

FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2019

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

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) UNAUDITED CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

| | Group FY2019 RMB'000 | Group FY2018 RMB'000 (Restated) | + / (-) % |
|--|-------------------------------------|--|----------------------|
| <u>Continuing Operations</u> | | | |
| Revenue | 3,250 | 9,023 | (64.0) |
| Cost of sales | (2,359) | (8,203) | (71.2) |
| Gross profit | 891 | 820 | 8.7 |
| Other operating income | 2,993 | 2,564 | 16.7 |
| Administrative expenses | (3,079) | (3,802) | (19.0) |
| Selling and distribution cost | (274) | (181) | 51.4 |
| Other operating expenses | 0 | (838) | n.m. |
| Profit (Loss)before income tax | 531 | (1,437) | n.m. |
| Income tax | (569) | 285 | n.m. |
| Loss from continuing operations | (38) | (1,152) | (96.7) |
| <u>Discontinued Operations</u> | | | |
| Profit (loss) from discontinued operations | 64 | (12,259) | n.m. |
| Profit (loss) for the year representing total comprehensive income for the year and attributable to equity holders of the company | 26 | (13,411) | n.m. |

1(a)(ii) Profit (loss) before taxation arrived at after charging (crediting) the following:

Loss from continuing operations

| | Group FY2019 RMB'000 | Group FY2018 RMB'000 | + / (-) % |
|---|----------------------------|----------------------------|--------------|
| Staff costs | (1,164) | (1,562) | (25.5) |
| Depreciation | (40) | (21) | 90.5 |
| Exchange gain (loss) | 438 | (299) | n.m. |
| Interest income | 2,412 | 2,376 | 1.5 |
| Write off of property under development | - | (838) | n.m. |

Profit (loss) from discontinued operations

| | Group FY2019 RMB'000 | Group FY2018 RMB'000 (Restated) | + / (-) % |
|---|----------------------------|--|--------------|
| Revenue | 23,595 | 26,778 | (11.9) |
| Cost of sales | (25,480) | (28,357) | (10.1) |
| Gross profit | (1,885) | (1,579) | 19.4 |
| Other operating income | 7,204 | (174) | n.m. |
| Administrative expenses | (381) | (420) | (9.3) |
| Selling and distribution cost | (4,874) | (6,937) | (29.7) |
| Other operating expenses | - | (3,149) | n.m. |
| Profit (loss) before income tax | 64 | (12,259) | n.m. |
| Income tax | - | - | n.m. |
| Profit (loss) from discontinued operations | 64 | (12,259) | n.m. |

1(a)(ii) Profit (loss) before taxation arrived at after charging (crediting) the following(Cont'd):

Profit (loss) from discontinued operations is arrived at after charging (crediting) the following:

| | Group FY2019 RMB'000 | Group FY2018 RMB'000 (Restated) | + / (-) % |
|---|-------------------------------------|--|----------------------|
| Staff costs | (1,596) | (3,271) | (51.2) |
| Depreciation | (1,299) | (2,310) | (43.8) |
| Amortization | (272) | (322) | (15.5) |
| Interest income | 7 | 3 | n.m. |
| Research expenses | - | (1,139) | n.m. |
| Allowance for inventory obsolescence | - | (2,078) | n.m. |
| Allowance for doubtful debts-non-trade | - | (27) | n.m. |
| Impairment loss on property, plant and equipment | - | (2,958) | n.m. |
| Impairment loss on intangible asset | - | (164) | n.m. |
| Gain on disposal of property, plant and equipment | 4,666 | - | n.m. |

n.m. = 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.

UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

| | Group 31/12/2019 RMB'000 | Group 31/12/2018 RMB'000 (Restated) | Company 31/12/2019 RMB'000 | Company 31/12/2018 RMB'000 |
|--------------------------------------|--------------------------------|--|----------------------------------|----------------------------------|
| <u>ASSETS</u> | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 80,946 | 75,019 | 278 | 281 |
| Trade receivables | 5,142 | 10,301 | - | - |
| Other receivables and prepayments | 7,884 | 2,544 | 7 | - |
| Prepaid lease premium | 272 | 272 | - | - |
| Properties for sale | 11,732 | 13,795 | | |
| Inventories | 93 | 20,208 | - | - |
| Total current assets | 106,069 | 122,139 | 285 | 281 |
| Non-current assets | | | | |
| Prepaid lease premium | 14,018 | 14,290 | - | - |
| Properties under development | - | - | | |
| Property, plant and equipment | 64 | 1,717 | - | - |
| Intangible assets | - | - | | |
| Subsidiaries | - | - | 131,406 | 131,406 |
| Total non-current assets | 14,082 | 16,007 | 131,406 | 131,406 |
| Total assets | 120,151 | 138,146 | 131,691 | 131,687 |
| <u>LIABILITIES AND EQUITY</u> | | | | |
| Current liabilities | | | | |
| Trade payables | 6,826 | 20,905 | - | - |
| Other payables | 22,122 | 26,286 | 11,793 | 10,172 |
| Tax payable | 1,872 | 1,650 | - | - |
| Total current liabilities | 30,820 | 48,841 | 11,793 | 10,172 |
| Capital and reserves | | | | |
| Share capital | 162,713 | 162,713 | 162,713 | 162,713 |
| Statutory reserves | 776 | 577 | | |
| Accumulated losses | (74,158) | (73,985) | (42,815) | (41,198) |
| Net equity | 89,331 | 89,305 | 119,898 | 121,515 |
| Total liabilities and equity | 120,151 | 138,146 | 131,691 | 131,687 |

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

Amount repayable in one year or less, or on demand

| As at 31/12/2019 | | As at 31/12/2018 | |
|--------------------|----------------------|--------------------|----------------------|
| Secured RMB'000 | Unsecured RMB'000 | Secured RMB'000 | Unsecured RMB'000 |
| Nil | 10,166 | Nil | 8,822 |

Amount repayable after one year

| As at 31/12/2019 | | As at 31/12/2018 | |
|--------------------|----------------------|--------------------|----------------------|
| Secured RMB'000 | Unsecured RMB'000 | Secured RMB'000 | Unsecured RMB'000 |
| Nil | Nil | Nil | Nil |

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 | |
|--|-------------------|---------------------------------|
| | FY2019 RMB'000 | FY2018 RMB'000 (Restated) |
| Operating activities: | | |
| Profit (Loss) before income tax | 595 | (13,696) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 1,339 | 2,331 |
| Amortisation on prepaid lease premium | 272 | 272 |
| Amortisation of intangible assets | - | 50 |
| Allowance for inventory obsolescence | - | 2,078 |
| Allowance for doubtful debts | - | 27 |
| Write off of property under development | - | 838 |
| Impairment loss on property, plant and equipment | - | 2,958 |
| Impairment loss on intangible asset | - | 164 |
| Interest income | (2,419) | (2,379) |
| Gain on disposal of property, plant and equipment | (4,666) | - |
| Unrealised exchange (gain)loss | (7) | 309 |
| Operating cash flow before movements in working capital | (4,886) | (7,048) |
| Trade receivables | 5,159 | (1,098) |
| Other receivables and prepayments | (5,340) | 339 |
| Inventories | 20,115 | (3,115) |
| Property for sale | 2,063 | 8,800 |
| Trade payables | (14,079) | (4,394) |
| Other payables | (5,508) | 12,537 |
| Cash used in operations | (2,476) | 6,021 |
| Interest received | 2,419 | 2,379 |
| Income tax paid | (347) | (266) |
| Net cash (used in)generated from operating activities | (404) | 8,134 |
| Investing activities: | | |
| Purchase of property, plant and equipment | (141) | (1,141) |
| Proceeds from disposal of property, plant and equipment | 5,121 | 79 |
| Net cash generated from(used in) investing activities | 4,980 | (1,062) |
| Financing activities | | |
| Receipt of advances from a director, representing net cash generated from financing activity | 1,344 | 1,571 |
| Net increase in cash and cash equivalents | 5,920 | 8,643 |
| Cash and cash equivalents at beginning of financial period | 75,019 | 66,363 |
| Effect of exchange rate changes on the balance of cash held in foreign currencies | 7 | 13 |
| Cash and cash equivalents at end of the period | 80,946 | 75,019 |

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.

| | Share capital RMB'000 | Statutory reserves RMB'000 | Accumulated losses RMB'000 | Total equity RMB'000 |
|--|--------------------------------------|---|---|-------------------------------------|
| <u>Group</u> | | | | |
| Balance as at 1 January 2018 (restated) | 162,713 | 434 | (60,431) | 102,716 |
| Transfer to statutory reserves | - | 143 | (143) | - |
| Loss for the year, representing total comprehensive loss for the year (restated) | - | - | (13,411) | (13,411) |
| Balance as at 31 December 2018(restated) | 162,713 | 577 | (73,985) | 89,305 |
| Transfer to statutory reserves | - | 199 | (199) | - |
| Profit for the year, representing total comprehensive profit for the year | - | - | 26 | 26 |
| Balance as at 31 December 2019 | 162,713 | 776 | (74,158) | 89,331 |

| | | | | |
|---|---------|---|----------|---------|
| <u>Company</u> | | | | |
| Balance as at 1 January 2018 | 162,713 | - | (39,166) | 123,547 |
| Loss for the year, representing total comprehensive loss for the year | - | - | (2,032) | (2,032) |
| Balance as at 31 December 2018 | 162,713 | - | (41,198) | 121,515 |
| Loss for the year, representing total comprehensive loss for the year | - | - | (1,617) | (1,617) |
| Balance as at 31 December 2019 | 162,713 | - | (42,815) | 119,898 |

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.

Not applicable.

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

| | As at 31 December 2019 | As at 31 December 2018 |
|-------------------------------|-----------------------------------|-----------------------------------|
| Total number of issued shares | <u>62,759,999</u> | <u>62,759,999</u> |

There are no treasury shares as at 31 December 2018 and 31 December 2019.

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

Not applicable.

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

Not applicable.

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

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

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

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, (a) updates on the efforts taken to resolve each outstanding audit issue; (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

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

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current period as those of the audited financial statements as of 31 December 2018.

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

The Group and the Company adopted all the new and revised Singapore Financial Reporting Standard (International) (“SFRS(I)”) that are relevant to its operations and effective for annual periods beginning on or after January 1, 2019. The adoption of the new and revised SFRS(I) does not have significant impact to the Group’s and the Company’s accounting policies.

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.

Earnings Per Share

| | Group FY2019 RMB Cents | Group FY2018 RMB Cents (Restated) |
|--|---------------------------------------|--|
| (Loss)profit per share based on the weighted average number of ordinary shares on issue: | | |
| -from continuing operations - basic and fully diluted | (0.06) | (1.84) |
| -from discontinued operations - basic and fully diluted | 0.10 | (19.53) |

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.

Net Asset Value

| | Group 31/12/2019 RMB Cents | Group 31/12/2018 RMB Cents (Restated) | Company 31/12/2019 RMB Cents | Company 31/12/2018 RMB Cents (Restated) |
|---|---|--|---|--|
| Net asset value per ordinary share based on total number of issued shares excluding treasury shares | 142.34 | 142.30 | 191.04 | 193.62 |

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.**

Income Statement

CONTINUING OPERATIONS

The Group's revenue for the financial year ended 31 December 2019 ("FY2019") decreased by 64.0% or RMB5.8 million, to RMB3.3 million, due to the reduction in the number of property units sold. In FY2019, the Group sold 4 residential units of Lan County residential project and 4 car park lots compared to 13 residential units and 6 car park lots in the prior year. There were 5 residential units, 10 commercial units and 33 parking lots available for sale as at 31 December 2019.

Despite the decrease in revenue, the Group's gross profit increased by 8.7% from RMB820,000 in FY2018 to RMB891,000 in FY2019. The Group reported gross margin of 27.4% in FY2019 from 9.1% in FY2018 due to the higher average selling price in FY2019.

Other operating income increased by 16.7% or RMB0.4 million from RMB2.6 million in FY2018 to RMB3.0 million in FY2019, mainly due to higher interest income generated from structure deposits due before the financial year ended.

The decrease in administrative expenses by 19.0% or RMB0.7 million from RMB3.8 million in FY2018 to RMB3.1 million in FY2019, was attributable mainly to lower staff costs and other office expenses as a result of the decrease in business activities. Selling and distribution expenses were higher by 51.4% to RMB274,000 in FY2019 as a result of higher marketing expenses incurred for exploring new business opportunities in the bottled water market.

Other operating expense of RMB0.8 million in FY2018 was the one-time write off of property under development.

DISCONTINUED OPERATIONS

The Group's discontinued operations pertaining to the pharmaceutical ingredients product segment, which has shut down manufacturing operations in its Xi'an facility due to the tightening of environmental controls. Up till the date of shutdown in end September 2019, the revenue and profits after tax attributable from discontinued operations for FY2019 are RMB23.6 million and RMB64,000 respectively.

Statement of Financial Position

Trade receivables decreased by RMB5.9 million from RMB10.3 million to RMB5.1 million as at 31 December 2019 which was in line with the decrease in sales volume in FY2019.

Other receivables increased to RMB7.9 million from RMB2.5 million mainly because of the refundable deposit for a potential investment amounting to RMB6.4 million.

Inventories decreased by RMB20.1 million to RMB0.1 million due to the clearance of inventories of pharmaceutical ingredients product during the year.

Property, plant and equipment for pharmaceutical ingredients product were disposed of in 3Q 2019, which result in the decrease of PPE by RMB1.7 million to RMB0.06 million as at 31 December 2019.

Trade payables decreased by RMB14.1 million to RMB6.8 million from RMB20.9 million due to the decrease in advance payment relating to pharmaceutical ingredients products.

Advance payments from customers expected to be refunded decreased from RMB13.1 million as at FY2018 to RMB9.0 million as at FY2019 result in the lower other payable balance as at 31 December 2019.

Statement of Cash Flows

The overall net cash increase in cash and cash equivalent of \$5.9 million for FY2019 was mainly attributable to proceeds from disposal of property, plant and equipment of RMB5.1 million and receipt of interest-free advances from a Director for the daily working cash flow requirements in Singapore amounting to RMB1.3 million, offset by cash used in operating activities amounting to 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 current results for 4Q 2019 are in line with the general prospect commentary previously disclosed in the results announcement for the financial period ended 30 September 2019.

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 area around the scenic Wei river where our pharmaceutical manufacturing facility was located has long been an area of focus for environmental regulatory bodies. Recent events in 2018 in Xi'an relating to possible environmental damages caused by unauthorized development in Qin mountains, as well as the resignation of Xi'an mayor Shangguan Jiqing, has led to a further tightening of environmental controls. As such, the Group has shut down the manufacturing operations in its Xi'an facility, and completely disposed of the remaining assets, including inventory and property, plant and equipment to prepare the land for further development into mainly residential properties in due course.

The Group has entered into discussions with North China Pharmaceutical Company (NCPC) regarding the prospects of a potential investment to manufacture and distribute health and nutrition products. NCPC is a well-established Pharmaceutical SOE based in Shijiazhuang, Hebei, that was the first pharmaceutical factory set up during China's First Five Year Plan. NCPC is interested in working with the Group to rebrand and expand its health and nutrition business line in China, South East Asia and beyond. Both parties have entered serious discussions and are aligned strategically. The Group has placed a refundable deposit with a third party, Beijing Property Exchange (北京产权交易所有限公司) for the investment to move the process forward.

The Group is also exploring new business opportunities in the bottled water market. The Group is in the process of searching for a suitable regional market in China to launch its product as well as set up manufacturing and distribution operations.

Sales of the remaining units in the Lan County project will be expected to continue to contribute to the Group's revenue.

11. If a decision regarding dividend has been made:-

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

None.

(b) (i) Amount per share cents

Nil.

(ii) Previous corresponding period cents

Nil.

- (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 and the reason(s) for the decision.**

No dividends have been declared or recommended as there was no operating profit.

- 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for Interested Person Transaction.

- 14. Use of initial public offering proceeds**

Please refer to the Company's announcements through SGXnet on 14 November 2013, 19 May 2015 and 3 May 2016 for the use of IPO proceeds.

- 15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

| | Pharmaceutical ingredients products (Discontinued operation) RMB'000 | Property development (Continuing operation) RMB'000 | <u>Unallocated</u> RMB'000 | <u>Total</u> RMB'000 |
|--------------------------|---|---|-----------------------------------|-----------------------------|
| <u>2019</u> | | | | |
| Revenue | | | | |
| External customers | 23,595 | 3,250 | - | <u>26,845</u> |
| Result | | | | |
| Segment result | 64 | 2,563 | (2,032) | 595 |
| Income tax credit | | | | <u>(569)</u> |
| Loss for the year | | | | <u>26</u> |
| Assets | | | | |
| Segment assets | 26,680 | 85,899 | - | 112,579 |
| Unallocated assets | | | 7,572 | <u>7,572</u> |
| Total assets | | | | <u>120,151</u> |
| Liabilities | | | | |
| Segment liabilities | 17,033 | 916 | - | 17,949 |
| Unallocated liabilities | | | 12,871 | <u>12,871</u> |
| Total liabilities | | | | <u>30,820</u> |

| | Pharmaceutical ingredients products (Discontinued operation) RMB'000 | Property development (Continuing operation) RMB'000 | <u>Unallocated</u> RMB'000 | <u>Total</u> RMB'000 |
|-------------------------------|---|---|-----------------------------------|-----------------------------|
| <u>2018 (Restated)</u> | | | | |
| Revenue | | | | |
| External customers | 26,778 | 9,023 | - | <u>35,801</u> |
| Result | | | | |
| Segment result | (12,259) | 1,300 | (2,737) | (13,696) |
| Income tax expense | | | | <u>285</u> |
| Profit for the year | | | | <u><u>(13,411)</u></u> |
| Assets | | | | |
| Segment assets | 50,119 | 86,243 | - | 136,362 |
| Unallocated assets | | | 1,784 | <u>1,784</u> |
| Total assets | | | | <u><u>138,146</u></u> |
| Liabilities | | | | |
| Segment liabilities | 35,514 | 1,887 | - | 37,401 |
| Unallocated liabilities | | | 11,440 | <u>11,440</u> |
| Total liabilities | | | | <u><u>48,841</u></u> |

As the Group's main assets and revenue are in People's Republic of China. Accordingly, no geographical segment information is presented.

Information about major customers

The Group's revenue derived from customers who individually account for 10% or more of the Group's revenue is detailed below:

| | <u>2019</u> RMB'000 | <u>2018</u> RMB'000 |
|------------|------------------------|------------------------|
| Customer A | 8,634 | - |
| Customer B | - | 3,892 |

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to section 8.

17. **A breakdown of sales as follow:-**

| | | Group RMB'000 31/12/2019 | Group RMB'000 31/12/2018 (Restated) | Increase / (decrease) % |
|-----|--|---|--|-------------------------------|
| (a) | Sales reported for first half year | 9,353 | 21,602 | (56.7) |
| (b) | Operating profit (loss) after tax reported for first half year | (4,382) | (2,225) | 96.9 |
| (c) | Sales reported for second half year | 17,492 | 14,199 | 23.2 |
| (d) | Operating profit (loss) after tax before reported for second half year | 4,408 | (11,186) | n.m |

n.m. – not meaningful

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

| | | Latest full year RMB'000 31/12/2019 | Previous full year RMB'000 31/12/2018 |
|-----|------------|---|---|
| (a) | Ordinary | - | - |
| (b) | Preference | - | - |
| | Total | - | - |

19. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below.**

| Name | Age | Family relationship with any director and/or substantial shareholder | Current position and duties, and the year the position was held | Details of changes in duties and position held, if any, during the year |
|---------------|------------|---|--|--|
| Lan Weiguang | 56 | Brother of Lan Chunguang, Chief Executive Officer | Non-Independent Non-Executive Chairman, 2006 | Nil |
| Lan Chunguang | 52 | Brother of Lan Weiguang, Non-Independent Non-Executive Chairman | Chief Executive Officer, 2010 | Nil |
| Lan Yihong | 33 | Son of Lan Weiguang, Non-Independent Non-Executive Chairman | Executive Director and Finance Director, 2015 | Nil |

20. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720 (1).

The Company confirms that undertakings have been procured from all Directors and Executive Officers under Rule 720 (1).

BY ORDER OF THE BOARD

**Dr Lan Weiguang
Non-Independent Non-Executive Chairman**

28 February 2020