The decrease in other operating expenses by 99.5% from RMB471.5 million in FY2015 to RMB2.2 million in FY2016 was attributed by the followings:

- Provision of compensation claim totalling of RMB470.4 million was made in FY2015 as a result of the compensation claim paid to the three claimants on 28 September 2016 in relation to the claims by customers as announced on 29 September 2016 while offsetting the impact of;
- Increase in depreciation charged by RMB1.1 million during the year as a result of lower demand from our customers.

Finance cost

Decrease in finance cost by 13.9% from RMB1.0 million in FY2015 to RMB0.9 million in FY2016 was due to decrease in loan interest expenses as a result of lower interest rate.

Income tax expense

Income tax expenses of RMB26,000 is underprovision of prior year taxation, derived from profit generated by our China subsidiary in Shishi, Fujian Province in FY2015.



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Review of Financial Position

Property, plant and equipment increased from RMB26.1 million as at 31 December 2015 to RMB27.7 million as at 31 December 2016, mainly attributed by the following:

- Acquisition of property, plant and equipment with new technology in order to widen our customer base, by RMB4.8 million made during the year while offsetting the impact of;
- Depreciation charge of RMB3.1 million for the year.

Land use rights decreased from RMB2.37 million as at 31 December 2015 to RMB2.31 million as at 31 December 2016 due to amortisation of land use rights of RMB61,000 during the year.

Inventories which consist of dyeing materials, additives and packaging materials decreased slightly from RMB0.8 million as at 31 December 2015 to RMB0.6 million as at 31 December 2016 due to decrease in purchases as a result of lower demand from our customers during the year.

Trade receivables decreased from RMB15.2 million as at 31 December 2015 to RMB4.1 million as at 31 December 2016. The decrease of 72.9% was due to lower revenue recorded in 4Q2016 amounting to RMB4.5 million (inclusive of value added tax) as compared to 4Q2015 amounting to RMB16.9 million (inclusive of value added tax). Trade receivables are within the credit term of 60 days as at 31 December 2016.

Prepayment and other receivables decreased from RMB20.7 million as at 31 December 2015 to RMB 4.6 million as at 31 December 2016. The decrease is mainly due to the followings:

- A refund of RMB20.3 million pertained to prepayments to made to Shishi Land Bureau (石狮市国土资源局) for acquisition the land use rights of a piece of land as announced on 19 August 2016 while offsetting the impact of;
- Prepayment of RMB4.6 million made to an PPE supplier for installation and reconstruction of air pollution improvement system due to tightening environmental protection measure requested by the local authority.

Cash and bank balances decreased from RMB450.1 million as at 31 December 2015 to RMB0.7 million as at 31 December 2016. The decrease was mainly attributable to the followings:

- Compensation claim totalling of RMB470.4 million was paid to the three claimants on 28 September 2016 in relation to the claims by customers as announced on 29 September 2016 while offsetting the impact of;
- A refund of RMB20.3 million pertained to prepayments made to Shishi Land Bureau (石狮市国土资源局) for acquisition the land use rights of a piece of land as announced on 19 August 2016.

Trade payables decreased by 78.3% from RMB2.3 million as at 31 December 2015 to RMB0.5 million as at 31 December 2016. The decrease was mainly due to decrease in purchases from suppliers as a result of lower demand from customers.



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Review of Financial Position (cont'd)

Accrued liabilities and other payables decreased by 98.6% from RMB476.7 million as at 31 December 2015 to RMB6.8 million as at 31 December 2016. The decrease was mainly attributable to the compensation claim totalling of RMB470.4 million was paid to the three claimants on 28 September 2016 in relation to the claims by customers as announced on 29 September 2016.

There was no significant movement in bank borrowings as at 31 December 2015 as compared to financial year ended 31 December 2016.

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

Based on our disclosure in the 2015 full year results, 1Q2016 results, 1H2016 and 9M2016 results announcements pertaining to a challenging business outlook in FY2016, the management noted no variance between the actual results of 12M2016 and the prospect statement disclosed to shareholders in the 2015 full year results, 1Q2016 results and 9M2016 results announcements except for the payment of compensation made in relation to the customers claim as announced on 29 September 2016.

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.

Based on the result obtained in FY2016 and the Group's experience with our order books on hand, the Group expects a challenging 2017 for its dying business.

The China textile industry is fraught with uncertain as output had been slow due to domestic factors and weak recovery from the international market. The effect of various domestic factors such as rising costs from cotton prices and labor costs, has a direct and/or indirect effect on our customers and consequently in their demand for our service.

Shareholders are advised to refer to the Company's announcements in relation to the update of potential customers' claims and auditors' findings.

11. Dividend

(a) Current Financial Year 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.



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

No dividend has been declared/recommended for the year ended 31 December 2016.

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

13. 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.

Business segment

As the Group operates principally in a single business segment which is the provision of dyeing and post-processing treatment services for fabrics, no reporting by business operations is presented.

Geographical segment

As the business of the Group is engaged entirely in the PRC, no reporting by geographical location of operations is presented

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

As disclosed in Paragraph 8.

15. A breakdown of sales

The Group	FY2016 RMB'000 (Unaudited)	FY2015 RMB'000 (Audited)	Changes %
(a) Sales reported for first half year	12,910	29,124	-55.67%
(b) (Loss)/profit attributable to shareholders reported for first half year	(834)	2,652	-131.45%
(c) Sales reported for second half year	12,061	35,209	-65.74%
(d) Loss attributable to shareholders reported for second half year	(2,753)	(467,149)	-99.41%



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

The Group and Company	FY2016 RMB'000	FY2015 RMB'000
Ordinary		
- Interim	-	-
- Final	-	-
Preference	N/A	N/A
TOTAL	-	-

17. Interested Person Transactions

The Group does not have any general mandate from shareholders for Interested Person Transactions. No interested person transactions exceeding S\$100,000 has been entered into by the Group for the year ended 31 December 2016.

18. 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.

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
Wu Dezhi	70	Uncle of Mr Wu Xinhua, Executive Chairman and Chief Executive Officer of the Company	Non-executive director, appointed since 15 June 2009.	Not applicable.
Wu Xinda	29	1. Son of Mr Wu Xinhua, Executive Chairman and Chief Executive Officer of the Company; and 2. Grandnephew of Mr Wu Dezhi, Non-Executive Director of the Company.	Deputy General Manager for Administration, appointed since 1 March 2011.	Not applicable.



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19. Confirmation by the Board Pursuant to Rule 705(5) of SGX Listing Manual

The Directors confirmed that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial information of the Company or the unaudited consolidated financial information of the Group for the fourth quarter and full year ended 31 December 2016 to be false or misleading in any material respect.

20. Confirmation by the Board Pursuant to Rule 720(1) of SGX Listing Manual

The Company confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in form Appendix 7.7.

21. Use of IPO proceeds

As at the date of this announcement, the net proceeds from the Company's initial public offering has been utilised as follows:

Use of IPO proceeds	Amount allocated S\$'000	Amount utilized S\$'000	Balance S\$'000
To construct new facilities and acquire new machinery	14,000	13,231	769
To expand our research and development capabilities	1,000	1,000	-
For working capital purpose	1,282	1,282	-
	<u>16,282</u>	<u>15,513</u>	<u>769</u>

On behalf of the Board of Directors

Wu Xinhua
Executive Chairman and CEO

28 February 2017