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HENGYANG PETROCHEMICAL LOGISTICS LIMITED

(Incorporated in Singapore on 23 April 2008)
(Company Registration Number: 200807923K)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 ("FY2020")

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year

The operations of Hengyang Petrochemical Logistics Limited (the "**Company**") and its subsidiaries (the "**Group**") are principally conducted in the People's Republic of China ("**PRC**"). Accordingly, the Group's consolidated financial statements have been prepared in Chinese Renminbi ("**RMB**"), being the presentation currency of the Group.

On 19 March 2017, the Company announced that its then 65%-owned subsidiary, Hengyang Holding Pte Ltd ("**HHPL**") had entered into agreements involving an investment in Jiangyin Foreversun Chemical Logistics Co., Ltd ("**China Holdco**") by Citic Port Investment Co., Ltd ("**CITIC Port**") by way of subscription of new shares and acquisition of interest from HHPL. On 22 May 2017, the Company announced the completion of the transactions and that HHPL's interest in China Holdco had accordingly reduced from 100% to 51%, with CITIC Port holding the remaining 49%. As a result, the Group had lost its practicable ability to direct the relevant activities of China Holdco and had derecognized the assets and liabilities of China Holdco from the Group's consolidated financial statements. That is, the assets and liabilities of China Holdco were no longer consolidated in the Group's financial statements and henceforth, the Group has applied the equity method of accounting for the remaining 51% interest in China Holdco as an investment under "*Investment in Joint Venture*".

On 15 October 2020, the Company completed the acquisition of the remaining 35% interest in HHPL from MEGCIF Investments 5 Limited ("**HHPL Acquisition**") and its interest in HHPL accordingly increased from 65% to 100%. Pursuant to the HHPL Acquisition, the Group's effective interest in China Holdco (held through HHPL) had also increased from 33.15% to 51%.

The financial statements presented herein have been prepared using the equity method of accounting in respect of the Group's 51% interest in China Holdco and such interest has been accounted for as an investment under "*Investment in Joint Venture*" on the Group's balance sheets.

Shareholders should note that the Group's interest in China Holdco represents its entire business and operations in the PRC. Where appropriate, certain financial information relating to China Holdco and its subsidiaries (the "**China Holdco Group**") has been included herein purely for the purpose of understanding the underlying financial performance of the Group.

	Group		
	FY2020 (Unaudited) RMB'000	FY2019 (Audited) RMB'000	% (+/-)
Other income	5,864	1,854	216.3
Administrative and other expenses	(5,450)	(4,695)	16.1
Finance costs	(2)	(5)	(60.0)
Share of result of joint venture	(3,049)	(33,449)	90.9
Loss before tax	**(2,637)**	**(36,295)**	**(92.7)**
Income tax expense	(98)	-	nm
Net loss for the financial year	**(2,735)**	**(36,295)**	**(92.5)**
Profit/(Loss)attributable to:			
Owners of the parent	5,529	(24,652)	nm
Non-controlling interests	(8,264)	(11,643)	(29.0)
	(2,735)	**(36,295)**	**(92.5)**
Total comprehensive income/(loss) attributable to:			
Owners of the parent	5,529	(24,652)	nm
Non-controlling interests	(8,264)	(11,643)	(29.0)
	(2,735)	**(36,295)**	**(92.5)**

Note: nm denotes not meaningful.

Note 1: Following the completion of the HHPL Acquisition on 15 October 2020, HHPL has become a wholly-owned subsidiary of the Company. The loss attributable to non-controlling interests amounting to RMB8.26 million in FY2020 relates to the loss relating to HHPL prior to completion of the HHPL Acquisition.

Income Statement of China Holdco Group for the financial year ended 31 December 2020:

	FY2020 (Unaudited) RMB'000	FY2019 (Audited) RMB'000	% (+/-)
Revenue(1)	**1,110,274**	**1,024,037**	**8.4**
Cost of sales	(1,002,502)	(996,417)	**0.6**
Gross profit(2)	**107,772**	**27,620**	**290.2**
Other income	5,397	5,849	(7.7)
Administrative and other expenses	(64,778)	(61,022)	6.2
Finance costs(3)	(43,682)	(31,350)	39.3
Profit(Loss) before tax	**4,709**	**(58,903)**	**nm**
Income tax expense	(6,389)	(1,983)	222.2
Profit(Loss) for the financial year	**(1,680)**	**(60,886)**	**(97.2)**
Non-controlling interest	48	445	(89.2)
Owners of China Holdco	**(1,728)**	**(61,331)**	**(97.2)**
51% share proportion	51%	51%	-
Share of result of China Holdco	**(881)**	**(31,280)**	**(97.2)**
Depreciation and amortisation on fair value adjustment(4)	(2,168)	(2,169)	-
Share of result of joint venture	**(3,049)**	**(33,449)**	**90.9**

Note 1: Revenue from logistics service segment under Jiangsu Xinheng Supply Chain Management Service Co., Ltd. ("**Jiangsu Xinheng**") decreased marginally by RMB3.75 million or 0.5%, from RMB769.92 million in FY2019 to RMB766.17 million in FY2020.[1]

Revenue from transportation segment decreased by RMB26.5 million or 22.4%, from RMB118.1 million in FY2019 to RMB91.6 million in FY2020. The decrease was mainly attributable to the effects of the Covid-19 pandemic which caused road transport services to be affected by road controls resulting in customers shifting to short barge transportation with lower cost of river freight.

Revenue from storage service segment increased significantly by RMB116.48 million or 85.6%, from RMB136.02 million in FY2019 to RMB252.5 million in FY2020, mainly due to the following:

(a) an increase in revenue of RMB19.37 million from Jiangyin Foreversun Chemical Logistics Co., Ltd., as a result of the increase in both unit storage price and volume during the financial year;

(b) an increase in revenue of RMB100.08 million from Deqiao Logistics Co. Ltd., with the resumption of its operations in September 2020;

(c) a decrease in revenue of RMB1.51 million from Yueyang Hengyang Petrochemical Logistics Co., Ltd. mainly due to the disruption in its business operation arising from the Covid-19 pandemic; and

(d) a decrease in revenue of RMB1.53 million from Wuhan Hengyang Petrochemical Logistics Co., Ltd. mainly due to the disruption in its business operation arising from the Covid-19 pandemic.

[1] On 11 January 2021, the Company announced that China Holdco had entered into a conditional sale and purchase agreement with Jiangyin Jingang Chemical Co., Ltd to dispose its entire 85% interest in Jiangsu Xinheng. Please refer the SGXNET announcement dated 11 January 2021 for further details.

Note 2: Gross profit increased significantly by RMB80.15 million or 290.2%, from RMB27.62 million in FY2019 to RMB107.77 million in FY2020. Gross profit margin increased from 2.7% in FY2019 to 9.77% in FY2020. The increase in gross profit margin was due to higher revenue from the storage service segment, which typically has better margins compared to the other segments.

Note 3: Finance costs increased by RMB12.33 million or 39.3%, from RMB31.35 million in FY2019 to RMB43.68 million in FY2020, mainly due to an increase in loan utilization.

Note 4: Fair value adjustment arose from the initial recognition in May 2017 from fair value adjustment on property, plant and equipment and land use rights of the joint venture, and amortized over the useful life of these assets of the joint-venture.

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	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	(Unaudited) RMB'000	(Audited) RMB'000	(Unaudited) RMB'000	(Audited) RMB'000
Non-current assets				
Investments in subsidiaries	-	-	303,472	267,472
Investment in joint venture	533,422	536,471	-	-
Right of use asset	151	49	-	-
	533,573	536,520	303,472	267,472
Current assets				
Other receivables	65	15	-	-
Interest income receivable	47	-	10	-
Amount owing by related parties	187	195	6	6
Amount owing by subsidiaries	-	-	11,158	10,851
Cash and cash equivalents	44,823	84,845	7,888	47,516
	45,122	85,055	19,062	58,373
Less:				
Current liabilities				
Other payables	1,233	1,163	761	809
Amount owing to directors	724	771	724	771
Amount owing to a subsidiary	-	-	29,589	31,043
Derivative financial instruments	-	4,366	-	-
Current income tax payable	97	-	97	-
Lease Liability	151	50	-	-
	2,205	6,350	31,171	32,623
Net current assets	42,917	78,705	(12,109)	25,750
Net assets	576,490	615,225	291,363	293,222
Equity				
Share capital	289,064	289,064	289,064	289,064
Other reserve	83,004	83,004	-	-
Retained earnings	204,422	36,840	2,300	4,158
Equity attributable to owners of the parent	576,490	408,908	291,364	293,222
Non-controlling interests	-	206,317	-	-
Total equity	576,490	615,225	291,364	293,222

1(b)(ii) Aggregate amount of Group's borrowings and debts security.

Amount repayable in one year or less, or on demand

As at 31 December 2020		As at 31 December 2019	
Secured (S$'000)	Unsecured (S$'000)	Secured (S$'000)	Unsecured (S$'000)
-	-	-	-

Amount repayable after one year

As at 31 December 2020		As at 31 December 2019	
Secured (S$'000)	Unsecured (S$'000)	Secured (S$'000)	Unsecured (S$'000)
-	-	-	-

Details of any collateral

Nil

Note: The borrowings which exist in the China Holdco Group and the assets and liabilities of the China Holdco Group are not consolidated in the Group's financial statements.

1(c)(i) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	FY2020 (Unaudited) RMB'000	FY2019 (Audited) RMB'000
Operating activities		
Loss before income tax	(2,637)	(36,295)
Adjustments for:		
Depreciation of right of use assets	53	53
Share of result of joint venture	3,049	33,449
Interest income	(1,498)	(1,854)
Derecognition of financial instrument	(4,366)	-
Interest expense	2	5
Operating cash flows before working capital changes	(5,397)	(4,642)
Other receivables (including related parties)	(42)	(7)
Other payables (including directors and related parties)	23	(154)
Cash used in operations	(5,416)	(4,803)
Net cash used in operating activities	(5,416)	(4,803)
Investing activities		
Acquisition of non-controlling interests	(36,000)	-
Interest received	1,451	1,854
Net cash generated from investing activities	(34,549)	1,854
Financing activities		
Principal element of lease payments	(55)	(52)
Interest expense	(2)	(5)
Net cash used in financing activities	(57)	(57)
Net change in cash and cash equivalents	(40,022)	(3,006)
Cash and cash equivalents at the beginning of the financial year	84,845	87,851
Cash and cash equivalents at end of the financial year	44,823	84,845

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.

Company (RMB'000)	Share capital	Retained earnings	Total equity
(Unaudited)			
Balance as at 1 January 2020	**289,064**	**4,158**	**293,222**
Total comprehensive loss for the financial year	-	(1,858)	(1,858)
Balance as at 31 December 2020	**289,064**	**2,300**	**291,364**

Company (RMB'000) (Audited)			
Balance as at 1 January 2019	**289,064**	**7,188**	**296,252**
Total comprehensive loss for the financial year	-	(3,030)	(3,030)
Balance as at 31 December 2019	**289,064**	**4,158**	**293,222**

Consolidated Statement of Changes in Equity

	Attributable to owners of the Company					
Group (RMB'000)	**Share capital**	**Other reserve**	**Retained earnings**	**Equity attributable to owners of the parent**	**Non-controlling Interests**	**Total equity**
(Unaudited)						
Balance as at 1 January 2020	**289,064**	**83,004**	**36,840**	**408,908**	**206,317**	**615,225**
Loss for the financial year	-	-	5,529	5,529	(8,264)	(2,735)
Aquisition of non-controlling interests	-	-	162,053	162,053	(198,053)	(36,000)
Balance as at 31 December 2020	**289,064**	**83,004**	**204,422**	**576,490**	**-**	**576,490**
(Audited)						
Balance as at 1 January 2019	**289,064**	**83,004**	**61,492**	**433,560**	**217,960**	**651,520**
Loss for the financial year	-	-	(24,652)	(24,652)	(11,643)	(36,295)
Balance as at 31 December 2019	**289,064**	**83,004**	**36,840**	**408,908**	**206,317**	**615,225**

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 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 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.

There were no changes in the Company's share capital since the end of the previous period reported on and there were no outstanding convertibles, treasury shares or subsidiary holdings held as at 31 December 2019 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.

	31.12.2020	31.12.2019
Total number of issued shares (excluding treasury shares)	203,461,883	203,461,883

The Company did not have any treasury shares as at 31 December 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 as the Company did not have any treasury shares.

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

Not applicable as the Company did not have any subsidiary holdings.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

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

Not applicable as the figures have not been audited or reviewed by the auditors.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable as the Company's financial statements are not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

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

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)). The accounting policies and computation methods adopted in the financial statements for FY2020 are the same as those adopted in the preceding year.

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 adopted SFRS(I) and the interpretations that are mandatory for application and relevant to the Group from 1 January 2020. The adoption of these new SFRS(I) and interpretation did not result in material changes to the Group's accounting policies and has no material effect on the amounts reported for FY2020.

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.

	Group	
Earnings per ordinary share:	FY2020 Unaudited	FY2019 Audited
Weighted average number of ordinary shares used in computation of basic EPS/(LPS)	203,461,883	203,461,883
Basic and diluted EPS/(LPS) (RMB cents)	2.72	(12.12)

Notes:

(a) Basic earnings per share ("**EPS**")/loss per share ("**LPS**") is calculated by dividing the net profit/loss for the financial year attributable to owners of the parent by the actual number of ordinary shares in issue during the financial year.

(b) Diluted EPS/LPS is the same as the basic EPS/LPS as the Group did not have any outstanding instruments convertible into, rights to subscribe for and options in respect of its ordinary shares during the respective financial year.

7. Net assets value (for the issuer and group) per ordinary share based on issued share capital excluding treasury shares of the issuer at the end of the (a) Current financial period reported on and (b) Immediately preceding financial year.

	Group		Company	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	Unaudited	Audited	Unaudited	Audited
Net asset value per ordinary share (RMB cents)	283.3	201.0	143.2	144.1

8. A review of the performance of the group to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) Any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

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

Consolidated statement of comprehensive income of the Group

Other income increased by RMB4.01 million or 216.3% from RMB1.85 million in FY2019 to RMB5.86 million in FY2020. In FY2019, other income relates to interest income. In FY2020, other income comprises interest income of RMB1.49 million and income amounting to RMB4.37 million arising from the de-recognition of the derivative financial instrument relating to the option granted to CITIC Port in respect of 2% equity interest in China Holdco which had expired on 22 May 2020. The increase in income due to de-recognition of the liability of RMB4.37 million was offset by a decrease in interest income of RMB0.36 million.

Administrative and other expenses relate to expenses incurred by the Company and HHPL and increased by RMB0.76 million or 16.1% from RMB4.69 million in FY2019 to RMB5.45 million in FY2020. The increase in administrative and other expenses was mainly due to cost incurred for the HHPL Acquisition in October 2020.

Finance costs remained insignificant in FY2020 compared to FY2019.

Share of result of joint venture relates to its 51% interest in the China Holdco Group. Share of loss amounted to RMB3.05 million in FY2020, significantly lower than the share of loss incurred in FY2019 of RMB33.44 million. Please refer to the explanatory notes under Paragraph 1(a)(i) for the financial performance of the China Holdco Group.

As a result of the aforementioned, the Group recorded a net profit attributable to owners of the parent of RMB5.53 million in FY2020 as compared to a loss of RMB24.65 million in FY2019. The turnaround was mainly due to the improvement in financial performance of the China Holdco Group in the last quarter of FY2020 with the resumption in operation of Deqiao facility in September 2020 and the cessation of non-controlling interest with the completion of the HHPL Acquisition in October 2020.

Statement of financial position of the Group

Non-current assets comprise mainly the Group's investment in joint venture which relates to its interest in the China Holdco Group and right-of-use asset. Non-current assets decreased by RMB2.95 million from RMB536.52 million as at 31 December 2019 to RMB 533.57 million as at 31 December 2020, mainly due to a decrease in investment in joint venture. Investment in joint venture decreased by RMB3.05 million from RMB536.47 million as at 31 December 2019 to RMB533.42 million as at 31 December 2020, due to the share of loss relating to the China Holdco Group in FY2020.

Current assets comprise mainly cash and cash equivalents, amount owing by related parties, other receivables and interest income receivables. Current assets decreased by RMB39.94 million from RMB85.06 million as at 31 December 2019 to RMB45.12 million as at 31 December 2020, mainly due to a decrease in cash and cash equivalents. Cash and cash equivalents decreased significantly by RMB40.02 million from RMB84.84 million as at 31 December 2019 to RMB44.82 million as at 31 December 2020 mainly due to payment of cash consideration of RMB36.0 million for the HHPL Acquisition.

Current liabilities comprise mainly derivative financial instrument, other payables, amount owing to directors, lease liability and income tax payable. Current liabilities decreased by RMB4.15million from RMB6.35 million as at 31 December 2019 to RMB2.2 million as at 31 December 2020, mainly due to the de-recognition of derivative financial instrument amounting to RMB4.37 million relating to the option granted to CITIC Port in respect of 2% equity interest in China Holdco which had expired on 22 May 2020. Notwithstanding the expiry of the option, the management will continue to discuss with CITIC Port in relation to possible further investment in China Holdco.

Consolidated statement of cash flows of the Group

The Group recorded cash and cash equivalents of RMB44.82 million as at 31 December 2020, as compared to RMB84.84 million as at 31 December 2019.

Net cash used in operating activities amounted to RMB5.42 million.

Net cash used in investing activities amounted to RMB34.55 million mainly due to the payment of cash consideration of RMB36.0 million for the HHPL Acquisition which was partially offset by interest received.

Net cash used in financing activities was insignificant.

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

No forecast or prospect statement has been previously disclosed to shareholders.

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.

China's GDP increased by 6.5% in 4Q2020. Although facing many challenges both domestically and globally, China's economy took the global lead in turning around from the adverse impact of the Covid-19 pandemic. China became the only major economy in the

world to achieve a positive GDP growth in 2020.

With the new ecological protection initiative along the Yangtze river catchment region launched by the PRC government, the main focus of China Holdco Group is to capitalise on the advantages of its strategic network of facilities established along Yangtze river which is in alignment with this initiative.

With resumption in operations of the Deqiao facility in September 2020, the Board is cautiously optimistic of the Group's financial performance in the current financial year ending 31 December 2021.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend has been declared or recommended for FY2020.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No dividend has been declared or recommended for FY2019.

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

Not applicable

(d) Date payable

Not applicable

(e) Books closure date

Not applicable

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

The Board has decided not to recommend any dividend in respect of FY2020 because China Holdco has not proposed or paid a dividend in respect of FY2020. As such, the Company could not pay a meaningful amount of dividend without depleting its cash resources.

13. Interested Person Transactions ("IPT")

If the Group has obtained a general mandate from shareholders for interested person transactions ("IPT") 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.

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandated pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the existing shareholders' mandated pursuant to Rule 920 (excluding transactions less than $100,000)
	RMB'000	RMB'000
Provision of petrochemical storage services and land transport services		
- Jinqiao Chemical (1)	-	43,304
Interest expense charged (2)		
- Jinqiao Chemical (1)	-	5,015
- Gu Wenlong	-	769

Notes:

(1) Jiangyin Golden Bridge Chemical Co., Ltd ("**Jinqiao Chemical**") is wholly-owned by Ms Sun Fang, the spouse of Mr Gu Wenlong who is the Chairman and Chief Executive Officer and Controlling Shareholder of the Company.

(2) The interest expenses charged were in relation to loans extended by Jinqiao Chemical and Mr Gu Wenlong for working capital purposes.

14. Updates to the industrial fire which happened on 22 April 2016

Operation at the Deqiao facility was suspended from 22 April 2016 and had resumed on 3 September 2020. Deqiao facility had obtained the official operating licence from the relevant Chinese governmental authorities to officially resume its business operation.

15. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Board of Directors of Hengyang Petrochemical Logistics Limited hereby confirms that the undertakings under Rule 720(1) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") have been obtained from all the directors and executive officers as required in the format set out in Appendix 7H.

16. Acquisition or sale of shares in subsidiaries and/or associated companies under Rule 706(A)

On 22 September 2020, the Company announced the HHPL Acquisition and on 15 October 2020, the Company announced the completion of the HHPL Acquisition. Following the HHPL Acquisition, the Company's interest in HHPL increased from 65% to 100% and HHPL became a wholly-owned subsidiary of the Company.

The consideration for the HHPL Acquisition was RMB36,000,000 in cash and was paid upon completion. The consideration was arrived at on a willing-buyer and willing-seller basis after the conduct of negotiations on an arm's length basis, taking into account, among other things, (a) the then prevailing market conditions; (b) the NTA value of the sale shares of RMB200,354,000 as at 30 June 2020; (c) the prospects of the existing business of HHPL and its subsidiaries; and (d) the rationale and benefits to the Company for the HHPL Acquisition.

Please refer to the Company's announcements in relation to the HHPL Acquisition dated 22 September 2020 and 15 October 2020 for more information.

Save as disclosed above, there is no other acquisition and/or sale of shares in any subsidiaries or associated companies of the Group during FY2020 which is required to be reported under Rule 706(A) of the Catalist Rules.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

17 (a)(i) Business segments

The Group has only one reportable operating segment, which is the investment holding segment and this relates to the Group's investment in a joint venture and other investment holding activities. The Group's business is engaged entirely in the PRC and hence no segment information is disclosed.

17 (a)(ii) Geographical segments

The Group has only one reportable operating segment, which is the investment holding segment and this relates to the Group's investment in a joint venture and other investment holding activities. The Group's business is engaged entirely in the PRC and hence no segment information is disclosed.

18. In the review of performance, the factors leading to any material contribution to turnover and earnings by the operating segments.

Please refer to Paragraph 8 for details.

19. A breakdown of sales and operating profit/(loss) as follows:

	Group		
	FY2020 RMB'000	FY2019 RMB'000	% increase/ (decrease)
(a) Operating loss after tax before deducting minority interests reported for first half year	(17,362)	(13,365)	30
(b) Operating profit /(loss) after tax before deducting minority interests reported for second half year	14,627	(22,930)	nm

There were no sales in FY2019 and FY2020.

20. A breakdown of the annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:
(a) Ordinary
(b) Preference
(c) Total

There were no dividends declared in FY2019 and FY2020.

21. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family Relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Gu Fan	29	Daughter of Mr. Gu Wenlong, who is the executive chairman and CEO of the Company. Mr. Gu is also the Controlling shareholder of the Company.	Investment & Development Manager since 1 March 2017. Ms. Gu Fan is responsible for facilitating the communication among the board members, investors and key management team; assisting with the Company's operations in Singapore; developing the Group's ASEAN clientele and overall ASEAN business development.	Nil

GU WEN LONG
Chairman and Chief Executive Officer

DIONG TAI PEW
Lead Independent Director (AC Chairman)

BY ORDER OF THE BOARD

GU WEN LONG
Chairman and Chief Executive Officer

25 February 2021

*This announcement has been reviewed by the Company's Sponsor, CIMB Bank Berhad, Singapore Branch ("**Sponsor**") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.*

The contact person for the Sponsor is Mr Yee Chia Hsing, Head, Catalist, Investment Banking, CIMB Bank Berhad, Singapore Branch at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: (65) 6337 5115.