

**MERCURIUS CAPITAL INVESTMENT LIMITED.**

**(previously known as CCFH LTD.)**

(Incorporated in the Republic of Singapore)

(Company Registration No.198200473E)

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**Third Quarter Financial Statement Announcement for the Nine-Months Period Ended 30/9/2016 of Mercurius Capital Investment Limited (“MCIL” or the “Company” and together with its subsidiary corporations, the “Group”)**

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, R & T Corporate Services Pte. Ltd. (“Sponsor”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“Exchange”). The Sponsor has not independently verified the contents of this announcement including the accuracy or completeness of any of the figures used, statements, opinions or other information made or disclosed.*

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

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE  
THIRD QUARTER AND NINE-MONTHS ENDED 30 SEPTEMBER 2016**

	3 Months Ended			9 Months Ended		
	30/09/2016	30/09/2015	Change	30/09/2016	30/09/2015	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	1,090	9,395	-88%	3,058	18,611	-84%
Cost of sales	(991)	(6,307)	-84%	(2,839)	(14,484)	-80%
Gross profit	99	3,088	-97%	219	4,127	-95%
Other income, net	1,150	135	752%	2,512	310	710%
Other losses, net	(5,369)	(209)	2469%	(8,376)	(213)	3832%
Selling and distribution expenses	(57)	(211)	-73%	(272)	(680)	-60%
Administrative expenses	(355)	(472)	-25%	(1,033)	(1,524)	-32%
Finance costs	(230)	(282)	-18%	(548)	(747)	-27%
<b>(Loss)/profit before income tax</b>	<b>(4,762)</b>	<b>2,049</b>	<b>-332%</b>	<b>(7,498)</b>	<b>1,273</b>	<b>-689%</b>
Income tax expenses	-	(21)	-100%	(17)	(114)	-85%
<b>Net (loss)/profit for the financial period</b>	<b>(4,762)</b>	<b>2,028</b>	<b>-335%</b>	<b>(7,515)</b>	<b>1,159</b>	<b>-748%</b>
<b>Other comprehensive income:</b>						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation						
- Gains/(losses)	51	(107)	-148%	(646)	289	-324%
<b>Total comprehensive (loss)/income</b>	<b>(4,711)</b>	<b>1,921</b>	<b>-345%</b>	<b>(8,161)</b>	<b>1,448</b>	<b>-664%</b>
<b>Net (loss)/profit attributable to:</b>						
Equity holders of the Company	<b>(4,762)</b>	<b>2,028</b>	<b>-335%</b>	<b>(7,515)</b>	<b>1,159</b>	<b>-748%</b>
<b>Total comprehensive (loss)/income attributable to:</b>						
Equity holders of the Company	<b>(4,711)</b>	<b>1,921</b>	<b>-345%</b>	<b>(8,161)</b>	<b>1,448</b>	<b>-664%</b>

NM = Not Meaningful

**1(a)(ii) Notes to Consolidated Statement of Comprehensive Income**

(Loss)/profit for the financial period was arrived at after crediting/(charging) the following:

	3 Months Ended			9 Months Ended		
	30/09/2016	30/09/2015	Change	30/09/2016	30/09/2015	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income	-	3	-100%	4	10	-60%
(Allowance)/reversal of allowance for impairment of trade receivables	-	(27)	-100%	1,920	-	NM
Reversal of allowance for impairment for property, plant & equipment	443	-	NM	443	-	NM
Inventories written-down	-	(34)	-100%	-	-	NM
Depreciation and amortisation	(56)	(60)	-7%	(164)	(191)	-14%
Loss on disposal of property, plant and equipment	(140)	-	NM	(140)	-	NM
Salaries, bonuses and allowances	(109)	(676)	-84%	(744)	(2,342)	-68%
Rental expenses on operating lease	124	(317)	-139%	(73)	(521)	-86%
Interest expense	(230)	(282)	-18%	(548)	(747)	-27%
Currency translation gains/(losses), net	706	279	153%	142	(209)	-168%

*NM = Not Meaningful*

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

**STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016 AND 31 DECEMBER 2015**

	Group As at		Company As at	
	30/09/2016 S\$'000	31/12/2015 S\$'000	30/09/2016 S\$'000	31/12/2015 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	1,756	3,805	19	20
Trade and other receivables	29,772	47,008	30,590	33,107
Income tax recoverable	18	18	-	-
Inventories	12,697	17,552	-	-
	<u>44,243</u>	<u>68,383</u>	<u>30,609</u>	<u>33,127</u>
<b>Non-current assets</b>				
Investments in subsidiary corporations	-	-	20,429	20,429
Property, plant and equipment	37	320	10	13
Intangible assets	-	-	-	-
	<u>37</u>	<u>320</u>	<u>20,439</u>	<u>20,442</u>
<b>TOTAL ASSETS</b>	<u>44,280</u>	<u>68,703</u>	<u>51,048</u>	<u>53,569</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	7,203	18,536	28,832	32,879
Borrowings	23,098	27,959	-	-
Current income tax liabilities	10	78	-	-
	<u>30,311</u>	<u>46,573</u>	<u>28,832</u>	<u>32,879</u>
<b>TOTAL LIABILITIES</b>	<u>30,311</u>	<u>46,573</u>	<u>28,832</u>	<u>32,879</u>
<b>NET ASSETS</b>	<u>13,969</u>	<u>22,130</u>	<u>22,216</u>	<u>20,690</u>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	49,074	49,074	132,732	132,732
Other reserves	8,304	8,950	-	-
Accumulated losses	(43,188)	(35,673)	(110,516)	(112,042)
	<u>14,190</u>	<u>22,351</u>	<u>22,216</u>	<u>20,690</u>
<b>Non-controlling interests</b>	(221)	(221)	-	-
<b>TOTAL EQUITY</b>	<u>13,969</u>	<u>22,130</u>	<u>22,216</u>	<u>20,690</u>

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

**- Amount repayable in one year or less, or on demand**

**- Amount repayable after one year**

	<b>Group 30/09/2016</b>		<b>Group 31/12/2015</b>	
	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>
Borrowing	23,098	-	27,959	-
Of which:				
Amount due within 1 year	23,098	-	27,959	-

**Details of any collateral**

Secured borrowings consist of term loans, bills payable and factoring of trade receivables. The bank borrowings are secured over a pledge of certain property, plant and equipment provided by a related company and related party.

Shishi Haotian Dress Industry Co Ltd ("Shishi Haotian"), a fully owned subsidiary corporation of the Group, had extended a corporate guarantee to Hua Xia Bank in China for Eagleton (Xiamen) Import & Export Co Ltd's ("Eagleton") banking facilities with the bank. The corporate guarantee is effective from 12 August 2014 to 12 August 2017 for an amount of up to RMB32,000,000. As at 30 June 2016, the outstanding banking facility drawn down by Eagleton was RMB24,000,000 (31 December 2015: RMB24,000,000). Following the completion of the disposal of the Group's stake in Eagleton on 23 January 2015, the Group is working towards the release of the corporate guarantee, and had obtained an indemnity from the purchasers of Eagleton in the favour of Shishi Haotian for the corporate guarantee.

As at to date, the corporate guarantee provided by Shishi Haotian had yet to be discharged.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER AND NINE-MONTH ENDED 30 SEPTEMBER 2016**

	<b>9 Months Ended</b>	
	30/09/2016	30/09/2015
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Net (loss)/profit	(7,515)	1,159
<b>Adjustments for:</b>		
Income tax expense	17	114
Reversal of allowance for impairment of property, plant and equipment	(443)	-
Depreciation of property, plant and equipment	164	191
Loss on disposal of property, plant and equipment	140	-
Interest expense	548	747
Interest income	(4)	(10)
Unrealised currency translation losses	8	2,032
Operating cash flows before working capital changes	<u>(7,085)</u>	<u>4,233</u>
<b>Changes in working capital</b>		
Decrease/(increase) in trade and other receivables	14,715	(16,081)
Decrease/(increase) in inventories	4,855	(7,609)
Decrease in trade and other payables	<u>(11,334)</u>	<u>(3,598)</u>
<b>Cash provided by/(used in) operations</b>	1,151	(23,055)
Interest received	4	10
Income tax refund	-	14
Income tax paid	<u>(78)</u>	<u>(467)</u>
<b>Net cash provided by/(used in) operating activities</b>	<u>1,077</u>	<u>(23,498)</u>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	-	(75)
Proceeds from disposal of property, plant and equipment	385	-
Deferred proceed from disposal of subsidiary corporations	-	1,092
<b>Net cash provided by investing activities</b>	<u>385</u>	<u>1,017</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	24,069	53,552
Repayment of borrowings	(26,825)	(28,758)
Interest paid	(548)	(747)
Decrease/(Increase) in bank balances pledged	1,208	(2,609)
<b>Net cash (used in)/provided by financing activities</b>	<u>(2,096)</u>	<u>21,438</u>
<b>Net decrease in cash and cash equivalents</b>	(634)	(1,043)
<b>Cash and bank balances</b>		
Cash and bank balances at beginning of financial period	1,040	2,557
Effect of currency translation on cash and bank balances	(207)	171
Cash and bank balances at end of financial period	<u>199</u>	<u>1,685</u>

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

Notes to consolidated statement of cash flows:-

a) Cash and cash equivalents included in the consolidated statement of cash flows comprises the followings:

	<b>9 Months Ended</b>	
	30/09/2016	30/09/2015
	S\$'000	S\$'000
Cash and bank balances	1,756	5,286
Cash and bank balances as per statement of financial position	<u>1,756</u>	<u>5,286</u>
Bank balances pledged with banks	<u>(1,557)</u>	<u>(3,601)</u>
	<u>199</u>	<u>1,685</u>

**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 year.**

**GROUP**

	Equity attributable to owners of the parent							Total Equity S\$'000
	Share capital S\$'000	Statutory surplus reserve S\$'000	Capital reserve S\$'000	Currency translation reserve S\$'000	Accumulated losses S\$'000	Total equity attributable to owners of the company S\$'000	Non- controlling interests S\$'000	
Balance at 1 January 2016	49,074	1,911	6,992	47	(35,673)	22,351	(221)	22,130
Total comprehensive loss for the financial period	-	-	-	(646)	(7,515)	(8,161)	-	(8,161)
Balance at 30 September 2016	49,074	1,911	6,992	(599)	(43,188)	14,190	(221)	13,969
Balance at 1 January 2015	49,074	1,911	6,992	(292)	(15,376)	42,309	(221)	42,088
Total comprehensive income for the financial period	-	-	-	289	1,159	1,448	-	1,448
Balance at 30 September 2015	49,074	1,911	6,992	(3)	(14,217)	43,757	(221)	43,536

**COMPANY**

	Share Capital S\$'000	Accumulated Losses S\$'000	Total S\$'000
Balance at 1 January 2016	132,732	(112,042)	20,690
Total comprehensive income for the financial period	-	1,526	1,526
Balance at 30 September 2016	132,732	(110,516)	22,216
Balance at 1 January 2015	132,732	(77,023)	55,709
Total comprehensive loss for the financial period	-	(755)	(755)
Balance at 30 September 2015	132,732	(77,778)	54,954



- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's share capital from 31 December 2015 to 30 September 2016.

As at 30 September 2016 and 30 September 2015, there were no outstanding convertibles and share options in respect of the unissued ordinary shares of the Company under the Friven & Co. Employee Share Options Scheme.

There were no treasury shares as at 30 September 2016 and 30 September 2015.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 30 September 2016 and 31 December 2015, the total number of issued shares was 1,104,008,940. There were no treasury shares as at 30 September 2016 and 31 December 2015.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported thereon.**

Not applicable. The Company did not have any treasury shares during and as at the current financial period reported on.

- 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 independent auditor.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

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

Save as disclosed in Section 5 below, the Group had applied the same accounting policies and methods of computation in the financial statements for the current financial period reported on, as in the recently audited financial statements of the Group for the financial year ended 31 December 2015 ("FY2015").

**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 had adopted all the applicable new and revised Financial Reporting Standards ("FRS") including related interpretations ("INT FRS") which become effective for the financial year beginning on or after 1 January 2016. The adoption of these new and revised FRS and INT FRS did not give rise to any material impact on the Group's financial statements for the current financial period reported on.

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

	<b>9 Months Ended</b>	
	<b>30/09/2016</b>	<b>30/09/2015</b>
Net (loss)/profit for the financial period (S\$'000)	(7,515)	1,159
Weighted average number of ordinary shares in issue for computation of basic earnings and diluted earnings per share	1,104,008,940	1,104,008,940
Basic and diluted (loss)/earnings per share (cents)	(0.68)	0.10

For the nine-month financial period ended 30 September 2016 and 30 September 2015, the diluted (loss)/earnings per share was equivalent to the basic (loss)/earnings per share as the Company did not have any potentially dilutive securities.

**7. Net asset value (for the issuer and the group) per ordinary share based on issued share capital of the issuer at the end of the:-**

**(a) current financial period reported on; and**

**(b) immediately preceding financial year.**

	<b>Group</b>	
	<b>30/09/2016</b>	<b>31/12/2015</b>
<b>Net Asset Value Per Ordinary Share</b>		
- Based on issued share capital at the end of financial period/year	1.27 cents	2.00 cents
- Number of existing issued shares at the end of financial period/year	1,104,008,940	1,104,008,940
	<b>Company</b>	
	<b>30/09/2016</b>	<b>31/12/2015</b>
<b>Net Asset Value Per Ordinary Share</b>		
- Based on issued share capital at the end of financial period/year	2.01 cents	1.87 cents
- Number of existing issued shares at the end of financial period/year	1,104,008,940	1,104,008,940

**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**

**Turnover**

Divisions	3 months ended			9 months ended		
	30/09/16 ("3Q2016") S\$'000	30/09/15 ("3Q2015") S\$'000	Variance %	30/09/16 ("9M2016") S\$'000	30/09/15 ("9M2015") S\$'000	Variance %
Original Design	1,090	9,395	(88.4)	3,058	18,611	(83.6)
Manufacturing ("ODM")						
<b>Total</b>	<b>1,090</b>	<b>9,395</b>	<b>(88.4)</b>	<b>3,058</b>	<b>18,611</b>	<b>(83.6)</b>

Revenue decreased significantly by S\$15.6 million from S\$18.6 million in 9M2015 to S\$3.1 million in 9M2016. The decrease in revenue was mainly affected by the slow market condition in China during the financial period which had affected orders from our existing domestic customers. Due to slow recovery of trade receivable from our international customers, the Group has ceased its international sales orders beginning from 3Q2016 and instead focused our efforts on domestic market in mainland China.

- (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 (Continued)**

### **Gross Profit**

Gross profit decreased by S\$3.9 million from S\$4.1 million in 9M2015 to S\$0.2 million in 9M2016 as result of lower sales volume recorded during the financial period. The decrease in revenue against fixed production cost in turn resulted in a corresponding decrease of gross profit margin from 22.2% in 9M2015 to 7.2% in 9M2016.

### **Other Income**

Other income increased by S\$2.2 million to S\$2.5 million in 9M2016 as compared to S\$0.3 million in 9M2015. The increase was due to reversal of allowance for impairment of trade receivables and property, plant and equipment amounting to S\$1.9 million and S\$0.4 million respectively.

### **Expenses**

Increase in other losses by S\$8.2 million in 9M2016 was due to loss from disposal of slow moving and obsolete raw materials (Cotton fabric) with carrying amount approximately S\$12.2 million.

Selling and distribution expenses decreased by 60% from S\$0.7 million in 9M2015 to S\$0.3 million in 9M2016 as a result of cost rationalisation and lower sales activities during the financial period.

Similarly, the administrative expenses decreased by S\$0.5 million from S\$1.5 million in 9M2015 to S\$1.0 million in 9M2016. The lower administrative expenses was mainly attributed by decrease in staff costs as a result of cessation of key managements and reduction in factory workers during the financial period.

Finance costs decreased by 27% to S\$0.5 million in 9M2016 as compared to S\$0.7 million in 9M2015 which was in line with the decrease in borrowing during the financial period.

Despite a net loss reported by the Group, the tax expenses of S\$17,000 were reported by one of the Group's operating China subsidiary corporations.

The Group reported a net loss of S\$7.5 million in 9M2016 as compared to S\$1.2 million profit for 9M2015 due to the above factors.

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

Trade and other receivables decreased by S\$17.2 million to S\$29.8 million as at 30 September 2016 as compared to S\$47.0 million as at 31 December 2015, mainly due to decrease in advances to suppliers by \$11.8 million. These advances had been utilised to pay off the amount due to suppliers. Decrease in trade receivable was also in line with the decrease in revenue during the financial period.

Inventories decreased by S\$4.9 million to S\$12.7 million as at 30 September 2016 from S\$17.6 million as at 31 December 2015, mainly due to disposal of slowing moving and obsolete raw materials with carrying amount of S\$12.2 million during the financial period, offset by purchase of new raw materials.

Non-current assets decreased by S\$283,000 as compared to 31 December 2015 as a result of depreciation of property, plant and equipment and disposal of property, plant and equipment with net value of S\$82,000 during the financial period.

Trade and other payables decreased by S\$11.3 million to S\$7.2 million as at 30 September 2016 compared to S\$18.5 million as at 31 December 2015. This was mainly due to decrease in advances from domestic customers as a result of lower orders, and settlement of the amount due to suppliers through utilisation of the advances to suppliers.

Total borrowings decreased by S\$4.9 million to S\$23.1 million as at 30 September 2016 when compared to 31 December 2015, mainly due to settlement of bills payables amounting to S\$2.8 million.

The Group had a positive working capital of S\$13.9 million as at 30 September 2016 as compared to S\$21.8 million as at 31 December 2015.

**Group's Cash Flow Position**

Net cash provided by operating activities amounting to S\$1.1 million in 9M2016 was derived from net cash inflows from changes in working capital of S\$1.1 million. The net cash inflows from changes in working capital were mainly due to decrease in trade and other receivable by S\$14.7 million and decrease in trade and other payables by S\$11.3 million as a result of settlement of the amount due to supplier via the advances to suppliers, accompanied by decrease in inventories of S\$4.9 million due to disposal of raw materials during the financial period.

Net cash used in financing activities of S\$2.1 million for 9M2016 was mainly due to net settlement of bills payables amounting to S\$7.0 million.

The Group had a net cash outflow of S\$0.6 million and S\$1.0 million for 9M2016 and 9M2015 respectively.

As at 30 September 2016, cash and cash equivalents of the Group stood at S\$0.2 million (2015: S\$1.7 million).

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

**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.**

In 2015, global economic activity remained subdued. Overall growth in China is evolving broadly as envisaged, but with a faster-than-expected slowdown in imports and exports, in part reflecting weaker investment and manufacturing activity<sup>1</sup>. The risks to the global outlook remained tilted to the downside and relate to ongoing adjustment in the global economy which in turn continue to affects our market adversely, for example the generalised slowdown in emerging market economies, China's rebalancing and lower commodity prices. In view of all these factors and the Group's financial performance in FY2015, the Group is expecting its ODM business to continue operating under challenging business environment.

The Group will continue to focus on sales revenue and is monitoring and taking active steps to prevent the further decline of the Group's sales. As mentioned in the FY2015 Annual Report, the Group will also continue to exercise cost rationalization of the business, as well as explore other opportunities for collaboration in the current financial year.

**11. Dividend**

**(a) Current Financial Period Reported On  
Any dividend declared for the current financial period reported on?**

No.

**(b) Corresponding Period of the Immediately Preceding Financial Year  
Any dividend declared for the corresponding period of the immediately preceding financial year?**

No.

**c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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<sup>1</sup> International Monetary Fund, *World Economic Outlook: "Subdued Demand, Diminished Prospects"*, published online on Jan 2016

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

No dividend has been declared or recommended for 9M2016.

**13. If the Group has obtained a general mandate from shareholders for interested person transactions (“IPT”) 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.**

Name of interested person	Aggregate value of all interested person transactions during the financial period ended 30 September 2016 under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions during the financial period ended 30 September 2016 conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Four Season Capital Pte Ltd (Note 1)	S\$21,600	Nil (Note 3)
Shishi Jijile Garments Weaving Co., Ltd. (Note 2)	S\$56,257	Nil (Note 3)

Note 1: Rental of office space from a company owned by the spouse of Xu Rongsen, CEO of the Company.

Note 2: Rental of office and production space from a company owned by the father-in-law of Xu Rongsen, CEO of the Company.

Note 3: The Group does not have a general mandate from shareholders for IPTs.

**14. Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited**

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to the attention of the Board of Directors that may render the unaudited financial statements for the 3rd quarter ended 30 September 2016 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 7H) under Rule 720(1).**

The Company has procured the undertakings from all its directors and executive officers (in the updated format set out in Appendix 7H of the Catalist Rules) under Rule 720(1) of the Catalist Rules.

**BY ORDER OF THE BOARD**

**Chang Wei Lu**  
**Executive Chairman**  
**14 November 2016**