

MERCURIUS CAPITAL INVESTMENT LIMITED
(previously known as CCFH Ltd.)
(Incorporated in the Republic of Singapore)
(Company Registration No.198200473E)

First Quarter Financial Statement Announcement for the Three-Month Period Ended 31/03/2015 (“1Q2015”) of Mercurius Capital Investment Limited (“MCIL” or the “Company” and together with its subsidiaries, the “Group”)

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.

This announcement has not been examined or approved by the Exchange. The Sponsor and the Exchange assume no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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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 THREE-MONTH ENDED 31 MARCH 2015

	3 Months Ended		Change %
	31/03/2015 S\$'000	31/03/2014 S\$'000	
Continuing Operations		(Re-presented)	
Revenue	3,226	8,737	-63%
Cost of sales	(3,153)	(6,913)	-54%
Gross profit	73	1,824	-96%
Other income	609	125	387%
Other losses	(4)	(3)	33%
Selling and distribution expenses	(249)	(293)	-15%
Administrative expenses	(493)	(1,070)	-54%
Finance costs	(195)	(188)	4%
(Loss)/profit before income tax	(259)	395	-166%
Income tax credit	-	2	-100%
Net (loss)/profit for the financial period from continuing operations	(259)	397	-165%
Discontinued operations			
Net profit for the financial period from discontinued operations, net of tax	-	556	100%
Total (loss)/profit for the financial period	(259)	953	-127%
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation -Gains/(losses)	813	(348)	-334%
Total comprehensive income	554	605	-8%
Net (loss)/profit attributable to:			
Equity holders of the Company - Continuing operations	(259)	397	-165%
Equity holders of the Company - Discontinued operations	-	556	100%
	(259)	953	-127%
Total comprehensive income attributable to:			
Equity holders of the Company - Continuing operations	554	49	1031%
Equity holders of the Company - Discontinued operations	-	556	100%
	554	605	-8%

NM = Not Meaningful

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

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

	Continuing Operations			Discontinued Operations		
	3 Months Ended		Change	3 Months Ended		Change
	31/03/2015	31/03/2014		31/03/2015	31/03/2014	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
	(Re-presented)			(Re-presented)		
Interest income	2	5	-60%	-	1	NM
Reversal for impairment of trade and other receivables, net	15	1	1400%	-	-	NM
Write down of inventories, net	-	(51)	NM	-	-	NM
Depreciation and amortisation	(66)	(455)	-85%	-	(41)	NM
Property, plant and equipment written off	-	(3)	NM	-	-	NM
Salaries, bonuses and allowances	(1,217)	(1,595)	-24%	-	(247)	NM
Rental expenses on operating lease	(103)	(115)	-10%	-	(35)	NM
Interest expense	(195)	(188)	4%	-	(104)	NM
Under provision of income tax in prior financial year	-	-	NM	-	(18)	NM
Currency translation gains/(losses), net	537	(81)	-763%	-	17	NM

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 31 MARCH 2015 AND 31 DECEMBER 2014

	Group		Company	
	As at		As at	
	31/03/2015	31/12/2014	31/03/2015	31/12/2014
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	4,477	3,548	44	96
Trade and other receivables	60,884	51,919	43,245	42,156
Income tax recoverable	25	35	-	-
Inventories	28,927	23,159	-	-
	<u>94,313</u>	<u>78,661</u>	<u>43,289</u>	<u>42,252</u>
Non-current assets				
Investments in subsidiaries	-	-	45,571	45,571
Property, plant and equipment	932	914	16	16
Intangible assets	1,492	1,432	-	-
	<u>2,424</u>	<u>2,346</u>	<u>45,587</u>	<u>45,587</u>
TOTAL ASSETS	<u>96,737</u>	<u>81,007</u>	<u>88,876</u>	<u>87,839</u>
LIABILITIES				
Current liabilities				
Trade and other payables	26,323	25,142	23,690	32,130
Borrowings	27,719	13,370	9,922	-
Current income tax liabilities	53	407	-	-
	<u>54,095</u>	<u>38,919</u>	<u>33,612</u>	<u>32,130</u>
TOTAL LIABILITIES	<u>54,095</u>	<u>38,919</u>	<u>33,612</u>	<u>32,130</u>
NET ASSETS	<u>42,642</u>	<u>42,088</u>	<u>55,264</u>	<u>55,709</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	49,074	49,074	132,732	132,732
Other reserves	9,424	8,611	-	-
Accumulated losses	(15,635)	(15,376)	(77,468)	(77,023)
	<u>42,863</u>	<u>42,309</u>	<u>55,264</u>	<u>55,709</u>
Non-controlling interests	<u>(221)</u>	<u>(221)</u>	<u>-</u>	<u>-</u>
TOTAL EQUITY	<u>42,642</u>	<u>42,088</u>	<u>55,264</u>	<u>55,709</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

	Group		Group	
	31/03/2015		31/12/2014	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Borrowings	27,719	-	13,370	-
Of which:				
Amount due within 1 year	27,719	-	13,370	-

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 properties, plant and equipment provided by a related company and related party.

Shishi Haotian Dress Industry Co Ltd ("Shishi Haotian"), a fully owned subsidiary of the Group, had extended a corporate guarantee to a 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 and for an amount up to RMB20,000,000. 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 have gotten the purchasers of Eagleton to provide an indemnity in the favour of Shishi Haotian for the corporate guarantee.

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 THREE-MONTH ENDED 31 MARCH 2015 AND 2014

	3 Months Ended	
	31/03/2015 S\$'000	31/03/2014 S\$'000
Cash flows from operating activities		
Net (loss)/profit	(259)	953
Adjustments for:		
Income tax expense	-	16
Reversal of allowance for impairment of receivables, net	(15)	(1)
Write down of inventories	-	51
Amortisation of intangible assets	-	377
Depreciation of property, plant and equipment	66	119
Interest expense	195	292
Interest income	(2)	(6)
Property, plant and equipment written off	-	3
Unrealised currency translation losses/(gains)	1,226	(500)
Operating cash flows before working capital changes	1,211	1,304
Changes in working capital		
Trade and other receivables	(10,042)	(13,667)
Inventories	(5,768)	(83)
Trade and other payables	1,180	6,229
Cash used in operations	(13,419)	(6,217)
Interest received	2	6
Income tax refund	9	-
Income tax paid	(361)	(119)
Net cash used in operating activities	(13,769)	(6,330)
Cash flows from investing activities		
Additions of intangible assets	-	(86)
Additions of property, plant and equipment	(48)	(60)
Deferred proceeds from disposal of subsidiaries	1,092	-
Net cash provided by/(used in) investing activities	1,044	(146)
Cash flows from financing activities		
Proceeds from placement of ordinary shares	-	5,685
Proceeds from borrowings	22,145	8,052
Repayment of borrowings	(8,458)	(7,312)
Interest paid	(195)	(292)
Decrease/(Increase) in bank deposits and bank balances pledged	(2,010)	3,019
Net cash provided by financing activities	11,482	9,152
Net (decrease)/increase in cash and cash equivalents	(1,243)	2,676
Cash and cash equivalent		
Cash and cash equivalent at beginning of financial year	2,557	4,570
Effects of currency translation on cash and cash equivalents	162	(176)
Cash and cash equivalent at end of financial period	1,476	7,070

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:

	3 Months Ended	
	31/03/2015	31/03/2014
	SS'000	SS'000
Cash and bank balances	4,477	10,823
Short-term bank deposits	-	15
Cash and cash equivalents as per statement of financial position	<u>4,477</u>	<u>10,838</u>
Short-term bank deposits pledged with banks	-	(15)
Bank balances pledged with banks	<u>(3,001)</u>	<u>(3,753)</u>
	<u>1,476</u>	<u>7,070</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	Foreign currency translation account S\$'000	Accumulated losses S\$'000	Equity attributable to owners of the parent S\$'000	Non-controlling interests S\$'000	
Balance at 1 January 2015	49,074	1,911	6,992	(292)	(15,376)	42,309	(221)	42,088
Total comprehensive income/(loss) for the financial period	-	-	-	813	(259)	554	-	554
Balance at 31 March 2015	49,074	1,911	6,992	521	(15,635)	42,863	(221)	42,642
Balance at 1 January 2014	41,022	1,905	6,992	(991)	(18,630)	30,298	(221)	30,077
Issue of shares via placement	8,052	-	-	-	-	8,052	-	8,052
Total comprehensive (loss)/income for the financial period	-	-	-	(348)	953	605	-	605
Transfer to statutory reserve	-	6	-	-	(6)	-	-	-
Balance at 31 March 2014	49,074	1,911	6,992	(1,339)	(17,683)	38,955	(221)	38,734

COMPANY

	Share Capital S\$'000	Accumulated Losses S\$'000	Total S\$'000
Balance at 1 January 2015	132,732	(77,023)	55,709
Total comprehensive loss for the financial period	-	(445)	(445)
Balance at 31 March 2015	132,732	(77,468)	55,264
Balance at 1 January 2014	124,680	(73,630)	51,050
Issue of shares via placement	8,052	-	8,052
Total comprehensive loss for the financial period	-	(301)	(301)
Balance at 31 March 2014	132,732	(73,931)	58,801

- 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 2014 to 31 March 2015.

As at 31 March 2015 and 31 March 2014, 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 31 March 2015 and 31 March 2014.

- 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 31 March 2015 and 31 December 2014, the total number of issued shares was 1,104,008,940. There were no treasury shares as at 31 March 2015 and 31 December 2014.

- 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 year 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 year reported on, as in the recently audited financial statements of the Group for the financial year ended 31 December 2014 (“FY2014”).

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 2015. 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 year 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.

	3 Months Ended		3 Months Ended	
	31-03-2015	31-03-2014	31-03-2015	31-03-2014
	Continuing operations	Continuing operations	Discontinued operations	Discontinued operations
Net (loss)/profit for the financial period (S\$'000)	(259)	397	-	556
Weighted average number of ordinary shares in issue for computation of basic earnings and diluted earnings per share	1,104,008,940	868,141,922	1,104,008,940	868,141,922
Basic and diluted earnings per share (cents)	(0.02)	0.05	-	0.06

For the 3 months financial period ended 31 March 2015 and 31 March 2014, the fully diluted earnings per share was equivalent to the basic 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.

	Group	
	31/03/2015	31/12/2014
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the end of financial period/year	3.86 cents	3.81 cents
- Number of existing issued shares at the end of financial period/year	1,104,008,940	1,104,008,940
	Company	
	31/03/2015	31/12/2014
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the end of financial period/year	5.01 cents	5.05 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		Variance
	31/03/15 ("1Q2015") S\$'000	31/03/14 ("1Q2014") S\$'000 (Re-presented)	
Original Design Manufacturing ("ODM")	3,226	5,915	-45.5
Bedding and bed linen retail	-	303	NM
Sourcing and Procurement	-	2,519	NM
Total	3,226	8,737	(63.1)

- (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)**

Turnover

Turnover for 1Q2015 decreased by S\$5.5 million to S\$3.2 million from S\$8.7 million in 1Q2014. The decrease was primarily driven by a decrease in ODM revenue due to lower sales volume and sale of lower valued products in the European market, no revenue recorded from bedding and bed linen retail business due to the winding down of operations in Singapore and Malaysia after the Company has entered into a licensing agreement with Casa Grandeur Pte. Ltd. for the sale of bedding and bed linen products under the Group's proprietary brands, and no sale from the sourcing and procurement business in 1Q2015.

Gross Profit

Gross profit decreased by S\$1.7 million to S\$73,000 in 1Q2015 from S\$1.8 million in 1Q2014. This was primarily due to lower turnover and gross profit margin. Gross profit margin decreased from 20.9% in 1Q2014 to 2.3% in 1Q2015 mainly due to lower profit margin from ODM business as the Group had to reduce its unit selling price in response to poor market sentiment in the European market and intense competition from competitors.

Other Income

Other income increased by S\$0.5 million to S\$0.6 million in 1Q2015 as compared to S\$0.1 million in 1Q2014. This was primarily due to currency translation gain on USD denominated trade and other receivables.

Expenses

Selling and distribution expenses decreased by S\$44,000 to S\$249,000 in 1Q2015 from S\$293,000 in 1Q2014. This was primarily due to decrease in expenses incurred for Singapore and Malaysia operations following the cessation of bedding and bed linen retail business.

Administrative expenses decreased by S\$0.6 million to S\$0.5 million in 1Q2015 as compared to S\$1.1 million in 1Q2014. This was primarily due to lower amortization expenses as intangible assets have already been fully amortized in FY2014, and decrease in staff costs as a result of cessation of bedding and bed linen retail business in Singapore and Malaysia.

Finance costs increased by S\$7,000 to S\$195,000 in 1Q2015 as compared to S\$188,000 in 1Q2014, mainly due to the higher bank borrowings drawdown by the Group during the financial period.

The Group reported a net loss from continuing operations of S\$0.3 million for 1Q2015 as compared to net profit from continuing operations of S\$0.4 million for 1Q2014 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 increased by S\$9.0 million to S\$60.9 million as at 31 March 2015 as compared to S\$51.9 million as at 31 December 2014, mainly due to an increase in advances to suppliers for purchase of goods of S\$7.5 million in anticipation of higher level of production in the following months subsequent to 31 March 2015.

Inventories increased by S\$5.7 million to S\$28.9 million as at 31 March 2015 from S\$23.2 million as at 31 December 2014, mainly due to higher amount of raw materials purchased in anticipation of higher level of production in the following months subsequent to 31 March 2015.

Non-current assets increased by S\$0.1 million to S\$2.4 million as at 31 March 2015 as compared to S\$2.3 million as at 31 December 2014. This was mainly due to capital expenditure during the financial period and partly offset by depreciation of property, plant and equipment.

Trade and other payables increased by S\$1.2 million to S\$26.3 million as at 31 March 2015 compared to S\$25.1 million as at 31 December 2014. This was mainly due to an increase in deposits received from ODM customers.

Total borrowings increased by S\$14.3 million to S\$27.7 million as at 31 March 2015 compared to S\$13.4 million as at 31 December 2014, mainly due to higher drawdown of bank borrowings by the Group.

Income tax liabilities decreased by S\$354,000 to S\$53,000 as at 31 March 2015 compared to S\$407,000 as at 31 December 2014 mainly due to payment of income tax.

The Group had a positive working capital of S\$40.2 million as at 31 March 2015 as compared to S\$39.7 million as at 31 December 2014.

Group's Cash Flow Position

Net cash used in operating activities increased by S\$7.2 million to S\$13.4 million for 1Q2015 as compared to S\$6.2 million for 1Q2014. The net cash inflows before working capital changes from operations were S\$1.2 million for 1Q2015. The net cash outflows from changes in working capital were mainly due to increase in trade and other receivables of S\$10.0 million due to the increase in advances to suppliers for purchase of goods and higher credit sales transacted during the financial period, an increase in inventories of S\$5.8 million in anticipation of higher level of production in the coming months, partly offset by an increase in trade and payables of S\$1.2 million as a result of higher credit purchase during the year and increase in advances received from customers.

Net cash provided by investing activities of S\$1.0 million for 1Q2015 was mainly due to deferred proceeds received from disposal of subsidiaries, partly offset by purchase of plant and equipment.

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

Net cash provided by financing activities of S\$11.5 million for 1Q2015 was mainly due to drawdown of bank borrowings of S\$22.1 million, partly offset by repayment of S\$8.5 million of bank borrowings and increase of S\$2.0 million in balances pledged with banks.

The Group had a net cash outflow of S\$1.2 million for 1Q2015 as compared to a net cash inflow of S\$2.7 million for 1Q2014.

As at 31 March 2015, cash and cash equivalents of the Group stood at S\$1.5 million (31 March 2014: S\$7.1 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.

The global macro-economic outlook for 2015 remains positive with global growth projected to strengthen from 3.3% in 2014 to 3.5% in 2015¹. In 2015, the United States is expected to grow 3.1%¹, the Euro Area to grow 1.5%¹, and China to grow 6.8%¹. Despite the positive outlook in these markets, the Group is mindful of the various downside risks inherent in these key markets, such as the unwinding of loose monetary policy and the expected increase in interest rate in the United States, credit reforms and decreasing growth rate in China, and the high unemployment rate, increased geopolitical concerns and depreciating Euro dollar in Europe. As such, the Group expects its ODM business to operate under challenging business environment in these markets.

On 23 January 2015, the Group announced the completion of the disposal of children's fashion retail business. Following the completion of the disposal of the children's fashion retail business, the Group had received the sales consideration of US\$3.25 million in full in April 2015. Shishi Haotian, a fully owned subsidiary of the Group, had extended a corporate guarantee to a bank in China for Eagleton's banking facilities with the bank. The corporate guarantee is effective from 12 August 2014 to 12 August 2017 and for an amount up to RMB20,000,000. As at the date of this announcement, the Group had obtained an indemnity from the purchasers of Eagleton in the favour of Shishi Haotian for the corporate guarantee and is working towards the release of the corporate guarantee.

¹ International Monetary Fund, World Economic Outlook, April 2015

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 (Continued).

On 19 January 2015, the Group announced it has entered into a conditional sale and purchase agreement with Deng Xinhua, Lim Yew Seng and Mercury Capital Asset Management Limited pursuant to the acquisition of Mercury Capital Investment Limited (the “Agreement”). On 30 April 2015, the Group announced that parties to the Agreement had mutually agreed to extend the deadline for the fulfilment of the conditions precedent from 30 April 2015 to 31 May 2015 in accordance with the terms of the Agreement.

In an extraordinary general meeting held on 27 March 2015, the Company obtained the shareholders’ approval for the diversification of its business to include renewal energy and financial services, such as financial investment activities, fund management, corporate finance and financial advisory services, financing and operating leases activities.

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.

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

No dividend has been declared or recommended for the financial period ended 31 March 2015.

- 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 31 March 2015 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 31 March 2015 conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Shishi Jijile Garments Weaving Co., Ltd. (Note 1)	S\$355,642	Nil (Note 2)

Note 1: Rental of office and production space from a company owned by the father-in-law of Xu Rongsen, director of the Company.

Note 2: 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 first quarter ended 31 March 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Chang Wei Lu
Executive Chairman

15 May 2015