



Sino Grandness Food Industry Group Limited
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200706801H)

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER PERIOD ENDED 31 MARCH 2021

PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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

	<u>1Q</u>		Change %
	Jan - Mar 2021 RMB'000	Jan - Mar 2020 RMB'000	
Revenue	201,150	187,169	7.5
Cost of sales	(208,384)	(126,846)	64.3
Gross profit	(7,234)	60,323	(112.0)
Other operating income	614	43,287	(98.6)
Distribution and selling expenses	(101,912)	(19,363)	n.m.
Administrative expenses	(37,789)	(52,699)	(28.3)
Other operating expenses	(187)	(9)	n.m.
Finance costs	(23,836)	(25,830)	(7.7)
(Loss)/profit before income tax	(170,344)	5,709	n.m.
Income tax credit	14,613	7,772	88.0
(Loss)/profit for the period	(155,731)	13,481	n.m.
Other comprehensive income	-	-	-
Total comprehensive income for the period	(155,731)	13,481	n.m.
Profit for the period attributable to:			
Equity holders of the Parent	(155,608)	13,536	
Non-controlling interests	(123)	(55)	
	(155,731)	13,481	
Total comprehensive income for the period attributable to:			
Equity holders of the Parent	(155,608)	13,536	
Non-controlling interests	(123)	(55)	
	(155,731)	13,481	

1(a)(ii) Profit before taxation is determined after (charging)/crediting:-

	1Q		
	Jan – Mar 2021	Jan – Mar 2020	Change
	RMB'000	RMB'000	%
Depreciation and amortisation	(40,524)	(37,308)	8.6
<u>Other operating income</u>			
Government grants	14	28	n.m.
Interest income – banks	138	221	(37.6)
Exchange gain	148	-	n.m.
Fair value changes on exchangeable bonds	-	41,850	n.m.
Others	314	1,188	(25.9)
Total	614	43,287	n.m.

Note :-

The net exchange gains in 1Q2021 and 1Q2020 were mainly attributable to exchange gains/(losses) from operation arising from exchange rate differences mainly between United States Dollar and Renminbi.

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

	Group		Company	
	31 Mar 21	31 Dec 20	31 Mar 21	31 Dec 20
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	1,351,029	1,393,400	11	12
Land use rights	-	-	-	-
Interest in subsidiaries	-	-	258,784	258,784
Amount due from subsidiaries	-	-	439,680	515,531
Deferred tax assets	-	-	-	-
Deposit paid for non-current assets	259,495	245,814	-	-
Total non-current assets	<u>1,610,524</u>	<u>1,639,214</u>	<u>698,475</u>	<u>774,327</u>
Current assets				
Inventories	21,461	5,683	-	-
Trade receivables	980,234	1,040,530	-	-
Other receivables	384,188	526,712	976	404
Current tax receivable	39,094	-	-	-
Cash and cash equivalents	332,792	308,357	91	82
Total current assets	<u>1,757,769</u>	<u>1,881,282</u>	<u>1,067</u>	<u>486</u>
Current liabilities				
Trade payables	76,442	74,381	-	-
Other payables	148,575	155,697	43,709	83,844
Obligation under finance lease	400	347	-	-
Current tax payable	-	-	198	229
Bank borrowings	213,038	210,719	-	-
Loan from a shareholder (note)	163,140	157,750	163,140	157,750
Straight bonds	269,371	264,908	-	-
Amount owing to subsidiaries	-	-	46,695	46,300
Exchangeable bonds	496,800	485,682	-	-
Total current liabilities	<u>1,367,766</u>	<u>1,349,484</u>	<u>253,742</u>	<u>288,123</u>
Net current assets/(liabilities)	390,003	531,798	(252,675)	(287,637)
Non-current liabilities				
Obligation under finance lease	801	941	-	-
Deferred tax liabilities	237,026	251,640	-	39,232
Total non-current liabilities	<u>237,827</u>	<u>252,581</u>	<u>-</u>	<u>39,232</u>
Net assets	<u>1,762,700</u>	<u>1,918,431</u>	<u>445,800</u>	<u>447,458</u>
Equity				
Equity attributable to equity holders of the Parent				
Share capital	791,500	791,500	791,500	791,500
Retained profits/(accumulated losses)	681,831	821,437	(422,178)	(420,520)
Other reserves	277,452	293,454	76,478	76,478
Total shareholders' funds	<u>1,750,783</u>	<u>1,906,391</u>	<u>445,800</u>	<u>447,458</u>
Non-controlling interests	11,917	12,040	-	-
Total equity	<u>1,762,700</u>	<u>1,918,431</u>	<u>445,800</u>	<u>447,458</u>

Note: Refer to convertible loan from Soleado Holdings Pte. Ltd. ("Soleado")

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	<u>31 Mar 2021</u>	<u>31 Dec 2020</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Amount repayable in one year or less, or on demand		
Secured	376,178	368,469
Unsecured	766,171	750,591
	<u>1,142,349</u>	<u>1,119,060</u>
Amount repayable after one year		
Secured	801	941
Unsecured	-	-
	<u>801</u>	<u>941</u>
	<u>1,143,150</u>	<u>1,120,001</u>

Details of collaterals:-

The secured bank borrowings are secured by a mortgage over the Group's factory and warehouse premises, land use rights, security deposits, personal guarantee by director of the Company, Huang Yupeng and corporate guarantees.

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

	<u>1Q</u>	
	Jan-Mar 2021 RMB'000	Jan-Mar 2020 RMB'000
Cash flows from operating activities:		
(Loss)/profit before income tax	(170,344)	5,709
Adjustments for:		
Depreciation of property, plant and equipment	40,524	37,308
Interest expenses	23,776	25,706
Interest income	(138)	(221)
Changes in fair value of bonds	-	(41,850)
Exchange losses/(gains)	1,386	(3,219)
Operating cash flows before working capital changes	(104,796)	23,433
Increase in inventories	(15,778)	(14,067)
Decrease/(increase) in operating receivables	205,419	(8,847)
(Decrease)/increase in operating payables	(44,155)	42,227
Cash generated from operations	40,690	42,746
Income tax paid	-	(24,904)
Net cash generated from operating activities	40,690	17,842
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(33)	(17,718)
Deposit paid for non-current assets	(14,400)	-
Interest received	138	221
Net cash used in investing activities	(14,295)	(17,497)
Cash flows from financing activities:		
Bank loans drawdown	-	23,000
Repayment of finance lease liabilities	(87)	(76)
Bank loans repaid	(1,850)	(23,000)
Interest paid	(23)	-
Net cash used in financing activities	(1,960)	(76)
Net increase in cash and cash equivalents	24,435	269
Cash and cash equivalents at beginning of period	308,357	600,189
Cash and cash equivalents at end of period	332,792	600,458
Cash and cash equivalents comprise:		
Cash and bank balances	332,792	600,458
Fixed deposits	-	-
	332,792	600,458
Less: Fixed deposits pledged	-	-
	332,792	600,458

Reconciliation of liabilities arising from financing activities

With effective from 1 January 2017, the Amendments to FRS 7 *Statements of Cash Flow* comes with the objective that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The following is the disclosures of the reconciliation of items for which cash flows have been, or would be, classified as financing activities, excluding equity items:

	Bank borrowings RMB'000	Finance leases RMB'000	Loan from a related party RMB'000	Straight Bonds RMB'000	Exchangeable bonds RMB'000
At 1 January 2021	210,719	1,288	157,750	264,909	485,681
<u>Cash flow</u>					
Drawdown of bank borrowings	-	-	-	-	-
Repayments of bank borrowings	(1,850)	(87)	-	-	-
Interest paid	(3,311)	(23)	-	-	-
<u>Non-cash changes</u>					
Accrued interest	3,311	23	4,861	4,462	11,119
Exchange translation	4,169	-	529	-	-
At 31 March 2021	213,038	1,201	163,140	269,371	496,800

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Share capital	Retained Profits	Share Option Reserve	Merger reserve	Statutory common 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	RMB'000	RMB'000
<u>Group</u>								
Balance at 1 January 2020	791,500	2,346,340	76,479	(31,414)	244,561	3,427,466	12,250	3,439,716
Loss for the year and representing total comprehensive income for the year	-	(1,521,075)	-	-	-	(1,521,075)	(210)	(1,521,285)
Transfer to statutory reserve	-	(3,828)	-	-	3,828	-	-	-
Balance at 31 December 2020	791,500	821,437	76,479	(31,414)	248,389	1,906,391	12,040	1,918,431
Loss for the period and representing total comprehensive income for the period	-	(155,608)	-	-	-	(155,608)	(123)	(155,731)
Transfer to statutory reserve	-	16,002	-	-	(16,002)	-	-	-
Balance at 31 March 2021	791,500	681,831	76,479	(31,414)	232,387	1,750,783	11,917	1,762,700

	Share capital	Accumulated losses	Share option reserves	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
<u>Company</u>				
Balance at 1 January 2020	791,500	(375,026)	76,478	492,952
Loss for the year representing total comprehensive income for the year	-	(45,494)	-	(45,494)
Balance at 31 December 2020	791,500	(420,520)	76,478	447,458
Loss for the period representing total comprehensive income for the period	-	(1,658)	-	(1,658)
Balance at 31 March 2021	791,500	(422,178)	76,478	445,800

1(d) (ii) Details of any changes in the company’s share capital arising from right issues, bonus issue, share buy-back, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holding 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 immediate preceding financial year.

During the current financial period, there is no changes in the share capital of the Company

The Company granted five tranches of option under ESOS Scheme on 9 April 2015, 20 May 2016, 24 May 2017 and 25 May 2018 that give holders the right to subscribe for ordinary shares as detailed below:-

Date of grant	Exercise price of option granted (SGD per share)		Expiry date
	Prior adjustment	Post adjustment	
9 April 2015	0.33*	0.30*	8 April 2025
9 April 2015	0.26*	0.24*	8 April 2025
20 May 2016	0.49*	0.45*	19 May 2026
24 May 2017	0.18	0.18	23 May 2027
25 May 2018	0.22 ⁽¹⁾ /0.18 ⁽²⁾	0.22 ⁽¹⁾ /0.18 ⁽²⁾	24 May 2028

*As announced by the Company on 25 October 2018, the exercise price of these options granted were adjusted due to issuance of right issue in March 2017.

⁽¹⁾ Exercise price of option granted to directors (other than associate of controlling shareholder) and employees.

⁽²⁾ Exercise price of option granted to associate of controlling shareholder.

Number of options outstanding under ESOS Scheme as at 31 March 2021 was 51,776,822.

As shown in the above, there were no outstanding convertible securities and treasury shares as at 31 March 2021 and 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 period and as at the end of the immediately preceding year.

	As at 31 Mar 2021	As at 31 Dec 2020
Total number of ordinary shares issued and fully paid	1,149,410,658	1,149,410,658

The Company does not have treasury shares as at 31 March 2021 and 31 December 2020.

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

Not applicable

1(d)(v) A statement showing all sales, transfer, 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 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 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.

The accounting policies and methods of computation have been consistently applied by the Group and the Company and are consistent with the audited financial statements for the financial year ended 31 December 2020.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2020.

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 (a) based on the weighted average number of ordinary shares on issue; and (b) on a fully diluted basis (detailing any adjustments made to the earnings).

Earnings per share (EPS)	Group	
	Jan – Mar 2021	Jan – Mar 2020
(Losses)/profits attributable to ordinary shareholders of the Company	(155,608)	13,536
Weighted average number of ordinary shares - basic and diluted ('000)	1,149,411	1,149,411
Basic (losses)/earnings per share (RMB cents)	(13.54)	1.18
Diluted (losses)/earnings per share (RMB cents)	(13.54)	1.18

Basic losses per share for 1Q2021 are calculated based on the Group's losses after taxation attributable to ordinary shareholders of the Company of RMB155,608,000 on actual number of ordinary shares issued of 1,149,410,658 shares.

For comparative purpose, the basic earnings per share for 1Q2020 are calculated based on the Group's profit after taxation attributable to ordinary shareholders of the Company of RMB13,536,000 on actual number of ordinary shares issued of 1,149,410,658 shares.

The fully diluted loss per share for 1Q2021 are calculated based on the Group's losses after taxation attributable to ordinary shareholders of the Company of RMB155,608,000 on weighted average number of ordinary shares of 1,149,410,658 shares after adjusting for the outstanding option under ESOS scheme.

For comparative purpose, the fully diluted earnings per share for 1Q2020 are calculated based on the Group's losses after taxation attributable to ordinary shareholders of the Company of RMB13,536,000 on weighted average number of ordinary shares of 1,149,410,658 shares after adjusting for the outstanding options under ESOS scheme.

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

Net asset value (NAV)	Group		Company	
	31 Mar 2021	31 Dec 2020	31 Mar 2021	31 Dec 2020
Number of ordinary shares	1,149,410,658	1,149,410,658	1,149,410,658	1,149,410,658
NAV per ordinary share in the Company (RMB cents)	153.4	166.9	38.8	38.9

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: (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonable 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.**

Review of performance

Revenue

The Group's revenue increased by approximately RMB14.0 million or 7.5% from RMB187.2 million in 1Q2020 to RMB201.2 million in 1Q2021. The increase was mainly attributable to the increase of RMB31.6 million from sales of beverage products. The total revenue increase was offset by the net decrease of RMB17.7 million from the sale of canned products. On the domestic front, the increase in sales revenue of beverage and canned products in 1Q2021 vs 1Q2020 was mainly due to the recovery of COVID-19 in People's Republic of China ("PRC").

Breakdown of revenue by segments:

	1Q		Change
	Jan - Mar 2021	Jan - Mar 2020	
Product segment	RMB'000	RMB'000	%
Canned products			
- overseas	18,706	50,601	(63.0)
- domestic	51,257	37,029	38.4
Beverage	131,187	99,539	31.8
Total	201,150	187,169	7.5

Gross profit

Gross profit decreased by approximately RMB67.6 million or 112.0%, from gross profit of RMB60.3 million in 1Q2020 to gross losses of RMB7.2 million in 1Q2021. Our overall gross profit margin (GPM) dropped from 32.2% in 1Q2020 to -3.6% in 1Q2021 due to recovery the COVID-19 pandemic as compared to preliminary COVID-19 breakout in 1Q2021.

Other operating income

The other operating income in 1Q2020 mainly comprises RMB41.9 million fair value gains in relation to Exchangeable Bonds. The other operating gain in 1Q2021 mainly relates to operation arising from exchange rate differences between United States Dollar and Renminbi.

Operating expenses

Distribution and selling expenses increased by approximately RMB82.5 million or 426.3%, from RMB19.4 million in 1Q2020 to RMB101.9 million in 1Q2021. This was due mainly to the Group taking the initiative to increase the products' publicity of fruit juice and canned foods via television advertising. Targeted audiences television advertising were aired in the provinces such as Zhengzhou, Anyang, Hangzhou, Jinhua, Taizhou, Changsha and Yangzhou.

Administrative expenses mainly consist of depreciation and factory shutdown, with the depreciation being charged-out as administrative expenses instead of cost of sales. The decrease was approximately RMB14.9 million or 28.3%, from RMB52.7 million in 1Q2020 to RMB37.8 million in 1Q2021. The administrative expenses were lower compared to 1Q2020 as the frequency of manufacturing plant shutdown improved slightly due to the recovery from the COVID-19 pandemic.

The manufacturing plants' depreciation was charged-out as administrative expenses when factories were shut, and conversely as cost of sales when factories were operating.

Finance costs decreased by approximately RMB2.0 million or 7.7%, from RMB25.8 million in 1Q2020 to RMB23.8 million in 1Q2021. The decrease in finance costs was mainly due to the strengthening of RMB against USD evidenced with average rate 1Q2021: RMB6.48/USD vs 1Q2020: RMB7.0/USD.

Profit before taxation

Profit before taxation decreased by approximately RMB176.1 million, from RMB5.7 million profit in 1Q2020 to RMB170.3 million loss in 1Q2021. The decrease in profit before taxation was due to the similar reason above.

Review of statement of financial position

Property, plant and equipment netbook value increased slightly by approximately RMB42.4 million from RMB1,393.4 million in FY2020 to RMB1,351.0 million in 1Q2021 because of depreciation charged during the periods under review.

Deposit paid for non-current assets increased slightly from RMB259.5 million in 1Q2021 as compared RMB245.8 million in FY2020. Minimal movement from deposit paid for non-current assets to non-current assets as the construction of the Group's production plant and machinery in Anhui, Hubei and Sichuan were still ongoing.

The Group's inventories increased by approximately RMB15.8 million from RMB5.7 million in FY2020 to RMB21.5 million in 1Q2021. The increase in inventories during the period under review was mainly attributed to higher inventories stock up as recovering from the COVID-19 pandemic.

Trade receivables decreased by approximately RMB60.3 million from RMB1,040.5 million in FY2020 to RMB980.2 million in 1Q2021 as collection from its customers has improved post COVID-19 pandemic.

Other receivables decreased by approximately RMB142.5 million from RMB526.7 million in FY2020 to RMB384.2 million in 1Q2021. Other receivables comprised of VAT receivables, export tax refund and deposits paid to suppliers for the raw materials purchase orders.

Cash and cash equivalents maintained at RMB332.8 million as at 31 March 2021. The cash and cash equivalents were maintained at comparable levels from FY2020 as the Group is conserving cash in anticipation of higher business activities in subsequent periods.

Current liabilities increased by RMB18.3 million from RMB1,349.5 million in FY2020 to RMB1,367.8 million in 1Q2021. The increase was mainly attributable to an increase in bonds balances, the amount owing to Soleado, and bank borrowings, which was offset by lower other payables.

Equity holders' interest decreased by RMB155.7 million from RMB1,918.4 million in FY2020 to RMB1,762.7 million as at 31 March 2021. The decrease was mainly attributable to lower retained profit as a result of higher losses in 1Q2021.

Review of cash flow statement

Net cash outflow in operating activities amounted to RMB104.8 million. In 1Q2021, the net cash outflow mainly due to losses incurred during the year, set off by working capital changes that set off the effect of operational cash losses.

Net cash used in investing activities amounted to RMB14.4 million in 1Q2021 mainly relates to deposits paid for plant and equipment incurred during the period.

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

Not applicable.

10. A commentary at the date of 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.

Global macro risks and market volatilities are expected to heighten and shipments disruptions to continue as geopolitical events unfold. Notwithstanding this challenging backdrop, the Group expects the food and beverage industry to remain resilient.

The Group continues to execute its strategy by investing for the future with new manufacturing assets and enhanced capabilities in innovation. The Group will also continue to enhance brand visibility to grow our market share domestically and internationally.

While overall end-consumer demand may be subjected to short term fluctuations, the Group remains well-positioned to meet customer needs, with strong and expanding research and development so as to increase the product offerings and to consider new sales channels.

Moving forward, the Group will continue to execute its strategy of scaling up its production and distribution operations while it continues to explore capital investment plans to strengthen its cashflows. The Group is focused on executing its differentiated strategy to deliver profitable growth and optimal returns.

Update on receipt of letter of demand from Goldman Sachs Investments Holdings (Asia) Limited

On 2 July 2024, the Company received letter of demand from Goldman Sachs Investments Holdings (Asia) Limited dated 28 June 2024 in relation the sums of RMB396,577,356 and USD150,372,476.

The Company disagrees with the amount claimed and considers the demand to be opportunistic due to excessive interest charges. The negotiation with Goldman Sachs Investments Holdings (Asia) Limited on the letter of demand is still ongoing as of now. The Company would make the necessary announcement as and when there is any material development.

Update on overdue loan from a related party - Soleado Holdings Pte. Ltd.

On 5 June 2020, Soleado has, in writing, informed the Company that the shareholders of Soleado may require Soleado to demand settlement or to take legal action against the Company if warranted. In addition, the pledged shares (102 million shares) of the Company owned by Huang Yupeng will be realised if called upon.

The Company is currently in discussion with the lender to extend the repayment of principal and interest. The Company would make the necessary announcement as and when there is any material development. The Company has repaid approximately RMB11.0 million to Soleado from the placement proceeds as details set up in paragraph 15 below.

Update on proposed listing of Garden Fresh

The Company continues in its effort towards the proposed listing of its beverage business (“Proposed Listing”). The Company will keep shareholders updated on any material developments relating to the Proposed Listing as and when appropriate.

11. Dividends**(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

(d) Books closure date

Not applicable

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

No dividend has been declared/recommended for the quarter ended 31 March 2021 to enable the Group to conserve cash for working capital purposes.

13. Interested Person Transactions (“IPT”)

The Company has not obtained a general mandate from shareholders for interested person transactions.

14. Statement pursuant to SGX Listing Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited first quarter financial results for the period ended 31 March 2021 to be false or misleading in any material aspect.

15. Use of net proceeds

The Board refer to the issuance of 85,000,000 shares by the Company in August 2019 (“Placement 2019 (2)”). As of the date of this announcement, the Group had fully utilized the net proceeds from the Placement 2019 (2) as follows :-

Use of net proceeds	Allocation (%)	Amount allocated (RMB'000)	Accumulated amount utilized (RMB'000)	Balance (RMB'000)
(a) Repayment of outstanding sums due to Soleado	60	10,965	10,965	-
(b) General working capital	40	7,310	7,310	-
- Operating expenses		7,310	7,310	-
Total	100	18,275	18,275	-

16. Statement pursuant to SGX Listing Rule 720(1) of the Listing Manual

The Company confirms that it has already procured undertakings from all of its Directors and executive officers in the format as set out in Appendix 7.7 of the SGX-ST Listing Manual in accordance to Rule 720 (1) of the SGX-ST Listing Manual.

BY ORDER OF THE BOARD
HUANG YUPENG
CHAIRMAN AND CEO
13 September 2024