



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 2020

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 2020 RMB'000	Jan - Mar 2019 RMB'000	
Revenue	187,169	487,101	(61.6)
Cost of sales	(126,846)	(331,755)	61.8
Gross profit	60,323	155,346	(61.2)
Other operating income	43,287	711	n.m.
Distribution and selling expenses	(19,363)	(88,801)	(78.2)
Administrative expenses	(52,699)	(27,759)	89.8
Other operating expenses	(9)	-	n.m.
Finance costs	(25,830)	(14,196)	82.0
Profit before income tax	5,709	25,301	(77.4)
Income tax expense	7,772	(14,667)	n.m.
Profit for the period	13,481	10,634	26.8
Other comprehensive income	-	-	-
Total comprehensive income for the period	13,481	10,634	26.8
Profit for the period attributable to:			
Equity holders of the Parent	13,536	10,676	
Non-controlling interests	(55)	(42)	
	13,481	10,634	
Total comprehensive income for the period attributable to:			
Equity holders of the Parent	13,536	10,676	
Non-controlling interests	(57)	(42)	
	13,481	10,634	

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

	1Q		
	Jan – Mar 2020	Jan – Mar 2019	Change
	RMB'000	RMB'000	%
Depreciation and amortisation	(37,308)	(36,496)	(0.6)
ESOS expenses	-	(3,015)	n.m.
<u>Other operating income</u>			
Government grants	28	10	n.m.
Interest income – banks	221	198	11.8
Exchange gain	-	(1,101)	n.m.
Fair value changes on exchangeable bonds	41,850	-	n.m.
Others	1,188	1,604	(25.9)
Total	43,287	711	n.m.

Note :-

The net exchange gains in 1Q2020 and 1Q2019 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 20	31 Dec 19	31 Mar 20	31 Dec 19
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	1,604,219	1,608,168	16	17
Land use rights	-	-	-	-
Subsidiaries	-	-	258,784	258,784
Amount owing by subsidiaries	-	-	477,689	560,370
Deferred tax assets	-	-	-	-
Deposit paid for non-current assets	550,885	553,600	-	-
Total non-current assets	2,155,104	2,161,768	736,489	819,171
Current assets				
Inventories	24,742	10,675	-	-
Trade receivables	1,311,761	1,346,276	-	-
Other receivables	1,009,260	978,824	12,316	331
Cash and cash equivalents	600,458	600,189	645	1,528
Total current assets	2,946,221	2,935,964	12,961	1,859
Current liabilities				
Trade payables	56,789	15,842	-	-
Other payables	111,840	103,167	41,702	81,914
Obligation under finance lease	347	302	-	-
Current tax payable	17,176	42,387	196	229
Bank borrowings	234,263	234,838	-	-
Loan from a shareholder (note)	155,107	147,224	155,107	147,224
Straight bonds	251,516	247,052	-	-
Amount owing to subsidiaries	-	-	48,712	47,768
Exchangeable bonds	453,627	484,792	-	-
Total current liabilities	1,280,666	1,275,604	245,717	277,135
Net current assets/(liabilities)	1,665,556	1,660,360	(232,756)	(275,276)
Non-current liabilities				
Obligation under finance lease	1,167	1,288	-	-
Deferred tax liabilities	366,296	381,124	20,242	50,944
Total non-current liabilities	367,463	382,412	20,242	50,944
Net assets	3,453,197	3,439,716	483,491	492,951
Equity				
Equity attributable to equity holders of the Parent				
Share capital	791,500	791,500	791,500	791,500
Retained profits/(Accumulated losses)	2,356,048	2,346,340	(384,487)	(375,027)
Other reserves	293,454	289,626	76,478	76,478
Total shareholders' funds	3,441,002	3,427,466	483,491	492,951
Non-controlling interests	12,195	12,250	-	-
Total equity	3,453,197	3,439,716	483,491	492,951

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 2020</u>	<u>31 Dec 2019</u>
	RMB'000	RMB'000
Amount repayable in one year or less, or on demand		
Secured	48,347	181,020
Unsecured	875,294	724,390
	<u>923,641</u>	<u>905,410</u>
Amount repayable after one year		
Secured	1,167	1,231
Unsecured	-	-
	<u>1,167</u>	<u>1,231</u>
	<u>924,808</u>	<u>906,641</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 2020	Jan - Mar 2019
	RMB'000	RMB'000
Cash flows from operating activities:		
Profit before income tax	5,709	25,301
Adjustments for:		
Depreciation of property, plant and equipment	37,308	37,096
ESOS expenses	-	3,015
Interest expense	25,706	14,196
Interest income	(221)	(198)
Net exchange gains	(3,219)	-
Fair value changes on bonds	(41,850)	-
	<u>23,433</u>	<u>79,410</u>
Operating cash flows before working capital changes		
Increase in inventories	(14,067)	(6,685)
Increase in operating receivables	(8,847)	(261,632)
Increase in operating payables	42,227	76,884
	<u>42,746</u>	<u>(109,887)</u>
Cash generated from/(used in) operations		
Income tax paid	(24,904)	(47,773)
Net cash generated from/(used in) operating activities	<u>17,842</u>	<u>(157,660)</u>

	1Q	
	Jan - Mar 2020 RMB'000	Jan - Mar 2019 RMB'000
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(17,718)	(15,357)
Deposit paid for non-current assets	-	(14,879)
Interest received	221	198
Net cash used in investing activities	<u>(17,497)</u>	<u>(30,038)</u>
Cash flows from financing activities:		
Bank loans obtained	23,000	25,000
Repayment of finance lease liabilities	(76)	(1,090)
Bank loans repaid	(23,000)	(38,070)
Interest paid	-	(6,794)
Net cash used in financing activities	<u>(76)</u>	<u>(20,954)</u>
Net increase/(decrease) in cash and cash equivalents	269	(208,652)
Cash and cash equivalents at beginning of period	<u>600,189</u>	<u>614,264</u>
Cash and cash equivalents at end of period	<u>600,458</u>	<u>405,612</u>
Cash and cash equivalents comprise:		
Cash and bank balances	600,458	405,612
Fixed deposits	-	-
	<u>600,458</u>	<u>405,612</u>
Less: Fixed deposits pledged	<u>-</u>	<u>-</u>
	<u>600,458</u>	<u>405,612</u>

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 2020	234,838	1,590	147,224	247,052	484,792
<u>Cash flow</u>					
Drawdown of bank borrowings	23,000	-	-	-	-
Repayments of bank borrowings	(23,000)	(76)	-	-	-
Interest paid	-	(30)	-	-	-
<u>Non-cash changes</u>					
Changes in fair value of bonds	-	-	-	-	(41,850)
Accrued interest	5,292	30	5,235	4,464	10,685
Exchange translation	(5,867)	-	2,648	-	-
At 31 March 2020	<u>234,263</u>	<u>1,514</u>	<u>155,107</u>	<u>251,516</u>	<u>453,627</u>

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
Group								
Balance at 1 January 2019	755,345	2,163,140	78,497	(31,414)	233,025	3,198,593	13,849	3,212,442
Issue of shares	36,155	-	-	-	-	36,155	-	36,155
Profit for the year and representing total comprehensive income for the year	-	194,736	-	-	-	194,736	(1,599)	193,137
Share-based payment expenses under ESOS scheme	-	-	(2,018)	-	-	(2,018)	-	(2,018)
Transfer to statutory reserve	-	(11,536)	-	-	11,536	-	-	-
Balance at 31 December 2019	791,500	2,346,340	76,479	(31,414)	244,561	3,427,466	12,250	3,439,716
Profit for the period and representing total comprehensive income for the period	-	13,536	-	-	-	13,536	(55)	13,481
Transfer to statutory reserve	-	(3,828)	-	-	3,828	-	-	-
Balance at 31 March 2020	791,500	2,356,048	76,479	(31,414)	248,389	3,441,002	12,195	3,453,197

	Share capital	Accumulated losses	Share option reserves	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Company				
Balance at 1 January 2019	755,345	(363,671)	78,496	470,170
Issue of shares	36,155	-	-	36,155
Share-based payment expenses under ESOS scheme	-	-	(2,018)	(2,018)
Loss for the year representing total comprehensive income for the year	-	(11,355)	-	(11,355)
Balance at 31 December 2019	791,500	(375,026)	76,478	492,952
Profit for the period representing total comprehensive income for the period	-	(9,461)	-	(9,461)
Balance at 31 March 2020	791,500	(384,487)	76,478	483,491

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 2020 was 51,776,822.

As shown in the above, there were no outstanding convertible securities and treasury shares as at 31 March 2020 and 31 December 2019.

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 2020	As at 31 Dec 2019
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 2020 and 31 December 2019.

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 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.**

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 2019.

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 2020	Jan – Mar 2019
EPS based on average number of ordinary shares (RMB cents)	1.2	1.1
EPS on a fully diluted basis (RMB cents)	1.2	1.1
Weighted average number of ordinary shares ('000)	1,149,411	979,410
Weighted average number of ordinary shares – diluted ('000)	1,149,411	980,197

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.

For comparative purpose, the basic earnings per share for 1Q2019 are calculated based on the Group's profit after taxation attributable to ordinary shareholders of the Company of RMB10,676,000 on actual number of ordinary shares issued of 979,410,000 shares.

The fully diluted 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 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 1Q2019 are calculated based on the Group's profit after taxation attributable to ordinary shareholders of the Company of RMB10,676,000 on weighted average number of ordinary shares of 980,197,000 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 2020	31 Dec 2019	31 Mar 2020	31 Dec 2019
Number of ordinary shares	1,149,410,658	979,410,658	1,149,410,658	979,410,658
NAV per ordinary share in the Company (RMB cents)	300.4	299.3	42.1	42.9

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) 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.**

Review of performance

Revenue

The Group's revenue decreased by approximately RMB299.9 million or 61.6% from RMB487.1 million in 1Q2019 to RMB187.2 million in 1Q2020. The decrease was attributable to the decrease of RMB8.7 million from sales canned products in domestic markets and RMB308.7 million from sales of beverage products. The decrease was slightly offset by the increase of RMB16.9 million from sale of canned products in overseas market. The decrease in sales revenue of beverage and canned products in domestic and overseas market from 1Q2019 to 1Q2020 was mainly due to slowing down of the macroeconomic environment in People's Republic of China ("PRC") resulted from COVID-19 pandemic.

Breakdown of revenue by segments:

	1Q		Change
	Jan - Mar 2020	Jan - Mar 2019	
Product segment	RMB'000	RMB'000	%
Canned products			
- overseas	50,601	33,741	50.0
- domestic	37,029	45,160	(18.0)
Beverage	99,539	408,200	(75.6)
Total	187,169	487,101	(61.6)

Gross profit

Decrease in gross profit largely in line with the decrease in Group's sales, for which the reduction is approximately RMB95 million or 61.2%, from RMB155 million in 1Q2019 to RMB60.3 million in 1Q2020. Our overall gross profit margin (GPM) remained consistent in both periods, with 31.9% in 1Q2019 and 32.2% in 1Q2020.

Other operating income

The Group received letter of demand from the holders of the Exchangeable Bonds demanding immediate payment on the amounts due as the completion event under the 2018 Restructuring Agreement ("RRA") did not occur as required on 13 January 2020. Consequently, pursuant to Clauses 3.1 and 6.3 of the 2018 RRA, the agreement automatically terminated on 14 January 2020 and all of the existing rights and remedies of the holders of the remaining Exchangeable Bonds became actionable immediately thereafter.

Accordingly, the Group has reassessed the fair value of the bonds liability and recognised the change in fair value of RMB41.9 million in 1Q2020.

Please refer to the annual reports for the financial year ended 31 December 2020 for more details.

Operating expenses

Distribution and selling expenses decreased by approximately RMB69.4 million or 78.2%, from RMB88.8 million in 1Q2019 to RMB19.4 million in 1Q2020. This was due mainly to decrease of transportation cost resulted by lower domestic sales which is in line with lower revenues.

Administrative expenses increased by approximately RMB24.9 million or 89.8%, from RMB27.8 million in 1Q2019 to RMB52.7 million in 1Q2020. The increase is mainly due to manufacturing plants' depreciation being charged-out as administrative expenses instead of cost of sales as factories production were halted in relation to COVID-19 pandemic.

Finance costs

Finance costs increased by approximately RMB11.6 million or 82.0%, from RMB14.2 million in 1Q2019 to RMB25.8 million in 1Q2020. The increase in finance cost was mainly due to additional accrued interest of USD3 million per annum offset by strengthening of RMB against USD (Ex rate at 31 Dec 2020:6.532, 31 Dec 2019:6.96) on the loan balances.

Profit before taxation

Profit before taxation decreased by approximately RMB19.6 million or 77.4%, from RMB25.3 million in 1Q2019 to RMB5.7 million in 1Q2020. The decrease in profit before taxation was due to the above analysis.

Review of statement of financial position

Property, plant and equipment decreased by approximately by RMB4.0 million from RMB1,608.2 million in FY2019 to RMB1,604.2 million in 1Q2020 as a result of depreciation charged during the period under review.

Deposit paid for non-current assets maintain at RMB550.9 million 1Q2020 as compared RMB553.6 million in FY2019 as the Group yet to take delivery of the plant and machinery. Minimal movement noted with transfer from deposits into property, plant and equipment represented the completed construction of the Group's production plant and machinery for its canned food and fruit beverage in Anhui, Hubei and Sichuan.

Our inventories increased by approximately RMB14.0 million from RMB10.7 million in FY2019 to RMB24.7 million in 1Q2020. The increase in inventories during the period under review was mainly attributable to slower sales as the effects of COVID-19 pandemic sets in.

Trade receivables decreased by approximately RMB34.5 million from RMB1,346.3 million in FY2019 to RMB1,311.8 million in 1Q2020 mainly due to lower sales during the period under review and noted slower collection from respective customers amid of COVID-19.

Other receivables increased by approximately RMB30.4 million from RMB978.8 million in FY2019 to RMB1,009.6 million in 1Q2020. 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 RMB600.5 million as at 31 March 2020. The cash and cash equivalents were maintained at comparable levels from FY2019 as the Group is conserving cash to counter the potential effects of COVID-19 pandemic.

Current liabilities increased by RMB5.1 million from RMB1,275.6 million in FY2019 to RMB1,280.7 million in 1Q2020. The increase was mainly attributable to an increase in trade payables balances of RMB40.9 million offset by lower tax payable and lower exchangeable bonds.

Equity holders' interest increased by RMB8.7 million from RMB3,439.7 million as at 31 December 2019 to RMB3,453.2 million as at 31 March 2020. The increase was mainly attributable to net profit in 1Q2020.

Review of cash flow statement

In 1Q2020, operating cash flows before working capital changes amounted to RMB23.4 million. The Group generated RMB17.8 million from its operating activities mainly due to a realization of its working capital assets. Net cash used in investing activities amounted to RMB17.5 million in 1Q2020, which was due mainly to payments made for non-current assets at Anhui plant. Net cash used in financing activities is close to nil 1Q2020 on a net basis as the bank loans drawn down set off the ones that were repaid during the period under review.

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/recommendeded, a statement to that effect.

No dividend has been declared/recommendeded for the quarter ended 31 March 2020 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 2020 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 August 2024