

SINCAP GROUP LIMITED

(Incorporated in the Republic of Singapore)
Co. Reg. No.201005161G

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER ("FY") 2019

1(a)(i) 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		
	Unaudited FY 2019 RMB'000	Audited FY 2018 RMB'000	% Change Increase/ (Decrease)
Revenue	330,693	267,380	24
Cost of Sales	(314,310)	(253,472)	24
Gross Profit	16,383	13,908	18
Other Income	11	223	(95)
Administrative Expenses	(9,606)	(9,908)	(3)
Finance Costs	(1,701)	(33)	5,055
Other expenses	(1,084)	-	n.m.
Profit before income tax	4,003	4,190	(4)
Income Tax Expense	(1,733)	(1,389)	25
Profit for the year	2,270	2,801	(19)
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit and loss:			
Currency translation differences arising on consolidation	4,307	11,546	n.m.
Total comprehensive income for the year	6,577	14,347	(54)
Profit/(loss) attributable to:			
Equity holders of the Company	2,267	(731)	n.m.
Non-controlling interests	3	3,532	(100)
	2,270	2,801	(19)
Total comprehensive income attributable to:			
Equity holders of the Company	6,573	7,393	n.m.
Non-controlling interests	4	6,954	(100)
	6,577	14,347	(54)

n.m.: denotes not meaningful

1(a)(ii) Profit, net of tax, is arrived at after (charging)/crediting the following:

	Group		% Change Increase/ (Decrease)
	Unaudited FY 2019 RMB'000	Audited FY 2018 RMB'000	
After (charging)/crediting:			
Depreciation of plant and equipment	(237)	(226)	5
Foreign exchange (loss)/gain	(1,084)	222	n.m.
Interest expenses	(1,701)	(33)	5,055
Interest income	1	1	-
Over/(under)provision of income tax in prior years	40	(202)	n.m.

n.m.: denotes 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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	Unaudited 31.12.2019 RMB'000	Audited 31.12.2018 RMB'000	Unaudited 31.12.2019 RMB'000	Audited 31.12.2018 RMB'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	469	659	469	659
Goodwill	14,725	13,434	-	-
Investments in subsidiaries	-	-	138,543	136,750
Total Non-Current Assets	<u>15,194</u>	<u>14,093</u>	<u>139,012</u>	<u>137,409</u>
<u>Current Assets</u>				
Trade and other receivables	252,070	255,263	70,374	121,133
Bank and cash balances	8,426	13,000	262	1,234
Total Current Assets	<u>260,496</u>	<u>268,263</u>	<u>70,636</u>	<u>122,367</u>
Total Assets	<u><u>275,690</u></u>	<u><u>282,356</u></u>	<u><u>209,648</u></u>	<u><u>259,776</u></u>
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share capital	203,930	203,930	203,930	203,930
Accumulated profits/(losses)	14,380	12,113	(42,129)	(35,284)
Currency translation reserve	2,563	(1,743)	7,291	5,048
Equity, attributable to equity holders of	<u>220,873</u>	<u>214,300</u>	<u>169,092</u>	<u>173,694</u>
Non-controlling interests	45	41	-	-
Total Equity	<u>220,918</u>	<u>214,341</u>	<u>169,092</u>	<u>173,694</u>
<u>Non-Current Liabilities</u>				
Borrowings	13,224	60,977	13,224	60,977
Total Non-Current Liabilities	<u>13,224</u>	<u>60,977</u>	<u>13,224</u>	<u>60,977</u>
<u>Current Liabilities</u>				
Trade and other payables	39,136	5,206	26,710	24,508
Borrowings	549	526	549	526
Income tax payable	1,863	1,306	73	71
Total Current Liabilities	<u>41,548</u>	<u>7,038</u>	<u>27,332</u>	<u>25,105</u>
Total Liabilities	<u>54,772</u>	<u>68,015</u>	<u>40,556</u>	<u>86,082</u>
Total Equity and Liabilities	<u><u>275,690</u></u>	<u><u>282,356</u></u>	<u><u>209,648</u></u>	<u><u>259,776</u></u>

1(b)(ii) In relation to the aggregate amount of the Group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

	Group	
	Unaudited	Audited
	31.12.2019	31.12.2018
	RMB'000	RMB'000
Payable in one year or less, or on demand		
Secured		
Obligation under finance leases (a)	211	197
Unsecured		
Term loan	338	329
	549	526
Payable after one year		
Secured		
Obligation under finance leases (a)	296	494
Unsecured		
Bonds	12,928	60,483
	13,224	60,977
TOTAL	13,773	61,503

Details of any collateral

- a) The obligations under finance leases are secured by charges of the lessors (banks) over the leased assets of the Group.

Note on the Bonds:

The unsecured Bonds refer to the bond issued by the Company as consideration for its purchase of 48.97% of the issued and paid-up share capital of Orion Energy Resources Pte. Ltd. Please refer to the Appendix to the Company's 2018 Annual Report for further details relating to the Bonds. As at 31 December 2019, the Company had redeemed RMB47.9 million, which is approximately S\$9.8 million of the Bond through cash payment. There has been no redemption of the Bond in new ordinary shares of the Company since the date of their issue.

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

	Group	
	Unaudited FY 2019 RMB'000	Audited FY 2018 RMB'000
<u>Cash flows from operating activities</u>		
Profit before tax	4,003	4,190
Adjustments for:		
Interest income	(1)	(1)
Interest expense	1,701	33
Depreciation of property, plant and equipment	237	226
Operating cash flows before working capital changes	5,940	4,448
Receivables	6,655	(50,060)
Payables	33,483	(11,439)
Currency translation adjustments	228	56
Cash used in operations	46,306	(56,995)
Income tax paid	(1,200)	(5,761)
Net cash generated from/(used in) operating activities	45,106	(62,756)
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(39)	(78)
Interest received	1	1
Net cash flows used in investing activities	(38)	(77)
<u>Cash flows from financing activities</u>		
Interest paid	(1,701)	(33)
Finance lease repayment	(192)	(201)
Repayment of bonds	(47,886)	-
Proceeds from issuance of new shares, net of issuance expenses	-	52,370
Net cash flows (used in)/generated from financing activities	(49,779)	52,136
Net decrease in cash and cash equivalents	(4,711)	(10,697)
Cash and cash equivalents, beginning balance	13,000	22,855
Effects of exchange rate changes on cash and cash equivalents	137	842
Cash and cash equivalents, ending balance	8,426	13,000

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

Group

	Share capital	Accumulated profits/(losses)	Translation reserve	Attributable to equity holders of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2019	203,930	12,113	(1,743)	214,300	41	214,341
Profit for the year	-	2,267	-	2,267	3	2,270
<i>Other comprehensive income</i>						
Currency translation differences arising on consolidation	-	-	4,306	4,306	1	4,307
Total comprehensive income for the financial year	-	2,267	4,306	6,573	4	6,577
As at 31 December 2019	203,930	14,380	2,563	220,873	45	220,918
As at 1 January 2018	151,560	6,661	(9,867)	148,354	59,927	208,281
Profit/(loss) for the year	-	(731)	-	(731)	3,532	2,801
<i>Other comprehensive income</i>						
Currency translation differences arising on consolidation	-	-	8,124	8,124	3,422	11,546
Total comprehensive income for the financial year	-	(731)	8,124	7,393	6,954	14,347
Issue of shares	52,988	-	-	52,988	-	52,988
Share issue expenses	(618)	-	-	(618)	-	(618)
Acquisition of a Non-Controlling Interest Without a Change in Control	-	6,183	-	6,183	(66,840)	(60,657)
As at 31 December 2018	203,930	12,113	(1,743)	214,300	41	214,341

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 (continued)

Company

	Share capital	Accummulated (losses)/profits	Currency translation reserve	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2019	203,930	(35,284)	5,048	173,694
Loss for the period	-	(6,845)	-	(6,845)
Other comprehensive loss				
Currency translation differences arising from translation into the presentation currency	-	-	2,243	2,243
Total comprehensive (loss)/income for the year	-	(6,845)	2,243	(4,602)
As at 31 December 2019	203,930	(42,129)	7,291	169,092
As at 1 January 2018	151,560	(31,065)	727	121,222
Loss for the period	-	(4,219)	-	(4,219)
Other comprehensive income				
Currency translation differences arising from translation into the presentation currency	-	-	4,321	4,321
Total comprehensive income/(loss) for the year	-	(4,219)	4,321	102
Issue of share capital	52,988	-	-	52,988
Share issue expenses	(618)	-	-	(618)
As at 31 December 2018	203,930	(35,284)	5,048	173,694

1(d)(ii) Details of any changes in the company's share capital arising from rights issues, bonus shares, shares buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issues 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 of the issuers, 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 since the half-year ended 30 June 2019 and the Company has no outstanding convertibles as at 31 December 2019 (as at 30 June 2019: Nil) (as at 31 December 2018: Nil). The Company has no treasury shares or subsidiary holdings as at 31 December 2019 (as at 30 June 2019: Nil) (as at 31 December 2018: Nil).

On 19 December 2018, the Company issued a bond denominated in Singapore Dollars with a principal amount of S\$12.0 million as the consideration for the acquisition of additional interest in Orion Energy Resources Pte. Ltd ("**Bond**"). The Bond will mature on 19 December 2021, but may be redeemed before maturity at the Company's option. Please refer to the Company's announcement dated 27 November 2018 and 19 December 2018. Please refer to the Appendix to the Company's 2018 Annual Report for further details relating to the Bonds.

There were no treasury shares as at 31 December 2019 and 31 December 2018 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

	<u>Company</u>	
	31.12.2019	31.12.2018
Number of ordinary shares in issue	<u>1,701,000,410</u>	<u>1,701,000,410</u>

The Company did not hold any treasury shares as at 31 December 2019 and 31 December 2018.

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

Not applicable. The Company did not have any treasury shares during and as at the end of 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 neither been audited nor reviewed by the Company's auditors.

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

Not applicable. The figures have neither been audited nor reviewed by the Company's auditors.

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: (a) updates on the efforts taken to resolve each outstanding audit issue. (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

a) Please refer to the following updates on the qualified opinion that rendered in the latest financial statements:

1. *Trade Receivables*

The balance of RMB65,731,000 (equivalent to US\$9,555,000) remained outstanding as at 31 December 2018 had been fully repaid in FY2019.

2. *Valuation of Bond*

In order to satisfy the auditor as to the valuation and carrying value of the Bond at initial recognition and as at 31 December 2018, there is a need to engage professional valuer service. The Company is currently weighing its option whether it would be economically beneficial to the Company to perform the valuation, given that substantial amount of the Bond had been redeemed in FY2019 via cash and the Company intends to resolve this issue by fully redeeming the Bond in cash.

3. *Corresponding figures*

The issue relates to audit matters on the comparability of the FY2018 figures to their corresponding figures to FY2017. Entering FY2019, there would not be qualification to the financial statements on this issue as the financial figures for FY2019 would no longer be compared to the corresponding figures in FY2017.

b) The board confirms that the impact of all outstanding audit issues has been adequately disclosed.

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

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting financial year as in the audited financial statements for the financial year ended 31 December 2018, except for the adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)") which are effective for annual financial periods beginning on or after 1 January 2019.

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

The Group and the Company have adopted all the Singapore Financial Reporting Standards (International) ("SFRS(I)") which are effective for annual financial periods beginning on or after 1 January 2019, as mentioned in Paragraph 4 above. The adoption has no material financial impact on the financial statements of the Group and the Company for the current financial year reported on and prior reporting periods.

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

	Unaudited FY 2019	Audited FY 2018
<u>Earnings/(losses) per share ("EPS" or "LPS") (RMB cents)</u>		
on weighted average number of ordinary shares	0.13	(0.06)
on fully diluted basis	0.13	(0.06)
<u>Net profit/(loss) attributable to shareholders (RMB'000) used to compute</u>		
basic EPS/LPS	2,267	(731)
diluted EPS/LPS	2,267	(731)
<u>Weighted average number of ordinary shares in issue used to compute</u>		
basic EPS/LPS	1,701,000,410	1,172,192,191 ⁽¹⁾
diluted EPS/LPS	1,701,000,410	1,172,192,191 ⁽¹⁾

Note:

- (1) The calculation for the basic and diluted EPS/LPS is based on the weighted average number of ordinary shares in issue during the respective financial periods.
- (2) The basic and diluted EPS and LPS for FY2019 and FY2018 respectively were the same as there were no potentially dilutive securities in issue for the respective financial periods.

7. Net asset value per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of: (a) current financial period reported on; and (b) immediate preceding financial year

	<u>Group</u>		<u>Company</u>	
	<u>Unaudited</u> 31.12.2019	<u>Audited</u> 31.12.2018	<u>Unaudited</u> 31.12.2019	<u>Audited</u> 31.12.2018
Net asset value per ordinary share based on existing issued share capital as at the end of period (RMB cents)	12.98	12.60	9.94	10.21
Net asset value as at the end of the period (RMB'000)	220,873	214,300	169,092	173,694
Number of ordinary shares in issue at the end of the period	1,701,000,410	1,701,000,410	1,701,000,410	1,701,000,410

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

8(a). REVIEW OF CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Revenue

The Group's revenue increased by RMB63.3 million or 24%, from RMB267.4 million in FY2018 to RMB330.7 million in FY2019, which was mainly contributed by the sale of thermal coal by the Company's subsidiary, Orion Energy Resources Pte Ltd ("Orion"). The increase in sales was mainly due to increase in sales volume from 897,000 MT in FY2018 to 1,152,000 MT in FY2019. There had been increase in sales volume in FY2019 as China's customs began to relax coal import restrictions.

Gross profit and gross profit margin

The Group's gross profit increased by RMB2.5 million or 18%, from RMB13.9 million in FY2018 to RMB16.4 million in FY2019.

The Group's overall gross profit margin of 5.0% for FY2019 remained at a similar level to that recorded in FY2018 of 5.2%. For FY2019, most of contracts year to date are on spot basis which is closer to market price.

Other income

The Group's other income in FY2019 of RMB0.01mil is mainly derived from government grant pertaining to the make-up claim for NSMan employed by the Group. The other income in FY2018 was mainly derived from foreign exchange differences.

Other items of expenses

Administrative expenses decreased by RMB0.3 million or 3%, from RMB9.9 million in FY2018 to RMB9.6 million in FY2019. This was mainly due to decrease in professional fees incurred.

Finance costs in FY2019 is mainly contributed by interest expense relating to the Bond.

Other expenses in FY2019 was mainly derived from foreign exchange differences.

Income tax

The Group incurred income tax expenses of RMB1.7 million in FY2019 as compared to RMB1.4 million in FY2018, mainly due to higher profits from its operating subsidiary, Orion.

8(b). REVIEW OF THE STATEMENTS OF FINANCIAL POSITION

The Group recorded positive working capital of RMB218.9 million as at 31 December 2019, as compared to RMB261.2 million as at 31 December 2018.

The Group's equity attributable to holders of the Company increased by RMB6.6 million, from RMB214.3 million as at 31 December 2018 to RMB220.9 million as at 31 December 2019. The increase was mainly due to profit earned by the Group during FY2019.

Non-current assets

Non-current assets increased by RMB1.1 million, from RMB14.1 million as at 31 December 2018 to RMB15.2 million as at 31 December 2019, mainly due to revaluation of goodwill arising from foreign currency translation.

Current assets

Current assets decreased by RMB7.8 million from RMB268.3 million as at 31 December 2018 to RMB260.5 million as at 31 December 2019. This was mainly due to decrease in trade and other receivables by RMB3.2 million and decrease in bank and cash balances of RMB4.6 million as a result of Bond repayments.

Current liabilities

Current liabilities increased by RMB34.5 million, from RMB7.0 million as at 31 December 2018 to RMB41.5 million as at 31 December 2019. The increase was mainly due to increase in trade payables which is in line with the increased thermal coal sales under Orion.

8(c). REVIEW OF THE STATEMENT OF CASH FLOWS

In FY2019, the net cash generated from operating activities before changes in working capital was RMB5.9 million. The net working capital inflow of RMB40.4 million was mainly due to (i) an decrease of RMB6.7 million in trade and other receivables, and (ii) a increase of RMB33.5 million in trade and other payables. The Group paid income tax of RMB1.2 million. This resulted in net cash generated from operating activities of RMB45.1 million.

In FY2019, net cash used in investing activities amounted to RMB0.04 million, mainly due to purchase of plant and equipment.

In FY2019, the net cash used in financing activities amounted to RMB49.8 million, mainly due to Bond repayments.

As a result of the above, cash and cash equivalents stood at RMB8.4 million as at 31 December 2019.

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 a prospect statement had been previously disclosed to shareholder.

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 Group's subsidiary, Orion, has contributed to the Group's revenue and profit after tax of RMB330.7 million and RMB9.3 million respectively in FY2019. Sales volume for FY2019 has increased as China's customs begin to relax coal import restrictions since January 2019.

China's domestic coal mines are struggling to ramp up production in the face of the ongoing coronavirus (Covid-19) epidemic. While Covid-19 may cause increase in demand for imported coal in China, it is starting to have an impact on supply chains as it would be more challenging for shippers to find vessels to deliver to China. Also, unloading cargoes at China's ports and transporting them to end-users could face disruption as well. Thus, the Group views that there could be a degree of uncertainty for the seaborne (import) coal demand in China for the coming few months. Nevertheless, the Group will continue to focus on sustainable growth and is taking consideration to expand its customer portfolio outside of China.

The Company is currently reviewing if there is any potential collaboration, joint venture, investment and/or acquisition in relation to Techcomm Technology Limited and its wholly-owned subsidiary, Xiamen Xinya Science and Technology Ltd ("Target Group"). Please refer to the announcements dated 20 March 2019 and 19 September 2019 for more details.

On 30 January 2019, the Company and SCL Murray (the "Sincap Parties") entered into a Third Settlement Agreement with Mr Damon Ferguson, Mr Chad Ferguson, Mr Anthony Hatt (the "Individuals") and Richardson 1 Pty Ltd ("R1PL") (the Individuals and R1PL together, the "Defaulting Parties") and the development company run by the Individuals, following the agreement on a debt workout programme whereby the Defaulting Parties will repay the outstanding amount owed to the Sincap Parties progressively under an instalment plan. Please refer to the announcements dated 27 November 2015, 3 December 2015, 4 September 2017, 7 September 2017, 22 December 2017, 11 May 2018, 5 September 2018 and 30 January 2019 for further details in relation to the default and its subsequent developments. There has been consistent repayment by the defaulting parties throughout the year and the Company does not observe any indication pertaining to possible default at the moment.

A subsidiary of the Group, Orion Energy Resources Pte Ltd. ("Orion") had noticed slow repayment from one of its major customers, Artwell Minerals Resources Pte Ltd. ("Artwell"). Mr. Chu Min Fang, the brother of Mr. Chu Ming Kin (Chairman and Chief Executive Officer), owns the entire shareholding in Artwell. Accordingly, Artwell is an interested person of the Group, pursuant to Catalist Listing Rule 904. As at 31 December 2019, the outstanding balance due from Artwell is sitting at RMB225.3 mil (equivalent to USD32.3 mil). The debt balance is wholly related to trade transactions (sales of coals) in the Company's ordinary course of business and thus is not secured as with debts with other unrelated customers. For the past few months, the Group had been actively negotiating with Artwell on regular basis to discuss on their plan to repay the trade balances owed. At the same time, the Group has stop further dealings with Artwell for FY2020. The Group is currently weighing its options to enter into a settlement agreement with Artwell whereby Artwell will repay the outstanding amount owed to Orion progressively under an instalment plan. If necessary, the Group will consult legal advisors and exercise the right to take legal action. The Company wishes to highlight that should the Company not be able to recover its receivables from Artwell, this may indicate the existence of material uncertainties that may cast significant doubts about the Group's abilities to continue as going concern. Pending and subject to the finalisation of the audit for FY2019, the Audit Committee and Board is of the view that the internal controls pertaining to the trade debt are sufficient.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No interim or final ordinary dividend has been declared or recommended.

(b) (i) Amount per share

Not applicable.

(ii) Previous corresponding period

No dividend had been declared in the previous corresponding period.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend has been declared or recommended for FY2019 as the Board of Directors of the Company deems it appropriate to retain the cash for the Group's working capital expenditure and for the Group's future growth.

13. Aggregate value of all Interested Person Transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual Section B: Rules of Catalyst

Particulars of interested person transactions ("IPTs") for the period 1 January 2019 to 31 December 2019

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) RMB'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) RMB'000
Sales: Artwell Minerals Resources Company Limited	Nil	307,882

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Segmented revenue and results for operating 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

Group	Coal products	Property development	Unallocated	Total
FY2019	RMB'000	RMB'000	RMB'000	RMB'000
Revenue by Segment	330,693	-	-	330,693
Total revenue	330,693	-	-	330,693
Recurring EBITA	15,323	(125)	-	15,198
Depreciation and amortisation	-	-	(237)	(237)
ORBIT	15,323	(125)	(237)	14,961
Interest income	-	-	1	1
Finance costs	-	-	(1,701)	(1,701)
Unallocated corporate expenses				(9,258)
Profit before income tax				4,003
Income tax expenses				(1,733)
Profit, net of tax				2,270
Assets and Reconciliation				
Total assets for reportable segment	270,260	4,368	-	274,628
Unallocated:				
Property, plant and equipment			469	469
Other receivables				
Other assets, current			134	134
Cash and cash equivalents			459	459
Total group assets	270,260	4,368	1,062	275,690
Liabilities and Reconciliation				
Total liabilities for reportable segment	36,342	96	-	36,438
Unallocated:				
Income tax payables			1,863	1,863
Trade and other payables			2,698	2,698
Borrowings			13,773	13,773
	36,342	96	18,334	54,772

Group	Coal products	Property development	Unallocated	Total
FY2018	RMB'000	RMB'000	RMB'000	RMB'000
Revenue by Segment	267,380	-	-	267,380
Total revenue	267,380	-	-	267,380
Recurring EBITA	8,598	(156)	-	8,442
Depreciation and amortisation	-	-	(226)	(226)
ORBIT	8,598	(156)	(226)	8,216
Interest income	-	-	1	1
Finance costs	-	-	(33)	(33)
Unallocated corporate expenses				(3,994)
Profit before income tax				4,190
Income tax expenses				(1,389)
Profit, net of tax				2,801
Assets and Reconciliation				
Total assets for reportable segment	272,004	8,151	-	280,155
Unallocated:				
Property, plant and equipment			659	659
Other receivables				
Other assets, current			63	63
Cash and cash equivalents			1,479	1,479
Total group assets	272,004	8,151	2,201	282,356
Liabilities and Reconciliation				
Total liabilities for reportable segment	253	62	-	315
Unallocated:				
Income tax payables			1,306	1,306
Trade and other payables			4,891	4,891
Borrowings			61,503	61,503
	253	62	67,700	68,015

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to paragraph 8 for further details.

16. A breakdown of sales

	Group Year ended		% Change Increase/ (Decrease)
	31-Dec-19 RMB'000	31-Dec-18 RMB'000	
(a) Sales reported for the first half year	226,625	217,296	4
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	3,865	5,166	(25)
(c) Sales reported for the second half year	104,068	50,084	108
(d) Operating loss after tax before deducting non-controlling interests for second half year	(1,595)	(2,365)	(33)

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:—

- (a) Ordinary
- (b) Preference
- (c) Total

Not applicable. No dividend has been declared or recommended for the financial years ended 31 December 2019 and 31 December 2018.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below.

Pursuant to Rule 704(10) of the Listing Manual, none of the employees occupying managerial positions in the Company or any of its principal subsidiaries are relatives of the Directors or Chief Executive Officer or substantial shareholders of the Company.

19. 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) of the Listing Manual.

The Company hereby confirms that it has procured signed undertakings from all its directors and relevant executive officers in the format as set out in Appendix 7H of the Listing Manual in accordance with Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Chu Ming Kin
*Executive Chairman and
Chief Executive Officer*

28 February 2020