

SINCAP GROUP LIMITED

(Incorporated in the Republic of Singapore)
Co. Reg. No.201005161G

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020

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PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER ("FY") 2020

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		
	Unaudited FY 2020 RMB'000	Audited FY 2019 RMB'000	% Change Increase/ (Decrease)
Revenue	24,553	330,693	(93)
Cost of Sales	(23,279)	(314,310)	(93)
Gross Profit	1,274	16,383	(92)
Other Income	2,056	11	n.m.
Administrative Expenses	(6,921)	(9,606)	(28)
Finance Costs	(213)	(1,701)	(87)
Other expenses	(1,831)	(1,084)	69
(Loss)/profit before income tax	(5,635)	4,003	n.m.
Income Tax Credit/(Expense)	1,033	(1,733)	n.m.
(Loss)/profit for the year	(4,602)	2,270	n.m.
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit and loss:			
Currency translation differences arising on consolidation	(13,289)	4,307	n.m.
Total comprehensive income for the year	(17,891)	6,577	n.m.
(Loss)/profit attributable to:			
Equity holders of the Company	(4,601)	2,267	n.m.
Non-controlling interests	(1)	3	n.m.
	(4,602)	2,270	n.m.
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company	(17,887)	6,573	n.m.
Non-controlling interests	(4)	4	n.m.
	(17,891)	6,577	n.m.

1(a)(ii) Profit, net of tax, is arrived at after (charging)/crediting the following:

	Group		
	Unaudited FY 2020 RMB'000	Audited FY 2019 RMB'000	% Change Increase/ (Decrease)
After crediting:			
Depreciation of plant and equipment	(209)	(237)	(12)
Foreign exchange loss	(864)	(1,084)	(20)
Interest expenses	(213)	(1,701)	(87)
Interest income	2,056	11	n.m.
Impairment loss of financial assets	(971)	-	n.m.

n.m.: denotes not meaningful

1(b)(i) A statement of financial position (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	Unaudited 31.12.2020 RMB'000	Audited 31.12.2019 RMB'000	Unaudited 31.12.2020 RMB'000	Audited 31.12.2019 RMB'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	259	469	259	469
Goodwill	13,066	14,725	-	-
Investments in subsidiaries	-	-	129,664	138,543
Total Non-Current Assets	<u>13,325</u>	<u>15,194</u>	<u>129,923</u>	<u>139,012</u>
<u>Current Assets</u>				
Trade and other receivables	205,660	252,070	63,683	70,374
Bank and cash balances	930	8,426	279	262
Total Current Assets	<u>206,590</u>	<u>260,496</u>	<u>63,962</u>	<u>70,636</u>
Total Assets	<u>219,915</u>	<u>275,690</u>	<u>193,885</u>	<u>209,648</u>
EQUITY AND LIABILITIES				
<u>Equity</u>				
<u>Equity</u>				
Share capital	203,930	203,930	203,930	203,930
Accumulated profits/(losses)	9,779	14,380	(43,134)	(42,129)
Currency translation reserve	(10,722)	2,563	(3,433)	7,291
Equity, attributable to equity holders of the Company	<u>202,987</u>	<u>220,873</u>	<u>157,363</u>	<u>169,092</u>
Non-controlling interests	40	45	-	-
Total Equity	<u>203,027</u>	<u>220,918</u>	<u>157,363</u>	<u>169,092</u>
<u>Non-Current Liabilities</u>				
Borrowings	1,793	13,224	1,014	13,224
Total Non-Current Liabilities	<u>1,793</u>	<u>13,224</u>	<u>1,014</u>	<u>13,224</u>
<u>Current Liabilities</u>				
Trade and other payables	8,581	39,136	29,002	26,710
Borrowings	6,506	549	6,506	549
Income tax payable	8	1,863	-	73
Total Current Liabilities	<u>15,095</u>	<u>41,548</u>	<u>35,508</u>	<u>27,332</u>
Total Liabilities	<u>16,888</u>	<u>54,772</u>	<u>36,522</u>	<u>40,556</u>
Total Equity and Liabilities	<u>219,915</u>	<u>275,690</u>	<u>193,885</u>	<u>209,648</u>

1(b)(ii) In relation to the aggregate amount of the Group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

	Group	
	Unaudited	Audited
	31.12.2020	31.12.2019
	RMB'000	RMB'000
Payable in one year or less, or on demand		
Secured		
Obligation under finance leases (a)	228	211
Convertible bonds	5,956	-
Unsecured		
Term loan	322	338
	6,506	549
Payable after one year		
Secured		
Obligation under finance leases (a)	72	296
Convertible bonds	-	12,928
Unsecured		
Term loan	1,721	-
	1,793	13,224
TOTAL	8,299	13,773

Details of any collateral

- a) The obligations under finance leases are secured by charges of the lessors (banks) over the leased assets of the Group.

Note on the Bonds:

The unsecured Bonds refer to the bond issued by the Company as consideration for its purchase of 48.97% of the issued and paid-up share capital of Orion Energy Resources Pte. Ltd ("Orion"). Please refer to the Company's announcements dated 27 November 2018 and 19 December 2018, as well as the Appendix to the Company's 2018 Annual Report dated 15 April 2019 for further details relating to the Bonds. As at 31 December 2020, the Company had redeemed RMB57.0 million, which is approximately S\$11.2 million of the Bond through cash payment (the amounts reflected here are approximate and are calculated based on USD foreign exchange rates as at date of redemption). There has been no redemption of the Bond in new ordinary shares of the Company since the date of their issue.

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

	Group	
	Unaudited FY 2020 RMB'000	Audited FY 2019 RMB'000
<u>Cash flows from operating activities</u>		
(Loss)/profit before tax	(5,635)	4,003
Adjustments for:		
Interest income	(2,056)	(1)
Interest expense	235	1,701
Depreciation of property, plant and equipment	209	237
Provision for impairment	971	-
Operating cash flows before working capital changes	<u>(6,276)</u>	<u>5,940</u>
Receivables	33,313	6,655
Payables	(29,636)	33,483
Currency translation adjustments	1,584	228
Cash (used in)/generated from operations	<u>(1,015)</u>	<u>46,306</u>
Income tax paid	(800)	(1,200)
Net cash (used in)/generated from operating activities	<u>(1,815)</u>	<u>45,106</u>
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(18)	(39)
Interest received	-	1
Net cash flows used in investing activities	<u>(18)</u>	<u>(38)</u>
<u>Cash flows from financing activities</u>		
Interest paid	(235)	(1,701)
Repayment of lease liability	(185)	(192)
Repayment of bonds	(6,822)	(47,886)
Loan from Director	1,721	-
Net cash flows used in financing activities	<u>(5,521)</u>	<u>(49,779)</u>
Net decrease in cash and cash equivalents	(7,354)	(4,711)
Cash and cash equivalents, beginning balance	8,426	13,000
Effects of exchange rate changes on cash and cash equivalents	(142)	137
Cash and cash equivalents, ending balance	<u>930</u>	<u>8,426</u>

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

Group

	Share capital	Accumulated (losses)/profits	Translation reserve	Attributable to equity holders of the Company	Non- controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2020	203,930	14,380	2,563	220,873	45	220,918
Loss for the year	-	(4,601)	-	(4,601)	(1)	(4,602)
<i>Other comprehensive income/(loss)</i>						
Currency translation differences arising on consolidation	-	-	(13,285)	(13,285)	(4)	(13,289)
Total comprehensive income for the financial year	-	(4,601)	(13,285)	(17,886)	(5)	(17,891)
As at 31 December 2020	203,930	9,779	(10,722)	202,987	40	203,027
As at 1 January 2019	203,930	12,113	(1,743)	214,300	41	214,341
Profit for the year	-	2,267	-	2,267	3	2,270
<i>Other comprehensive income/(loss)</i>						
Currency translation differences arising on consolidation	-	-	4,306	4,306	1	4,307
Total comprehensive income for the financial year	-	2,267	4,306	6,573	4	6,577
As at 31 December 2019	203,930	14,380	2,563	220,873	45	220,918

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

Company

	Share capital	Accumulated (losses)/profits	Currency translation reserve	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2020	203,930	(42,129)	7,291	169,092
Loss for the period	-	(1,005)	-	(1,005)
Other comprehensive loss				
Currency translation differences arising from translation into the presentation currency	-	-	(10,724)	(10,724)
Total comprehensive income for the year	-	(1,005)	(10,724)	(11,729)
As at 31 December 2020	203,930	(43,134)	(3,433)	157,363
As at 1 January 2019	203,930	(35,284)	5,048	173,694
Loss for the period	-	(6,845)	-	(6,845)
Other comprehensive income				
Currency translation differences arising from translation into the presentation currency	-	-	2,243	2,243
Total comprehensive loss for the year	-	(6,845)	2,243	(4,602)
As at 31 December 2019	203,930	(42,129)	7,291	169,092

1(d)(ii) Details of any changes in the company's share capital arising from rights issues, bonus shares, shares buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issues 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 of the issuers, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

There was no change in the Company's share capital since the year ended 31 December 2019 and the Company has no outstanding convertibles as at 31 December 2020 (as at 30 June 2020: Nil) (as at 31 December 2019: Nil). The Company has no treasury shares or subsidiary holdings as at 31 December 2020 (as at 30 June 2020: Nil) (as at 31 December 2019: Nil).

On 19 December 2018, the Company issued a bond denominated in Singapore Dollars with a principal amount of S\$12.0 million as the consideration for the acquisition of additional interest in Orion (the "Bond"). The Bond will mature on 19 December 2021 but may be redeemed before maturity at the Company's option. Please refer to the Company's announcement dated 27 November 2018 and 19 December 2018. Please refer to the Appendix to the Company's 2018 Annual Report for further details relating to the Bonds.

There were no treasury shares as at 31 December 2020 and 31 December 2019 respectively.

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

	<u>Company</u>	
	31.12.2020	31.12.2019
Number of ordinary shares in issue	<u>1,701,000,410</u>	<u>1,701,000,410</u>

The Company did not hold any treasury shares as at 31 December 2020 and 31 December 2019.

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

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

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

The figures have neither been audited nor reviewed by the Company's auditors.

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

Not applicable. The figures have neither been audited nor reviewed by the Company's auditors.

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: (a) updates on the efforts taken to resolve each outstanding audit issue. (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

a) Please refer to the following updates on the qualified opinion that rendered in the latest audited financial statements:

1. Trade Receivables

Artwell has committed to a fixed minimum monthly repayment of US\$1 million under a repayment schedule starting 28 March 2020 (the "Repayment Schedule") until the outstanding trade receivables balances (the "Outstanding Amount") is settled in full. The outstanding amount bears an interest of 7.5% per annum. Artwell has managed to meet the minimum repayment amount committed to under the Repayment Schedule up to August 2020. Artwell has repaid US\$6.7 million since March 2020, the outstanding amount as at 31 December 2020 is US\$25.6 million. As announced on 4 December 2020, the Board had on 3 December 2020, granted an extension of time to Artwell (the "Extension of Time") regarding its payment under the Repayment Schedule due to the Covid-19 pandemic which caused a delay in Artwell's shipment. Under the Extension of Time, repayments from September 2020 onwards have been deferred and Artwell has agreed to repay US\$6 million upon the resumption of its repayment in April 2021. Thereafter, Artwell will continue to pay at least US\$1 million until all Outstanding Amounts, including interest, have been settled. The Executive Chairman and CEO continues to maintain close contact with Artwell Board to understand their financial situation and based on his representations, the Board is of the view that at present, there is no indication of default by Artwell.

2. Valuation of Bond

In order to satisfy the auditor as to the valuation and carrying value of the Bond at initial recognition and as at 31 December 2020, there is a need to engage professional valuer service. The Company has decided that it would not be economically beneficial to the Company to perform the valuation,

given that substantial amount of the Bond had been redeemed in FY2019 and FY2020 via cash and the Company intends to resolve this issue by fully redeeming the Bond in cash.

b) The board confirms that the impact of all outstanding audit issues has been adequately disclosed.

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

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting financial year as in the audited financial statements for the financial year ended 31 December 2019, except for the adoption of the amendments and interpretations of the Singapore Financial Reporting Standards (International) ("SFRS(I)") which are effective for annual financial periods beginning on or after 1 January 2020.

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

The Group and the Company have adopted all the amendments and interpretations of the Singapore Financial Reporting Standards (International) ("SFRS(I)") which are effective for annual financial periods beginning on or after 1 January 2020, as mentioned in Paragraph 4 above. The adoption has no material impact on the financial statements of the Group and the Company for the financial year reported on and prior reporting periods.

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

	Unaudited FY 2020	Audited FY 2019
For continuing and discontinued operations		
<u>Earnings per share ("EPS" or "LPS") (RMB cents)</u>		
on weighted average number of ordinary shares	(0.27)	0.13
on fully diluted basis	(0.27)	0.13
<u>Net profit attributable to shareholders (RMB'000) used to compute</u>		
basic EPS/LPS	(4,601)	2,267
diluted EPS/LPS	(4,601)	2,267
<u>Weighted average number of ordinary shares in issue used to compute</u>		
basic LPS/EPS	1,701,000,410	1,701,000,410
diluted LPS/EPS	1,701,000,410	1,701,000,410

Note:

- (1) The calculation for the basic and diluted EPS is based on the weighted average number of ordinary shares in issue during the respective financial periods.
- (2) The basic and diluted EPS and LPS for FY2020 and FY2019 respectively were the same as there were no potentially dilutive securities in issue for the respective financial period.

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

	<u>Group</u>		<u>Company</u>	
	Unaudited 31.12.2020	Audited 31.12.2019	Unaudited 31.12.2020	Audited 31.12.2019
Net asset value per ordinary share based on existing issued share capital as at the end of period (RMB cents)	11.93	12.98	9.25	9.94
Net asset value as at the end of the period (RMB'000)	202,987	220,873	157,363	169,092
Number of ordinary shares in issue at the end of the period	1,701,000,410	1,701,000,410	1,701,000,410	1,701,000,410

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

8(a). REVIEW OF CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Revenue

The Group's revenue decreased by RMB306.1 mil or 93%, from RMB330.7 mil in FY2019 to RMB24.6 mil in FY2020, which was mainly due to the outbreak of coronavirus (Covid-19) pandemic. The pandemic has restricted the supply chains of coal to China, making it harder for shippers to find vessels to deliver coal to China. Uploading cargoes at China's ports and transporting them to end-user also face severe disruption. Customers are also delaying the shipment as there are less demand in production due to Covid-19. In addition, the Indonesian government has restricted the export of high-quality coal, whereas China is demanding the import of high-quality coal, causing a mismatch in supply and demand,

Gross profit and gross profit margin

The Group recorded a gross profit of RMB1.3 mil, a significant decrease by 92% as compared to FY2019 results of RMB16.3 mil. The decrease in gross profit is in line to the decrease in revenue.

Consequently, the Group's overall gross profit margin of 5.2% for FY2020 remain the same level as recorded in FY2019 of 5.0%. For FY2020, most of contracts year to date are on spot basis which is closer to market price.

Other income

The Group's other income in FY2019 was mainly derived from government grant, while the other income in FY2020 is mostly derived from interest charged on the Richardson Loan and the outstanding Artwell trade receivables amounting to approximately RMB1.0 million and RMB1.1 million respectively as per agreement. However, the interest due from Richardson amounting to approximately RMB1.0 million has been impaired and subsumed under "Other expenses". Such impairment is due to the uncertainties regarding the ability of Richardson to repay their interest amounts as their repayment of current outstanding debts is slow.

Other items of expenses

Administrative expenses decreased by 28%, from FY2019 results of RMB9.6 mil to RMB6.9 mil in FY2020. The decrease is mainly due to decrease in professional fees incurred and reduced business activities due to the pandemic.

Finance costs of RMB0.2mil in FY2020 decreased by 87%, as compared to FY2019 results of RMB1.7mil. The decrease is due to reduce in interest expense relating to large proportion of the Bond had been redeemed as at FY2020.

Other expenses has increased by 68%, from FY2019 results of RMB1.1 mil to RMB1.8 mil in FY2020. The increase is mainly due to the impairment of interest amounting to approximately RMB1.0 mil from Richardson loan as stated in "Other income". The remaining balance pertains to foreign exchange loss which decreased from RMB1.0 million in FY2019 to RMB0.86 million due to a fall in exchange rate from USD to RMB of approximately 600 basis points.

Income tax

The Group not incurred income tax expenses in FY2020 as compared to the RMB1.7 mil incurred in FY2019, mainly due to lower profits from its operating subsidiary, Orion Energy Resources Pte. Ltd. ("Orion").

8(b). REVIEW OF THE STATEMENTS OF FINANCIAL POSITION

The Group recorded positive working capital of RMB191.5 million as at 31 December 2020, as compared to RMB218.9 million as at 31 December 2019.

The Group's equity attributable to holders of the Company decreased by RMB17.9 million, from RMB220.9 million as at 31 December 2019 to RMB203.0 million as at 31 December 2020. The decrease was mainly due to loss incurred during the year and increase in currency translation reserve.

Non-current assets

Non-current assets decreased by RMB0.7 million, from RMB15.2 million as at 31 December 2019 to RMB13.3 million as at 31 December 2020 due to depreciation of plant and equipment and revaluation of goodwill which arose from the Company's acquisition of Orion.

Current assets

Current assets decreased by RMB53.9 million from RMB260.5 million as at 31 December 2019 to RMB206.6 million as at 31 December 2020. This was mainly due to decrease in trade receivables by RMB47.3 million and decrease in bank and cash balances of RMB7.5 million as a result of Bond repayments.

Non-current liabilities

Non-current liabilities decreased by RM11.4 million, from RMB13.2 million as at 31 December 2019 to RMB1.8 million as at 31 December 2020, mainly due to Bond repayments and the remaining balance reclassified to current liabilities as it will due within 12 months. Included in non-current liabilities also a loan from director amounted to RMB 1.7 million.

Current liabilities

Current liabilities decreased by RMB24.6 million, from RMB41.5 million as at 31 December 2019 to RMB16.9 million as at 31 December 2020. The decrease was mainly due to decrease of RMB28.8 million in trade and other payables which is in line with the decrease of thermal coal purchase.

8(c). REVIEW OF THE STATEMENT OF CASH FLOWS

In FY2020, the net cash used in operating activities before changes in working capital was RMB6.3 million. The net working capital outflow of RMB5.3 million was mainly due to (i) an increase of RMB33.3 million in trade and other receivables, due to repayments from customers and (ii) a decrease of RMB29.6 million in

trade and other payables, due to payments made to suppliers. This resulted in net cash used in operating activities of RMB1.8 million.

In FY2020, the net cash used in financing activities amounted to RMB5.5 million, mainly due to Bond repayments. The interest paid in FY2020 was RMB0.2 million (2019: RMB1.7 million). The fall is due to the Group has redeemed a major portion of bond in FY2020.

As a result of the above, cash and cash equivalents stood at RMB0.9 million as at 31 December 2020.

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

Not applicable. No forecast or a prospect statement had been previously disclosed to shareholder.

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

The Group's revenue decreased drastically by 93% to RMB24.6 million and recorded a loss after tax at RMB5.7 million in FY2020 due to the coronavirus (Covid-19) pandemic.

The pandemic hit China in February 2020, and subsequently worldwide, disrupted the supply chains of coal to China. Due to the pandemic, there is also less demand in the production, customers had requested to put on hold some of the shipments and delayed to next financial year, while monitoring the Covid-19 situation due to fear of second outbreak. In addition, the Indonesian government has restricted higher quality coal to export out, whereas China is demanding high quality coal and caused a mismatch in supply and demand. However, the Group expects a better sales performance for the next 12 months as the Group have received quotation request from new customers. Furthermore, to further address the uncertainties of the Covid-19 pandemic, the Group will continue to look for the right opportunities to diversify its business and revenue streams. This could happen through further acquisitions, investments or the starting of new businesses. It is important that the Group stays diversified so that it will be able to ride any potential storm that comes its way. Meanwhile, the Company is controlling its expense tightly to minimize cash outflow and place itself in a safe financial position.

The operating subsidiary of the Group, Orion Energy Resources Pte. Ltd. ("Orion") had noticed slow repayment from its major customers, Artwell Minerals Resources Pte Ltd ("Artwell"). Mr Chu Min Fang, the brother of Mr Chu Ming Kin (Chairman and Chief Executive Officer), owns the entire shareholding in Artwell. Accordingly, Artwell is an interested person of the Group, pursuant to Catalist Listing Rule 904.

As at 31 December 2020, the outstanding balance of Artwell is sitting at RMB167.3 million (equivalent to USD25.6 million) (as at December 2019: RMB225.3 million (equivalent to USD32.3 million)). The debt balance is wholly related to trade transactions (sales of coals) in the Company's ordinary course of business and thus is not secured as with debts with other unrelated customers.

The Group has stopped further dealings with Artwell for FY2020. Amounts due from Artwell will be collected in accordance with a repayment schedule starting 28 March 2020. Up till August 2020, the Company had been receiving payment from Artwell consistently and timely as per the repayment schedule. On 3 December 2020, the Board granted Artwell an extension of time regarding its repayment under the repayment schedule. A total sum of US\$6 million will be paid to Orion upon the resumption of repayment by 28 April 2021. Thereafter, Artwell will continue to make repayments of at least US\$1 million payment to Orion monthly as per the repayment schedule. With reference to the announcement dated 17 April 2020, Mr Chu Ming Kin, Chen Jianming, Huang Qingquan, Sze Wai Bun Raymond, Wang Xiaoling and Zhu Shiyan (collectively, the "Supporting Shareholders") has provided letters of undertaking to the Company to provide continuous financial support to the Group to ensure that the Group is able to meet its obligations as and when they fall due.

Nevertheless, the Company is closely monitoring the development of the Covid-19 situation and has been in close contact with both the management and board of Artwell, in order to be responsive and will make any material announcements on material developments accordingly.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No interim or final ordinary dividend has been declared or recommended.

(b) (i) Amount per share

Not applicable.

(ii) Previous corresponding period

No dividend had been declared in the previous corresponding period.

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

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend has been declared or recommended for FY2020 as the Board of Directors of the Company deems it appropriate to retain the cash for the Group's working capital expenditure and for the Group's future growth.

13. Aggregate value of all Interested Person Transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual Section B: Rules of Catalist

Particulars of interested person transactions ("IPTs") for the period 1 January 2020 to 31 December 2020

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) RMB'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) RMB'000
Sales: Artwell Minerals Resources Company Limited	Nil	Nil

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUCEMENT

14. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediate preceding year

Group	Coal products	Property development	Others	Eliminations	Group
FY2020	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue by Segment	24,553	-	-	-	24,553
Total revenue	24,553	-	-	-	24,553
Recurring EBITA	(5,312)	(514)	-	-	(5,826)
Depreciation and amortisation	-	-	(209)	-	(209)
ORBIT	(5,312)	(514)	(209)	-	(6,035)
Other income	1,085	971	5,256	(5,256)	2,056
Finance costs					(213)
Unallocated corporate expenses					(1,443)
Loss before income tax					(5,635)
Income tax expenses					1,033
Loss, net of tax					(4,602)
Assets and Reconciliation					
Total assets for reportable segment	216,707	2,414	-		219,121
Unallocated:					
Property, plant and equipment			259		259
Other receivables					-
Other assets, current			68		68
Cash and cash equivalents			467		467
Total group assets	216,707	2,414	794		219,915
Liabilities and Reconciliation					
Total liabilities for reportable segme	5,099	83	-		5,182
Unallocated:					
Income tax payables			8		8
Trade and other payables			4,178		4,178
Borrowings			7,520		7,520
	5,099	83	11,706		16,888

Group	Coal products	Property development	Others	Eliminations	Total
FY2019	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue by Segment	330,693	-	-	-	330,693
Total revenue	330,693	-	-	-	330,693
Recurring EBITA	11,045	(125)	-	-	10,920
Depreciation and amortisation	-	-	(237)	-	(237)
ORBIT	11,045	(125)	(237)	-	10,683
Other income	-	-	3,798	(3,787)	11
Interest income	-	-	1	-	1
Finance costs	-	-	(1,701)	-	(1,701)
Unallocated corporate expenses					(4,991)
Profit before income tax					4,003
Income tax expenses					(1,733)
Profit, net of tax					2,270
Assets and Reconciliation					
Total assets for reportable segment	270,260	4,368	-	-	274,628
Unallocated:					
Plant and equipment			469		469
Other receivables					
Other assets, current			134		134
Cash and cash equivalents			459		459
Total group assets	270,260	4,368	1,062		275,690
Liabilities and Reconciliation					
Total liabilities for reportable segment	36,342	96	-	-	36,438
Unallocated:					
Income tax payables			1,863		1,863
Trade and other payables			2,698		2,698
Borrowings			13,773		13,773
	36,342	96	18,334		54,772

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

The Covid-19 pandemic over the past financial year has resulted in China, the country of our Group's major customers, reinstating movement and travel restrictions. Such restrictions have adversely affected many businesses including our customers and the impact is expected to linger. In addition, the Indonesian government has restricted the export of high-quality coal, whereas China is demanding the import of high-quality coal, causing a mismatch in supply and demand. This in turn, cause the Group's revenue fall drastically. The Group will monitor closely its financial position and prime itself to take advantage of the opportunities that may possibly arise from economic recovery.

Please refer to paragraph 8 for further details.

16. A breakdown of sales

	Group Year ended		% Change Increase/ (Decrease)
	31-Dec-20 RMB'000	31-Dec-19 RMB'000	
(a) Sales reported for the first half year	24,553	226,625	(89)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	535	3,865	(86)
(c) Sales reported for the second half year	-	104,068	(100)
(d) Operating (loss)/profit after tax before deducting non-controlling interests for second half year	(5,137)	(1,595)	n.m.

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

- (a) Ordinary
- (b) Preference
- (c) Total

Not applicable. No dividend has been declared or recommended for the financial year ended 31 December 2020 and 31 December 2019.

18. Disclosure of person occupying managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below.

Pursuant to Rule 704(10) of the Listing Manual, none of the employees occupying managerial positions in the Company or any of its principal subsidiaries are relatives of the Director or Chief Executive Officer or substantial shareholders of the Company.

19. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Listing Manual.

The Company hereby confirms that it has procured signed undertakings from all its directors and relevant executive officers in the format as set out in Appendix 7H of the Listing Manual in accordance with Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Chu Ming Kin
*Executive Chairman and
Chief Executive Officer*

1 March 2021