

The Independent Director, Mr Tang Chun Meng (“Singapore ID”), of China Haida Ltd. is pleased to announce the unaudited consolidated results of the Group for the period ended 30 June 2020 (“HY2020”).

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. To the best of its knowledge, the Company’s wholly-owned subsidiary, Jiangyin Litai Ornamental Materials Co., Ltd (“Litai”) has not fully resumed operations and work to date (in particular, its key management and finance personnel). From 31 July 2020, the employees of Litai have been ordered not to return to work and Litai’s operations have been temporarily halted. Litai finance team has since stopped reporting to the CFO, Ms Chan Lai Yoke (“CFO”), and the CEO of the Company, Mr Xu Youcai, has not been responsive to queries raised by the CFO and the Singapore ID. The Chinese government has also implemented travel restrictions on foreign travelers.

Accordingly, the Singapore team comprising the Singapore ID, the CFO and the Singapore finance team (“Singapore Team”) have been unable to obtain all relevant and pertinent information, documents and/or explanations from Litai to accurately complete and finalise the financial statements of the Group for HY2020 (“HY2020 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 Company and Litai (the “Group”) for the financial year ended 31 December 2019.

Consequently, the Singapore Team is constrained to prepare and report the HY2020 Financial Results to the best of its knowledge using financial figures obtained from Litai in July 2020. The Singapore Team is therefore unable to ascertain whether the figures provided by Litai is false or misleading in any material aspect. The Singapore ID has also called for three board meetings to try to address this issue to no avail as there were no quorum due to no other directors attending the board meetings.

In light of the above, the HY2020 Financial Results was not reviewed by the Board and the Singapore ID is unable to provide negative assurance confirmation on the HY2020 Financial Results pursuant to Rule 705(5) of the Listing Manual. **Shareholders and potential investors are advised to read or use the HY2020 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 HY2020 Financial Results is subsequently available.

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, & Q3) HALF-YEAR AND FULL YEAR RESULTS
1(a) A statement of profit or loss and other comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

合并利润报表

(Amounts expressed in thousands of Chinese
Renminbi ("RMB") currency)

These figures have not been audited

		THE GROUP		
		1 Jan 20 to 30 Jun 20 HY2020	1 Jan 19 to 30 Jun 19 HY2019	Variance Increase / (Decrease)
		RMB'000	RMB'000	%
Revenue	销售收入	23,298	96,741	(75.9)%
Cost of sales	销售成本	(25,359)	(87,279)	(70.9)%
Gross (loss)/profit	毛利	(2,061)	9,462	(121.8)%
Gross (loss)/profit margin	毛利率	-8.8%	9.8%	(18.6)%
Other operating income	其他收入	217	738	(70.6)%
Selling and distribution expenses	营业费用	(1,036)	(2,521)	(58.9)%
Administrative expenses	管理费用	(10,158)	(8,865)	14.6 %
Loss from operations	营业亏损	(13,038)	(1,186)	999.4 %
Finance costs	财务费用	(388)	(530)	(26.8)%
(Allowance)/write back of impairment loss on financial asset, net	(计提)/冲回金融资产减值	(46,614)	785	(6,038.1)%
Loss before taxation	税前亏损	(60,040)	(931)	6,349.7 %
Taxation	所得税	-	-	NM
Loss after taxation	税后亏损	(60,040)	(931)	6,349.7 %
Other comprehensive (loss)/income:	其他亏损/收入:			
Currency translation differences	汇兑损益	(63)	30	(310.0)%
Total comprehensive loss attributable to equity holders of the company	股东应承担总亏损	(60,103)	(901)	6,571.4 %

Explanatory Notes
A Loss before taxation

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

		THE GROUP	
		1 Jan 20 to 30 Jun 20 HY 2020	1 Jan 19 to 30 Jun 19 HY 2019
		RMB '000	RMB '000
	Note		
Other Operating income:	其他收入		
- Interest income on bank deposits	利息收入	36	34
- Sales of scraps and raw materials	(1) 废料收入	-	455
- Government grant / incentive	(2) 政府津贴	139	249
- Others	其他	42	-
		217	738
Foreign exchange loss - net	外汇亏损	(50)	(33)
Interest expenses	(3) 利息费用	(388)	(521)
(Allowance)/write back of impairment loss on financial asset, net	(4) 金融资产损失减值	(46,614)	785
Amortisation of lease prepayments	分摊预付土地使用费	(150)	(150)
Depreciation of property, plant and equipment (PPE)	(5) 固定资产折旧费	(2,573)	(2,900)
Loss on disposal of PPE	固定资产处置亏损	(181)	-
PPE written off	冲销固定资产	(30)	-

Note

(1) This was no sale of scraps and raw materials for the current period.

(2) This comprised of the following:

	The Group	
	HY2020 RMB'000	HY2019 RMB'000
- Government grant to our wholly-owned subsidiary, Jiangyin Litai Ornamental Materials Co., Ltd. ("Litai") by Jiangyin Province	-	249,000
- an employment credit incentive given by the Singapore government	139,000	-
Total	139,000	249,000

(3) Interest expense for HY2020 was lower as compared to HY2019. This was mainly due to higher average short-term bank loans balances in HY2019 as compared to HY2020. The weighted average interest rate of 3.99% per annum remained the same as the previous period.

- (4) For HY2020, there was a net impairment loss on financial assets of approximately RMB46.6 million (HY2019: Write back of impairment loss on financial asset, net of approximately RMB0.8 million), as follows:

	The Group	
	HY2020	HY2019
	RMB'000	RMB'000
Allowance during the financial period:		
- Due from related parties (trade)	(13,937)	-
- Advance payments to a related party (trade)	(26,555)	-
- Other receivables, deposits and prepayments	(6,122)	-
Write back during the financial period	-	785
	(46,614)	785

- (5) Lower depreciation was recorded for HY2020 which was attributed mainly to certain assets which had been fully depreciated during the period under review.

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.

STATEMENTS OF FINANCIAL POSITION 资产负债表

(Amounts expressed in thousands of Chinese

Renminbi ("RMB") currency)

		THE GROUP		THE COMPANY	
		As at 30Jun20 RMB'000	As at 31Dec19 RMB'000	As at 30Jun20 RMB'000	As at 31Dec19 RMB'000
		Unaudited	Audited	Unaudited	Audited
Non-current assets	长期资产				
Property, plant and equipment	(1) 固定资产	36,617	39,781	-	647
Investment in a subsidiary	(2) 子公司投资额	-	-	-	122,500
Lease prepayments	土地使用预付	9,760	10,211	-	-
Current assets	流动资产				
Lease prepayments	土地使用预付	302	-	-	-
Inventories	(3) 存货	30,413	35,013	-	-
Trade and bills receivables	(4) 应收账款+票据	56,362	86,566	-	-
Other receivables, deposits and prepayments	(5) 其他应收款	2,834	4,174	443	157
Advance payments to a related party	(6) 预付款-关联公司	-	25,575	-	-
Due from related parties (trade)	(7) 应收款-关联公司-贸易	-	13,938	-	-
Cash and bank balances	(8) 货币资金-银行存款	5,485	11,536	1,280	4,799
Total current assets	流动资产	95,396	176,802	1,723	4,956
TOTAL ASSETS	资产总计	141,773	226,794	1,723	128,103
Current liabilities	流动负债				
Trade payables	(9) 应付账款	12,017	26,699	-	-
Other payables and accruals	(10) 其他应付款	4,820	10,917	628	1,554
Due to a subsidiary (non-trade)	应付款-子公司(非贸易)	-	-	2,259	2,250
Short-term bank loans	(11) 短期借贷	11,429	13,943	-	-
Contract liabilities	合同责任	1,008	2,633	-	-
TOTAL LIABILITIES	负债总计	29,274	54,192	2,887	3,804
NET ASSETS	净资产	112,499	172,602	(1,164)	124,299
SHAREHOLDERS' EQUITY	股东权益				
Share capital	实收资本	140,543	140,543	140,543	140,543
Statutory reserve fund	盈余公积	23,367	23,367	-	-
Capital reserve	资本备用金	47,946	47,946	-	-
Currency translation reserve	汇兑折算差额	319	382	5,782	9,237
Accumulated losses	未分配亏损	(99,676)	(39,636)	(147,489)	(25,481)
TOTAL EQUITY	股东权益合计	112,499	172,602	(1,164)	124,299

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.

(1) During the period under review, there were disposal and write offs of PPE for the Company with total net book value of approximately RMB0.6 million. Lower fixed assets were recorded in HY2020 due mainly to depreciation of PPE and the disposal and write-offs of certain PPE during the period. As of the date of this announcement, while it is noted that there are some impairment indicators, the Company is unable to ascertain whether there is indeed an impairment on these assets, and if so, the appropriate quantum for such impairment given the limitations noted in the prelude of this announcement.

(2) Allowance for impairment in value of investment in a subsidiary of the Company has been fully provided, as follows:

	The Company	
	As at 30.06.2020	As at 31.12.2019
	RMB'000	RMB'000
Investment in a subsidiary, unquoted equity shares at beginning of period/year	122,500	119,342
Translation differences	(3,396)	3,158
	<u>119,104</u>	<u>122,500</u>
Less: Allowance for impairment of investment in subsidiary during the period	(119,104)	-
Investment in a subsidiary, net	<u>-</u>	<u>122,500</u>

(3) As at 30 June 2020, the inventory balance was lower as compared to the balance at the beginning of the period due to the sales of the products by the Group. The business of the Group may have been adversely affected by initially stiff competition within the industry, followed by the US-China trade tension, and most recently by COVID-19. This would imply that the inventories may not be subsequently realized at margins normally expected and may even be realized at negative margins, especially given the dire conditions brought by COVID-19 globally. As such, the inventory balance as at 30 June 2020 may need to be written down to the estimated net realizable values. Nevertheless, given the limitations noted in the prelude to this announcement, the Company is unable to determine the quantum of such write-down, if any, as of the date of this announcement.

(4) Trade receivables as at 30 June 2020 was lower as compared to the balance as at 31 December 2019, attributed mainly to the lower sales and collections during the year.

An analysis of trade receivables balances is as follows:

	The Group	
	As at 30.06.2020	As at 31.12.2019
	RMB'000	RMB'000
Trade receivables (Third parties), gross	89,920	119,809
Less: Allowance for impairment of trade receivables *	(33,558)	(33,558)
	<u>56,362</u>	<u>86,251</u>
Add: Bills receivables	-	315
Trade receivables (Third parties), net	<u>56,362</u>	<u>86,566</u>

While the Company has made allowance for impairment on trade receivables totaling approximately RMB33.6 million based on the information available as of the date of this announcement, such an impairment allowance may be insufficient if the credit worthiness of the currently unimpaired customers were to adversely deteriorate as a result of COVID-19. The Company is unable to ascertain this in the light of the limitations stated above.

- (5) An analysis of other receivables, deposits and prepayments is as follows:

	The Group	
	As at 30.06.2020 RMB'000	As at 31.12.2019 RMB'000
Other receivables, deposits and prepayments, gross	8,956	4,174
Less: Allowance for impairment in other debtors during the period	(6,122)	-
Other receivables, deposits and prepayments, net	2,834	4,174

The increase in other receivables, deposits and prepayments from RMB4.2 million as at 31 December 2019 to RMB8.9 million was mainly due to judicial funds deduction (“司法扣划”) of RMB6.1 million by Sichuan Longquanyi District People’s Court due to related court proceedings as announced by the Company on 8 April 2020, 15 April 2020, 22 April 2020, 20 May 2020, 17 June 2020 and 22 July 2020. As of the date of this announcement, we do not have evidence that the amount is refundable. Accordingly, allowance for impairment has been fully provided.

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

- (6) 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 30.06.2020 RMB'000	As at 31.12.2019 RMB'000
Advance payments to Jiangyin Caitu (trade), gross	52,130	51,150
Less: Allowance for impairment loss *	(52,130)	(25,575)
Advance payments to Jiangyin Caitu (trade), net	-	25,575

Jiangyin Caitu was able to buy in bulk the aluminium sheets/raw materials from the major suppliers within the PRC. However, Litai on its own standing was unable to do so and hence, had to buy via Jiangyin Caitu. In order to secure its orders, Litai would make advance payments to Jiangyin Caitu for the purchase of raw materials. The shareholders’ mandate had been obtained annually to approve this interested person transaction (“IPT”) and the latest being obtained at the last AGM of the Company held on 29 June 2020.

During the period under review, Jiangyin Caitu had not been fulfilling the orders from Litai. Despite numerous follow-ups by Litai, the expected deliveries had not been fulfilled to date. Litai had been monitoring the situation closely and had proposed to demand for the refund of the advances. According to the announcement made by the Company on 20 July 2020, Jiangyin Caitu has been named as co-defendant in legal suits brought by Industrial and Commercial Bank of China Limited (Jiangyin Sub-Branch). On the grounds of prudence, allowance for impairment had been provided fully on the outstanding balance of RMB52.1 million as at 30 June 2020.

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

- (7) As at 30 June 2020 and 31 December 2019, 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 30.06.2020 RMB'000	As at 31.12.2019 RMB'000
Due from related parties (trade), gross	28,017	28,017
Less: Allowance for impairment loss *	(28,017)	(14,079)
Due from related parties (trade), net	-	13,938

Despite numerous attempts by Litai to chase for payments, Jiangyin East-China has not made repayment. The Company is considering to seek legal and professional advice to recover the outstanding sums. According to the announcement made by the Company on 20 July 2020, Jiangyin East-China has been named as co-defendant in legal suits brought by Industrial and Commercial Bank of China Limited (Jiangyin Sub-Branch). On grounds of prudence, allowance for impairment had been provided fully against the amount due from related parties (trade) as at 30 June 2020.

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

- (8) There was a decrease in cash and bank balances of approximately RMB6.1 million for the period ended 30 June 2020. This was due to cash used in operating activities of approximately RMB3.9 million and cash used in financing activities of approximately RMB2.5 million, being offset by net cash generated from investing activities of approximately RMB0.4 million.

Please see cashflow statement for more details.

As per our announcements dated 8 April 2020, 15 April 2020, 22 April 2020, 20 May 2020, 17 June 2020 and 22 July 2020, 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.

- (9) There was a decrease in trade payables of approximately RMB14.7 million for the period ended 30 June 2020. 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 COVID-19.

As per our announcements dated 22 July 2020 and 24 July 2020, a trade supplier, Akzo Nobel Paint (Jiaxin) Co., Ltd (“Akzo”) has filed contractual and/or other legal claims against Litai. As at 30 June 2020, the outstanding balance owing to Akzo amounted to approximately RMB0.9 million.

- (10) There was a decrease in other payables and accruals of approximately RMB6.1 million for the period ended 30 June 2020. This was due mainly to the payment of accrued payroll costs and the reduction in accruals for payroll costs in line with the substantial fall in business activities as a result of COVID-19.

Note: The Group has not provided for any contingent liabilities arising from legal claims against Litai as announced in our announcements dated 8 April 2020, 15 April 2020, 22 April 2020, 20 May 2020, 17 June 2020, 22 July 2020 and 24 July 2020 as the Group does not have sufficient information on these legal claims to estimate the amount of provision required. The Company would provide further updates of the above matter as soon as any material information is or has become available.

- (11) As at 30 June 2020, the short-term bank loan was RMB11.4 million (31 December 2018: RMB13.9 million).

1(b)(ii) Aggregate amount of group’s borrowings and debt securities.

	THE GROUP	
	As at 30 June 2020	As at 31 Dec 2019
	Secured	Secured
	RMB '000	RMB '000
Amount repayable in one year or less, or on demand	11,429	13,943



CHINA HAIDA LTD.

(Incorporated in Singapore on 18 August 2004) Company Registration No. 200410428C
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Details of any collateral

As at 30 June 2020, bank loans totaling RMB11.4 million were secured by leasehold building and land use rights with net carrying amounts of approximately RMB2.73 million and RMB1.12 million respectively (net carrying amounts as at December 2019 were RMB2.88 million and RMB1.13 million respectively). The bank loans were also secured by the personal guarantee of the 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. (HY2019: 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. The Company is also unable to estimate the attendant costs (such as late payment charges, overdue interest, penalties, etc) arising from the non-repayment or non-renewal of the loans. The Company would provide further updates on the repayment and renewal of such loans and guarantees once the relevant information is available.

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.

CONSOLIDATED CASH FLOW STATEMENT 合并流动现金报表 (Amounts expressed in thousands of Chinese Renminbi ("RMB") Currency)	THE GROUP	
	HY2020	HY2019
	RMB'000	RMB'000
Cash flows from operating activities		
Loss before taxation	(60,040)	(931)
Adjustments for:		
Allowance/(write back) of impairment loss on financial asset, net	46,614	(785)
Amortisation of lease prepayment	150	150
Depreciation of PPE	2,573	2,711
Loss on disposal of PPE	181	-
Write off of PPE	30	-
Interest expense	388	530
Interest income	(36)	(34)
Unrealised translation (loss)/gain	(50)	24
Operating (loss)/profit before working capital changes	(10,190)	1,665
Inventories	4,600	517
Trade and bills receivables	30,204	18,702
Other receivables, deposits and prepayments	(4,782)	(846)
Trade payables, contract liabilities and other payables	(22,403)	(407)
Due from related parties (trade)	-	(8,883)
Advance payments to a related party (trade)	(980)	(16,845)
Cash used in operations	(3,551)	(6,097)
Interest paid	(388)	(530)
Interest received	36	34
Net cash used in operating activities	(3,903)	(6,593)
Cash flows from investing activities		
Purchase of property, plant and equipment	(16)	(276)
Proceed from disposal of property, plant and equipment	382	-
Net generated from/(cash used) in investing activities	366	(276)
Cash flows from financing activities		
Proceeds from short-term bank loans	-	22,000
Repayment of short-term bank loans	(2,514)	(22,000)
Net cash used in financing activities	(2,514)	-
Net decrease in cash and cash equivalents	(6,051)	(6,869)
Cash and cash equivalents at beginning of period	11,536	25,023
Cash and cash equivalents at end of period	5,485	18,154

STATEMENTS OF CHANGES IN EQUITY
(Amount expressed in thousands of Chinese Renminbi ("RMB") currency).

- 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.**

Attributable to equity holders of the Company

GROUP	Share	Statutory	Capital	Currency	Accumulated	Total
	capital	reserve	reserve	translation	losses	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
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
Balance as at 1.1.2019	140,543	23,367	47,946	244	11,173	223,273
Total comprehensive loss for the period	-	-	-	30	(931)	(901)
Balance as at 30.6.2019	140,543	23,367	47,946	274	10,242	222,372

COMPANY	Share	Currency	Accumulated	Total
	capital	translation	losses	
	RMB'000	RMB'000	RMB'000	RMB'000
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)
Balance as at 1.1.2019	140,543	5,955	(22,240)	124,258
Total comprehensive loss for the period	-	(3,944)	2,235	(1,709)
Balance as at 30.6.2019	140,543	2,011	(20,005)	122,549

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

There was no change in the issued and paid-up share capital of the Company since the previous financial period ended 30 June 2019. 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 2020 and 30 June 2019 respectively. The Company has no outstanding convertibles, no treasury shares and no subsidiary holdings as at 30 June 2020 and 30 June 2019.

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

	THE COMPANY	
	As at 30 Jun 2020	As at 30 Jun 2019
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

1(d)(iv) 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.

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. The Company has no subsidiary holdings.

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

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

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

Not applicable.

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 applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in the latest annual audited financial statements for the financial year ended 31 December 2019 except as described in section 5 below.

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

The Group has adopted all the new Singapore Financial Reporting Standards (International) ("SFRS(I)") and the related interpretations to SFRS(I) that are relevant to the Group and effective for the financial period beginning on or after 1 January 2020. The adoption of these framework did not result in changes to our Group's accounting policies and has no material effect on the amounts reported for the current or prior 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, after deducting any provision for preference dividends.

	THE GROUP	
	1 Jan 2020 to 30 Jun 2020	1 Jan 2019 to 30 Jun 2019
Loss after taxation / 净亏损 (RMB '000)	(60,040)	(931)
Weighted average number of ordinary shares on issue applicable to earnings / 普通股总计	254,880,660	254,880,660
Loss per ordinary share (RMB cents)/每股亏损 (分) - Basic & Diluted / 基本和稀释	(23.6)	(0.4)

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 2020	As at 31 Dec 2019	As at 30 Jun 2020	As at 30 Dec 2019
Net assets/(liabilities) (RMB'000) / 净资产	112,499	172,602	-1,164	124,299
Net assets/(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)	44.1	67.7	-0.5	48.8

Net asset value per ordinary share was calculated based on the 254,880,660 issued ordinary shares excluding treasury shares as at 30 June 2020 and 31 December 2019 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
(c) 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
A Consolidated Comprehensive Statement of Income (HY2020 vs HY2019)
(i) Revenue

Compared to HY2019, the Group's total revenue for HY2020 fell approximately 75.9% or RMB73.4 million, from RMB96.7 million to RMB23.3 million attributed mainly to shut down of production plant of Litai during COVID-19 lockdown in the PRC. Litai has not fully resumed operations after the lock down.

(ii) Gross Profit

Due to the poor business environment and COVI-19 lockdown in the PRC and overseas, gross profit turned negative in HY2020. Gross loss from sales was RMB2.1 million for HY2020 as compared with gross profit from sales of RMB9.5 million for HY2019.

Gross profit margin turned negative to -8.8% for HY2020 from 9.8% in HY2019 due primarily to the poor business environment.

(iii) Operating Expenses

Total operating expenses decreased marginally by approximately 1.7% or RMB0.2 million from approximately RMB11.4 million in HY2019 to RMB11.2 million in HY2020.

With lower revenue, selling and distribution expenses decreased by approximately RMB1.5 million or 58.9%, from RMB2.5 million to RMB1.0 million. The decrease was attributed mainly to the lower salary expenses and lower cost of shipment.

Administrative expenses increased by approximately RMB1.3 million or 14.6%, from RMB8.9 million to RMB10.2 million. The increase was attributed mainly to the litigation expenses of RMB0.4 million and personal income tax expense of RMB1.1 million incurred by Litai in HY2020.

(iv) Other Operating Income

Please see explanatory note A to Part 1(a).

(v) Finance Costs

Interest expense for HY2020 was lower as compared to HY2019. This was mainly due to higher average short-term bank loans balances in HY2019 as compared to HY2020. The weighted average interest rate of 3.99% per annum remained the same as the previous period.

(vi) 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 part (4) on page 4.

(vii) Income Tax

As there was a loss from operation, no provision for taxation was made during the HY2020.

(viii) Net Loss After Taxation

Due to lower sales and allowance for impairment loss on financial assets, the Group recorded a net loss of approximately RMB60.0 million in HY2020 as compared to a net loss of approximately RMB0.9 million in HY2019.

B Consolidated Balance Sheet (30 June 2020 versus 31 December 2019)

Total current assets decreased by approximately 46.0%, or RMB81.4 million, from RMB176.8 million as at 31 December 2019 to RMB95.4 million as at 30 June 2020. This was primarily due to the following factors:

- i) decrease in inventories of approximately RMB4.6 million.
- ii) decrease in trade debtors and bills receivables of approximately RMB30.2 million due to collections from trade receivables and lower sales in HY2020.
- iii) decrease in cash and bank balances of approximately RMB6.1 million attributed to reasons provided in Part C below.
- iv) decrease in advance payments of approximately RMB25.6 million to a related party attributed to allowance for impairment loss.
- v) decrease in other receivable, deposit and prepayments of approximately RMB1.3 million attributed to reasons provided in paragraph 1(b)(i) 6.
- vi) decrease in due from related parties (trade) of approximately RMB13.9 million attributed to allowance for impairment loss.

Total current liabilities amounted to RMB29.3 million as at 30 June 2020, representing a decrease of approximately RMB24.9 million or 46.0% as compared to RMB54.2 million as at 31 December 2019. This was primarily due to the following factors:

- i) decrease in trade payables by RMB14.7 million attributed to the payments to suppliers and less purchases.
- ii) decrease in other payables and accruals by RMB6.1 million attributed to the payments of accrued payroll and lower accruals of payroll costs.
- iii) decrease in short-term bank loans by RMB2.5 million attributed to repayment of bank loans.
- iv) decrease in contract liabilities by RMB1.6 million attributed to the substantial drop in business activities.

C. Consolidated Cash Flow Statement

Cash and bank balances as at 30 June 2020 was approximately RMB5.49 million, a decrease of approximately RMB6.1 million as compared to the cash and bank balances of RMB11.5 million as at 31 December 2019. The reduction was due to cash used in operating activities of approximately RMB3.9 million and cash used in financing activities of approximately RMB2.5 million, being offset by net cash generated from investing activities of approximately RMB0.4 million.

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

The Singapore Team has been informed by the Independent Director, Mr Wang Liangfa, that commencing from 31 July 2020, the employees of Litai have been ordered not to return to work and Litai's operations have been temporarily halted. The Singapore ID has received a voice message from the CEO (via a former director, Mr Guo Yun) indicating that the halting of Litai's operation is to conserve cash in Litai.

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.

As disclosed above, the Singapore Team has been informed by the Independent Director, Mr Wang Liangfa, that commencing from 31 July 2020, the employees of Litai have been ordered not to return to work and Litai's operations have been temporarily halted. The Singapore ID has received a voice message from the CEO (via a former director, Mr Guo Yun) indicating that the halting of Litai's operation is to conserve cash in Litai.

As this juncture, the Singapore ID is unable to verify the financial position and operation of Litai. The Singapore ID is seeking professional advice on how best to address this issue. The Singapore ID will be updating shareholders in due course.

The Singapore ID also wish to highlight the slowdown and uncertainty in both the domestic and global markets due to the ongoing trade tension and tax tariffs between China and the United States, and the current COVID-19 pandemic.

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 the half year ended 30 June 2020 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.

Pursuant to Rule 920(1)(a)(ii) of the Listing Manual, the details of the aggregate value of interested person transactions conducted pursuant to a shareholders' general mandate are as follows:

Name of Interested Persons	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) for the half year ended 30 June 2020
	RMB'000	RMB'000
Jiangyin Haida Caitu Co., Ltd.		
-Reimbursement of electricity expenses	-	-
-Advances paid for purchase of raw materials *	-	(980)
-Purchase of raw materials	-	-
-Sales of paint	-	-
-Processing fee	-	-
Jiangyin East-China Aluminium Technology Co., Ltd.		
-Spray-painting income	-	-
-Purchase of raw materials	-	-
-Sales of paint	-	-

For reasons disclosed in the Introduction section of this announcement, Company is not able to obtain information from Litai to fully disclose information on interested persons transactions conducted for the half year ended 30 June 2020.

*Jiangyin Haida Caitu Co., Ltd. requires the Group to provide advances for purchases of raw materials. Such advances would be used to reduce payable for purchase transactions. The outstanding advances to Jiangyin Haida Caitu Co., Ltd. as at 30 June 2020 was approximately RMB52.3 million (As at 31 Dec 2019: RMB51.5 million).

14. 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 Singapore ID is unable to provide negative assurance confirmation on interim financial results pursuant to Rule 705(5) of the Listing Manual. Saved for the Singapore ID, the other directors have not reviewed this interim financial result.

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).

For reasons disclosed in the Introduction section of this announcement, the Company is unable to procure undertakings from all its Directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).