

UNAUDITED HALF-YEAR RESULTS FOR THE PERIOD ENDED 30 JUNE 2020

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

1(a)(i) A consolidated income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial period.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		
	1H2020	1H2019	% Change
	RMB'000	RMB'000	+ / (-)
Revenue	1,954	2,163	(9.7)
Interest income	38	390	(90.3)
Other income	338	816	(58.6)
Other gains and losses			
- Gain on disposal of subsidiary corporations	-	6	(100.0)
- Currency exchange losses, net	(349)	(6)	n.m.
Expenses			
- Consultancy charges	(232)	-	n.m.
- Depreciation of plant and equipment	(5)	(6)	(16.7)
- Depreciation of right-of-use asset	(675)	-	n.m.
- Directors' fees	(339)	(410)	(17.3)
- Employee compensation	(2,472)	(1,924)	28.5
- Impairment losses on other receivables	-	(315)	(100.0)
- Interest expense for lease liability	(17)	-	n.m.
- Professional fees	(1,014)	(761)	33.2
- Rental	(133)	(1,030)	(87.1)
- Other operating expenses	(216)	(636)	(65.7)
Total expenses	(5,103)	(5,082)	0.4
Share of loss of associated company	(81)	(3)	n.m.
Share of loss of joint venture	(5)	(12)	(58.3)
Loss before income tax	(3,208)	(1,728)	85.6
Income tax expense	-	(46)	(100.0)
Total loss	(3,208)	(1,774)	80.8
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation			
- Gains	7	-	n.m.
Other comprehensive income, net of tax	7	-	n.m.
Total comprehensive loss	(3,201)	(1,774)	80.4
Loss attributable to:			
- Equity holders of the Company	(2,909)	(1,774)	64.0
- Non-controlling interests	(299)	-	n.m.
	(3,208)	(1,774)	80.8
Total comprehensive loss attributable to:			
- Equity holders of the Company	(2,905)	(1,774)	63.6
- Non-controlling interests	(296)	-	n.m.
	(3,201)	(1,774)	80.4

- 1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial period:

	Group		
	1H2020 RMB'000	1H2019 RMB'000	%Change +/(-)
Loss for the period has been arrived at after (charging)/crediting the following items:			
Currency exchange losses, net	(349)	(6)	n.m.
Depreciation of plant and equipment	(5)	(6)	(16.7)
Depreciation of right-of-use asset	(675)	-	n.m.
Gain on disposal of subsidiary corporations	-	6	(100.0)
Impairment losses on other receivables	-	(315)	(100.0)
Interest expense for lease liability	(17)	-	n.m.
Interest income	38	390	(90.3)

"n.m." denotes "not meaningful".

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

	Group		Company	
	As at 30 Jun 2020 RMB'000	As at 31 Dec 2019 RMB'000	As at 30 Jun 2020 RMB'000	As at 31 Dec 2019 RMB'000
ASSETS				
Current assets				
Cash and cash equivalents	3,974	6,348	1,427	3,559
Trade and other receivables	11,694	11,890	12,798	12,484
Right-of-use asset	215	890	215	890
Other current assets	377	414	372	370
	16,260	19,542	14,812	17,303
Non-current asset classified as held for sale	607	-	607	-
	16,867	19,542	15,419	17,303
Non-current assets				
Investments in subsidiary corporations	-	-	860	926
Investment in associated company	707	788	-	-
Investment in joint venture	-	612	-	612
Plant and equipment	-	5	-	5
	707	1,405	860	1,543
Total assets	17,574	20,947	16,279	18,846
LIABILITIES				
Current liabilities				
Trade and other payables	2,059	1,542	628	360
Lease liability	224	914	224	914
Current income tax liabilities	33	32	-	-
Total liabilities	2,316	2,488	852	1,274
NET ASSETS	15,258	18,459	15,427	17,572
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	145,320	145,320	145,320	145,320
Currency translation reserve	5	1	-	-
Accumulated losses	(129,983)	(127,074)	(129,893)	(127,748)
	15,342	18,247	15,427	17,572
Non-controlling interests	(84)	212	-	-
TOTAL EQUITY	15,258	18,459	15,427	17,572

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

The Group has no borrowings and debt securities as at 30 June 2020 and 31 December 2019.

1(b)(iii) Details of any collaterals

Nil.

1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial period.

	Group	
	1H2020	1H2019
	RMB'000	RMB'000
Cash flows from operating activities		
Total loss	(3,208)	(1,774)
Adjustments for:		
- Income tax expense	-	46
- Depreciation of plant and equipment	5	6
- Depreciation of right-of-use asset	675	-
- Gain on disposal of subsidiary corporations	-	(6)
- Impairment losses on other receivables	-	315
- Interest expense for lease liability	17	-
- Interest income	(38)	(390)
- Share of loss of associated company	81	3
- Share of loss of joint venture	5	12
Operating loss before changes in working capital	(2,463)	(1,788)
Changes in working capital		
- Trade and other receivables	204	(1,079)
- Other current assets	37	404
- Trade and other payables	517	182
Cash used in operations	(1,705)	(2,281)
Interest received	38	147
Income tax paid	-	(13)
Net cash used in operating activities	(1,667)	(2,147)
Cash flows from investing activities		
Repayment of loan from associated company	-	200
Interest received on loan from associated company	-	16
Net cash generated from investing activities	-	216
Cash flows from financing activities		
Principal payment of lease liability	(690)	-
Interest expense for lease liability	(17)	-
Net cash used in investing activities	(707)	-
Net decrease in cash and cash equivalents	(2,374)	(1,931)
Cash and cash equivalents at beginning of financial period	6,348	22,191
Cash and cash equivalents at end of financial period	3,974	20,260

1(d)(i) A statement (for the issuer and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period.

	Attributable to equity holders of the Company				Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Currency translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000		
Group						
At 1 January 2020	145,320	1	(127,074)	18,247	212	18,459
Total comprehensive loss for the financial period	-	4	(2,909)	(2,905)	(296)	(3,201)
At 30 June 2020	145,320	5	(129,983)	15,342	(84)	15,258
At 1 January 2019	145,320	-	(99,479)	45,841	-	45,841
Total comprehensive loss for the financial period	-	-	(1,774)	(1,774)	-	(1,774)
At 30 June 2019	145,320	-	(101,253)	44,067	-	44,067
Company						
At 1 January 2020	145,320	-	(127,748)	17,572	-	17,572
Total comprehensive loss for the financial period	-	-	(2,145)	(2,145)	-	(2,145)
At 30 June 2020	145,320	-	(129,893)	15,427	-	15,427
At 1 January 2019	145,320	-	(121,059)	24,261	-	24,261
Total comprehensive loss for the financial period	-	-	(2,828)	(2,828)	-	(2,828)
At 30 June 2019	145,320	-	(123,887)	21,433	-	21,433

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Group and Company		
	As at 30 Jun 2020 RMB'000	As at 31 Dec 2019 RMB'000
<u>Number of ordinary shares issued and fully paid</u> Beginning and end of financial period/year	<u>145,320</u>	<u>145,320</u>

There was no change in the Company's share capital since the end of the previous year reported on, and there were no outstanding convertibles or treasury shares held as at 30 June 2020.

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

Group and Company		
	As at 30 Jun 2020	As at 31 Dec 2019
<u>Number of issued shares excluding treasury shares</u> Beginning and end of financial period/year	<u>2,130,000,000</u>	<u>2,130,000,000</u>

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

Not applicable.

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

Not applicable.

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

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

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

Not applicable.

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

The Group has consistently applied the same accounting policies and methods of computation in the Group's financial statements for the current reporting period as compared with the audited financial statements for the financial year ended 31 December 2019.

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

Not applicable.

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

	Group	
	1H2020	1H2019
Loss per share (basic and diluted) (RMB cents)	(0.137)	(0.083)
Weighted average number of ordinary shares outstanding	2,130,000,000	2,130,000,000

Basic loss per share is computed by dividing the loss attributable to the equity holders of the Company in each financial period by the weighted average number of ordinary shares outstanding at the end of the respective financial period. There are no dilutive potential ordinary shares.

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

	Group		Company	
	As at 30 Jun 2020	As at 31 Dec 2019	As at 30 Jun 2020	As at 31 Dec 2019
Net assets value* per ordinary share (RMB cents)	0.72	0.86	0.72	0.83
Number of issued ordinary shares at end of financial period/year	2,130,000,000	2,130,000,000	2,130,000,000	2,130,000,000

* attributable to equity holders of the Company

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must include a discussion of the following:
(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period/year 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/year reported on.

Commentary on Financial Performance

Revenue

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

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

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

	1H2020 RMB'000	1H2019 RMB'000	% Change +/(-)
<u>China</u>			
Corporate advisory services to fund/investment managers	630	2,163	(70.8)
<u>Singapore</u>			
Consultancy services from management of contracts in respect of artificial intelligence solutions	1,324	-	n.m.
	1,954	2,163	(9.7)

As explained in the Company's results announcements dated 27 February 2019, 14 May 2019, 13 August 2019, 13 November 2019 and 28 February 2020, the Group's business is sensitive to Chinese corporate activities. Lower corporate advisory revenue recognised in 1H2020 was due to the continuous slowdown in Chinese corporate activities.

In 1H2020, revenue of RMB0.63 million recognised from the China fund/investment manager was related to an existing service contract of a recurring client. On the other hand, revenue from management consultancy services amounting to RMB1.32 million was recognised for 1H2020. As announced by the Company on 27 April 2020 and 18 May 2020, a subsidiary corporation of the Company, Prisma Technologies Pte. Ltd. ("Prisma Technologies"), was awarded the Capverto Contract and UAE Contract to provide management consultancy services to enhance the security of a payment gateway owned and operated by Denmark-based cryptocurrency trading firm Capverto, and to assist a logistics company based in United Arab Emirates to improve the tracking of its container trucks and other vehicles, respectively. Revenue from management consultancy services rendered in respect of these contracts was recognised by the Group over time, from the commencement of contract to completion of project.

Revenue from corporate and financial solution advisory business decreased by RMB1.53 million or 70.8%, from RMB2.16 million in 1H2019 to RMB0.63 million in 1H2020. The reduction in revenue was mainly due to fewer service contracts completed by the Group in 1H2020 as compared to 1H2019. On the contrary, revenue from management consultancy services increased by RMB1.32 million in 1H2020 as compared to nil in 1H2019 as Prisma Technologies was only incorporated in October 2019 and has since commenced its business activities, securing various contracts and performing services in respect of these contracts during the current financial period. Revenue amounted to RMB1.32 million for 1H2020 as the contracts only commenced in April and May 2020 respectively, as explained in the preceding paragraph.

Interest income

	1H2020 RMB'000	1H2019 RMB'000	% Change + / (-)
Loans to associated company	-	243	(100.0)
Fixed deposits with financial institutions	38	147	(74.1)
	38	390	(90.3)

The Group's interest income decreased by RMB0.35 million, from RMB0.39 million in 1H2019 to RMB0.04 million in 1H2020. The decrease was attributed to:

- i) no interest income recognised in respect of loans to associated company for 1H2020 as compared with RMB0.24 million for 1H2019, and
- ii) lower interest earned from fixed deposits with financial institutions as a result of lower amount of fixed deposit placements in 1H2020 as compared to 1H2019.

Other income

Other income of the Group decreased by RMB0.48 million or 58.6% from RMB0.82 million in 1H2019 to RMB0.34 million in 1H2020. Other income mainly comprises i) grants of RMB0.13 million from Jobs Support Scheme, which is a financial assistance scheme introduced by the Singapore Government to help employers retain their local employees during the COVID-19 pandemic period with economic uncertainty, and ii) rental income of RMB0.19 million for 1H2020 from the sub-lease of office space to a third party company, which is paid by the sub-lessee on monthly basis.

The decrease of other income was mainly due to no incentive received from Tianjin Local Tax Authority during 1H2020. The incentive from Tianjin Local Tax Authority was for the purpose of incentivising local enterprises which set up the companies within the local proximity and paid taxes.

Other gains and losses

Currency exchange losses, net

The Group recorded a net foreign exchange loss of RMB0.35 million for 1H2020, mainly due to the translation of the Group's transactions and net monetary assets denominated in the Singapore Dollar ("SGD") and United States Dollar ("USD") foreign currencies, and the weakening of the SGD and USD exchange rates against Renminbi ("RMB") during 1H2020.

Gain on disposal of subsidiary corporations

A gain on disposal of RMB6,443 was recognised upon completion of disposal of the Group's garment trading business in 1H2019. There was no such gain recognised in 1H2020.

Expenses

i) Amortisation of right-of-use asset

In line with the adoption of SFRS(I) 16, the Group's operating lease was recognised as right-of-use ("ROU") asset and lease liability on its balance sheet. An amount of RMB0.67 million was recorded to depreciate the ROU asset over its lease term on straight-line basis in 1H2020.

ii) Consultancy charges

Consultancy charges of RMB0.23 million incurred during 1H2020 consisted of the costs incurred for certain corporate advisory projects where other service providers were engaged by the Group to assist in completion of the consultancy deliverables to clients. No consultancy charges were incurred for 1H2019 as the contracts were completed using the internal resources of the Group and no other service providers were engaged by the Group.

iii) Employee compensation

Employee compensation of the Group increased by RMB0.55 million or 28.5%, from RMB1.92 million in 1H2019 to RMB2.47 million in 1H2020. The higher amount of employee compensation was mainly attributed to the payroll expenses incurred by Prisma Technologies. During 1H2020, Prisma Technologies has gradually increased its headcount of IT personnel in delivering its business of management consultancy services.

iv) Professional fees

Professional fees of the Group increased by RMB0.25 million or 33.2%, from RMB0.76 million in 1H2019 to RMB1.01 million in 1H2020. The overall increase in 1H2020 was mainly due to more professional services received in relation to various corporate actions and other advisory matters of the Group.

v) Rental

Rental expenses for 1H2020 amounting to RMB0.13 million relate to leases of office premises and photocopier which are lesser than 12 months and/or of low value, and are accordingly exempted from recognising as ROU assets.

vi) Impairment losses on other receivables

The impairment loss on other receivables of RMB0.32 million in 1H2019 was in relation to allowance for impairment made by the Group's Tianjin WFOE with respect to its loan receivable.

vii) Interest expense for lease liability

The imputed interest expense on amortisation of lease liability amounted to RMB0.02 million in 1H2020.

viii) Other operating expenses

Other operating expenses of the Group decreased by RMB0.41million or 65.7%, from RMB0.62 million in 1H2019 to RMB0.21 million in 1H2020. The decrease was mainly attributed to lower travelling and related expenses incurred during 1H2020 in view of the outbreak of COVID-19 pandemic since the beginning of FY2020.

Share of losses of associated company and joint venture

The Group recognised its share of loss from its associated company amounting to RMB0.08 million in 1H2020. On the other hand, the Group recognised its share of loss from its joint venture amounting to RMB0.005 million for 1H2020.

Loss before tax

As a result of the above, the Group recorded a loss before tax of RMB3.21 million in 1H2020 as compared to a loss before tax of RMB1.73 million in 1H2019.

Income tax expense

There was no income tax expense for 1H2020, as compared to RMB0.05 million for 1H2019 which was incurred solely by the Group's Tianjin WFOE.

Loss after tax

As a result of the above, the Group recorded a net loss of RMB3.21 million in 1H2020 as compared to a net loss of RMB1.77 million in 1H2019.

Commentary on Financial Position

Non-current assets

Plant and equipment of the Company and the Group decreased by RMB0.005 million in 1H2020, mainly due to depreciation charge.

Investment in associated company, which relates to the Group's investment in a commercial factoring company through its Tianjin WFOE, decreased by RMB0.08 million, from RMB0.79 million as at 31 December 2019 to RMB0.71 million as at 30 June 2020, mainly due to the Group's share of loss from the associated company for 1H2020.

Investment in joint venture, which relates to the Company's investment in 40% of the issued and paid-up share capital of TNT Global Capital Pte Ltd ("TNT"), decreased by RMB0.005 million, from RMB0.612 million as at 31 December 2019 to RMB0.607 million as at 30 June 2020, mainly due to the Group's and the Company's share of loss from the joint venture for 1H2020.

On 25 June 2020, the Company announced that it executed a non-binding term sheet with Mr Liew Chok San (the "Purchaser") in respect of the proposed disposal of all 150,000 ordinary shares that the Company holds in TNT, representing 40% of the equity interest in TNT, for a consideration of S\$220,000. As TNT was available for immediate sale in its present condition subject only to terms that are usual and customary, and the sale of TNT was highly probable, the investment in joint venture was classified as a non-current asset held for sale as at 30 June 2020 in accordance with SFRS(I) 5.

Subsequent to 1H2020, on 29 July 2020, the Company announced that it entered into a sale and purchase agreement with the Purchaser and TNT, in respect of the disposal of TNT by the Company. On 4 August 2020, the Company announced the completion of the disposal of TNT.

Investments in subsidiary corporations decreased by RMB0.07 million, from RMB0.93 million as at 31 December 2019 to RMB0.86 million as at 30 June 2020, due to an impairment charge of RMB0.07 million on the investment in Forise Management Limited ("FML"). In view of the losses incurred by FML and its subsidiary corporations and the indications of impairment noted, the Company carried out a review of the recoverable amount of the investment, based on the Company's share of the net assets of the subsidiary corporations, which approximates the fair value less costs of disposal of the investment. Accordingly, an impairment charge of RMB0.07 million was recognised to write down the carrying amount of the investment to its recoverable amount.

Current assets

Current assets of the Group decreased by RMB2.67 million, from RMB19.54 million as at 31 December 2019 to RMB16.87 million as at 30 June 2020, mainly due to the decrease in trade and other receivables, right-of-use asset, cash and cash equivalents and other current assets, partially offset by the increase arising from the classification of the investment in TNT as held for sale under current assets in accordance with SFRS(I) 5.

Cash and cash equivalents of the Group decreased by RMB2.38 million, from RMB6.35 million as at 31 December 2019 to RMB3.97 million as at 30 June 2020, mainly due to the net cash used in operating activities of RMB1.67 million, coupled with the net cash used in financing activities of RMB0.71 million.

Trade and other receivables

	Group			Company		
	As at 30 Jun 2020	As at 31 Dec 2019	% Change +/(–)	As at 30 Jun 2020	As at 31 Dec 2019	% Change +/(–)
	RMB'000	RMB'000		RMB'000	RMB'000	
Trade receivables	1,447	1,346	7.5	-	-	-
Other receivables	29,540	29,837	(1.0)	12,798	12,484	2.5
Less: Allowance for impairment	(19,293)	(19,293)	-	-	-	-
Net other receivables	10,247	10,544	(2.8)	12,798	12,484	2.5
Total	11,694	11,890	(1.6)	12,798	12,484	2.5

Trade and other receivables of the Group decreased by RMB0.20 million, from RMB11.89 million as at 31 December 2019 to RMB11.69 million as at 30 June 2020, due to:

- Increase in trade receivables of RMB0.10 million or 7.5%, which was attributed to the management consultancy service revenue generated by Prisma Technologies in 1H2020 of RMB1.32 million, partially offset with collections received of RMB1.22 million.
- Decrease in net other receivables of RMB0.30 million or 2.8%, mainly due to the foreign exchange loss of RMB0.21 million arising from the translation of the advance from Prisma Technologies to Prisma AI Corporation Pte. Ltd. ("Prisma AI"), which is denominated in SGD. The advance of S\$2 million (approximately RMB10.14 million) was made to provide the necessary working capital for the contracts that Prisma Technologies managed for Prisma AI. The decrease was partially offset by value-added tax recoverable of RMB0.06 million in respect of the Group's Tianjin WFOE.

Other current assets

Other current assets of the Group decreased by RMB0.03 million from RMB0.41 million as at 31 December 2019 to RMB0.38 million as at 30 June 2020. The decrease was mainly due to lower prepayment of office rental made by the Group's Tianjin WFOE in 1H2020 as compared with 1H2019.

Current liabilities

Trade and other payables of the Group increased by RMB0.51 million from RMB1.54 million as at 31 December 2019 to RMB2.06 million as at 30 June 2020. The increase was mainly due to:

- i) additional accrued operating expenses of RMB1.51 million for 1H2020; offset with
- ii) repayment of FY2019 accrued expenses of RMB0.37 million; and
- iii) reversals of accruals of RMB0.56 million in respect of a former Hong Kong subsidiary corporation which had been disposed of in FY2019.

The current income tax liabilities of the Group of RMB0.03 million were attributed to the Tianjin WFOE and Prisma Technologies.

The lease liability of the Group and the Company decreased by RMB0.69 million due to payment of rental of office space, offset by imputed interest on amortisation of lease liability during 1H2020.

As a result of the above, the Group's current liabilities decreased by RMB0.17 million from RMB2.49 million as at 31 December 2019 to RMB2.32 million as at 30 June 2020.

Commentary on Cash Flows

In 1H2020, the Group utilised RMB1.67 million of cash in operating activities. This was mainly due to an operating loss for 1H2020 and increase in working capital of trade and other receivables, other current assets and trade and other payables.

Net cash used in financing activities of RMB0.71 million in 1H2020 was due to payment of rental of office space.

As a result of the above, cash and cash equivalents decreased by RMB2.37 million in 1H2020.

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. Furthermore, there is no deviation from paragraph 10 of the previous results announcement.

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

Economic conditions worldwide are expected to remain challenging in the foreseeable future as the fallout from the COVID-19 pandemic continues to unravel. Rising tensions between the US and China are also likely to add to the uncertainty, which will affect the Group's corporate advisory business in China.

Against this backdrop, the Group will continue to build up its management consultancy business run by its subsidiary, Prisma Technologies, which has been actively growing its order book since last year. As announced on 27 April 2020, 18 May 2020 and 17 July 2020, Prisma Technologies continues to secure and manage a number of contracts to provide consultancy services and advise companies from various industries on the adoption and implementation of artificial intelligence solutions to streamline their operations. As explained in Section 8, revenue from Prisma Technologies amounted to RMB1.32 million for 1H2020 as the contracts only commenced in April and May 2020 respectively. In view of Prisma Technologies' growth potential, the Group intends to deploy more internal funding and resources to its subsidiary to support its development.

The Group will also continue to explore other business opportunities to improve its overall performance and net asset value.

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/recommendeded, a statement to that effect.

No dividend has been declared or recommended for 1H2020 as the Board of Directors deems it appropriate to conserve funds for the Group's business development and further expansion.

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.

No general mandate has been obtained from shareholders for IPTs.

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

To the best of their knowledge and belief, nothing has come to the attention of the Board of Directors which may render the unaudited half-year results of the Group for the financial period ended 30 June 2020 to be false or misleading in any material aspect.

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

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

16. Disclosure on the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of the proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed.

Not applicable.

BY ORDER OF THE BOARD
Leo Peng Weile
Executive Director
13 August 2020