

HALF-YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR AND FULL YEAR RESULTS

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

	6 months ended		Increase / (Decrease) %
	30.06.2020 RMB'000	30.06.2019 RMB'000	
Revenue	86,237	26,267	228.3
Cost of sales and services provided	<u>(44,652)</u>	<u>(17,721)</u>	152.0
Gross profit	41,585	8,546	386.6
Other income - net	3,551	1,025	246.4
Expenses			
- Administrative	(4,903)	(4,592)	6.8
- Other operating	(9,609)	(10,797)	(11.0)
- Finance	(2,576)	-	NM
Share of loss from associated companies accounted for using the equity method	<u>(2,658)</u>	<u>(6,951)</u>	(61.8)
Profit / (loss) before income tax	25,390	(12,769)	298.8
Income tax expense	<u>(6,806)</u>	<u>(1,383)</u>	392.1
Profit / (loss) for the financial period	18,584	(14,152)	231.3
Profit / (loss) for the financial period attributable to:			
Owners of the parent	12,149	(14,907)	181.5
Non-controlling interests	<u>6,435</u>	<u>755</u>	752.3
	<u>18,584</u>	<u>(14,152)</u>	231.3

NM: Not Meaningful

Note: Operation of associated companies, the KYWJ Group

On 1 June 2017, the Company completed the disposal of its 5% equity interest and debt interest in the KYWJ Group, which resulted in a loss of control in KYWJ Group. Consequently, even through the Group has lost its control in KYWJ Group, it still remains a significant influence by virtue of its remaining 50% equity interest and board representation on KYWJ Group. Accordingly, the Group has deconsolidated the KYWJ Group and reclassified the investment as associates, which would be accounted for using the equity method.

(i) The summary results of the KYWJ Group for 1H 2020 and 1H 2019 are as follow:

	6 months ended		Increase / (Decrease) %
	30.06.2020 RMB'000	30.06.2019 RMB'000	
Revenue	34,022	42,937	(20.8)
Cost of sales and services provided	<u>(30,809)</u>	<u>(39,259)</u>	(21.5)
Gross profit	3,213	3,678	(12.6)
Other income - net	318	474	(32.9)
Other operating expenses	(6,342)	(7,571)	(16.2)
Selling and marketing expenses	<u>(3,716)</u>	<u>(12,092)</u>	(69.3)
Loss before income tax	(6,527)	(15,511)	(57.9)
Income tax credit	<u>1,211</u>	<u>1,609</u>	(24.7)
Loss for the financial period	<u><u>(5,316)</u></u>	<u><u>(13,902)</u></u>	(61.8)

(ii) Statement of Financial Position as at 30 June 2020 for the KYWJ Group is as follows:

	30.06.2020 RMB'000	31.12.2019 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	185,381	167,970
	185,381	167,970
CURRENT ASSETS		
Property for development	1,228,276	1,213,666
Trade and other receivables	486,924	566,350
Cash and bank balances	122,741	156,343
Deferred tax assets	22,204	21,799
	1,860,145	1,958,158
CURRENT LIABILITIES		
Borrowing	76,383	204,496
Trade and other payables	1,740,969	1,686,932
	1,817,352	1,891,428
Net Current Assets	42,793	66,730
Total assets less current liabilities	228,174	234,700
NON-CURRENT LIABILITIES		
Deferred tax liabilities	37,002	38,212
	37,002	38,212
Net Assets	191,172	196,488
Equity		
Share capital	4,444	4,444
Reserves	140,817	140,817
Accumulated profit	45,911	51,227
	191,172	196,488

(iii) The development properties in the Yichang Project comprise of units in completed Phases 1 and 2 and the “new” Phase 3 (formerly named Phases 3 and 4):

a. The total saleable area for the Phase 1, Phase 2, “new” Phase 3-1 and “new” Phase 3-2 is approximately 462,348 square meters. As at 30 June 2020, the take-up rates for Phase 1-1, Phase 1-2, Phase 1-3, Phase 2, “new” Phase 3-1 and “new” Phase 3-2 are 95.00%, 93.96%, 90.69%, 89.56%, 97.67% and 84.92% respectively. The total saleable area for “new” Phase 3-3 has not yet been approved.

b. The cumulative revenue recognised in the income statement up to the current period is approximately RMB1,604 million. Cumulative sales amounted to approximately RMB3,180 million, of which approximately RMB1,576 million belonged to pre-sales revenue which will only be recognised in the income statement upon completion at a later period.

c. Phase 2-3 was completed during Q3 2019. The “new” Phase 3-1 is in the process of construction, with 5% of the remaining work planned to complete by second half of 2020. The delay in completion is due to outbreak of COVID-19. Further details are disclosed in Note 10 of this announcement. The “new” Phases 3-2 and 3-3 are in the process of construction, with 70% and 80% of work remaining to complete respectively. The KYWJ Group expects to complete the development of “new” Phases 3-2 and 3-3 by 1H of 2021.

The Group's profit for the financial period is arrived at after crediting / (charging) the following:

	6 months ended	
	30.06.2020	30.06.2019
	RMB'000	RMB'000
Interest income	238	429
Rental income, net	742	567
Depreciation of property, plant and equipment	(12,576)	(4,817)
Currency translation loss	(31)	(39)
Auditors' remuneration	(510)	(524)
Share of loss of associated companies	(2,658)	(6,951)

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.](#)

	Group		Company	
	30.06.2020 RMB'000	31.12.2019 RMB'000	30.06.2020 RMB'000	31.12.2019 RMB'000
Non-Current Assets				
Property, plant and equipment	256,734	276,920	-	-
Intangible assets	95	135	-	-
Investment properties	34,800	34,800	-	-
Goodwill arising on consolidation	20,303	20,303	-	-
Investment in subsidiaries	-	-	196,000	196,000
Investment in associates	95,586	98,244	-	-
Right-of-use assets	862	1,109	-	-
Deferred income tax assets	4,037	3,893	-	-
	412,417	435,404	196,000	196,000
Current Assets				
Inventories	2,035	2,246	-	-
Other current assets	10,433	7,949	-	-
Trade and other receivables	206,224	181,867	443,681	440,981
Cash and bank balances	143,385	167,891	1	1
	362,077	359,953	443,682	440,982
Current Liabilities				
Borrowings	38,000	33,000	-	-
Lease liabilities	538	590	-	-
Trade and other payables	181,009	201,047	139,017	134,920
Current income tax liabilities	5,655	22,747	-	-
	225,202	257,384	139,017	134,920
NET CURRENT ASSETS	136,875	102,569	304,665	306,062
TOTAL ASSETS LESS CURRENT LIABILITIES	549,292	537,973	500,665	502,062
Non-Current Liabilities				
Lease liabilities	167	398	-	-
Long term borrowings	67,000	72,000	-	-
Deferred income	15,893	16,300	-	-
Deferred income tax liabilities	6,352	7,979	-	-
	89,412	96,677	-	-
NET ASSETS	459,880	441,296	500,665	502,062
EQUITY				
Equity attributable to owners of the parent				
Share capital	17,779	17,779	17,779	17,779
Reserves	919,601	918,438	884,559	884,559
Accumulated losses	(594,134)	(605,120)	(401,673)	(400,276)
	343,246	331,097	500,665	502,062
Non-controlling interests	116,634	110,199	-	-
TOTAL EQUITY	459,880	441,296	500,665	502,062

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

Amount repayable in one year or less, or on demand

As at 30.06.2020 (RMB'000)		As at 31.12.2019 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
10,000	28,000	5,000	28,000

Amount repayable after one year

As at 30.06.2020 (RMB'000)		As at 31.12.2019 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
67,000	-	72,000	-

Details of any collateral

The borrowing of the Group is secured as follows:

- (i) First legal mortgage over certain investment properties, land and buildings of the Group;
- (ii) First legal mortgage over buildings in a related company.

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.

	6 months ended	
	30.06.2020 RMB'000	30.06.2019 RMB'000
Cash flows from operating activities		
Profit / (loss) before income tax	25,391	(12,769)
Adjustments for:		
-Amortisation of intangible assets	40	-
-Deferred government grant	(407)	-
-Depreciation of property, plant and equipment	12,576	4,817
-Interest expenses and other financial costs	2,544	-
-Interest income	(238)	(429)
-Gain on disposal of property, plant and equipment	(3)	(9)
-Share of loss of associated companies	2,658	6,951
	<u>42,561</u>	<u>(1,439)</u>
Changes in working capital		
-Other current assets	(2,483)	(27,623)
-Inventories	211	(2,447)
-Trade and other receivables	(24,335)	8,292
-Trade and other payables	(10,484)	18,618
Cash used in operations	<u>5,470</u>	<u>(4,599)</u>
PRC income tax paid	(25,670)	(7,862)
Net cash used in operating activities	<u>(20,200)</u>	<u>(12,461)</u>
Cash flows from investing activities		
Interest received	215	407
Purchases of property, plant and equipment	(1,980)	(37,264)
Proceed from disposal of property, plant and equipment	3	9
Repayment of loans from associated companies	-	20,180
Net cash used in investing activities	<u>(1,762)</u>	<u>(16,668)</u>
Cash flows from financing activities		
Interest and other finance costs paid	(2,544)	(221)
Proceeds from borrowings	-	67,155
Net cash (used in) / provided by financing activities	<u>(2,544)</u>	<u>66,934</u>
Net (decrease) / increase in cash and cash equivalents	(24,506)	37,805
CASH AND CASH EQUIVALENTS:		
BEGINNING OF FINANCIAL PERIOD	<u>167,745</u>	<u>64,120</u>
END OF FINANCIAL PERIOD	<u>143,239</u>	<u>101,925</u>
Analysis of Cash and Cash Equivalents		
Cash and bank balances	143,385	102,071
Restricted bank balances	(146)	(146)
	<u>143,239</u>	<u>101,925</u>

As at 30 June 2019 and 2018, cash equivalents include restricted bank balances of approximately RMB146,000 for securing the performance and fund utilization for a land development project of the Company.

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP

	← Attributable to owners of the parent →										Non-controlling Interests RMB'000	Total Equity RMB'000
	Share Capital RMB'000	Share Premium RMB'000	Contributed Surplus RMB'000	Capital Reserve RMB'000	Statutory Reserves RMB'000	Capital Redemption Reserve RMB'000	Exchange Reserve RMB'000	Share Options Reserve RMB'000	Accumulated Losses RMB'000	Subtotal RMB'000		
2019												
Beginning of financial period	17,779	65,712	810,044	7,764	25,555	8,324	(2,147)	7,114	(627,608)	312,537	102,834	415,371
Total comprehensive (loss) /profit for the financial period	-	-	-	-	-	-	-	-	(14,907)	(14,907)	755	(14,152)
Transfer	-	-	-	-	133	-	-	-	(133)	-	-	-
Share options lapsed	-	-	-	-	-	-	-	(7,114)	7,114	-	-	-
End of financial period	17,779	65,712	810,044	7,764	25,688	8,324	(2,147)	-	(635,534)	297,630	103,589	401,219
2020												
Beginning of financial period	17,779	65,712	810,044	7,764	28,741	8,324	(2,147)	-	(605,120)	331,097	110,199	441,296
Total comprehensive profit for the financial period	-	-	-	-	-	-	-	-	12,149	12,149	6,435	18,584
Transfer	-	-	-	-	1,161	-	-	-	(1,161)	-	-	-
End of financial period	17,779	65,712	810,044	7,764	29,902	8,324	(2,147)	-	(594,132)	343,246	116,634	459,880

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

COMPANY

	Share Capital	Share Premium	Contributed Surplus	Capital Reserve	Capital Redemption Reserve	Share Options Reserve	Accumulated Losses	Total Equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2019								
Beginning of financial period	17,779	65,712	810,044	479	8,324	7,114	(403,423)	506,029
Total comprehensive loss for the financial period	-	-	-	-	-	-	(1,789)	(1,789)
Share options lapsed	-	-	-	-	-	(7,114)	7,114	-
End of financial period	<u>17,779</u>	<u>65,712</u>	<u>810,044</u>	<u>479</u>	<u>8,324</u>	<u>-</u>	<u>(398,098)</u>	<u>504,240</u>
2020								
Beginning of financial period	17,779	65,712	810,044	479	8,324	-	(400,276)	502,062
Total comprehensive loss for the financial period	-	-	-	-	-	-	(1,397)	(1,397)
End of financial period	<u>17,779</u>	<u>65,712</u>	<u>810,044</u>	<u>479</u>	<u>8,324</u>	<u>-</u>	<u>(401,673)</u>	<u>500,665</u>

- 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.

As at 30 June 2020 and 30 June 2019, there were no outstanding share options.

The Company did not hold any of its issued shares as treasury shares as at 30 June 2020 and 30 June 2019.

The Company also did not hold any of its issued shares as 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.

As at 30 June 2020 and 31 December 2019, the number of issued shares excluding treasury shares and subsidiary holdings was 71,233,533 ordinary shares.

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

There are a number of new or revised International Financial Reporting Standards ("IFRSs") and related interpretations promulgated by International Financial Reporting Interpretations Committee ("IFRICs") that are effective for accounting periods beginning on or after 1 January 2020. The adoption of these new IFRSs did not have any material impact on the financial information of the Group for the financial period ended 30 June 2020. Save as aforesaid, the accounting policies and methods of computation used in the preparation of the financial information of the Group for the financial period ended 30 June 2020 are the same as those used in the annual financial statements of the Group for the financial year ended 31 December 2019.

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

The Group adopted the new or amended IFRSs and IFRICs that are mandatory for application for financial year beginning on or after 1 January 2020. The adoption of these new or amended IFRSs and IFRICs did not result in substantial changes to the Group's accounting policies nor any significant impact on the consolidated financial statements.

- 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.

	30.06.2020	30.06.2019
Profit / (loss) attributable to owners of the parent (RMB'000)	12,149	(14,907)
Weighted average number of ordinary shares in issue ('000)	71,234	71,234
Basic and diluted profit / (loss) per share (RMB fen)	17.06	(20.92)

Basic and diluted profit / (loss) per share is calculated by dividing the profit / (loss) for the financial periods attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial periods.

There are no diluted shares (options) during the financial periods.

- 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.

	GROUP		COMPANY	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Net asset value * (RMB'000)	343,246	331,097	500,665	502,062
Number of shares ('000)	71,234	71,234	71,234	71,234
Net asset per share (RMB)	4.819	4.648	7.028	7.048

* Exclude non-controlling interests

- 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.

Profit or Loss Analysis

Revenue in 1H 2020 of the Group was RMB86.24 million, an increase of RMB59.97 million or 228.3% compared RMB26.27 million in 1H 2019. The increase of 228.3% came mainly from higher revenue on construction of water pipeline and revenue on wastewater treatment services in the new completed project (新河污水处理及再生水厂项目) in CIHL (Tianjin) Water Development Company Limited.

A breakdown of revenue in 1H 2020 and 1H 2019 is as follows:

	1H2020	1H2019	Increase / (decrease)	
	RMB'000	RMB'000	RMB'000	%
Revenue				
- Water supply revenue	18,359	21,735	(3,376)	(15.5)
- Revenue on construction of water pipeline	32,768	4,532	28,236	623.0
- Revenue on wastewater treatment services	34,945	-	34,945	NM
Revenue on land development	165	-	165	NM
	<u>86,237</u>	<u>26,267</u>	<u>59,970</u>	<u>228.3</u>

NM: Not Meaningful

Other income in 1H 2020 was RMB3.55 million, representing an increase of RMB2.53 million or 246% compared to the RMB1.03 million in 1H 2019, mainly from financial services income in CIHL (Tianjin) City Development Company Limited.

Finance cost in 1H 2020 was RMB2.58 million, from borrowings which carried interests in CIHL (Tianjin) Water Development Company Limited.

Share of loss of associated companies in 1H 2020 was RMB2.66 million compared RMB6.95 million recorded in 1H 2019. The loss is attributed to the KYWJ Group. Cumulative pre-sales from uncompleted phases will only be recognised in the income statements of the KYWJ Group upon completion in a later period even as expenses and overheads continue to be incurred.

The Group recorded a net profit of RMB18.58 million in 1H 2020 compared to loss of RMB14.15 million in 1H 2019.

Analysis on Statement of Financial Position

Trade and other receivables increased from RMB181.87 million as at 31 December 2019 to RMB206.22 million as at 30 June 2020, mainly from higher amounts due from governments bodies in respect of the wastewater treatment services in CIHL (Tianjin) Water Development Company Limited.

Other current assets of RMB10.43 million as at 30 June 2020 were mainly direct costs incurred for the pipe line construction in CIHL (Tianjin) Water Development Company Limited.

Trade and other payables decreased from RMB201.05 million as at 31 December 2019 to RMB181.01 million as at 30 June 2020. This was mainly due to a fall in receipts in advance after the Company recognise revenue for pipe line construction services.

Cash and cash equivalents as at 30 June 2020 was RMB143.39 million as compared to RMB167.89 million as at 31 December 2019.

Cash Flows Analysis

As at 30 June 2020, included in cash and cash equivalents are restricted bank balances of approximately RMB146,000, which was deposited for securing the performance and fund utilisation for a land development project of the Group.

Net cash used in operating activities was RMB20.20 million in 1H 2020, mainly for payment of income tax in CIHL (Tianjin) Water Development Company Limited.

Net cash used in investing activities was RMB1.76 million in 1H 2020, which was mainly payments in respect of construction of the new project (新河污水处理及再生水厂项目) in CIHL (Tianjin) Water Development Company Limited.

Net cash used in financing activities in 1H 2020 of RMB2.54 million, being interest payment on borrowings.

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

No forecast or prospect statement was previously provided.

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.

Both the Group's water businesses in Tianjin and the property development project in Yichang City, Hubei Province, require undertaking construction and related activities. The outbreak of novel coronavirus pneumonia, now known as COVID-19, has caused significant disruptions to the movement of people, goods and services throughout China. It has also resulted in disruptions to labour supply to many businesses, including to the Group's water and property development projects.

The Group is unable to estimate the extent of the adverse impact on the business at this point in time but will make prompt disclosure when it becomes aware of any material or significant information concerning its operations.

The Group commenced the construction of the new project (新河再生水厂项目) in 2018 and construction was completed in December 2019. The new project is a water treatment plant for reclaimed water (再生水厂). It treats the water discharged from a wastewater treatment plant (污水处理厂) to the standard of reclaimed water, to be fed into the network of the Tianjin Water. It is expected to significantly increase the water supply capacity of Tianjin Water.

The Group has no other investment plans at present and will continue to focus on the execution of the existing plans.

In FY2018, the KYWJ Group (50% owned associated companies of the Group) commenced the development in "new" Phases 3-1, 3-2 and 3-3. To-date, the property development projects are still on-going. Due to the delay in the permitting process in Q4 2019 and the onset of COVID-19 in Q1 2020, the KYWJ Group expects the completion of Phase 3-1 to be further delayed to the second half of 2020. However, the KYWJ Group still expects to generate cash inflow through sales of available units from the completed Phases 1 and 2 and pre-sales of Phases 3-1 and Phase 3-2, albeit at a slower pace. The KYWJ Group is seeking approval for some planning adjustments in respect of Phase 3-3.

The Group has made full impairment in relation to the Liuhe Gold project in Q4 FY2015, and Company has not found an opportunity to our share of ownership of this investment. The project will meanwhile remain under care.

The Group has made full impairment for the related investment in the Group's project in Papua New

Guinea in Q4 FY2015 and intends to continue support the project company to apply renew exploration rights in 2020. It will also consider disposal of this investment when there is an opportunity. The project will remain under care and maintenance.

The Group will go forward be focused on cash generation from property development and further developing the water treatment business in China.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date Payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared nor recommended by the directors ended 30 June 2020. The Board does not recommend a dividend for 1H 2020 as it expects the COVID situation to negatively impact on its cashflow position in the light of slower customer payments for the water treatment business.

13 If the Group has obtained a general mandate from shareholders for interested persons transactions ('IPT'), the aggregate value of such transaction as required under Rule 902(1)(a)(ii). If non mandate has been obtained, a statement to that effect.

The Group did not obtain a general mandate from shareholders for interested person transactions.

14 Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results of the Group and of the Company for financial period ended 30 June 2020 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Zhang Rong Xiang
Managing Director

Zhu Jun
Executive Director

Shen Xia
Executive Director

15 Undertakings confirmation pursuant to Rule 720(1)

The Board of Directors of the Company hereby confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

BY ORDER OF THE BOARD

Zhang Rong Xiang
Managing Director
12 August 2020