

FORELAND FABRICTECH HOLDINGS LIMITED (the “Company”)

(Co. Regn. No: 39151)

UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2011 (“FY2011”)

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

Group	Three months ended 31 December			FY2011	FY2010	Change
	2011	2010	Change			
	RMB'000	RMB'000		RMB'000	RMB'000	
Revenue	192,126	143,005	34%	756,467	348,363	117%
Cost of sales	(138,364)	(100,903)	37%	(537,380)	(269,958)	99%
Gross profit	53,762	42,102	28%	219,087	78,405	179%
Other income	321	172	87%	1,020	537	90%
Selling and distribution expenses	(1,476)	(1,845)	-20%	(6,167)	(5,597)	10%
Administrative expenses	(6,398)	(3,154)	103%	(20,533)	(9,931)	107%
Other expenses	133	4	N/A	(213)	(1,336)	-84%
Finance expenses	(3)	(3)	0%	(23)	(15)	53%
Profit before tax	46,339	37,276	24%	193,171	62,063	211%
Taxation	(12,283)	(9,691)	27%	(52,523)	(16,686)	215%
Net profit, representing total comprehensive income for the period attributable to shareholders	34,056	27,585	23%	140,648	45,377	210%

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:

Profit before income tax is determined after charging/(crediting) the following:

	Three months ended 31 December		FY2011	FY2010
	2011	2010		
	RMB'000	RMB'000	RMB'000	RMB'000
Depreciation on property, plant and equipment	6,573	4,048	21,463	18,675
Loss on disposal of property, plant and equipment	-	-	-	1,340
Foreign exchange (gain)/loss	(133)	(4)	213	(4)
Interest income	(237)	(69)	(682)	(283)

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

	Group		Company	
	31 December 2011 RMB'000	31 December 2010 RMB'000	31 December 2011 RMB'000	31 December 2010 RMB'000
Non-current assets				
Property, plant and equipment	372,011	356,118	-	-
Investment in subsidiaries	-	-	240,540	221,267
	<u>372,011</u>	<u>356,118</u>	<u>240,540</u>	<u>221,267</u>
Current assets				
Inventories	15,944	14,898	-	-
Trade receivables	117,298	71,515	-	-
Other receivables	4,590	2,362	651	-
Amount due from a subsidiary	-	-	90	90
Dividend receivable from a subsidiary	-	-	51,411	17,105
Cash and cash equivalents	228,055	111,385	1,943	196
	<u>365,887</u>	<u>200,160</u>	<u>54,095</u>	<u>17,391</u>
Total assets	<u>737,898</u>	<u>556,278</u>	<u>294,635</u>	<u>238,658</u>
Non-current liability				
Deferred tax liability	6,285	3,574	-	-
Current liabilities				
Trade payables	51,147	44,137	-	-
Other payables and accruals	14,543	9,362	4,957	1,323
Tax payable	12,596	10,115	-	-
	<u>78,286</u>	<u>63,614</u>	<u>4,957</u>	<u>1,323</u>
Total liabilities	<u>84,571</u>	<u>67,188</u>	<u>4,957</u>	<u>1,323</u>
Net assets	<u>653,327</u>	<u>489,090</u>	<u>289,678</u>	<u>237,335</u>
Equity attributable to equity holder of the Company				
Share capital	201,821	177,644	201,821	177,644
Share premium	72,687	50,512	72,687	50,512
Capital reserve	1,463	1,463	-	-
General reserve fund	53,791	38,730	-	-
Merger reserve	(18,906)	(18,906)	-	-
Revenue reserve	342,471	239,647	15,170	9,179
	<u>653,327</u>	<u>489,090</u>	<u>289,678</u>	<u>237,335</u>
Total equity	<u>653,327</u>	<u>489,090</u>	<u>289,678</u>	<u>237,335</u>

1(b)(ii) Aggregate amount of the group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 31 December 2011		As at 31 December 2010	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	-	-

Amount repayable after one year

As at 31 December 2011		As at 31 December 2010	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	-	-

Details of any collateral

Not applicable.

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

Group

	Three months ended 31 December			
	2011 RMB'000	2010 RMB'000	FY2011 RMB'000	FY2010 RMB'000
Cash flow from operating activities				
Profit before income tax	46,339	37,276	193,171	62,063
Adjustment for:				
Depreciation for property, plant and equipment	6,573	4,048	21,463	18,675
Loss on disposal of property, plant and equipment	-	-	-	1,340
Interest income	(237)	(69)	(682)	(283)
Operating cash flow before movements in working capital	52,675	41,255	213,952	81,795
Inventories	21,686	6,473	(1,046)	(2,987)
Trade receivables	(9,747)	(12,333)	(45,783)	(28,287)
Other receivables	(1,755)	1,569	(2,228)	238
Trade payables	(22,712)	(922)	7,010	12,279
Other payables and accruals	423	(67)	6,248	530
Cash generated from operations	40,570	35,975	178,153	63,568
Interest income	237	69	682	283
Income tax paid	(14,300)	(4,808)	(47,331)	(8,709)
Net cash generated from operating activities	26,507	31,236	131,504	55,142
Cash flow from investing activities				
Purchase of property, plant and equipment	(8,869)	(3,400)	(37,356)	(46,737)
Proceed from disposal of property, plant and equipment	-	-	-	2,290
Net cash used in investing activities	(8,869)	(3,400)	(37,356)	(44,447)
Cash flow from financing activities				
Proceeds from issue of new shares	-	-	29,060	-
Dividend paid (note 1)	(4,350)	-	(6,538)	-
Net cash (used in)/generated from financing activities	(4,350)	-	22,522	-
Net increase in cash and cash equivalents	13,288	27,836	116,670	10,695
Cash and cash equivalents at the beginning of the period/year	214,767	83,549	111,385	100,690
Cash and cash equivalents at the end of the period/year	228,055	111,385	228,055	111,385

Cash and cash equivalents represented by:

	Group	
	31 December 2011 RMB'000	31 December 2010 RMB'000
Cash and bank balances	228,055	111,385

Note 1: Total dividend payout in FY2011 amounting to RMB 22.8 million. The amount of RMB 16.3 million was paid out in a way of scrip dividend and the remaining amount of RMB 6.5 million was paid by cash.

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.

Statements of Changes in Equity

Group	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	General reserve fund RMB'000	Merger reserve RMB'000	Revenue reserve RMB'000	Total RMB'000
Balance at 1 January 2010	177,200	50,451	1,463	33,843	(18,906)	199,157	443,208
Profit and total comprehensive income for the period	-	-	-	-	-	17,792	17,792
Transfer to general reserve fund	-	-	-	1,932	-	(1,932)	-
Issue of new shares	444	61	-	-	-	-	505
Balance at 30 September 2010	177,644	50,512	1,463	35,775	(18,906)	215,017	461,505
Profit and total comprehensive income for the period	-	-	-	-	-	27,585	27,585
Transfer to general reserve fund	-	-	-	2,955	-	(2,955)	-
Balance at 31 December 2010	177,644	50,512	1,463	38,730	(18,906)	239,647	489,090
Balance at 1 January 2011	177,644	50,512	1,463	38,730	(18,906)	239,647	489,090
Profit and total comprehensive income for the period	-	-	-	-	-	106,592	106,592
Transfer to general reserve fund	-	-	-	11,433	-	(11,433)	-
Dividend paid	-	-	-	-	-	(9,109)	(9,109)
Issue of new shares	18,622	18,424	-	-	-	-	37,046
Balance at 30 September 2011	196,266	68,936	1,463	50,163	(18,906)	325,697	623,619
Profit and total comprehensive income for the period	-	-	-	-	-	34,056	34,056
Transfer to general reserve fund	-	-	-	3,628	-	(3,628)	-
Dividend paid	-	-	-	-	-	(13,654)	(13,654)
Issue of new shares	5,555	3,751	-	-	-	-	9,306
Balance at 31 December 2011	201,821	72,687	1,463	53,791	(18,906)	342,471	653,327

<u>Company</u>	Share capital RMB'000	Share premium RMB'000	Revenue reserve RMB'000	Total RMB'000
Balance at 1 January 2010	177,200	50,451	(2,303)	225,348
Loss and total comprehensive loss for the period	-	-	(1,176)	(1,176)
Issue of new shares	444	61	-	505
Balance at 30 September 2010	177,644	50,512	(3,479)	224,677
Profit and total comprehensive income for the period	-	-	12,658	12,658
Balance at 31 December 2010	177,644	50,512	9,179	237,335
Balance at 1 January 2011	177,644	50,512	9,179	237,335
Profit and total comprehensive income for the period	-	-	12,337	12,337
Dividend paid	-	-	(9,109)	(9,109)
Issue of new shares	18,622	18,424	-	37,046
Balance at 30 September 2011	196,266	68,936	12,407	277,609
Profit and total comprehensive income for the period	-	-	16,417	16,417
Dividend paid	-	-	(13,654)	(13,654)
Issue of new shares	5,555	3,751	-	9,306
Balance at 31 December 2011	201,821	72,687	15,170	289,678

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.

	Company	
	Number of ordinary shares	Issued and paid-up share capital US\$'000
At 1 January 2010	452,339,150	22,617
Issue of new ordinary shares pursuant to the Foreland Performance Share Scheme	1,300,000	65
At 31 December 2010	453,639,150	22,682
At 1 January 2011	453,639,150	22,682
Issue of new ordinary shares pursuant to the Foreland Performance Share Scheme	1,800,000	90
Issue of new ordinary shares pursuant to a placement agreement	45,000,000	2,250
Issue of new ordinary shares pursuant to the Scrip Dividend Scheme	10,728,347	536
At 30 June 2011 and 30 September 2011	511,167,497	25,558
Issue of new ordinary shares pursuant to the Scrip Dividend Scheme	17,567,732	879
At 31 December 2011	528,735,229	26,437

Pursuant to the Foreland Performance Share Scheme, 1,300,000 and 1,800,000 new ordinary shares were issued on 9 February 2010 and 4 March 2011 respectively in respect of the award to the employees of the Group.

Pursuant to a placement exercise, the Company issued 45,000,000 new ordinary shares on 9 June 2011.

Pursuant to the Company's Scrip Dividend Scheme, 10,728,347 new ordinary shares were issued on 26 June 2011 in respect of the final dividend for the financial year ended 31 December 2010 declared by the Company on 28 April 2011 and 17,567,732 new ordinary shares were issued on 12 October 2011 in respect of the interim dividend for the financial year ended 31 December 2011 declared by the Company on 12 August 2011.

There were no outstanding convertibles issued or treasury shares held by the Company as at 31 December 2011 and 31 December 2010 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.

	At 31 December 2011	At 31 December 2010
Total number of issued shares (excluding treasury shares)	<u>528,735,229</u>	<u>453,639,150</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 reported on.

Not applicable.

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 auditors.

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.

There were certain new and revised Singapore Financial Reporting Standards (FRS) that have been issued and are effective for accounting periods beginning on or after 1 January 2011. The adoption of these new/revised FRS, where applicable, has no material impact on the consolidated financial statements for the year ended 31 December 2011. Apart from the new/revised FRS, the accounting policies and methods of computation applied are consistent with the most recently audited financial statements.

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

	Three months ended 31 December		FY2011	FY2010
	2011	2010		
Net profit (RMB'000)	34,056	27,585	140,648	45,377
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	526,635	453,639	489,984	453,500
Adjustment for performance share award ('000)	2,000	430	970	108
Weighted average number of ordinary shares in issue for diluted earnings per share ('000)	528,635	454,069	490,954	453,608
Earnings per share (RMB cents)				
- Basic	6.47	6.08	28.70	10.01
- Diluted	6.44	6.08	28.65	10.00

The calculation of the diluted earnings per share is based on the Group's net profit attributable to shareholders and the weighted average number of ordinary shares in issue for the relevant period after adjusting for the effect of the award pursuant to the Foreland Performance Share Scheme.

Pursuant to the Foreland Performance Share Scheme, a maximum of 2,000,000 new ordinary shares could be awarded to the employees of the Company subject to the achievement of prescribed performance targets after the evaluation of financial results of FY2011.

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

	Group		Company	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Net asset value (RMB'000)	653,327	489,090	289,678	237,335
Number of shares at the end of the period ('000)	528,735	453,639	528,735	453,639
Net asset value per share (RMB per share)	1.24	1.08	0.55	0.52

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**

Revenue

	<u>Three months ended 31 December</u>			FY2011	FY2010	Change
	2011	2010	Change			
	RMB'000	RMB'000		RMB'000	RMB'000	
<u>Revenue</u>						
Manufacturing and sale of fabrics	191,400	141,568	35%	753,247	344,811	118%
Provision of fabric processing services	726	1,437	-49%	3,220	3,552	-9%
Total	<u>192,126</u>	<u>143,005</u>	34%	<u>756,467</u>	<u>348,363</u>	117%

Our revenue for manufacturing and sale of fabrics segment increased by 118%, from RMB 344.8 million in FY2010 to RMB 753.2 million in FY2011. Our products comprised functional and normal fabrics for the manufacture of apparel, shoes, bags and high grade umbrella fabrics. The increase in revenue was due to the increase in both sales volume and average selling price.

Sales volume from the manufacturing and sale of fabrics segment increased by approximately 70%, from 32.6 million yards in FY2010 to 55.3 million yards in FY2011 mainly as a result of the increase in sales of high grade umbrella fabric, functional and normal fabric during the period. With our continuous marketing and product development efforts on high grade umbrella fabric since the second half of 2009, we have successfully established our brand name in this niche market and developed good business cooperation with top umbrella manufacturers in the People's Republic of China ("PRC"). Sales volume for functional and high grade normal fabric also increased as a result of an increase in demand for high grade textile products.

The average selling price of the manufacturing and sale of fabrics increased by approximately 29%, from RMB 10.6 per yard in FY2010 to RMB 13.6 per yard in FY2011 as a result of an increase in overall product grades.

The Group's second business segment on the provision of fabric processing services recorded an approximately 9% decrease in sales to RMB 3.2 million in FY2011.

Gross profit and gross profit margin

Our gross profit increased from RMB 78.4 million in FY2010 to RMB 219.1 million in FY2011, representing an increase of 179%. Overall gross profit margin improved from 22.5% in FY2010 to 29.0% in FY2011.

The improvement in our gross profit margin was mainly due to an increase in the sales of existing functional fabrics that have a better gross profit margin. In addition, we enhanced the existing production line by replacing old equipment with new and advanced ones during the second to the third quarter of FY2010. Our production line is used to produce different products. During the switch of production from one product to another one, production line takes time to cool down, change machines setting as well as production materials and then warm up again. With increased production capacity, we have more flexibility on production scheduling among different products. This directly drives up production efficiency and results in better gross profit margin.

With increased production volume, the allocation of fixed manufacturing overhead to each unit of production, such as depreciation, is reduced.

Expenses

Our selling and distribution expenses increased by approximately 10%, from RMB 5.6 million in FY2010 to RMB 6.2 million in FY2011. The increase in selling and distribution expenses was mainly due to an increase in payroll and payroll-related expenses of RMB 0.5 million and delivery charges of RMB 0.3 million as a result of significant increase in revenue. Our administrative expenses increased by approximately 107%, from RMB 9.9 million in FY2010 to RMB 20.5 million in FY2011. The increase in administrative expenses was mainly due to an increase in payroll and payroll-related expenses of RMB 1.2 million, an increase in executive directors' bonus of RMB 3.5 million as a result of increased business activities, an increase in educational surcharge of RMB 2.2 million and urban maintenance and construction tax surcharge of RMB 2.3 million due to a change in relevant regulations in PRC.

Our income tax expenses for FY2010 and FY2011 were RMB 16.7 million and RMB 52.5 million respectively. The effective tax rates for FY2010 and FY2011 were 26.9% and 27.2% respectively. According to the PRC Enterprise Income Tax Law which took effect on 1 January 2008, the applicable tax rate for our subsidiary, Fulian Knitting Co., Ltd ("Fulian Knitting"), is 25%.

The effective tax rate for FY2011 of 27.2% was higher than the applicable tax rate of 25% for Fulian Knitting, mainly due to the provision on withholding tax for distributable earning from a PRC enterprise pursuant to the PRC Enterprise Income Tax Law as well as the Implementing Regulations of Enterprise Income Tax Law (collectively referred to as the "New Income Tax Law").

Net profit

Our net profit increased by approximately two times, from RMB 45.4 million in FY2010 to RMB 140.6 million in FY2011, and our net profit margin increased from 13.0% in FY2010 to 18.6% in FY2011, primarily due to an increase in our revenue and gross profit margin, partly offset by an increase in administrative expenses.

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

Property, plant and equipment increased by RMB 15.9 million during FY2011 mainly due to the addition of property, plant and equipment of RMB 37.4 million, offset by depreciation charges of RMB 21.5 million. Additional depreciation charges on residual value of certain assets of RMB 1.0 million was incurred in the 4Q 2011.

Inventories increased slightly from RMB 14.9 million as at 31 December 2010 to RMB 15.9 million as at 31 December 2011 mainly due to the increase in business volume during the period. Inventories turnover days for FY2010 and FY2011 were 20 days and 11 days respectively. The decrease in inventories turnover days was mainly due to more timely delivery to and collection of products by customers and improvement in inventory management.

Trade receivables increased from RMB 71.5 million as at 31 December 2010 to RMB 117.3 million as at 31 December 2011. Trade receivables turnover days for FY2010 and FY2011 were 75 days and 57 days respectively. The decrease in trade receivables turnover days was mainly due to continuous effort on tight credit control.

Other receivables as at 31 December 2011 mainly represent deposits paid for the purchase of new equipment of RMB 1.3 million, deposits for buildings construction of RMB 1.8 million and other prepayment of RMB 1.5 million.

Trade payables increased from RMB 44.1 million as at 31 December 2010 to RMB 51.1 million as at 31 December 2011. Trade payables turnover days for FY2010 and FY2011 were 60 days and 35 days respectively. The decrease in trade payables turnover days from FY2010 to FY2011 was mainly due to more timely payments to our suppliers.

Tax payable increased from RMB 10.1 million as at 31 December 2010 to RMB 12.6 million as at 31 December 2011. The increase in tax payable was largely in line with the increase in profit before tax for the fourth quarter of FY2011.

In FY2011, the Group generated net cash from operating activities of RMB 131.5 million, which mainly arose from operating profit before changes in working capital of RMB 214.0 million is offset by change in working capital of RMB 35.8 million and income tax paid of RMB 47.3 million. Net cash used in investing activities mainly represented purchase of property, plant and equipment of RMB 37.4 million. Net cash generated from financing activities mainly represented proceeds from the placement of 45,000,000 new shares of RMB 29.1 million during 2Q 2011, offset by the cash dividend paid of RMB 6.5 million.

As at 31 December 2011, the Group has maintained a net cash position without borrowing.

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

In our unaudited third quarter financial statement and dividend announcement for 3Q 2011, we commented on the business trend in general that the encouraging trend is expected to continue into the fourth quarter of FY2011. In 4Q 2011, good performance and financial results are achieved which is consistent with the reasons explained in the announcement in the previous quarter.

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.

Our stronger performance in FY2011 was the result of high customer demand for our better margin higher-grade textile products and our continuous effort in securing new customers. Leveraging on our established market reputation and healthy financial position, we will continue to focus on improving our business operations, enhancing our productivity and profitability through the development of better and higher quality products, making continuous marketing effort to reach new customers and strengthening our position in the industry.

Looking ahead, the Group anticipates the business environment to be challenging. However, this encouraging trend is expected to continue into the first quarter of FY2012.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of dividend	Final dividend
Dividend type	Cash or share script *
Dividend amount per share	RMB 0.015
Par value of shares	US\$ 0.05
Tax rate	Tax exempt (1-tier)

* The final dividend is subject to shareholders' approval at the forthcoming annual general meeting. The Company intends to apply the Foreland Fabrictech Holdings Limited Scrip Dividend Scheme (the "Scheme") on the final dividend, whereby shareholders entitled to receive the dividends may elect to receive either cash or an allotment of ordinary shares in the Company credited as fully paid in lieu of cash. Upon the shareholder's approval, the Scheme shall be applicable to this final dividend. Details of the Scheme will be announced in due course. The payment of the scrip dividend will be subject to the receipt of in-principle approval from the SGX-ST for the listing and quotation of the new shares which may be issued in connection with the final dividend.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of dividend	Final dividend
Dividend type	Cash or share script
Dividend amount per share	RMB 0.02
Par value of shares	US\$ 0.05
Tax rate	Tax exempt (1-tier)

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

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

Not applicable.

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.

The Group did not obtain a general mandate from its shareholders for IPTs.

14. Update on 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:

<u>Use of IPO proceeds</u>	<u>Amount allocated S\$'000</u>	<u>Amount utilised S\$'000</u>	<u>Balance S\$'000</u>
Expansion of production capacity and research and development capabilities:			
- Construction costs	609	609	-
- New equipment	13,025	13,025	-
- Wastewater, treatment and recycling plant and methylbenzene recycling facility	2,957	-	2,957
	<u>16,591</u>	<u>13,634</u>	<u>2,957</u>

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 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 has only one primary business segment, which is manufacturing and selling of functional and normal fabrics. All the Group's sales and assets are in the PRC. Accordingly, no business and geographical segment information is presented.

- 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 Section 8(a) and 15 above.

- 17. A breakdown of sales.**

	Revenue			Net profit		
	FY2011 RMB'000	FY2010 RMB'000	Change %	FY2011 RMB'000	FY2010 RMB'000	Change %
First half year	356,812	109,149	227%	67,142	4,387	1430%
Second half year	399,655	239,214	67%	73,506	40,990	79%

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

Total Annual Dividend

	Latest Full Year (RMB'000)	Previous Full Year (RMB'000)
Ordinary	21,586	9,109

- 19. 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.**

<i>Name</i>	<i>Age</i>	<i>Family relationship with any director and/or substantial Shareholder</i>	<i>Current position and duties, and the year the position was held</i>	<i>Details of changes in duties and position held, if any, during the year</i>
Cai Fengquan	30	Son of Tsoi Kin Chit (Executive Chairman)	Executive Director and Deputy Chairman responsible for administration functions. First held position on 1 February 2008.	None
Tsoi Kin Chit	58	Father of Cai Fengquan (Director and Deputy Chairman)	Executive Chairman responsible for formulating strategies and steering directions of the Group. First held position on 15 November 2006.	None
Cai Lian Yong	43	Brother-in-law of Tsoi Kin Chit and uncle of Cai Fengquan	Deputy General Manager responsible for procurement, sales and marketing. Position held since 15 June 2011.	Re-designated from General Manager to Deputy General Manager on 15 June 2011.

On behalf of the Board of Directors,

Tsoi Kin Chit
Executive Chairman

Cai Fengquan
Executive Director

28 February 2012