CHINA HAIDA LTD.

(Incorporated in Singapore on 18 August 2004)
Company Registration No. 200410428C
AND ITS SUBSIDIARIES

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
30 JUNE 2021**

Introduction

The global outbreak of COVID-19 has caused, among others, unprecedented business, economic, financial and social disruptions to many entities and individuals around the world. As per the Company's announcement on 7 December 2020, the Company's wholly-owned subsidiary, Jiangyin Litai Ornamental Materials Co., Ltd ("Litai") has resumed part of its operations. On 26 February 2021, the Company made an announcement to further update shareholders of legal and enforcement proceedings against Litai based on a report issued by GFE Law Office, a law firm based in the People's Republic of China ("GFE Legal Report"). As the information contained in the GFE Legal Report is not complete, the Company has been in constant contact with the new management team of Litai formed by Mr Lai Shih-Wei, who leads several existing employees of Litai (which includes certain key management and finance personnel) (the "New Litai Management"). The New Litai Management reports directly to the Board of Directors in Singapore to obtain additional information and supporting documents surrounding legal proceedings against Litai as well as information for the preparation of the unaudited consolidated results for the Company and its subsidiary, Litai (collectively, the "Group") for the half year ended 20 June 2021 ("HY2021"). However, Litai's Team was not able to fully provide the requested information as most of the information and supporting documents (especially those surrounding Litai's legal proceedings) are withheld by the former CEO, Mr Xu Youcai ("Mr Xu"). Mr Xu has not been responsive to queries and requests raised by the Company. The Company has on 3 August 2021 appointed FTI Consulting Pte Ltd ("FTI") as special auditors to investigate, among others, the circumstances surrounding the litigations and enforcement proceedings and the background of the lending and borrowing affairs by Mr Xu and his controlled entities.

Accordingly, the Company has been unable to obtain all relevant and pertinent information, documents and/or explanations from Litai to accurately complete and finalise the condensed interim financial statements of the Group for HY2021 ("HY2021 Financial Results") and to address the issues (such as limitation of scope, impairment assessment of the property, plant and equipment and right-of-use assets of the Group, litigation and claims and going-concern) raised in the Disclaimer of Opinion by the Independent Auditor, Crowe Horwath First Trust LLP, for the audit of the financial statements of the Group for the financial year ended 31 December 2020. Consequently, the Company is constrained to prepare and report the HY2021 Financial Results to the best of its knowledge using financial figures obtained from Litai's Team. The Company is therefore unable to ascertain whether the figures provided by Litai's Team would be an accurate representation of Litai's financials due to information or supporting documents which have not been forthcoming from Mr Xu.

Shareholders and potential investors are advised to read or use the HY2021 Financial Results with caution, especially having regard to the limitations and qualifications outlined above. The Company will make further announcements as and when any material information relating to the HY2021 Financial Results and report on the special audit from FTI is subsequently available.

A Condensed interim consolidated statement of profit or loss and other comprehensive income

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Amounts expressed in thousands of Chinese* **Renminbi ("RMB")** *currency)* These figures have not been audited	Note	THE GROUP 1 Jan 21 to 30 Jun 21 HY2021	 1 Jan 20 to 30 Jun 20 HY2020	 Variance Increase / (Decrease)
		RMB'000	RMB'000	%
Revenue		**1,286**	**23,298**	**(94.5)%**
Cost of sales		(1,257)	(25,359)	(95.0)%
Gross profit/(loss)		**29**	**(2,061)**	**(101.4)%**
Gross profit/(loss) margin		2.3%	-8.8%	11.1 %
Other operating income	**A(i)**	808	217	272.4 %
Selling and distribution expenses		(41)	(1,036)	(96.0)%
Administrative expenses		(9,682)	(10,158)	(4.7)%
Loss from operations		**(8,886)**	**(13,038)**	(31.8)%
Finance costs		(315)	(388)	(18.8)%
Write back of write down in inventory to net realisable value		439	-	N.M
Allowance for impairment loss due to courts' enforcement cases		(275)	-	N.M
Write back/(allowance) of impairment loss on financial asset, net		2,070	(46,614)	(104.4)%
Loss before taxation	**A(i)**	**(6,967)**	**(60,040)**	**(88.4)%**
Taxation		-	-	N.M
Loss after taxation		**(6,967)**	**(60,040)**	**(88.4)%**
Other comprehensive (loss)/income:				
Currency translation differences		75	(63)	(219.0)%
Total comprehensive loss attributable to equity holders of the company		**(6,892)**	**(60,103)**	**(88.5)%**

Explanatory Notes

A(i) Loss before taxation

The following items have been included in arriving at a loss before taxation:

	Note	THE GROUP 1 Jan 21 to 30 Jun 21 HY2021 RMB '000	THE GROUP 1 Jan 20 to 30 Jun 20 HY2020 RMB '000
Other Operating income:			
- Interest income on bank deposits		4	36
- Government grant / incentive	(1)	55	139
- Rental income	(2)	805	-
- Others		(56)	42
		808	217
Foreign exchange loss - net	(3)	(171)	(50)
Interest expenses	(4)	(315)	(388)
Write back of write down in inventory to net realisable value	(5)	439	-
Allowance for impairment loss due to courts' enforcement cases	(6)	(275)	-
Write back/(allowance) of impairment loss on financial asset, net	(7)	2,070	(46,614)
Amortisation of lease prepayments	(8)	-	(150)
Depreciation of property, plant and equipment (PPE)	(8)	-	(2,573)
Loss on disposal of PPE		-	(181)
PPE written off		-	(30)

Note

(1) This is related to the various employment credit incentives given by the Singapore government. HY2021 recorded lower amount of government grants of RMB55,000 as compared to RMB139,000 in HY2020 due to lower amount of such incentives received from the Singapore government in HY2021 as compared with HY2020.

(2) Litai leased part of its factory premise and certain of its plant and machinery constituting 4 production lines to 江阴明泰新型建筑装饰材料有限公司 ("Jiangyin Mingtai") and 江苏海瑞达新材料科技有限公司 ("Jiangsu Hairui") for rental income of RMB3.7 million per annum. There was no such lease in HY2020.

(3) Foreign exchange loss – net increased from RMB50,000 in HY2020 to RMB171,000 in HY2021. This was mainly due to the revaluation of foreign denominated trade receivables (denominated mainly in USD) as RMB strengthened against most currencies such as the USD, SGD and others in HY2021 as compared with HY2020.

(4) Interest expense for HY2021 was lower as compared to HY2020. This was mainly due to lower average short-term bank loans balances in HY2021 as compared to HY2020. The interest expense is accrued based on weighted average interest rate of 3.99% per annum which remained the same as the previous period.

(5) During the second half of FY2020, allowance for write down in inventory to net realizable value was RMB3.9 million. During HY2021, Litai sold some inventories and, accordingly, the Group wrote back an amount of RMB439,000 to the allowance.

(6) As at 31 December 2020, allowance for impairment loss on frozen bank accounts was RMB3.5 million. During HY2021, net increase in frozen bank accounts balance was RMB275,000 and, accordingly, the Group made additional allowance for impairment loss on frozen bank accounts by the same amount.

(7) For HY2021, there was a write back of impairment loss on financial assets of approximately RMB2.1 million (Allowance for impairment loss on financial assets (net) in HY2020: RMB46.6 million), as follows:

	The Group	
	HY2021 RMB'000	**HY2020 RMB'000**
Write back/(Allowance)of impairment loss during the financial period:		
- Due from related parties (trade)	-	(13,937)
- Advance receipt/(payments) to a related party (trade)	400	(26,555)
- Other receivables, deposits and prepayments	1,670	(6,122)
	2,070	(46,614)

(8) There was no amortization of lease prepayments and depreciation of PPE in HY2021 as lease prepayments and PPE were fully provided for allowance for impairment loss due to courts' enforcement cases as at 31 December 2020.

B Condensed interim statement of financial position

STATEMENTS OF FINANCIAL POSITION		THE GROUP		THE COMPANY	
(Amounts expressed in thousands of Chinese		As at	As at	As at	As at
Renminbi ("RMB") *currency)*	Note	30Jun21	31Dec20	30Jun21	31Dec20
		RMB'000	RMB'000	RMB'000	RMB'000
		Unaudited	Audited	Unaudited	Audited
Non-current assets					
Property, plant and equipment	B(1)	-	-	-	-
Investment in a subsidiaries	B(2)	-	-	963	-
Lease prepayments	B(3)	-	-	-	-
Current assets					
Lease prepayments	B(3)	-	-	-	-
Inventories	B(4)	1,527	-	-	-
Trade and bills receivables	B(5)	22,501	34,245	-	227
Other receivables, deposits and prepayments	B(6)	4,700	2,423	79	35
Advance payments to a related party	B(7)	-	-	-	-
Due from subsidiary (non-trade)		-	-	722	-
Due from related parties (trade)	B(8)	-	-	-	-
Cash and bank balances	B(9)	3,121	1,247	255	476
Total current assets		**31,849**	**37,915**	**1,056**	**738**
TOTAL ASSETS		**31,849**	**37,915**	**2,019**	**738**
Current liabilities					
Trade payables	B(10)	10,459	12,537	-	216
Other payables and accruals		5,755	5,652	1,213	944
Due to a subsidiary (non-trade)		-	-	2,280	2,270
Loan from an investor	B(11)	2,407	-	2,407	-
Short-term bank loans	B(12)	11,429	11,429	-	-
Provision for courts' enforcement cases		15,811	15,811	-	-
Contract liabilities		1,725	1,331	-	-
TOTAL LIABILITIES		**47,586**	**46,760**	**5,900**	**3,430**
NET ASSETS		**(15,737)**	**(8,845)**	**(3,881)**	**(2,692)**
SHAREHOLDERS' EQUITY					
Share capital	B(13)	140,543	140,543	140,543	140,543
Statutory reserve fund		23,367	23,367	-	-
Capital reserve		47,946	47,946	-	-
Currency translation reserve		429	354	5,233	5,158
Accumulated losses		(228,022)	(221,055)	(149,657)	(148,393)
TOTAL EQUITY		**(15,737)**	**(8,845)**	**(3,881)**	**(2,692)**

B(1) An analysis of property, plant and equipment ("PPE") is as follows:

	The Group	
	As at 30.06.2021 RMB'000	**As at 31.12.2020 RMB'000**
Net book value of property, plant and equipment	34,691	34,691
Less: Allowance for impairment loss due to courts' enforcement cases (a)	(34,691)	(34,691)
Property, plant and equipment, net	**-**	**-**

(a) Allowance for impairment loss due to courts' enforcement cases
The Group has provided for allowance for impairment loss due to enforced courts' cases based on the net book value of the PPE of RMB 34.7 million as at 31 December 2020 for reasons as announced in the unaudited financial results of the Group for the full year ended 31 December 2020 (the "FY2020 Financial Results"). Please refer to FY2020 Financial Results announcement dated 31 March 2021 (paragraph 1(b)(i)(1)(b)) for further information. As at 30 June 2021, the allowance for impairment loss of RMB34.7 million remained in books of the Group.

B(2) Investment in subsidiaries:

	The Company	
	As at 30.06.2021 RMB'000	**As at 31.12.2020 RMB'000**
Investment in unquoted equity shares in Litai, net (a)	-	-
Investment in unquoted equity shares in CHD Engineering Pte Ltd, at cost (b)	963	-
Investment in a subsidiaries, net	**963**	**-**

(a) Investment in unquoted equity shares in Litai, net of allowance for impairment in value
(b) Investment in unquoted equity shares in CHD Engineering Pte Ltd ("CHD"), at cost

Allowance for impairment in value of investment in Litai has been fully provided, as follows:

	The Company	
	As at 30.06.2021 RMB'000	**As at 31.12.2020 RMB'000**
Investment in unquoted equity shares in Litai at end of period/year	118,448	122,500
Translation differences	-	(4,052)
	118,448	118,448
Less: Allowance for impairment of investment in subsidiary at end of the period/year	(118,448)	(118,448)
Investment in Litai, net	**-**	**-**

	The Company	
	As at 30.06.2021 RMB'000	**As at 31.12.2020 RMB'000**
Investment in unquoted equity shares in CHD, at cost, at the end of period/year	963	-

B(3) The Group has provided for allowance for impairment loss due to enforced courts' cases based on the remaining lease prepayments of RMB 9.9 million as at 31 December 2020 for reasons as announced in the FY2020 Financial Results. Please refer to FY2020 Financial Results announcement dated 31 March 2021 (paragraph 1(b)(i)(3) for further information. As at 30 June 2021, such allowance for impairment loss of RMB9.9 million remained in books of the Group, as follows:

	The Group	
	As at 30.06.2021 RMB'000	**As at 31.12.2020 RMB'000**
Lease prepayment	9,911	9,911
Less: Allowance for impairment loss due to courts' enforcement cases	(9,911)	(9,911)
Lease prepayment, net	**-**	**-**

B(4) As at 30 June 2021, the inventory balance was RMB1.53 million as compared to Nil balance as at 31 December 2020. As announced previously on 16 April 2021, the Group incorporated Jiangyin Xinwan International Trade Limited ("Xinwan") in the PRC. As at 30 June 2021, Xinwan has secured sales orders for aluminium composite panels from third party customer of approximately RMB6 million and, accordingly, it has purchased raw materials and outsourced the manufacturing of the products to Litai. This gave rise to inventory balance of RMB1.52 million as at 30 June 2021.

An analysis of Inventory is as follows:

	The Group	
	As at 30.06.2021 RMB'000	**As at 31.12.2020 RMB'000**
Finished goods	2,598	1,943
Raw materials	4,860	4,427
Consumables	1,231	1,231
	8,689	7,601
Less:		
(i) Allowance for write down in inventory to net realizable value at end of period/year (a)	(3,452)	(3,891)
(ii)Allowance for impairment loss due to courts' enforcement cases at end of period/year	(3,710)	(3,710)
Inventory, net	**1,527**	**-**

(a) In HY2021, there was a reversal in allowance for write down in inventory to net realizable value by RMB439,000 due to the sale of the related inventories.
(b) As previously announced in FY2020 Financial Results, the Company noted from certain courts' enforcement rulings that inventory has been seized by the courts for the enforcement applicant/s. Accordingly, allowance for impairment loss due to courts' enforcement cases, of amount up to the net realisable value of inventory of RMB 3.7 million, has been made as at 31 December 2020 and remained in books of the Group as at 30 June 2021.

*See Explanatory Notes A part (5) - Profit before taxation on page 3.

B(5) Trade receivables and bills receivable as at 30 June 2021 was lower as compared to the balance as at 31 December 2020, attributed mainly to the lower sales and collections during HY2021. Despite the collections of trade receivables by the New Litai Management in HY2021, the Group has not reversed any allowance for impairment of trade receivables on grounds of prudence despite collections from trade receivables during HY2021.

An analysis of trade receivables balances is as follows:

	The Group	
	As at 30.06.2021 RMB'000	**As at 31.12.2020 RMB'000**
Trade receivables (third parties), gross	79,209	86,535
Less: Allowance for impairment of trade receivables	(57,638)	(57,638)
	21,571	28,897
Bank drafts from trade receivables (third parties)	930	5,348
Trade receivables (Third parties), net	**22,501**	**34,245**

B(6) An analysis of other receivables, deposits and prepayments is as follows:

	The Group	
	As at 30.06.2021 RMB'000	**As at 31.12.2020 RMB'000**
Other receivables, deposits and prepayments, gross	12,590	11,983
Less: Allowance for impairment in other debtors during the period	(7,890)	(9,560)
Other receivables, deposits and prepayments, net	**4,700**	**2,423**

The increase in other receivables, deposits and prepayments (gross) from RMB12.0 million as at 31 December 2020 to RMB12.6 million as at 30 June 2021 was mainly due to the following reasons:
(i) Payment of personal income taxes of the employees/workers of Litai as required under the requirements of the local government of Jiangyin. Starting April 2021, the New Litai Management will pay salary related payments, net of their personal income taxes.
(ii) Litai made prepayment of RMB1.7 million to a supplier for the purchase of plastic protection packaging materials for its aluminium products. This prepayment has been approved by Mr Xu prior to the establishment of the New Litai Management.
The increase in other receivables, deposits and prepayments due to reasons stated in B6(i) and (ii) above has been offset by the refund of prepayments of RMB1.0 million and the billing of legal charges of RMB0.7 million by the legal counsel of Litai. Accordingly, the Group wrote back allowance for impairment loss of RMB1.7 million for the refund of prepayment by the legal counsel of Litai where full allowance for impairment loss has been made on the prepayment to the legal counsel for reasons as previously announced in FY2020 Financial Results.

*See Explanatory Notes A part (7) - Profit before taxation on page 4.

B(7) An analysis of the balance of advance payments to a related party (trade), Jiangyin Haida Caitu Co., Ltd. ('Jiangyin Caitu'), is as follows:

	The Group	
	As at 30.06.2021 RMB'000	**As at 31.12.2020 RMB'000**
Advance payments to Jiangyin Caitu (trade), gross	51,730	52,130
Less: Allowance for impairment loss *	(51,730)	(52,130)
Advance payments to Jiangyin Caitu (trade), net	**-**	**-**

As at 31 December 2020, allowance for impairment had been provided fully on the outstanding balance due from Jiangyin Caitu of RMB52.1 million. Please refer to the FY2020 Financial Results. In HY2021, Litai received an amount of RMB400,000 from Jiangyin Caitu. Accordingly, the Group wrote back allowance for impairment in advance payments to Jiangyin Caitu by the same amount.

*See Explanatory Notes A part (7) - Profit before taxation on page 4.

B(8) As at 30 June 2021 and 31 December 2020, there was an outstanding amount of approximately RMB28.0 million mainly due from another related party, Jiangyin East-China Aluminium Technology Co., Ltd ("Jiangyin East-China"), attributed primarily to the provision of spray-painting services and sales of aluminium panels by Litai.

An analysis of due from related parties (trade) was as follows:

	The Group	
	As at 30.06.2021 RMB'000	**As at 31.12.2020 RMB'000**
Due from related parties (trade), gross	28,008	28,008
Less: Allowance for impairment loss *	(28,008)	(28.008)
Due from related parties (trade), net	**-**	**-**

The Group has provided fully for allowance for impairment loss on due from related parties (trade) as at 30 June 2021 and as at 31 December 2020 for reasons as announced in the FY2020 Financial Results.

B(9) There was an increase in cash and bank balances of approximately RMB2.1 million for the period ended 30 June 2021. This was due to cash used in operating activities of approximately RMB0.3 million, being offset by net cash generated from financing activities of approximately RMB2.4 million.

An analysis of cash and bank balances is as follows:

	The Group	
	As at 30.06.2021 RMB'000	**As at 31.12.2020 RMB'000**
Frozen bank account balances	3,762	3,487
Bank account balances	2,196	476
Cash on hand and bank draft	925	771
	6,883	4,734
Less: Allowance for Impairment loss due to courts' enforcement cases	(3,762)	(3,487)
Available cash and bank balances	**3,121**	**1,247**

Please see cashflow statement for more details.

As previously announced, certain bank accounts of Litai, had been frozen due to certain legal proceedings. The Company would provide further updates of the above matter as soon as any material information is or has become available.

B(10) There was a decrease in trade payables of approximately RMB2.1 million for the period ended 30 June 2021. This was due mainly to the payments to suppliers and the reduction in purchases in line with the substantial decrease in business activities as a result of the Company's current circumstances and COVID-19.

As per our FY2020 Financial Results announcement on 31 March 2021, the Company noted, from GFE Legal Report, enforcement cases ruled in favour of the following trade suppliers:

	Enforced amount (RMB)
(i) PPG Paint (Tianjin) Co. Ltd	1.2 million
(ii) Taizhou Longxin Maozhan Co. Ltd 泰州市隆鑫毛 毡有限公司 ("Taizhou")	1.1 million
(iii) Henan Yulong Metal Products Co., Ltd 河南裕龙金属 制品有限公司	0.3 million

Based on searches on tianyancha.com on 17 July 2021, the Company noted that Taizhou has applied to the People's Court of Jiangyin City to place Litai under bankruptcy review on 27 May 2021. Taizhou successfully withdrawn this application to the People's Court of Jiangyin City on 31 May 2021 following the immediate negotiations taken by the New Litai Management with Taizhou.

B(11) Loan from an investor of RMB2.4 million is for working capital purposes. The loan is unsecured, bears interests at 6.0% per annum and is repayable in three repayments as previously announced on 4 February 2021.

B(12) As at 30 June 2021 and 31 December 2020, the short-term bank loan was RMB11.4 million:

	THE GROUP	
	As at 30 June 2021	**As at 31 Dec 2020**
	Secured	**Secured**
	RMB '000	**RMB '000**
Amount repayable in one year or less, or on demand	11,429	11,429

Details of any collateral

As at 30 June 2021 and 31 December 2020, bank loans totaling RMB11.4 million were secured by leasehold building and land use rights with net carrying amounts of approximately RMB Nil balance net of allowance for impairment loss due to courts' enforcement cases. The bank loans were also secured by the personal guarantee of the former Chief Executive Officer and an unrelated business associate. However, such personal guarantees had expired in September 2019. It is uncertain, as of the date of this announcement, whether the guarantees were renewed or extended. Interests on these bank loans was charged at interest rate of 3.99% per annum. (FY2020: 3.99% per annum).

The short-term bank loans of RMB4.4 million and RMB7.0 were also due for repayment and renewal on 26th November 2019 and 29th January 2020 respectively. As at the date of this announcement, to the best of our knowledge and information, Litai has neither repaid nor renewed both bank loans since their maturity dates.

As previously announced in FY2020 Financial Results, based on GFE Legal Report and the accompanying detail court rulings, the Company noted that the court has ruled in in favour of Bank of China for borrowings by Litai. The Company noted, under enforcement case number (2020) 苏 0213 执 3925 号, that any proceeds from the sale (via auction or discounted sale) of the securities provided by Litai under pledge numbers 苏(2019)江阴不动产证明 No.0004319 and No.0004320 (legal rights to buildings), and No.0004321 (landuse rights) to be applied firstly to settle the bank loans with Bank of China. As information and documents of these pledges were held by Mr Xu Youcai, the Company does not have much information about them. The three pledges mentioned in this paragraph should be related to the above short-term bank loans. Nevertheless, while information about the assets pledged (as per the enforcement case above) were not available to the Company, the Company has, as at the date of this announcement and on grounds of prudence, provided for provision for enforced courts' cases based on the net book value of the PPE of RMB 34.7 million and the remaining lease prepayments of RMB 9.9 million as at 31 December 2020.

B(13) Share capital

There was no change in the issued and paid-up share capital of the Company since the previous financial period ended 30 June 2020. The total number of issued shares excluding treasury shares and subsidiary holdings of the Company was 254,880,660 ordinary shares as at 30 June 2021 and 30 June 2020 respectively, as follows:

	THE COMPANY	
	As at 30 Jun 2021	**As at 30 June 2020**
Total number of issued shares	254,880,660	254,880,660
Less: Treasury shares	-	-
Total number of shares excluding treasury shares	254,880,660	254,880,660

The Company has no outstanding convertibles, no treasury shares and no subsidiary holdings as at 30 June 2021 and 30 June 2020.

C Condensed interim statement of cash flows

CONSOLIDATED CASH FLOW STATEMENT	THE GROUP	
(Amounts expressed in thousands of Chinese Renminbi ("RMB") Currency)	**HY2021**	**HY2020**
	RMB'000	**RMB'000**
Cash flows from operating activities		
Loss before taxation	(6,967)	(60,040)
Adjustments for:		
(Write back)/Allowance of impairment loss on financial asset, net	(2,070)	46,614
Allowance for impairment loss due to courts' enforcement cases	275	-
Write back of write down in inventory to net realisable value	(439)	-
Amortisation of lease prepayment	-	150
Depreciation of PPE	-	2,573
Loss on disposal of PPE	-	181
Write off of PPE	-	30
Interest expense	315	388
Interest income	4	(36)
Unrealised translation loss	75	(50)
Operating loss before working capital changes	(8,807)	(10,190)
Inventories	(1,088)	4,600
Trade and bills receivables	11,744	30,204
Other receivables, deposits and prepayments	(607)	(4,782)
Trade payables, contract liabilities and other payables	(1,896)	(22,403)
Due from related parties (trade)	-	-
Advance payments to a related party (trade)	400	(980)
Cash used in operations	(254)	(3,551)
Interest paid	-	(388)
Interest received	(4)	36
Net cash used in operating activities	(258)	(3,903)
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(16)
Proceed from disposal of property, plant and equipment	-	382
Net generated from in investing activities	-	366
Cash flows from financing activities		
Proceeds from loan from an investor	2,407	-
Repayment of short-term bank loans	-	(2,514)
Net cash from/(used in) financing activities	2,407	(2,514)
Net increase/(decrease) in cash and cash equivalents	2,149	(6,051)
Cash and cash equivalents at beginning of period	1,247	11,536
Allowance for impairment loss due to courts' enforcement cases	(275)	-
Cash and cash equivalents at end of period	3,121	5,485

D Condensed interim statement of changes in equity

Attributable to equity holders of the Company

GROUP	Share capital	Statutory reserve fund	Capital reserve	Currency translation reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2021	**140,543**	**23,367**	**47,946**	**354**	**(221,055)**	**(8,845)**
Total comprehensive income/(loss) for the period	-	-	-	75	(6,967)	(6,892)
Balance as at 30.6.2021	**140,543**	**23,367**	**47,946**	**429**	**(228,022)**	**(15,737)**
Balance as at 1.1.2020	**140,543**	**23,367**	**47,946**	**382**	**(39,636)**	**172,602**
Total comprehensive loss for the period	-	-	-	(63)	(60,040)	(60,103)
Balance as at 30.6.2020	**140,543**	**23,367**	**47,946**	**319**	**(99,676)**	**112,499**

COMPANY	Share capital	Currency translation reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2021	**140,543**	**5,158**	**(148,393)**	**(2,692)**
Total comprehensiveprofit/(loss) for the period	-	75	(1,264)	(1,189)
Balance as at 30.6.2021	**140,543**	**5,233**	**(149,657)**	**(3,881)**
Balance as at 1.1.2020	**140,543**	9,237	(25,481)	**124,299**
Total comprehensive loss for the period	-	(3,455)	(122,008)	(125,463)
Balance as at 30.6.2020	**140,543**	**5,782**	**(147,489)**	**(1,164)**

E. Notes to the condensed interim consolidated financial statements

1. GENERAL INFORMATION

China Haida Ltd. (the "Company") is a limited liability company domiciled and incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited. The address of the Company's registered office is 24 Raffles Place, #20-03 Clifford Centre, Singapore 048621. The address of the principal place of business of Litai is at 388 Qinfeng Lu, Huashi Town, Jiangyin City, Jiangsu Province, the People's Republic of China ("PRC") 214421.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are the manufacturing and trading of aluminium panels and spray painting.

2. FUNDAMENTAL ACCOUNTING CONCEPT

As at 30 June 2021, the Group and the Company are in net liabilities positions of RMB15,737,000 and RMB 3,881,000 (As at 31 December 2020: net liabilities positions of RMB8,845,000 and RMB2,692,000) respectively, and the Group incurred a net loss of RMB6,892,000 (30 June 2020: RMB60,103,000) and negative operating cash flows of RMB258,000 (30 June 2020: RMB 3,903,000) for the financial period ended 30 June 2021. This was largely due to the following:

(i) Significant decline in revenue by 95% to RMB 1,286,000 during the current financial period;

Further, Litai defaulted on the repayment of secured bank loans of RMB 4,429,000 and RMB 7,000,000 which were due and payable on 26 November 2019 and 29 January 2020 respectively (See paragraph B(12) above).

Litai is also involved in various litigations and enforcement proceedings in the PRC.

The facts and circumstances above indicate the existence of material uncertainties that may cast significant doubts over the ability of the Group and the Company to continue as going concerns. Notwithstanding this, the accompanying financial statements have been prepared on a going concern basis on the following grounds:

(i) On 28 January 2021, the Group has obtained financing of S$500,000 (equivalent to RMB 2,407,000) loan from a lender, who is a relative of a director, to meet short term working capital requirements of the Group.

(ii) The Company incorporated a wholly-owned subsidiary in Singapore, CHD Engineering and Trading Pte. Ltd., which entered into a joint venture ("JV") with K-United Builder Pte. Ltd. to design, supply, test and install proprietary aluminium standing-seam type roofing system, supporting sub-structure, coated aluminium perforated over-cladding for 1 commercial project in Malaysia and 2 residential projects in Singapore, amounting to aggregate in contract values of approximately S$2.43 million. The JV is expected to contribute positively to the cash flow and earnings of the Group for the financial year ending 31 December 2021.

In the event the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the condensed interim statements of financial position. In addition, the Group and the Company may have to provide for further liabilities which may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No such adjustments have been made to the condensed interim financial statements.

3 Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 3.1. The condensed interim financial statements are presented in Reminbi ("RMB") and all values in the tables are rounded to the nearest thousand ("RMB'000"), except when otherwise indicated.

The preparation of the condensed interim financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the condensed interim financial statements and areas involving a higher degree of judgement or complexity, are disclosed in this Note.

3.1 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 16: *Covid-19 -Related Rent Concessions beyond 30 June 2021*	1 April 2021
Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*	1 January 2022
Amendments to SFRS(I) 1-16: *Property, Plant and Equipment—Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(I) 1-37: *Onerous Contracts—Cost of Fulfilling a Contract*	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
- Amendments to SFRS(I)1 *First-time Adoption of FRS*	
- Amendments to SFRS(I) 9 *Financial Instruments*	
- Amendments to Illustrative Examples accompanying SFRS(I) 1-16 *Leases*	
- Amendments to SFRS(I) 1-41 *Agriculture*	
Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-Current*	1 January 2023
SFRS(I) 17: *Insurance Contracts*	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

The directors expect that the adoption of the other standards and interpretations above will have no material impact on the condensed interim financial statements in the period of initial application.

3.2 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent on those from other assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other available fair value indicators.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. This increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss.

3.3 Impairment of financial assets

The Group applies impairment model in SFRS(I) 9 to measure the Expected Credit Losses (ECL) of the following categories of assets:

- Financial assets at amortised costs (including trade and other receivables, amount due from related parties (trade) and cash and cash equivalents)
- Contract assets (determined in accordance with SFRS(I) 15)
- Debt investments at FVOCI
- Intragroup financial guarantee contracts

As at the reporting date, the Group does not have other categories of financial assets except for financial assets at amortised costs.

ECLs are probability-weighted estimates of credit losses, which are measured at the present value of all cash shortfalls (difference between the cash flows due to the Group in accordance with the contracts and the cash flows that the Group expects to receive), discounted at effective interest rate of the financial asset. The expected cash flows include cash flows from the sale of collaterals held, if any, or other credit enhancements that are integral to the contractual terms.

Simplified approach

The Group applies simplified approach to all trade receivables, including amount due from related parties (trade). Impairment loss allowance is measured at life time ECL, which represents ECLs that result from all possible default events over the expected life of a financial instrument ('lifetime ECL'). The Group uses qualitative and quantitative information like geographical location, profile of customers and historical repayment trends to group debtors with similar characteristics for purposes of ECL assessment. The Group computes ECL using probability of default from external rating agencies and historical loss rates, where available and applicable.

3.3 Impairment of financial assets (continued)

General approach

The Group applies general approach on all other financial instruments and recognise a 12-month ECL on initial recognition. 12-months ECL are ECLs that result from possible default events within 12 months after the reporting date or up to the expected life of the instrument, if shorter.

Impairment loss allowance or reversals are recognised in profit or loss. Loss allowance on financial assets at amortised cost and contract assets are deducted from the gross carrying amount of those asset.

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Definition of default
The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligation in full, without recourse by the Group.

Write-off policy
The Group write off the gross carrying amount of a financial assets to the extent that there is no realistic prospect of recovery, for example when the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the Group.

3.4 Provisions

A provision is recognised when the Group has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the management responsible for allocating resources and assessing performance of the operating segments.

3.6 Critical accounting estimates, assumptions and judgements

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of financial assets

Impairment allowance for financial assets measured at amortised costs are applied using the ECL model, which requires assumptions of risk of default and expected loss rates. The Group uses judgement in making these assumptions and determining key inputs to the impairment calculation, taking into account the Group's historical credit loss experience, existing market conditions as well as forward-looking information relating to industry, geographical locations, probability of default information from external credit rating agencies and macroeconomic factors.

(b) Income tax

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group has tax losses carried forward for which no deferred tax assets has been recognised due to uncertainty of its recovery. These losses relate to a subsidiary that have a history of losses and may not be used to offset taxable income elsewhere in the Group. The subsidiary has neither temporary taxable differences nor any tax planning opportunities available that could support the recognition of any of these losses as deferred tax assets.

(ii) Critical judgements in applying the entity's accounting policies

The management is of the opinion that any instances of judgements, other than those arising from the estimates describe above, are not expected to have significant effect on the amounts recognised in the condensed interim financial statements.

F Other information required by Listing Rule 7.2

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

Not applicable.

2. 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. The Company has no subsidiary holdings.

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

The figures have not been audited nor reviewed by the auditors.

4. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:
(i) Updates on the efforts taken to resolve each outstanding audit issues.
(ii) 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.

(a) In the latest audited financial statements of the Company for the financial year ended 31 December 2020, under the basis for Disclaimer of Opinion, the following significant maters were disclosed as follows: 1. Limitation of scope; 2. Ligations and claims; and 3. Going concern. With the new management in place, the Board will endeavour to resolve the abovementioned matters within the next twelve months. Efforts made by the Company towards resolution of these outstanding audit issues include: (i) procuring funding from potential investors to ensure the Company is able to continue operating as a going concern; (ii) putting in place new management; (iii) sourcing and procurement of new business and projects similar to the Group's existing business to increase revenue stream; and (iv) appointment of legal counsel in China to advise the Company on the enforcement awards and litigation claims involving Litai.

(b) As disclosed in the Introduction section, the Company has been unable to obtain all relevant and pertinent information, documents and/or explanations from Litai to accurately complete and finalise the HY2021 Financial Results and to address the issues (such as limitation of scope, impairment assessment of the property, plant and equipment and right-of-use assets of the Group, litigation and claims and going-concern) raised in the Disclaimer of Opinion by the Independent Auditor, Crowe Horwath First Trust LLP, for the audit of the financial statements of the Group for the financial year ended 31 December 2020. Consequently, the Company is constrained to prepare and report the HY2021 Financial Results to the best of its knowledge using financial figures obtained from Litai's Team. The Company is therefore unable to ascertain whether the figures provided by Litai's Team would be an accurate representation of Litai's financials due to information or supporting documents which have not been forthcoming from Mr Xu Youcai.

(c) The Company has on 3 August 2021 appointed FTI as special auditor to investigate, among others, the circumstances surrounding the litigations and enforcement proceedings and the background of the lending and borrowing affairs by Mr Xu and his controlled entities.

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 and the Company have adopted the new and revised SFRS(I)s, and interpretations of SFRS(I) ("SFRS(I) INTs") that are effective for the annual period beginning on 1 January 2021. The adoption of these SFRS(I)s and SFRS(I) INTs did not have any significant effect on the financial statements of the Group and the Company.

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.

	THE GROUP	
	1 Jan 2021 to 30 Jun 2021	**1 Jan 2020 to 30 Jun 2020**
Loss after taxation (RMB '000)	(6,967)	(60,040)
Weighted average number of ordinary shares on issue applicable to earnings	254,880,660	254,880,660
Loss per ordinary share (RMB cents)		
- Basic & Diluted	(2.7)	(23.6)

7. Net asset 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 year.

	The Group		The Company	
	As at 30 Jun 2021	As at 31 Dec 2020	As at 30 Jun 2021	As at 30 Dec 2020
Net liabilities (RMB'000)	(15,737)	(8,845)	(3,881)	(2,692)
Net liabilities value per ordinary share based on the total number of issued shares excluding treasury shares as at the end of the respective periods (RMB cents)	(6.17)	(3.47)	(1.52)	(1.06)

Net asset value per ordinary share was calculated based on the 254,880,660 issued ordinary shares excluding treasury shares as at 30 June 2021 and 31 December 2020 respectively.

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.

REVIEW OF PERFORMANCE

Consolidated Condensed Interim Statement of Income (HY2021 vs HY2020)

(i) Revenue

Compared to HY2020, the Group's total revenue for HY2021 slumped approximately 94.5% or RMB22.0 million, from RMB23.3 million to RMB1.3 million attributed mainly to the fact that Litai has not fully resumed operations in the first quarter of 2021 since the temporary suspension of factory in August 2020. In HY2021, in view of the various litigations and enforcement proceedings and coupled with the seriousness of the COVID-19 pandemic, the New Litai Management took a more prudent approach in resuming full operations in Litai. The New Litai Management had taken additional time to reassess its business processes such as the sourcing and pricing of certain raw materials from existing and new suppliers, production planning, identifying and clearance of slow-moving inventory and controls of overheads.

The Group incorporated CHD in February 2021 and Xinwan in April 2021. In HY2021, CHD recorded revenue of RMB931,000 while Xinwan recorded revenue of RMB60,000.

Litai recorded revenue of RMB296,000 in HY2021.

(ii) Gross Profit

The Group recorded gross profit of RMB29,000 in HY2021 as compared to gross loss of RMB2.1 million in HY2020. In HY2020, due to the poor business environment and COVI-19 lockdown in the PRC and overseas, gross profit turned negative.

Gross profit margin turned positive to 2.3% for HY2021 from negative gross margin -8.8% in HY2020 as a result of positive gross margin contributed by CHD of 4.7% and Xinwan of 8.6%, partially offset by the negative gross margin of Litai.

(iii) Operating Expenses

Total operating expenses decreased marginally by approximately 4.7% or RMB0.5 million from approximately RMB11.2 million in HY2020 to RMB9.7 million in HY2021.

With significantly lower revenue in HY2021, selling and distribution expenses decreased by approximately RMB1.0 million or 96.0%, from RMB1.0 million in HY2020 to RMB41,000 in HY2021. The bulk of selling and distribution expenses (such as salary related expenses, transportation expenses, etc.) have been included as administrative expenses in HY2021.
Administrative expenses decreased by approximately RMB0.5 million or 4.6%, from RMB10.2 million to RMB9.7 million. The net decrease in administrative expenses was in line with the declined in business activities, lower headcount and costs control actions of the Group and is attributed mainly to the following reasons:
(a) In HY2021, administrative expenses reduced by approximately RMB1.7 million as compared with HY2020. This is mainly due to the resignation of an executive director, Mr Guo Yun, in January 2020 and resignation of CFO, Ms Chan Lai Yoke, in September 2020, which resulted in lower payroll related expenses in HY2021. Also, there has been stricter control over professional expenses and general office expenses in HY2021 as compared with HY2020.
(b) In HY2020, Litai wrote off RMB1.1 million of personal payroll taxes receivables for reasons as previously announced in FY2020 Financial Results on 31 March 2021. There was no such write off by Litai in HY2021.
(c) In HY2020, Litai charges depreciation on fixed assets and amortisation of prepaid leases of RMB391,000 and RMB150,000 in HY2020. In HY2021, there was no such depreciation and amortisation as fixed assets and prepaid leases were fully provided for impairment as at 31 December 2020.
The above decrease in administrative expenses has been partially offset by the increase in the following administrative expenses:
(a) Increase in Litai's legal expenses by RMB0.3 million due to additional billings by the legal counsel of Litai for the latter's litigation cases.
(b) In line with the reduction in business activities of Litai, the basic salary expenses of Litai's production and sales team had been classified as administrative expenses in HY2021, resulting in the net increase in administrative salary expenses

by RMB1.3 million in HY2021. Such expenses were recorded as cost of sales in HY2020.
(c) In HY2021, Litai recorded an increase in the social securities and housing fund expenses by RMB0.7 million. In HY2020, the PRC government has implemented several reduction or exemption policies for companies to get exemption or reduction in social security and employees' housing fund. In HY2021, with returning of business activities to a more normalcy level, the PRC government has discontinued with such policies and schemes, resulting in the increase in related expenses in HY2021.
In HY2021, Litai recorded one-time factory cleaning and clearing charges of RMB0.9 million in preparation of certain factory premise and equipment for lease.

(iv) Other Operating Income
Please see explanatory note A(i)(1) to (2).

(v) Finance Costs
Interest expense for HY2021 was lower as compared to HY2020. This was mainly due to lower average short-term bank loans balances in HY2021 as compared to HY2020. The weighted average interest rate of 3.99% per annum remained the same as the previous period.

(vi) Write back of Write down in inventory to net realisable value
Please see explanatory note A(i) (5) on page 3.

(vii) Impairment loss on assets due to courts' enforcement cases
Please see explanatory note A(i) (6) on page 3.

(viii) Write back of impairment loss on financial assets, net
The Group has adopted SFRS(I) 9 on impairment of financial assets since FY2018.
Please see explanatory note A(i) (7) on page 4.

(ix) Income Tax
As there was a loss from operation, no provision for taxation was made during the HY2021.

(x) Net Loss After Taxation
Due to lower sales, the Group recorded a net loss of approximately RMB7.0 million in HY2021 as compared to a net loss of approximately RMB60.0 million in HY2020.

Consolidated Condensed Interim Statement of Financial Position (30 June 2021 versus 31 December 2020)

Total current assets decreased by approximately 16.0%, or RMB6.1 million, from RMB37.9 million as at 31 December 2020 to RMB31.8 million as at 30 June 2021. This was primarily due to the following factors:

i) increase in inventories of approximately RMB1.5 million.
ii) decrease in trade debtors and bills receivables of approximately RMB11.7 million due to collections from trade receivables and lower sales in HY2021.
iii) increase in cash and bank balances of approximately RMB1.9 million attributed to reasons provided in Part C below.
iv) increase in other receivable, deposit and prepayments of approximately RMB2.3 million attributed to reasons provided in paragraph B(6) on page 8.

Total current liabilities amounted to RMB47.6 million as at 30 June 2021, representing an increase of approximately RMB0.8 million or 1.7% as compared to RMB46.8 million as at 31 December 2020. This was primarily due to the following factors:
i) decrease in trade payables by RMB2.1 million attributed to the payments to suppliers and less purchases.
ii) increase in other payables and accruals by RMB0.1 million.
iii) increase in loan from an investor of RMB2.4 million.
iv) increase in contract liabilities by RMB0.4 million.

Consolidated Condensed Interim Cash Flow Statement

Cash and bank balances as at 30 June 2021 was approximately RMB3.1 million, an increase of approximately RMB1.9 million as compared to the cash and bank balances of RMB1.2 million as at 31 December 2020. The increase was due to cash generated from financing activities of approximately RMB2.4 million, being partially offset by net cash used in operating activities of approximately RMB0.2 million and additional allowance for impairment loss on frozen bank accounts due to courts' enforcement cases of approximately RMB0.3 million.

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 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.

With the reconstitution of the Board and Board Committees during the year, the Board is cognizant of the imperative need to revitalize the Group's business. The Board and the management will strive to turnaround the Company with sustainable businesses so as to propel the Group onto growth platform for better prospects for all the shareholders.

As announced on 18 February 2021, the Company has incorporated a new subsidiary in Singapore to engage in trading of aluminium products. This trading subsidiary will spearhead the Group's diversification into the Singapore market. Over the next 12 months, the Group will endeavour to grow this new trading subsidiary's sales volume to increase revenue stream. In addition, Litai has also resumed part of its operations, which includes sourcing for new orders, collection of trade debts and other administrative activities.

The Company has on 3 August 2021 appointed FTI to investigate, among others, the circumstances surrounding the litigations and enforcement proceedings and the background of the lending and borrowing affairs by Mr Xu and his controlled entities. Concurrently, for the next few months, the Company will endeavour to undertake several corporate action initiatives as part of its resumption efforts to lift the suspension of the trading in the shares of the Company. The Board will keep shareholders updated upon material developments and progress in its resumption efforts.

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.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the half year ended 30 June 2021 due to the net loss for the half year and also to enable the Company to conserve cash for working capital purposes.

13. 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.

The Group has not obtained a general mandate from shareholders for Interested Person Transactions ("IPTs") at the most recent annual general meeting held on 29 June 2021.

14. Segmented revenue and results for business segments or geographical segments (of the group), with comparative information for the corresponding period of the immediately preceding financial year.

Our revenue and results are primarily derived from the manufacture and sale of aluminium composite panels, including interior and exterior composite panels (ACP) and aluminium single panels (ASP). Accordingly, no segmental analysis is provided.

The following table shows the distribution of the Group's revenue by geographical location of customers, whereas all of the Group's segment assets are based on the location of the assets.

BY GEOGRAPHICAL SEGMENTS

<u>The Group's geographical segmentation is based on the country of origin of our customers and not the destination of shipment</u>

	THE GROUP	
	1 Jan 2021 to 30 Jun 2021 HY2021	1 Jan 2020 to 30 Jun 2020 HY2020
	RMB'000	RMB'000
Revenue		
PRC	356	18,164
Singapore	930	-
Overseas	-	5,134
Total	1,286	23,298
	As at 30 Jun 2021	As at 31 Dec 2020
	RMB'000	RMB'000
Total Assets		
PRC	34,302	39,549
Singapore	3,513	738
Less: Inter-segment elimination	(5,966)	(2,372)
Total	31,849	37,915

15. Negative assurance confirmation on interim financial results pursuant to Rule 705(5) of the Listing Manual.

For reasons disclosed in the Introduction section of this announcement, the board of directors is unable to provide negative assurance confirmation on interim financial results pursuant to Rule 705(5) of the Listing Manual.

16. 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 Group has procured undertakings from all its directors and executive officers under Rule 720(1).

Soh Yeow Hwa
Executive Director
13 August 2021