

**FORELAND FABRICTECH HOLDINGS LIMITED (the “Company”)**(Co. Regn. No: 39151)**UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2012 (“FY2012”)****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.**

<b>Consolidated Statement of Comprehensive Income</b> <b>Group</b>	<b>Three months ended 31 December</b>			<b>FY2012</b> <b>RMB'000</b>	<b>FY2011</b> <b>RMB'000</b>	<b>Change</b>
	<b>2012</b> <b>RMB'000</b>	<b>2011</b> <b>RMB'000</b>	<b>Change</b>			
Revenue	41,473	192,126	-78%	405,591	756,467	-46%
Cost of sales	(46,477)	(138,364)	-66%	(335,312)	(537,380)	-38%
Gross (loss)/profit	<u>(5,004)</u>	<u>53,762</u>	-109%	<u>70,279</u>	<u>219,087</u>	-68%
Other income	290	321	-10%	1,572	1,020	54%
Selling and distribution expenses	(1,700)	(1,476)	15%	(7,564)	(6,167)	23%
Administrative expenses	(5,681)	(6,398)	-11%	(15,505)	(20,533)	-24%
Other expenses	(13,017)	133	-9887%	(13,017)	(213)	6011%
Finance expenses	(3)	(3)	0%	(17)	(23)	-26%
(Loss)/profit before tax	<u>(25,115)</u>	<u>46,339</u>	-154%	<u>35,748</u>	<u>193,171</u>	-81%
Taxation	436	(12,283)	-104%	(16,640)	(52,523)	-68%
Net profit, representing total comprehensive income for the period attributable to shareholders	<u>(24,679)</u>	<u>34,056</u>	-172%	<u>19,108</u>	<u>140,648</u>	-86%

**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:

	<b>Three months ended 31 December</b>		<b>FY2012</b> <b>RMB'000</b>	<b>FY2011</b> <b>RMB'000</b>
	<b>2012</b> <b>RMB'000</b>	<b>2011</b> <b>RMB'000</b>		
Depreciation on property, plant and equipment	9,314	6,573	26,409	21,463
Loss on disposal of property, plant and equipment	13,017	-	13,017	-
Foreign exchange loss/(gain)	6	(133)	(165)	213
Interest income	(296)	(237)	(1,153)	(682)

**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 2012 RMB'000	31 December 2011 RMB'000	31 December 2012 RMB'000	31 December 2011 RMB'000
<b>Non-current assets</b>				
Property, plant and equipment	327,722	372,011	-	-
Investment in subsidiaries	-	-	240,540	240,540
	<u>327,722</u>	<u>372,011</u>	<u>240,540</u>	<u>240,540</u>
<b>Current assets</b>				
Inventories	3,284	15,944	-	-
Trade receivables	25,192	117,298	-	-
Other receivables	2,674	4,590	-	651
Amount due from a subsidiary	-	-	90	90
Dividend receivable from a subsidiary	-	-	44,772	51,411
Cash and cash equivalents	336,328	228,055	351	1,943
	<u>367,478</u>	<u>365,887</u>	<u>45,213</u>	<u>54,095</u>
<b>Total assets</b>	<u>695,200</u>	<u>737,898</u>	<u>285,753</u>	<u>294,635</u>
<b>Non-current liability</b>				
Deferred tax liability	6,695	6,285	-	-
<b>Current liabilities</b>				
Trade payables	6,086	51,147	-	-
Other payables and accruals	11,957	14,543	1,301	4,957
Tax payable	-	12,596	-	-
	<u>18,043</u>	<u>78,286</u>	<u>1,301</u>	<u>4,957</u>
<b>Total liabilities</b>	<u>24,738</u>	<u>84,571</u>	<u>1,301</u>	<u>4,957</u>
<b>Net assets</b>	<u>670,462</u>	<u>653,327</u>	<u>284,452</u>	<u>289,678</u>
<b>Equity attributable to equity holder of the Company</b>				
Share capital	206,147	201,821	206,147	201,821
Share premium	74,349	72,687	74,349	72,687
Capital reserve	1,463	1,463	-	-
General reserve fund	56,069	53,791	-	-
Merger reserve	(18,906)	(18,906)	-	-
Revenue reserve	351,340	342,471	3,956	15,170
<b>Total equity</b>	<u>670,462</u>	<u>653,327</u>	<u>284,452</u>	<u>289,678</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 2012		As at 31 December 2011	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	-	-

**Amount repayable after one year**

As at 31 December 2012		As at 31 December 2011	
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**

<b>Group</b>	<b>Three months ended 31 December</b>			
	<b>2012</b>	<b>2011</b>	<b>FY2012</b>	<b>FY2011</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Cash flow from operating activities</b>				
(Loss)/profit before income tax	(25,115)	46,339	35,748	193,171
Adjustment for:				
Depreciation for property, plant and equipment	9,314	6,573	26,409	21,463
Loss on disposal of property, plant and equipment	13,017	-	13,017	-
Interest income	(296)	(237)	(1,153)	(682)
Operating cash flow before movements in working capital	(3,080)	52,675	74,021	213,952
Inventories	15,211	21,686	12,660	(1,046)
Trade receivables	24,917	(9,747)	92,106	(45,783)
Other receivables (note 1)	947	(1,755)	650	(2,228)
Trade payables	(27,069)	(22,712)	(45,061)	7,010
Other payables and accruals	1,270	423	(1,722)	6,248
<b>Cash generated from operations</b>	<b>12,196</b>	<b>40,570</b>	<b>132,654</b>	<b>178,153</b>
Interest income	296	237	1,153	682
Income tax paid	(15)	(14,300)	(28,826)	(47,331)
<b>Net cash generated from operating activities</b>	<b>12,477</b>	<b>26,507</b>	<b>104,981</b>	<b>131,504</b>
<b>Cash flow from investing activities</b>				
Purchase of property, plant and equipment (note 1)	(59)	(8,869)	(245)	(37,356)
Proceed from disposal of property, plant and equipment	6,374	-	6,374	-
<b>Net cash generated from/(used in) investing activities</b>	<b>6,315</b>	<b>(8,869)</b>	<b>6,129</b>	<b>(37,356)</b>
<b>Cash flow from financing activities</b>				
Proceeds from issue of new shares	-	-	-	29,060
Dividend paid (note 2)	-	(4,350)	(2,837)	(6,538)
<b>Net cash (used in)/generated from financing activities</b>	<b>-</b>	<b>(4,350)</b>	<b>(2,837)</b>	<b>22,522</b>
<b>Net increase in cash and cash equivalents</b>	<b>18,792</b>	<b>13,288</b>	<b>108,273</b>	<b>116,670</b>
<b>Cash and cash equivalents:</b>				
- at the beginning of the period/year	317,536	214,767	228,055	111,385
- at the end of the period/year	<b>336,328</b>	<b>228,055</b>	<b>336,328</b>	<b>228,055</b>

Cash and cash equivalents represented by:

	<b>Group</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2012</b>	<b>2011</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Cash and bank balances	<b>336,328</b>	<b>228,055</b>

Note 1: The amount for the nine month ended 30 September 2012 as disclosed in the financial results announcement released on 14 November 2012, has been reclassified to exclude utilisation of other receivable of RMB 1.3 million for the purchase of property, plant and equipment in the above statement.

Note 2: Total dividend payout in FY2012 amounted to RMB 8.0 million. The amount of RMB 5.0 million was paid out in a way of scrip dividend and the remaining amount of RMB 2.8 million was paid by cash, with an exchange gain of RMB 0.2 million.

**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**

<u>Group</u>	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 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
Balance at 1 January 2012	201,821	72,687	1,463	53,791	(18,906)	342,471	653,327
Profit and total comprehensive income for the period	-	-	-	-	-	43,787	43,787
Transfer to general reserve fund	-	-	-	4,697	-	(4,697)	-
Dividend paid	-	-	-	-	-	(7,961)	(7,961)
Issue of new shares	4,326	1,662	-	-	-	-	5,988
Balance at 30 September 2012	206,147	74,349	1,463	58,488	(18,906)	373,600	695,141
Total comprehensive loss for the period	-	-	-	-	-	(24,679)	(24,679)
Transfer from general reserve fund	-	-	-	(2,419)	-	2,419	-
Balance at 31 December 2012	206,147	74,349	1,463	56,069	(18,906)	351,340	670,462

<u>Company</u>	Share capital RMB'000	Share premium RMB'000	Revenue reserve RMB'000	Total RMB'000
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
Balance at 1 January 2012	201,821	72,687	15,170	289,678
Total comprehensive loss for the period	-	-	(2,337)	(2,337)
Dividend paid	-	-	(7,961)	(7,961)
Issue of new shares	4,326	1,662	-	5,988
Balance at 30 September 2012	206,147	74,349	4,872	285,368
Total comprehensive loss for the period	-	-	(916)	(916)
Balance at 31 December 2012	206,147	74,349	3,956	284,452

**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 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	28,296,079	1,415
At 31 December 2011	528,735,229	26,437
Issue of new ordinary shares pursuant to the Foreland Performance Share Scheme	2,000,000	100
Issue of new ordinary shares pursuant to the Scrip Dividend Scheme	11,688,970	584
At 30 September 2012 and 31 December 2012	542,424,199	27,121

Pursuant to the Foreland Performance Share Scheme, 1,800,000 and 2,000,000 new ordinary shares were issued on 4 March 2011 and 5 March 2012 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, 11,688,970 new ordinary shares were issued on 26 June 2012 in respect of the final dividend for the financial year ended 31 December 2011 declared by the Company on 27 April 2012, 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 and 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.

There were no outstanding convertibles issued or treasury shares held by the Company as at 31 December 2012 and 31 December 2011 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.**

	<b>At 31 December 2012</b>	<b>At 31 December 2011</b>
Total number of issued shares (excluding treasury shares)	<u>542,424,199</u>	<u>528,735,229</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 2012. The adoption of these new/revised FRS, where applicable, has no material impact on the consolidated financial statements for the year ended 31 December 2012. 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			
	2012	2011	FY2012	FY2011
Net (loss)/profit (RMB'000)	(24,679)	34,056	19,108	140,648
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	542,424	526,635	536,422	489,984
Adjustment for performance share award ('000)	2,400	2,000	911	970
Weighted average number of ordinary shares in issue for diluted earnings per share ('000)	544,824	528,635	537,333	490,954
(Loss)/earnings per share (RMB cents)				
- Basic	(4.55)	6.47	3.56	28.70
- Diluted	(4.53)	6.44	3.56	28.65

The calculation of the diluted earnings per share is based on the Group's net (loss)/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 2,400,000 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 FY2012.

**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 2012	31 December 2011	31 December 2012	31 December 2011
Net asset value (RMB'000)	670,462	653,327	284,452	289,678
Number of shares at the end of the period ('000)	542,424	528,735	542,424	528,735
Net asset value per share (RMB per share)	1.24	1.24	0.52	0.55



**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**

	Three months ended 31 December			FY2012	FY2011	Change
	2012	2011	Change			
	RMB'000	RMB'000		RMB'000	RMB'000	
<u>Revenue</u>						
Manufacturing and sale of fabrics	41,152	191,400	-78%	403,287	753,247	-46%
Provision of fabric processing services	321	726	-56%	2,304	3,220	-28%
Total	<u>41,473</u>	<u>192,126</u>	-78%	<u>405,591</u>	<u>756,467</u>	-46%

Our revenue for manufacturing and sale of fabrics segment decreased by 46%, from RMB 753.2 million in FY2011 to RMB 403.3 million in FY2012. Our products comprised functional and normal fabrics for the manufacture of apparel, shoes, bags and high grade umbrella fabrics. The decrease in revenue was due to the decrease in average selling price and sales volume.

The average selling price of the manufacturing and sale of fabrics decreased by approximately 20%, from RMB 13.6 per yard in FY2011 to RMB 10.9 per yard in FY2012 as a result of weaker demand for higher grade products and price pressure due to weak business conditions.

Sales volume from the manufacturing and sale of fabrics segment decreased by approximately 33%, from 55.3 million yards in FY2011 to 37.1 million yards in FY2012. The decrease in sale volume was due to weaker demand for textile products, especially higher grade apparel and umbrella products, compared to FY2011.

The Group's second business segment on the provision of fabric processing services recorded an approximate 28% decrease in sales to RMB 2.3 million in FY2012.

**Gross profit and gross profit margin**

Our gross profit decreased from RMB 219.1 million in FY2011 to RMB 70.3 million in FY2012, representing a decrease of 68%. Overall gross profit margin decreased from 29.0% in FY2011 to 17.3% in FY2012.

The decrease in our gross profit margin was mainly due to weaker demand for higher grade products and lower operational efficiency. The reduced scale of operation and increased price pressure on the Group's products were the result of the slowdown in the textile industry. Products of higher grade usually yield higher selling price and gross profit margin.

The relocation of Group's existing production facilities from the current factory site to the new factory site commenced in December 2012. The Group's production was significantly affected by the relocation.

The amount of fixed manufacturing overheads, such as depreciation, water and electricity, research and development expense, allocated to each unit of production increased as a result of the significant decrease in production volume.

## Expenses

Our selling and distribution expenses increased by approximately 23%, from RMB 6.2 million in FY2011 to RMB 7.6 million in FY2012. The increase in selling and distribution expenses was mainly due to an increase in advertising expenses of RMB 1.6 million as a result of increased advertising activities of new products and technical cooperation fee for functional fabric expertise of RMB 1.5 million to produce high-grade innovative products, offset by decrease in payroll and payroll-related expenses of RMB 1.0 million as a result of the decrease in business activities. Our administrative expenses decreased by approximately 24%, from RMB 20.5 million in FY2011 to RMB 15.5 million in FY2012. The decrease in administrative expenses was mainly due to the decrease in executive director's bonus of RMB 3.5 million (as a result of decreased earnings) and a decrease in local educational surcharge, educational surcharge, urban maintenance and construction tax of RMB 2.5 million as a result of decrease in business volume, offset by increase in relocation expense of RMB 1.9 million for relocation of equipments to new factory site. Our other expense of RMB 13.0 million in FY2012 was mainly represented by loss on disposal of old and outdated machines and equipments.

## Net profit

Our net profit decreased by approximately 86%, from RMB 140.6 million in FY2011 to RMB 19.1 million in FY2012.

### **(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 decreased by RMB 44.3 million during FY2012 mainly due to depreciation charges of RMB 26.4 million and disposal of property, plant and equipment of RMB 19.4 million, offset by the addition of property, plant and equipment of RMB 1.5 million.

Inventories decreased from RMB 15.9 million as at 31 December 2011 to RMB 3.3 million as at 31 December 2012. Inventories level was low due to relocation of production facilities in December 2012. Inventories turnover days for FY2012 and FY2011 were 4 days and 11 days respectively.

Trade receivables decreased from RMB 117.3 million as at 31 December 2011 to RMB 25.2 million as at 31 December 2012. Trade receivables turnover days for FY2012 and FY2011 were 23 days and 57 days respectively. The decrease in trade receivables was mainly due to decrease in business volume in the fourth quarter of 2012.

Other receivables as at 31 December 2012 mainly represent deposits for buildings construction of RMB 1.8 million and other prepayment of RMB 0.9 million.

Trade payables decreased from RMB 51.1 million as at 31 December 2011 to RMB 6.1 million as at 31 December 2012. Trade payables turnover days for FY2012 and FY2011 were 7 days and 35 days respectively. The decrease in trade payables was mainly due to decrease in business volume in the fourth quarter of 2012.

In FY2012, the Group generated net cash from operating activities of RMB 105.0 million, which mainly arose from operating profit before changes in working capital of RMB 74.0 million and change in working capital of RMB 58.6 million, offset by income tax paid of RMB 28.8 million. Net cash generated from investing activities mainly represented proceed from disposal of property, plant and equipment of RMB 6.4 million, offset by purchase of property, plant and equipment of RMB 0.2 million. Net cash used in financing activities mainly represented dividend paid of RMB 2.8 million.

As at 31 December 2012, 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.**

As outlined in our profit guidance announcement released on 9 January 2013, we commented weak economic sentiments in general had led to a deteriorating business environment, the relocation of production facilities to new factory has significantly affected the Group's production and the disposal of old and outdated machine and equipments would significantly affect the Group's revenue and results. The FY2012 financial results are consistent with the commentary and reasons explained in the announcement.

**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.**

We expect the operating business environment to continue to be fraught with possible headwinds due to weak market demand and increased pricing pressures for high-grade textile products that are likely to affect the Group's performance in the next reporting period and the next twelve months. Notwithstanding that, the Group will continue its efforts to expand sales, tighten cost controls and develop new and innovative products to maintain its market competitiveness.

**11. Dividend**

**(a) Current Financial Period Reported On**

No.

**(b) 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/recommended, a statement to that effect.**

No dividend for the year ended 31 December 2012 is declared or recommended.

**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.**

	<u>Revenue</u>			<u>Net profit</u>		
	<u>FY2012 RMB'000</u>	<u>FY2011 RMB'000</u>	<u>Change %</u>	<u>FY2012 RMB'000</u>	<u>FY2011 RMB'000</u>	<u>Change %</u>
First half year	288,476	356,812	-19%	44,714	67,142	-33%
Second half year	117,115	399,655	-71%	-25,606	73,506	-135%

**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)
<b>Ordinary</b>	Nil	21,586

- 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	31	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	59	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	44	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.	None

On behalf of the Board of Directors,

Tsoi Kin Chit  
Executive Chairman

Cai Fengquan  
Executive Director

28 February 2013