

**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			Group		
	2H2020 RMB'000	2H2019 RMB'000	%Change +/(–)	FY2020 RMB'000	FY2019 RMB'000	%Change +/(–)
<b>Continuing Operations</b>						
Revenue	8,852	1,390	536.8	10,806	3,553	204.1
Other income	276	219	26.0	614	1,035	(40.7)
Interest income	29	(114)	n.m.	67	276	(75.7)
<u>Other gain, net</u>						
Gain on disposal of subsidiaries	-	-	-	-	6	(100.0)
Gain on disposal of joint venture	449	-	100.0	449	-	100.0
Currency exchange (loss)/gain, net	(544)	379	n.m.	(893)	373	n.m.
	<u>9,062</u>	<u>1,874</u>	<u>383.6</u>	<u>11,043</u>	<u>5,243</u>	<u>110.6</u>
<u>Expenses</u>						
-Amortisation of right-of-use asset	(215)	(1,357)	(84.2)	(890)	(1,357)	(34.4)
-Consultancy charges	(414)	(596)	(30.5)	(646)	(596)	8.4
-Depreciation	-	(7)	(100.0)	(5)	(13)	(61.5)
-Directors' fee	(336)	(279)	20.4	(675)	(689)	(2.0)
-Employee compensation	(3,869)	(2,164)	78.8	(6,341)	(4,088)	55.1
-Interest expense for lease liability	(1)	(87)	(98.9)	(18)	(87)	(79.3)
-Professional fees	(990)	(345)	187.0	(2,004)	(1,106)	81.2
-Rental on operating leases	(54)	589	n.m.	(187)	(441)	(57.6)
-Expected credit losses on other receivables	-	(18,978)	100.0	-	(19,293)	(100.0)
-Allowance for impairment of investment in associated company and joint venture	-	(3,765)	(100.0)	-	(3,765)	(100.0)
-Finance	(8)	(18)	(55.6)	(8)	(18)	(55.6)
-Other operating expenses	(651)	(408)	59.6	(867)	(1,044)	(17.0)
Total expenses	<u>(6,538)</u>	<u>(27,415)</u>	<u>(76.2)</u>	<u>(11,641)</u>	<u>(32,497)</u>	<u>(64.2)</u>
Share of loss of a joint venture	(10)	(15)	(33.3)	(15)	(27)	(44.4)
Share of loss of an associated company	(707)	(1)	70,600.0	(788)	(4)	19,600.0
<b>Profit/(loss) before income tax</b>	<b>1,807</b>	<b>(25,557)</b>	<b>n.m.</b>	<b>(1,401)</b>	<b>(27,285)</b>	<b>(94.9)</b>
Income tax (expense)/credit	(416)	49	n.m.	(416)	3	n.m.
<b>Profit/(loss) from continuing operations</b>	<b>1,391</b>	<b>(25,508)</b>	<b>n.m.</b>	<b>(1,817)</b>	<b>(27,282)</b>	<b>(93.3)</b>
<b>Discontinued operations</b>						
Loss from discontinued operations, net of tax	-	(104)	(100.0)	-	(104)	(100.0)
<b>Total profit/(loss), representing total comprehensive income/(loss)</b>	<b>1,391</b>	<b>(25,612)</b>	<b>n.m.</b>	<b>(1,817)</b>	<b>(27,386)</b>	<b>(93.4)</b>
<b>Other comprehensive (loss)/income:</b>						
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Currency translation differences arising from consolidation						
- (Loss)/gains	(108)	1	n.m.	(101)	1	n.m.
<b>Items that will not be reclassified subsequently to profit or loss:</b>						
Currency translation differences arising from consolidation						
- Loss	(100)	-	100.0	(100)	-	100.0
<b>Other comprehensive (loss)/income, net of tax</b>	<b>(208)</b>	<b>1</b>	<b>n.m.</b>	<b>(201)</b>	<b>1</b>	<b>n.m.</b>
<b>Total comprehensive (loss)/income</b>	<b>1,183</b>	<b>(25,611)</b>	<b>n.m.</b>	<b>(2,018)</b>	<b>(27,385)</b>	<b>(92.6)</b>

**Profit/(loss) attributable to:**

-Equity holders of the Company	<b>(520)</b>	(25,821)	(98.0)	<b>(3,429)</b>	(27,595)	(87.6)
-Non-controlling interests	<b>1,911</b>	209	814.4	<b>1,612</b>	209	671.3
	<b>1,391</b>	(25,612)	n.m.	<b>(1,817)</b>	(27,386)	(93.4)

**Loss attributable to equity holders of the Company related to:**

-Loss from continuing operation	<b>(520)</b>	(25,717)	(98.0)	<b>(3,429)</b>	(27,491)	(87.5)
-Loss from discontinued operations	-	(104)	(100.0)	-	(104)	(100.0)
	<b>(520)</b>	(25,821)	(98.0)	<b>(3,429)</b>	(27,595)	(87.6)

**Total comprehensive income/(loss) attributable to**

-Equity holders of the Company	<b>(628)</b>	(25,820)	(97.6)	<b>(3,530)</b>	(27,594)	(87.2)
-Non-controlling interests	<b>1,811</b>	209	767.9	<b>1,512</b>	209	624.9
	<b>1,183</b>	(25,611)	n.m.	<b>(2,018)</b>	(27,385)	(92.6)

(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:-

	Group			Group		
	2H2020	2H2019	%Change	FY2020	FY2019	%Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
<u>(Expense)/Income</u>						
Depreciation of property, plant and equipment	-	(7)	(100.0)	(5)	(13)	(61.5)
Interest income	29	(114)	n.m.	67	276	(75.7)
Interest expense for lease liability	(1)	(87)	(98.9)	(18)	(87)	(79.3)
Foreign exchange (losses)/gains, net	(544)	379	n.m.	(893)	373	n.m.
Expected credit loss on other receivables	-	(18,978)	(100.0)	-	(19,293)	(100.0)
Allowance for impairment of investment in associated company and joint venture	-	(3,765)	(100.0)	-	(3,765)	(100.0)
Gain on disposal of subsidiaries	-	-	-	-	6	(100.0)
Gain on disposal of joint venture	449	-	100.0	449	-	100.0
Share of loss of joint venture	(10)	(15)	(33.3)	(15)	(27)	(44.4)
Share of loss of an associated company	(707)	(1)	70,600.0	(788)	(4)	19,600.0

"n.m." denotes "not meaningful"

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

	Group		Company	
	As at 31 Dec 2020 RMB'000	As at 31 Dec 2019 RMB'000	As at 31 Dec 2020 RMB'000	As at 31 Dec 2019 RMB'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	4,409	6,348	39	3,559
Trade and other receivables	13,833	11,890	14,795	12,484
Other current assets	81	414	41	370
Right-of-use asset	-	890	-	890
<b>Current Assets</b>	<b>18,323</b>	<b>19,542</b>	<b>14,875</b>	<b>17,303</b>
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	3	926
Investment in associated company	-	788	-	-
Investment in joint venture	-	612	-	612
Property, plant and equipment	-	5	-	5
	-	1,405	3	1,543
<b>Total assets</b>	<b>18,323</b>	<b>20,947</b>	<b>14,878</b>	<b>18,846</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	1,473	1,542	689	360
Lease liability	-	914	-	914
Current income tax liabilities	409	32	-	-
<b>Total liabilities</b>	<b>1,882</b>	<b>2,488</b>	<b>689</b>	<b>1,274</b>
<b>NET ASSETS</b>	<b>16,441</b>	<b>18,459</b>	<b>14,189</b>	<b>17,572</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	145,320	145,320	145,320	145,320
Accumulated losses	(130,503)	(127,074)	(131,131)	(127,748)
Currency translation reserve	(100)	1	-	-
	14,717	18,247	14,189	17,572
Non-controlling interests	1,724	212	-	-
<b>TOTAL EQUITY</b>	<b>16,441</b>	<b>18,459</b>	<b>14,189</b>	<b>17,572</b>

**1(b)(ii) Aggregate amount of the Group's borrowings and debt securities**

The Group has no borrowings and debts securities as at 31 December 2020 and 31 December 2019.

**1(b)(iii) Details of any collaterals**

Nil.

**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		Group	
	2H2020 RMB'000	2H2019 RMB'000	FY2020 RMB'000	FY2019 RMB'000
<b>Cash flows from operating activities</b>				
Profit/(loss) from continuing operations	1,391	(25,508)	(1,817)	(27,282)
Loss from discontinued operation	-	(104)	-	(104)
Adjustments for:				
-Income tax expense/(credit)	416	(49)	416	(3)
-Depreciation	-	6	5	13
-Amortisation of right-of-use asset	215	1,357	890	1,357
-Lease liability – Interest expense	1	87	18	87
-Interest income	(29)	72	(67)	(276)
-Expected credit loss on other receivables	-	18,978	-	19,293
-Allowance for impairment of investment in associated company	-	1,200	-	1,200
-Allowance for impairment of investment in joint venture	-	2,565	-	2,565
-Unrealised currency translation losses	(224)	-	(224)	-
-Share of loss of associated company	707	1	788	4
-Share of loss of a joint venture	10	15	15	27
-Gain on disposal of joint venture	(449)	-	(449)	-
-Gain on disposal of subsidiaries	-	-	-	(6)
Operating profit/(loss) before changes in working capital	2,038	(1,380)	(425)	(3,125)
Changes in working capital				
-Trade and other receivables	(2,147)	(11,757)	(1,943)	(12,877)
-Other current assets	295	34	333	215
-Trade and other payables	(602)	(143)	(85)	261
Cash used in operations	(416)	(13,246)	(2,120)	(15,526)
Interest received	29	126	67	273
Income tax paid	-	(33)	-	(46)
<b>Net cash used in operating activities</b>	<b>(387)</b>	<b>(13,153)</b>	<b>(2,053)</b>	<b>(15,299)</b>
<b>Cash flows from investing activities</b>				
Repayment of loan from associated company	-	660	-	860
Interest received on loan from associated company	-	-	-	16
Net proceeds from disposal of joint venture	1,046	-	1,046	-
<b>Net cash generated from investing activities</b>	<b>1,046</b>	<b>660</b>	<b>1,046</b>	<b>876</b>
<b>Cash flows from financing activities</b>				
Principal payment of lease liability	(223)	(1,332)	(914)	(1,333)
Interest expense for lease liability	(1)	(87)	(18)	(87)
<b>Net cash used in financing activities</b>	<b>(224)</b>	<b>(1,419)</b>	<b>(932)</b>	<b>(1,420)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>435</b>	<b>(13,912)</b>	<b>(1,939)</b>	<b>(15,843)</b>
Cash and cash equivalents at beginning of financial period/year	3,974	20,260	6,348	22,191
<b>Cash and cash equivalents at end of financial period/year</b>	<b>4,409</b>	<b>6,348</b>	<b>4,409</b>	<b>6,348</b>

Note: For the purpose of consolidated cash flows statement, cash and cash equivalents comprise the following :-

	Group		Group	
	2H2020 RMB'000	2H2019 RMB'000	FY2020 RMB'000	FY2019 RMB'000
Cash and bank balances	4,409	6,348	4,409	6,348

**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.**

	Attributable to equity holders of the Company				Non-controlling interest (RMB'000)	Total equity (RMB'000)
	Share capital (RMB'000)	Currency translation reserve (RMB'000)	Accumulated losses (RMB'000)	Total (RMB'000)		
<b>Group</b>						
At 1 January 2020	145,320	1	(127,074)	18,247	212	18,459
(Loss)/income for the financial year	-	-	(3,429)	(3,429)	1,612	(1,817)
Other comprehensive income:						
- Foreign currency translation difference	-	(101)	-	(101)	(100)	(201)
Total comprehensive loss for the financial year	-	(101)	(3,429)	(3,530)	(1,512)	(2,018)
At 31 December 2020	145,320	(100)	(130,503)	14,717	1,724	16,441
At 1 January 2019	145,320	-	(99,479)	45,841	-	45,841
(Loss)/ income for the financial year	-	-	(27,595)	(27,595)	209	(27,386)
Other comprehensive income						
- Foreign currency translation difference	-	1	-	1	-	1
Total comprehensive income/(loss) for the financial year	-	1	(27,595)	(27,594)	209	(27,385)
Transaction with owners, recognised directly in equity:						
- Issuance of shares to non-coontrolling interests	-	-	-	-	3	3
At 31 December 2019	145,320	1	(127,074)	18,247	212	18,459
<b>Company</b>						
At 1 January 2020	145,320	-	(127,748)	17,572	-	17,572
Total comprehensive loss for the financial year	-	-	(3,383)	(3,383)	-	(3,383)
At 31 December 2020	145,320	-	(131,131)	14,189	-	14,189
At 1 January 2019	145,320	-	(121,059)	24,261	-	24,261
Total comprehensive loss for the financial year	-	-	(6,689)	(6,689)	-	(6,689)
At 31 December 2019	145,320	-	(127,748)	17,572	-	17,572

- 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 and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

**Share Capital**

<b>Group and Company</b>		
	As at 31 December 2020	As at 31 December 2019
	(Number of shares)	
<b>Ordinary shares issued and fully paid</b>		
Beginning of financial year	2,130,000,000	2,130,000,000
Share consolidation	<b>(2,087,400,001)</b>	-
End of financial year	<b>42,599,999</b>	2,130,000,000

On 9 July 2020, the Company had completed its share consolidation exercise. Every fifty (50) existing shares had been consolidated to constitute one (1) consolidated share. The issued share capital of the Company now comprises of 42,599,999 consolidated shares.

Save as disclosed above there were no outstanding convertibles or treasury shares held as at 31 December 2020.

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

<b>Group and Company</b>		
	As at 31 December 2020	As at 31 December 2019
<u>Number of issued shares excluding treasury shares</u>		
Beginning and end of financial year	2,130,000,000	2,130,000,000
Share consolidation	<b>(2,087,400,001)</b>	-
End of financial year	<b>42,599,999</b>	2,130,000,000

- 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 report on.

Not applicable.

- 1(d)(v) A statement showing all sales, transfers, disposals, cancellation and/or use of subsidiary holdings 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 standard and practice.

The figures in this announcement have not been audited or reviewed by the Group's auditors.

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

Except as disclosed in paragraph 5 below, the Group had consistently applied the same accounting policies and methods of computation in the Group's financial statements for the current reporting period as compared with the most recent audited annual financial statements for the financial year ended 31 December 2019.

**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**

During the current financial year, the Group and the Company have adopted the following amendments to SFRS(I)s which took effect from the financial year beginning 1 January 2020:

- Amendments to References to Conceptual Framework in SFRS(I) Standards
- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 Definition of Material
- Amendments to SFRS(I) 3 Definition of a Business
- Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 Interest Rate Benchmark Reform

The adoption of the above amendments to SFRS(I)s is assessed to have no material financial effect on the results and financial position of the Group and of the Company for the year ended 31 December 2020. Accordingly, it has no material impact on the earnings per share of the Group and of the Company.

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

	Group		Group	
	2 <sup>nd</sup> Half year ended 31 Dec 2020	2019	Full Year ended 31 Dec 2020	2019
	<u>RMB Cents</u>	<u>RMB Cents</u>	<u>RMB Cents</u>	<u>RMB Cents</u>
<b>Loss Per Share (Basic and Diluted)</b>				
- Continuing operations	<b>(0.7756)</b>	(38.3592)	<b>(0.3045)</b>	(2.4410)
- Discontinued operations	-	(0.1551)	-	(0.0092)
<b>Number of shares</b>				
Weighted average number of issued ordinary shares	<b>67,042,622</b>	67,042,622 *	<b>1,126,222,950</b>	1,126,222,950 *

Basic losses per share is computed by dividing the earnings attributable to the equity holders of the Company in each financial period by the weighted average number of ordinary shares outstanding at the end of the respective financial period.

\* Weighted average number of issued ordinary shares have been adjusted retrospectively due to share consolidation on 9 July 2020.

**7. Net assets 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 period**

	Group		Company	
	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2020	As at 31 Dec 2019
	<u>RMB Cents</u>	<u>RMB Cents</u>	<u>RMB Cents</u>	<u>RMB Cents</u>
Net assets value per ordinary share	<b>38.59</b>	43.33	<b>33.31</b>	41.25
Number of issued ordinary shares as at end of the financial year	<b>42,599,999</b>	42,599,999	<b>42,599,999</b>	42,599,999

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must include a discussion of the following:-**
- any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period/year reported on, including (where applicable) seasonal or cyclical factors; and**
  - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period/year reported on.**

**Commentary on Financial Results**

**Revenue**

Revenue is generated from the business of providing strategic planning, corporate and financial solution advisory, financial restructuring advisory and management consultancy services.

The Group's corporate and financial solution advisory services in China mainly comprise: (i) advice and services to fund and investment managers; (ii) advice and services to the new economy including Fintech, blockchain and other IT; and (iii) advice and services to SMEs (and high net worth individuals) with respect to better deployment of idle capital.

The Group's management consultancy services in Singapore mainly comprise advice and consultancy services in connection with the software requirement specification, system design and creation, creation of operating policies and procedures and documentation, post-deployment testing and etc.

	Revenue			Revenue		
	2H2020	2H2019	%Change + / (-)	FY2020	FY2019	%Change + / (-)
	RMB'000	RMB'000		RMB'000	RMB'000	
<u>China – Tianjin WFOE</u> Corporate advisory services to fund/investment managers	448	47	853.2	1,078	2,210	(51.2)
<u>Singapore – Prisma Tech</u> Consultancy services from management of contracts in respect of artificial intelligence solutions	8,404	1,343	525.8	9,728	1,343	624.3
	<b>8,852</b>	<b>1,390</b>	<b>536.8</b>	<b>10,806</b>	<b>3,553</b>	<b>204.1</b>

As explained in our earlier result announcements dated 27 February 2019, 14 May 2019, 13 August 2019, 13 November 2019, 28 February 2020 and 13 August 2020, the Group's business is sensitive to Chinese corporate activities. Lower corporate advisory revenue recognised in 2H2020 and FY2020 was due to the continuous slowdown in Chinese corporate activities.

In 2H2020, revenue of RMB0.5 million recognised from the China fund/investment manager was related to an existing service contract of a recurring client.

As announced by the Company on 27 April 2020 and 18 May 2020, a subsidiary corporation of the Company, Prisma Technologies Pte. Ltd. ("Prisma Tech"), was awarded the Capverto Contract and UAE Contract to provide management consultancy services to enhance the security of a payment gateway owned and operated by Denmark-based cryptocurrency trading firm Capverto, and to assist a logistics company based in United Arab Emirates to improve the tracking of its container trucks and other vehicles, respectively. In addition, the Company announced on 16 July 2020 that Prisma Tech was awarded 5 new contracts to provide management consultancy services for various projects in India and Russia. Four of the five contracts are for projects in India, where Prisma Tech will advise on the implementation of contactless healthcare IoT ("Internet-of-Things") solutions, a system to track and manage city traffic, as well as a facial recognition system for a local parliament office and government department. For the contract in Russia, Prisma Tech will advise on the implementation of artificial intelligence solutions for road transport. Revenue from management consultancy services rendered in respect of these contracts was recognised by the Group over time based on stage of services completed and agreed by the customers.

Revenue from corporate and financial solution advisory business decreased by RMB1.13 million or 51.2%, from RMB2.21 million in FY2019 to RMB1.08 million in FY2020. The reduction in revenue was mainly due to fewer service contracts completed by the Group. On the contrary, revenue from management consultancy services increased by RMB7.06 million in 2H2020 and RMB8.39 million in FY2020 as Prisma Tech was only incorporated in October 2019 and has since commenced its business activities, securing various contracts and performing services in respect of these contracts during the current financial period.



### Other income

Other income of the Group increased by RMB0.06 million, from RMB0.22 million in 2H2019 to RMB0.28 million in 2H2020 and decreased by RMB0.42 million, from RMB1.03 million in FY2019 to RMB0.61 million in FY2020. The variance was mainly attributable to:

- i) decrease in rental income of RMB0.16 million, from the sub-lease of office space to a third party company, as a result of termination of sub-lease agreement upon the expiration of office lease agreement of UOB plaza 2;
- ii) no incentive received from Tianjin Local Tax Authority during FY2020. The incentive from Tianjin Local Tax Authority was for the purpose of incentivising local enterprises which set up the companies within the local proximity and paid taxes; and
- iii) receipt of government grants – Jobs Support Scheme (“JSS”) of RMB0.24 million, which is a financial assistance scheme introduced by the Singapore Government to help employers retain their local employees during the COVID-19 pandemic period with economic uncertainty.

### Interest Income

The Group’s interest income for 2H2020 increased by RMB0.14 million from a negative RMB0.11 million in 2H2019 to RMB0.03 million in 2H2020 and decreased by RMB0.21 million from RMB0.28 million to RMB0.07 million in FY2020. The negative amount of interest income of RMB0.11 million reported on 2H2019 was due to a reversal of interest income on loans to an associated company which was recognised in earlier quarters of FY2019.

The decrease in interest income was mainly due to decrease in interest earned from fixed deposits with financial institutions as a result of lower amounts of fixed deposits placement in FY2020 as compared with FY2019.

### Other gain, net

- i) Currency exchange (loss)/gains, net  
The Group has recorded currency exchange loss of RMB0.55 million for 2HQ2020 and RMB0.90 million in FY2020, mainly due to the fluctuation of Singapore Dollar (“SGD”) and United States Dollar (“USD”) against the functional currencies of the respective companies in the Group.

The Group recognises foreign currency exchange gains or losses as a result of transactions denominated in foreign currencies, and the translation of receivables, cash and payable denominated in foreign currencies to the functional currencies of the respective companies in the Group as at each reporting date. As the Group is in net USD and SGD assets position, the overall weakening of the USD and SGD against Renminbi (“RMB”) contributed to the foreign currency exchange loss in FY2020.

- ii) Gain on disposal of subsidiaries  
A gain on disposal of RMB6,443 was recognised upon completion of disposal of the Group’s garment trading business in 1H2019. There was no such gain recognised in FY2020.
- iii) Gain on disposal of joint venture  
As announced on 29 July 2020 and 4 August 2020, the Company disposed its 40% stake in joint venture, TNT Global Capital Pte Ltd (“TNT”). Upon the completion of disposal on 4 August 2020, a gain on disposal of RMB0.45 million was recorded in 2H2020 and FY2020 respectively.

### Expenses

#### 1) Amortisation of right-of-use asset

In line with the adoption of SFRS(I) 16, the Group’s operating lease was recognised as right-of-use (“ROU”) asset and lease liability on its balance sheet. An amount of RMB0.89 million and RMB1.36 million were recorded to depreciate the ROU asset over its lease term on straight-line basis in FY2020 and FY2019 respectively. The decrease was due to expiration of office lease at UOB Plaza 2 during FY2020, which met the requirements of ROU under SFRS(I) 16.

#### 2) Consultancy charges

Consultancy charges of RMB0.65 million incurred during FY2020 consisted of the costs incurred for certain corporate advisory projects where other service providers were engaged by the Group to assist in completion of the consultancy deliverables to clients. Lower consultancy charges were incurred in FY2019 as lesser other service providers were engaged by the Group.

### 3) Employee compensation

Employee compensation of the Group increased by RMB1.71 million or 78.8%, from RMB2.16 million in 2H2019 to RMB3.87 million in 2H2020 and RMB2.25 million or 55.1%, from RMB4.09 million in FY2019 to RMB6.34 million in FY2020 respectively. The increase in employee compensation was mainly attributed to the payroll costs incurred by Prisma Tech. In FY2020, Prisma Tech has gradually increased its headcount of IT personnel to 10 staffs in delivering its business of management consultancy services.

### 4) Professional fees

Professional fees of the Group increased by RMB0.64 million or 187.0%, from RMB0.35 million in 2H2019 to RMB0.99 million in 2H2020, and RMB0.89 million or 81.2%, from RMB1.11 million in FY2019 to RMB2.00 million in FY2020 respectively. The overall increase in 1H2020 was mainly due to more professional services received in relation to various corporate actions and other advisory matters of the Group.

### 5) Rental on operating leases

Rental expenses amounting to RMB0.05 million in 2H2020 and RMB0.19 million in FY2020 respectively. The rental expenses relate to leases of office premises and photocopier which are lesser than 12 months and/or of low value, and are accordingly exempted from recognising as ROU assets.

### 6) Expected credit losses on other receivables

The Group recorded an expected credit losses (“ECL”) on other receivables amounted to RMB 19.29 million in FY2019. This represents the full amount of loan receivables from the associated company, Le Rong Corporation Management (Shenzhen) Co., Ltd (formerly known as Financial Factoring Company Limited (“Le Rong”)).

### 7) Allowance for impairment of investment in associated company and joint venture

Allowance for impairment of investment in associated company and joint venture are in relation to allowance for impairment made for the following investments of the Group:

	Group			Group		
	2H2020	2H2019	%Change + / (-)	FY2020	FY2019	%Change + / (-)
	RMB'000	RMB'000		RMB'000	RMB'000	
Le Rong	-	1,200	(100.0)	-	1,200	(100.0)
TNT	-	2,565	(100.0)	-	2,565	(100.0)
	-	3,765	(100.0)	-	3,765	(100.0)

The Group recorded an allowance for impairment amounted to RMB3.77 million in FY2019 and nil in FY2020. The carrying amount of the investment cost has been offset against the share of loss of Le Rong, hence no further allowance of impairment to be made.

As announced on 29 July 2020 and 4 August 2020, the Company disposed its 40% stake of TNT.

### 8) Interest expense on lease liability

Interest expense on lease liability relates to imputed interest on operating leases amounted to RMB0.001 million and RMB0.02 million in 2H2020 and FY2020 respectively.

### 9) Other operating expenses

Other operating expenses of the Group increased by RMB0.24 million or 59.6%, from RMB0.41 million in 2H2019 to RMB0.65 million in 2H2020. On the other hand, other operating expenses of the Group decreased by RMB0.18 million or 17%, from RMB1.04 million in FY2019 to RMB0.87 million in FY2020. The variances are mainly due to i) lower travelling and related expenses incurred in FY2020 in view of the outbreak of COVID-19 pandemic since the beginning of FY2020; ii) lower printing, office cleaning, other office related expenses due to expiration of office lease; and offset with iii) an office reinstatement expense of RMB0.47 million was incurred upon expiration of office lease.

### **Share of loss of joint venture and associated company**

The Group has recognised its share of loss from a joint venture amounting to RMB0.01 million and RMB0.02 million for 2H2020 and FY2020 respectively. Lower share of loss of joint venture was recognised in FY2020 as the joint venture has been disposed on 4 August 2020.

The Group had recognised its share of loss from an associated company amounting to RMB0.71 million and share of loss of RMB0.79 million for 2H2020 and FY2020 respectively. The increase in share of loss of the associated company in FY2020 was due to a significant loss of RMB21.27 million (as disclosed in the response to SGX query 5 of the Company's announcement dated 8 February 2020) was reported in the associated company consequent to the allowance for impairment of its accounts receivable.

### **Profit/(loss) before tax**

As a result of the above, the Group recorded profit before tax of RMB1.80 million for 2H2020 and a loss before tax of RMB1.40 million for FY2020 as compared to loss before tax of RMB25.56 million for 2H2019 and RMB 27.29 million for FY2019 respectively.

### **Income tax (expense)/credit**

There was an income tax expense of RMB0.42 million in FY2020 as opposed to a tax credit of RMB0.003 million in FY2019.

### **Profit/(loss) after tax**

Consequent to the above, the Group recorded net profit of RMB1.39 million in 2H2020 and a net loss of RMB1.82 million in FY2020 as compared to loss after tax of RMB25.51 million in 2H2019 and RMB27.28 million in FY2019.

### **Discontinued operations**

As announced on 18 October 2019, both inactive direct and indirect subsidiaries namely, Forise Capital Management Company Limited ("FCMCL") and Forise Global Strategy Investment SPC ("FGSI"); were placed on voluntarily liquidation and striking off. These inactive subsidiaries are therefore re-classified as "Discontinued Operations" and recorded net loss of RMB0.10 million in 2H2019 and FY2019.

On 12 February 2020, FCMCL has completed its liquidation process and been successfully dissolved from the Registrar of Corporate Affairs of the British Virgin Islands. On the other hand, FGSi has been struck off from the Registrar of Companies of Cayman Islands on 31 March 2020 and thereupon dissolved.

### **Commentary on Financial Position**

#### **Non current assets**

Property, plant and equipment ("PPE") of the Group and the Company decreased by RMB0.005 million in FY2020 mainly due to depreciation charge. The PPE of the Group and the Company have been fully depreciated and reported nil book value as at 31 December 2020.

Investment in associated company, which relates to the Group's investment in Le Rong through Tianjin WFOE, has recognised a share of loss of RMB0.79 million during FY2020 in accordance with SFRS (I) 1-28, which has resulted nil carrying amount of the investment in associated company as at 31 December 2020.

Investment in joint venture relates to the Company's investment in 40% of the issued and paid-up share capital of TNT. On 25 June 2020, the Company announced that it executed a non-binding term sheet with Mr Liew Chok San (the "Purchaser") in respect of the proposed disposal of all 150,000 ordinary shares that the Company holds in TNT, representing 40% of the equity interest in TNT, for a consideration of approximately RMB1,110,000 (equivalent to S\$220,000).

On 29 July 2020, the Company announced that it entered into a sale and purchase agreement with the Purchaser and TNT, in respect of the disposal of TNT by the Company. The disposal of TNT has been completed subsequently on 4 August 2020. Thereafter, nil carrying amount of investment in joint venture was reported.

The investment in subsidiaries of the Company decreased by RMB0.923 million, from RMB0.927 million as at 31 December 2019 to RMB0.003 million as at 31 December 2020, was due to allowance for impairment of RMB0.923 million recognised for the investment cost of Forise Management Limited (“FML”). In view of the losses incurred by FML and its subsidiary corporations and the indications of impairment were noted, the Company carried out a review of the recoverable amount of the investment, based on the Company’s share of the net assets of the subsidiary corporations, which approximates the fair value less cost of disposal of the investment.

### Current Assets

Current assets of the Group decreased by RMB1.22 million, from RMB19.54 million as at 31 December 2019 to RMB18.32 million as at 31 December 2020, mainly due to decrease in cash and cash equivalents, right-of-use asset, other current assets offset with the increase in trade and other receivables.

Cash and cash equivalents decreased by RMB1.94 million, from RMB6.35 million as at 31 December 2019 to RMB4.41 million as at 31 December 2020, mainly due to net cash used in operating activities of RMB2.05 million and net cash used in financing activities of RMB0.93 million offset with the net cash generated from investing activities of RMB1.05 million.

### Trade and Other Receivables

	Group			Company		
	31 Dec 2020	31 Dec 2019	% Change	31 Dec 2020	31 Dec 2019	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Trade receivables	6,025	1,346	347.6	-	-	-
Other receivables	27,101	29,837	(9.2)	14,795	12,484	18.5
Less: Allowance for impairment	(19,293)	(19,293)	-	-	-	-
Other receivables - net	7,808	10,544	(25.9)	14,795	12,484	18.5
Total	13,833	11,890	16.3	14,795	12,484	18.5

Trade and other receivables of the Group increased by RMB1.94 million or 16.3%, from RMB11.89 million as at 31 December 2019 to RMB13.83 million as at 31 December 2020, was attributable to:

- i) Increase in trade receivables of RMB4.68 million or 347.6% which was attributed to the management consultancy service revenue generated by Prisma Tech in FY2020 of RMB9.73 million, partially offset with collections received of RMB5.16 million during the year.
- ii) The decrease in net other receivables of RMB2.74 million or 25.9%, mainly due to: a) the foreign exchange loss of RMB0.49 million arising from the translation of the advance from Prisma Tech to Prisma AI Corporation Pte. Ltd. (“Prisma AI”), which is denominated in SGD, and b) partial repayment of the advance amounting to RMB2.23 million.

Other receivables of the Company increased by RMB2.31 million or 18.5%, from RMB12.5 million as at 31 December 2019 to RMB14.8 million as at 31 December 2020, was mainly attributable to increase in net amount owing by FML as a result of payment on behalf made for FY2016 Hong Kong taxes being accrued for the garment trading company, which was disposed during 1H2019, and professional fees.

### Other current assets

Other current assets of the Group decreased by RMB0.33 million, from RMB0.41 million as at 31 December 2019 to RMB0.08 million as at 31 December 2020, was due to refund of office rental deposit from the landlord to the Company.

### Right-of-use asset

The ROU asset represents the lease of Singapore office premises. The Group recorded a nil ROU asset in FY2020 upon the expiration of the lease of office premises. The Group has no other operating leases which met the requirements of ROU under SFRS(I) 16.

### **Current Liabilities**

Current liabilities of the Group decreased by RMB0.61 million, from RMB2.49 million as at 31 December 2019 to RMB1.88 million as at 31 December 2020, mainly due to:

- i) decrease in lease liabilities of RMB0.91 million in FY2020 due to the expiration of lease of Singapore office premises;
- ii) payment of tax amounting to RMB0.56 million in respect of a former Hong Kong subsidiary corporation which had been disposed of in FY2019;
- iii) increase in accrued operating expenses of RMB0.46 million for FY2020; and
- iv) increase in current income tax liabilities of the Group of RMB0.41 million was derived from Prisma Tech; and

### **Commentary on financial cash flows**

Net cash used in operating activities of RMB0.39 million and RMB2.05 million in 2H2020 and FY2020 respectively were mainly due to increase in trade and other receivables and operating losses reported on.

Net cash generated from investing activities of RMB1.05 million for FY2020 was in relation to proceeds from the disposal of shares in TNT which was announced on 29 July 2020 and 4 August 2020 respectively.

Consequent to the above, cash and cash equivalents decreased by RMB1.94 million, from RMB6.35 million as at 31 December 2019 to RMB4.41 million as at 31 December 2020.

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

There is no variance between the commentary given in our previous results announcement and the actual results for the period reported on.

### **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 COVID-19 pandemic has caused severe disruptions to global economic activity and the impact on economies across the world has been broad and significant. Notwithstanding the roll-out of vaccines in various countries since December 2020, the effects of the pandemic are expected to linger on for years. The Group expects business headwinds to continue in FY2021 the global market to remain uncertain and challenging.

In spite of the challenges arising from the above, Prisma Tech was able to deliver growth in both top and bottom lines. Revenue of RMB9.73 million and net profit of RMB3.23 million were generated and reported by Prisma Tech in FY2020. This has provided a great confidence booster to the group to continue its focus on the development and growth of the business of management consultancy services in the areas of Artificial Intelligence (“AI”) / Information Technology (“IT”).

In view of the various measures and tighter controls implementation by the respective governments of the world, including circuit breaker, travel restrictions, default mode of work-from-home and etc, many businesses have changed its way of doing businesses. The Group remains open and committed to source for other business opportunities to expand and enhance the performance and net asset value of the Group.

### **11. Dividend**

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

Any dividend declared for the current financial period reported on?

None.

#### **(b) Corresponding Period of the Immediately Preceding Financial Year**

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

None.

#### **(c) Date payable**

Not applicable.

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for FY2020 as the Board of Directors deems it appropriate to conserve funds for the Group's business development and further expansion.

13. Segmented revenue and results for business or geographic 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	Corporate advisory & Management consultancy		Other		Other (Discontinued operations)		Total	
	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000
Revenue	10,806	3,553	-	-	-	-	10,806	3,553
Other gains, net	-	656	614	379	-	-	614	1,035
Interest income	66	88	1	188	-	-	67	276
Currency exchange (loss)/gain	(170)	(113)	(723)	486	-	(3)	(893)	373
Gain on disposal of joint venture	-	-	449	-	-	-	449	-
Gain on disposal of subsidiaries	-	-	-	6	-	-	-	6
Consultancy charges	(646)	(596)	-	-	-	-	(646)	(596)
Depreciation	-	(1)	(5)	(12)	-	-	(5)	(13)
Amortisation of right-of-use asset	-	-	(890)	(1,357)	-	-	(890)	(1,357)
Employee compensation	(4,020)	(2,101)	(2,321)	(1,987)	-	-	(6,341)	(4,088)
Directors fee	-	-	(675)	(689)	-	-	(675)	(689)
Professional fees	(868)	(16)	(1,136)	(1,090)	-	(101)	(2,004)	(1,106)
Rental on operating leases	(163)	(421)	(24)	(20)	-	-	(187)	(441)
Expected credit loss on other receivables	-	(19,293)	-	-	-	-	-	(19,293)
Allowance for impairment of investment in associated company and joint venture	-	(1,200)	-	(2,565)	-	-	-	(3,765)
Interest expense on lease liability	-	-	(18)	(87)	-	-	(18)	(87)
Finance	(6)	(5)	(2)	(13)	-	-	(8)	(18)
Other operating expenses	(127)	(456)	(740)	(588)	-	-	(867)	(1,044)
Share of loss of joint venture	-	-	(15)	(27)	-	-	(15)	(27)
Share of loss of associated company	(788)	(4)	-	-	-	-	(788)	(4)
Profit/(loss) before income tax	4,084	(19,909)	(5,485)	(7,376)	-	(104)	(1,401)	(27,285)
Income tax (expense)/credit	(416)	3	-	-	-	-	(416)	3
Net profit/(loss)	3,668	(19,906)	(5,485)	(7,376)	-	(104)	(1,817)	(27,282)
Segment assets	18,215	15,510	108	5,437	-	-	18,323	20,947
Segment assets includes: Investment in an associated company and a joint venture	-	788	-	612	-	-	-	1,400
Segment liabilities	(1,196)	(1,218)	(686)	(1,270)	-	-	(1,882)	(2,488)

- 14. 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.**

No general mandate has been obtained from shareholders for IPTs.

- 15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirms that the undertakings required under Rule 720(1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

- 16. Disclosure of person occupying a managerial position in the issuer or any of its 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.**

There are no persons occupying a managerial position in the issuer or any of its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13)

BY ORDER OF THE BOARD  
Peng Weile (Leo)  
Executive Director  
1 March 2021