SHUANGHUA HOLDINGS LIMITED
雙樺控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1241)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

The board (the "Board") of directors (the "Directors") of Shuanghua Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2020, together with comparative figures as follows.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December

	Notes	2020 RMB'000	2019 RMB'000
Revenue	5	**63,793**	28,616
Cost of sales		**(54,196)**	(34,354)
Gross profit/(loss)		**9,597**	(5,738)
Other income, gains and losses	5	**11,969**	7,640
Impairment losses recognised on			
– trade receivables		**(591)**	(3,747)
– other receivables and other assets		**(6)**	(695)
Selling and distribution costs		**(1,984)**	(1,120)
Administrative expenses		**(25,891)**	(29,481)
Other expenses		**(1,077)**	(11)
Interest expense	7	**(25)**	(128)
Share of gain of a joint venture		**–**	181
Loss before tax	6	**(8,008)**	(33,099)
Income tax credit	8	**881**	1,551
Loss for the year		**(7,127)**	(31,548)
Attributable to:			
Owners of the parent		**(5,153)**	(31,377)
Non-controlling interests		**(1,974)**	(171)
		(7,127)	(31,548)
Loss per share attributable to ordinary equity holders of the parent			
Basic and diluted	9	**RMB(0.8) cents**	RMB(4.8) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

	2020 *RMB'000*	2019 *RMB'000*
LOSS FOR THE YEAR	**(7,127)**	(31,548)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**–**	4
Release of reserves upon deregistration of a subsidiary	**251**	–
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(6,876)**	(31,544)
Attributable to:		
Owners of the parent	**(4,902)**	(31,373)
Non-controlling interests	**(1,974)**	(171)
	(6,876)	(31,544)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December

	Notes	**2020** **RMB'000**	2019 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**115,373**	89,196
Right-of-use assets		**69,209**	70,316
Advance payments for property, plant and equipment		**15,256**	1,620
Financial assets at fair value through profit or loss	*10*	**7,311**	8,576
Total non-current assets		**207,149**	169,708
CURRENT ASSETS			
Inventories		**21,097**	20,465
Trade and bills receivables	*11*	**24,370**	16,266
Prepayments, other receivables and other assets		**15,618**	4,040
Financial assets at fair value through profit or loss	*10*	**55,000**	–
Restricted time deposits		**40,000**	136,782
Cash and cash equivalents		**19,587**	17,995
Total current assets		**175,672**	195,548
CURRENT LIABILITIES			
Trade and bills payables	*12*	**25,488**	7,096
Other payables and accruals		**13,333**	14,319
Provision		**483**	1,245
Lease liabilities		**837**	1,037
Tax payable		**1,090**	1,090
Total current liabilities		**41,231**	24,787
NET CURRENT ASSETS		**134,441**	170,761
TOTAL ASSETS LESS CURRENT LIABILITIES		**341,590**	340,469

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 31 December

	2020	2019
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Lease liabilities	**878**	–
Deferred tax liabilities	**1,327**	2,208
Total non-current liabilities	**2,205**	2,208
NET ASSETS	**339,385**	338,261
EQUITY		
Equity attribute to owners of the parent		
Issued capital	**5,406**	5,406
Reserves	**327,921**	328,023
	333,327	333,429
Non-controlling interests	**6,058**	4,832
TOTAL EQUITY	**339,385**	338,261

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2020

1. CORPORATE AND GROUP INFORMATION

Shuanghua Holdings Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands on 19 November 2010. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal places of business in the People's Republic of China (the "PRC") are located in Fengxian District, Shanghai ("Shanghai") and in Tunxi District, Huangshan City, Anhui Province ("Anhui").

During the year, the Company and its subsidiaries (the "Group") were principally involved in two major businesses, being the business of trading, manufacturing and research and development ("R&D") of automobile parts, mainly the automotive heating, ventilation and air-conditioning ("HVAC") components, and the business of supply chain management, mainly cold storage and cold chain supply, respectively.

In the opinion of the Directors, the parent company and the ultimate holding company of the Company is Youshen International Group Limited, which is incorporated in the British Virgin Islands ("BVI").

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of Rules Governing the Listing of securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and debt instruments at fair value through other comprehensive income, which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

3. ADOPTION OF HKFRSs

(a) Adoption of new/revised HKFRSs – effective 1 January 2020

The HKICPA has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

Amendments to HKFRS 3	*Definition of a business*
Amendments to HKFRS 7, HKFRS 9 and HKAS 39	*Interest Rate Benchmark Reform*
Amendments to HKAS 1 and HKAS 8	*Definition of material*
Conceptual Framework for Financial Reporting (Revised)	

The new or amended HKFRSs that are effective from 1 January 2020 did not have any significant impact on the Group's accounting policies.

Amendments to HKFRS 3: Definition of a Business

The amendments clarify that a business must include, as a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs, together with providing extensive guidance on what is meant by a "substantive process".

Additionally, the amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs, whilst narrowing the definition of "outputs" and a "business" to focus on returns from selling goods and services to customers, rather than on cost reductions.

3. ADOPTION OF HKFRSs (Continued)

(a) Adoption of new/revised HKFRSs – effective 1 January 2020 (Continued)

Amendments to HKFRS 3: Definition of a Business **(Continued)**

An optional concentration test has also been added that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

Amendments to HKFRS 7, HKFRS 9 and HKAS 39: Interest Rate Benchmark Reform

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainties caused by interest rate benchmark reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

Amendments to HKAS 1 and HKAS 8: Definition of Material

The amendments clarify the definition and explanation of "material", aligning the definition across all HKFRSs and the Conceptual Framework, and incorporating supporting requirements in HKAS 1 into the definition.

Conceptual Framework for Financial Reporting (Revised)

The revised Framework is not a Standard nor an Accounting Guideline. It does not override any Standard, any requirement in a Standard or Accounting Guideline. The revised Framework includes: new chapters on measurement and reporting financial performance; new guidance on derecognition of assets and liabilities; updated definitions of asset and liability; and clarifications in the roles of stewardship, prudence and measurement uncertainty in financial reporting.

(b) New/revised HKFRSs that have been issued but are not yet effective

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current*[3]
Amendments to HKFRS 16	*COVID-19 Related Rent Concession*[5]
Amendments to HKAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*[2]
HKFRS 17	*Insurance Contracts*[3]
Amendments to HKFRS 3	*Reference to the Conceptual Framework*[4]
Amendments to HKRFS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[6]
Amendments to HKAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*[2]
Amendments to HKFRS 4, HKFRS 7, HKFRS 9, HKFRS 16 and HKAS 39	*Interest Rate Benchmark Return*[1]
Annual Improvements to *HKFRSs 2018-2020 Cycle*	Amendments to HKFRS 1, HKFRS 9 and HKAS 41 and Illustrative Examples accompanying HKFRS 16[2]

[1] Effective for annual periods beginning on or after 1 January 2021

[2] Effective for annual periods beginning on or after 1 January 2022

[3] Effective for annual periods beginning on or after 1 January 2023

[4] Effective for the date of acquisition in on or after the beginning of the first annual period beginning on or after 21 January 2022

[5] Effective for annual periods beginning on or after 1 June 2020

[6] The amendments shall be applied prospectively occurring in annual period beginning on or after the date of determined.

The Group is not yet in a position of state whether these new pronouncements will result is substantial to the Group's accounting policies and financial statements.

4. OPERATING SEGMENT INFORMATION

Segment revenue and results

During the year ended 31 December 2020, the Group has commenced to engage into the business of supply chain management, mainly cold storage and cold chain supply. The Group determines its operating segments based on the internal reports reviewed by the executive Directors, who are the chief operating decision-maker, that are used to allocate resources and assess performance, which are analysed based on business as follows (the supply chain management business has not generated revenue during the reporting period):

Automobile parts business	The Group is involved in the business of trading, manufacturing and R&D of automobile parts, mainly the automotive HVAC components.
Supply chain management business	The Group is involved in the business of supply chain management, mainly cold storage and cold chain supply.

For the year ended 31 December 2020

	Automobile parts business *RMB'000*	**Supply chain management business** *RMB'000*	**Total** *RMB'000*
Revenue	**63,793**	**–**	**63,793**
RESULT			
Segment result	**9,597**	**–**	**9,597**
Other income, gains and losses			**11,969**
Impairment losses recognised on trade and other receivable and other assets			**(597)**
Selling and distribution costs			**(1,984)**
Administrative expenses			**(25,891)**
Unallocated expenses			**(1,102)**
Loss before tax			**(8,008)**

4. OPERATING SEGMENT INFORMATION (Continued)

For the year ended 31 December 2019

	Automobile parts business *RMB'000*	Supply chain management business *RMB'000*	Total *RMB'000*
Revenue	28,616	N.A.	28,616
RESULT			
Segment result	(5,738)	N.A.	(5,738)
Other income, gains and losses			7,640
Impairment losses recognised on trade and other receivable and other assets			(4,442)
Selling and distribution costs			(1,120)
Administrative expenses			(29,481)
Share of gain of a joint venture			181
Unallocated expenses			(139)
Loss before tax			(33,099)

Geographical information

Revenue from external customers

	2020 ***RMB'000***	2019 *RMB'000*
Mainland China	**58,522**	25,156
Asia	**5,008**	2,013
United States of America	**–**	973
Others	**263**	474
	63,793	28,616

The place of domicile of the Group's operating entities is in the PRC and the revenue information above is based on the locations of the customers.

All of the non-current assets of the Group were located in the Mainland China.

No information about the segment assets and liabilities is presented as such information is not regularly provided to the chief operating decision maker for resource allocation and performance assessment purposes.

Information about major customers

For the year ended 31 December 2020, revenue from 2 customers (2019: 1) accounted for more than 10% of the Group's total revenue individually.

	2020 ***RMB'000***	2019 *RMB'000*
Customer A	**24,932**	3,195
Customer B	**6,797**	–*

* Less than 10% of the Group's revenue.

5. REVENUE, OTHER INCOME, GAINS AND LOSSES

An analysis of revenue is as follows:

	2020	2019
	RMB'000	*RMB'000*
Revenue from contracts with customers	**63,793**	28,616

(i) Disaggregated revenue information for revenue from contracts with customers

For the years ended 31 December 2020 and 2019

	2020	2019
	RMB'000	*RMB'000*
Timing of revenue recognition		
Goods transferred at a point in time	**63,793**	28,616

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2020	2019
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of products	**2,910**	3,570

(ii) Performance obligations

At 31 December 2020, the remaining performance obligations (unsatisfied or partially unsatisfied) are expected to be recognised within one year. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. REVENUE, OTHER INCOME, GAINS AND LOSSES (Continued)

	2020	2019
	RMB'000	*RMB'000*
Other income		
Gross rental income	**3,606**	986
Investment income from financial assets at fair value through profit or loss	**2,024**	168
Interest income	**1,255**	4,564
Technology services income	**605**	–
Dividend income from financial assets at fair value through profit or loss	**364**	313
Government grants	**–**	1,070
	7,854	7,101
Gains and losses		
Gain on disposal of property, plant and equipment	**5,440**	3,429
Gain on disposal of a subsidiary	**–**	2,447
Loss on disposal of inventories	**–**	(5,362)
Impairment loss of inventories	**–**	(2,115)
Fair value change on financial assets at fair value through profit or loss	**(1,265)**	797
Fair value change on previously held joint venture under the step acquisition of a subsidiary	**–**	49
Foreign exchange (loss)/gains, net	**(322)**	1,277
Others	**262**	17
	4,115	539
Total other income, gains and losses	**11,969**	7,640

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2020	2019
	RMB'000	*RMB'000*
Cost of inventories sold	**46,723**	34,354
Write-down of inventories to net realisable value	**7,473**	4,973
Depreciation of property, plant and equipment	**7,308**	6,202
Depreciation of right-of-use assets	**2,822**	3,029
Product warranty provision, net of reversal	**2**	(916)
Impairment of trade receivables	**591**	3,747
Impairment of other receivables and other assets	**6**	695
Lease payments not included in the measurement of lease liabilities	**138**	68
Auditor's remuneration	**720**	811
Employee benefit expense (excluding directors' and chief executives' remuneration)		
Wages and salaries	**9,382**	6,806
Pension scheme contributions	**785**	1,440
Staff welfare expenses	**1,297**	5,240
	11,464	13,486

7. INTEREST EXPENSE

	2020	2019
	RMB'000	*RMB'000*
Interest on lease liabilities	**25**	128

8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. The Company was incorporated in the Cayman Islands as an exempted company with limited liability under Companies Law of the Cayman Islands and accordingly is not subject to Cayman Islands corporate income tax ("CIT").

The subsidiary incorporated in the British Virgin Islands ("BVI") is not subject to BVI CIT as it does not have a place of business (other than a registered office) or carry on any business in the BVI.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the year.

The provision for Mainland China income tax has been made at the applicable income tax rate of 25% on the assessable profits of certain PRC subsidiaries of the Group in accordance with the PRC Corporate Income Tax Law.

	2020	2019
	RMB'000	*RMB'000*
Current tax:		
Overprovision	**–**	(381)
Deferred tax	**(881)**	(1,170)
Total tax credit for the year	**(881)**	(1,551)

A reconciliation of the tax credit applicable to loss before tax at the statutory rate in the Mainland China to the tax credit at the effective tax rate is as follows:

	2020	2019
	RMB'000	*RMB'000*
Loss before tax	**(8,008)**	(33,099)
At the PRC's statutory income tax rate of 25%	**(2,002)**	(8,275)
Lower tax rates for specific provinces or enacted by local authority	**–**	23
Gain attributable to a joint venture	**–**	(45)
Income not subject to tax	**–**	(3,994)
Expenses not deductible for tax	**94**	251
Effect of withholding tax at 5% on the distributable profits of the Group's PRC subsidiaries	**(881)**	(1,170)
Reversal of temporary differences not recognised	**(12,988)**	(2,912)
Tax losses not recognised	**14,896**	14,571
Tax credit at the Group's effective rate	**(881)**	(1,551)

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the number of ordinary shares of 650,000,000 (2019: 650,000,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2020 and 2019.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020	2019
	RMB'000	*RMB'000*
Listed equity investment, at fair value	**7,311**	8,576
Investments in bank financial products, at fair value	**55,000**	–
	62,311	8,576

The listed equity investments represent an equity investment in Bank of Shanghai which was listed on the Shanghai Stock Exchange. The investment is measured at fair value based on the quoted market price of the investee.

The above investments in bank financial products were wealth management products issued by banks in the Mainland China. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

11. TRADE AND BILLS RECEIVABLES

	2020	2019
	RMB'000	*RMB'000*
Trade receivables	**33,295**	21,840
Bills receivable	**806**	3,566
	34,101	25,406
Impairment allowance	**(9,731)**	(9,140)
	24,370	16,266

The Group's trading terms with its customers are mainly on credit. The credit period for trade receivables is generally 30 to 90 days, extending up to one year for major customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing.

As at 31 December 2019, the Group's bills receivable of RMB2,123,000 were pledged to secure bills payable of RMB2,123,000 (note 12).

As at 31 December 2020, bills receivable of RMB806,000 (2019: RMB3,566,000) whose fair values approximate to their carrying values were classified as financial assets at fair value through other comprehensive income under HKFRS 9. The fair value changes of these bills receivable at fair value through other comprehensive income were insignificant during the year.

11. TRADE AND BILLS RECEIVABLES (Continued)

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2020	2019
	RMB'000	*RMB'000*
Within 1 month	**5,075**	840
1 to 3 months	**6,980**	2,297
3 to 12 months	**10,731**	6,815
Over 12 months	**778**	2,748
	23,564	12,700

The movements in the loss allowance for impairment of trade receivables are as follows:

	2020	2019
	RMB'000	*RMB'000*
At beginning of year	**9,140**	5,393
Impairment losses, net	**591**	3,747
At end of year	**9,731**	9,140

12. TRADE AND BILLS PAYABLES

	2020	2019
	RMB'000	*RMB'000*
Trade payables	**25,488**	4,973
Bills payable	**–**	2,123
	25,488	7,096

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2020	2019
	RMB'000	*RMB'000*
Within 1 month	**5,792**	566
1 to 3 months	**10,669**	641
3 to 12 months	**1,987**	1,047
6 to 12 months	**4,582**	80
Over 12 months	**2,458**	2,639
	25,488	4,973

As at 31 December 2020, the Group's has no bills payable (2019: RMB2,123,000) were secured by certain of the Group's bills receivable of RMB806,000 (2019: RMB2,123,000) (note 11).

The trade payables are non-interest bearing and are normally settled in three months.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year, the Group was principally involved in two major businesses, being the business of trading, manufacturing and research and development ("R&D") of automobile parts, mainly the automotive heating, ventilation and air-conditioning ("HVAC") components, and the business of supply chain management, mainly the cold storage and cold chain supply, respectively. In 2020, the global economy was greatly influenced by the outbreak of the novel coronavirus ("COVID-19"). According to the world economic outlook report released by the organisation for economic cooperation and development ("OECD"), the global economic growth in 2020 was forecast to shrink by approximately 4.2%. As COVID-19 spread to countries across the world, China has implemented strict measures to control and prevent the spread of COVID-19 and introduced various policies to promote resumption of business and economic and social development. According to the National Bureau of Statistics, China's GDP in 2020 was approximately RMB101.6 trillion, representing a year-on-year increase of approximately 2.3%.

As business activity resumed after the spread of COVID-19 was being contained in China, the Group increased its sales efforts in promoting the key components in an automotive HVAC system, mainly compressors, evaporators and condensers, and targeted primarily towards the domestic automotive after-sales market (the "aftermarket"), which is highly related to the immense car ownership scale and growing average car age. For the year ended 31 December 2020, the Group achieved sales revenue of approximately RMB63.8 million, an increase of approximately RMB35.2 million as compared to the same period of last year.

Furthermore, the Group enhanced collaboration with major distributors in the aftermarket, and increased its promotion efforts in selling stocks with those customers that have credible history with the Group and well-established sales and distribution networks on the ground, and the Group's sales in China (or the "domestic market") increased significantly. For the year ended 31 December 2020, the Group's revenue from sales to the domestic market amounted to approximately RMB58.5 million, in which the sales revenue of evaporators, condensers and compressors amounted to approximately RMB15.3 million, RMB10.9 million and RMB21.7 million, respectively. Other revenue from sales to the domestic market comprised primarily of the sales of heaters, intercoolers, oil-coolers, coolant reservoirs, water tanks, lubricant oil, etc.

Due to the uncertainty of the trade relations between China and the United States, the Group increased its sales to Asian countries in the overseas markets (or referred to as the "international markets"). For the year ended 31 December 2020, the Group's revenue from sales to the international market amounted to approximately RMB5.3 million, in which the sales revenue of evaporators, condensers and compressors amounted to approximately RMB0.4 million, RMB11,000 and RMB4.4 million, respectively. Other revenue from sales to the international markets comprised primarily of the sales of thermostats and expansion valves.

For the year ended 31 December 2020, the Group has improved its scale of operation and business revenue. Attribute to the increase in sales revenue and gross margin, the Company recorded loss attributable to its owners of approximately RMB5.2 million for the year ended 31 December 2020, a decrease of approximately RMB26.2 million from the loss attributable to its owners of approximately RMB31.4 million for the same period of last year.

In view of the rapid development of China's cold chain logistics industry, and with its technology and experience in ventilation and cooling system, the Group has commenced to engage into the business of supply chain management, mainly cold storage and cold chain supply.

On 28 June 2020, the Group and Fuzhou Anda Shengdong Logistics Co., Ltd. ("Fuzhou Anda"), an independent third party, entered into an equity transfer agreement, pursuant to which 40% of the equity interest of Shanghai Shuanghua Supply Chain Management Co., Ltd. ("Shuanghua Supply Chain") was sold to Fuzhou Anda to jointly develop cold storage services, by transforming some of the Group's vacant properties in Shanghai into large cold storage plants. Fuzhou Anda has extensive experience in the cold storage and cold chain supply business, supported by a wide supplier, customer and logistics network, which will help the Group to establish relationship with potential new customers and promote the Group's cold storage and cold chain supply business. For further details of the said transfer, please refer to the announcement of the Company dated 28 June 2020.

On 6 November 2020, the Group formed a joint venture company, Shanghai Lidahang Supply Chain Management Co., Ltd. ("Lidahang Supply Chain") with Shanghai Lidahang Enterprise Registration Agency Co., Ltd. ("Shanghai Lidahang"), an independent third party. The establishment of Lidahang Supply Chain would enhance the existing scope of business of the Group, facilitate expansion of its business into the supply chain services market in Shanghai, and enable the Group to improve its supply and marketing system to achieve win-win cooperation with multi-product and multi-channel, provide services for different supply chains, products and customers, thus create more and higher value for its shareholders. For further details of the formation of Lidahang Supply Chain, please refer to the announcement of the Company dated 6 November 2020.

As of the date of this announcement, construction of the first cold storage plant of the Group has completed and the plant has commenced operation. Given the advantageous geographical position and the large number and storage volume of the Group's vacant properties in Shanghai, the Group is confident that they will lay a solid foundation for the development of the Group's supply chain management business, and provide additional revenue streams for the Group and the Shareholders in the long run.

OUTLOOK AND STRATEGY

In formulating the Group's business strategies, the Company has considered a number of factors, including but not limited to the change in market landscape, the market potential of the Group's products and businesses, the Group's position and competitiveness in the relevant market. Leveraging on the substantial relevant experience of the management, and the internal and external resources of the Group, the Group focuses on (i) continuing cultivating the domestic aftermarket to improve the market share; (ii) targeting cold storage and cold chain supply business to seize the cold chain market share; (iii) launching cold storage trucks by using the Group's advantages; and (iv) building a cold chain ecosystem to further upgrade the Group's business. The Group will continue to create competitive advantages to become a leading listed company with sustainable growth driven by its professional management and expertise, business cooperation and advanced technological strengths and capabilities.

Continuing cultivating the domestic aftermarket to improve the market share

With the outbreak of COVID-19, people's daily life and travelling have been affected to a certain extent. Compared with public transport, private cars and other individual vehicles are favored for safety travelling, and individual traffic flow increases rapidly. In addition, with the outbreak of COVID-19 abroad and the prevention and control measures at the borders, more people are keen to travel within China and drive in their own cars, which increases the utilization rate and service life of cars, thereby driving the demand for products in need of repair and maintenance services.

The Group will continue to cultivate the domestic aftermarket, and promote the following measures, to meet the growing demand of the domestic aftermarket:

- The Group will continue to enhance cooperation with major distributors in different regions of China. Based on the local market demand, utilising the technological strength and supply chain advantage, assisting distributors to develop and establish second and third tier sales networks, and helping distributors with the procurement and supply of different kinds of automotive components to achieve comprehensive supply of a wide varieties of products; and

- Strengthen production and sales management and internal and external collaboration, ensure timely product delivery, shorten customer order cycle and improve product profit margins and turnover rate.

Targeting cold storage and cold chain supply business to seize the cold chain market share

The continuous improvement of urbanization and people's living standards in China, as well as the explosive growth of fresh e-commerce in recent years, has driven the rapid development of China's cold storage and cold chain supply business. According to the Cold Chain Logistics Committee of China Federation of Logistics and Purchasing ("CCLC"), the scale of China's cold storage and cold chain supply market expanded with a compound annual growth rate of approximately 15.3% from 2017 to 2019. In 2019, the scale of China's cold storage and cold chain supply market reached approximately RMB339.1 billion, with a year-on-year growth of approximately 17.5%. In addition, the Chinese government attaches great importance to the cold chain logistics industry, as more than 56 cold chain related policies and plans were issued at the national level in 2020 to promote the development of the cold chain logistics industry from multiple dimensions.

The Group will fully integrate external and internal resources, including building a comprehensive and highly efficient software management system to service the cold chain network involving suppliers, distributors, supermarkets, logistics providers and other potential partners, with an aim to meet the growing demand of fresh e-commerce and target different kinds of customers with quality service in high efficiency.

Launching cold storage trucks by using the Group's advantages

Cold storage truck is the link of the cold chain logistics industry, and plays a vital role in the cold chain logistics industry. Cold storage truck is composed of a special automobile chassis, a thermal insulation box, cooling unit and other components. According to the statistics of the CCLC, the number of cold storage truck in China increased by more than 20% annually from 2015 to 2019.

Leveraging on its technology and experience in ventilation and cooling system, and its resources in the cold storage and cold chain supply business, the Group will continue focusing on the development of HVAC systems and cooling systems of cold storage trucks, and seek cooperation with major original equipment suppliers ("OES"), which install and modify HVAC systems and cooling systems according to the actual needs and applications of cold storage trucks. The Group will strengthen its R&D capabilities through cooperating with engineers from major OES and research institutes, recruiting staff with relevant expertise and experiences, and developing the technology and products of HVAC systems and cooling systems that are aimed to be commercialized by the Group.

Building a cold chain ecosystem to further upgrade the Group's business

Facing the development opportunities in the cold storage and cold chain supply industry, the Group will continue to extend supply chain services based on market demand, such as cold chain processing, sorting, packaging, cold chain transportation, e-commerce, intelligent logistics distribution systems, etc., to build an internet of supply chain ecosystem from production area to marketing area, from field to table, ensuring the safety of people's diets, improving the development level of China's cold chain logistics industry, and meet the diversified consumer demand of the market to further upgrade the Group's business.

The Group will continue to work with its business partners and research institutes on the development of new energy-saving, emission-reducing and other advanced products, which would enable the Group to expand its product line with more variety, better quality and higher value and obtain new customers and sales orders, with an aim to achieve a faster growth and sustainable business development of the Group in the long run.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2020, the Group's revenue was approximately RMB63.8 million, an increase of approximately RMB35.2 million or 123.1% from that of the corresponding period of 2019, which was approximately RMB28.6 million.

The following table sets forth the breakdown of the Group's revenue by products of the automobile parts business during the reporting period (the supply chain business has not generated revenue during the reporting period):

	For the year ended 31 December			
	2020		2019	
Revenue	***RMB'000***	**% of revenue**	*RMB'000*	% of revenue
Domestic				
Evaporators	**15,278**	**23.9%**	16,657	58.2%
Condensers	**10,901**	**17.1%**	6,978	24.4%
Compressors	**21,680**	**34.0%**	–	–
Others	**10,663**	**16.7%**	1,521	5.3%
Sub-total	**58,522**	**91.7%**	25,156	87.9%
International				
Evaporators	**440**	**0.7%**	3,248	11.4%
Condensers	**11**	**0.0%**	185	0.6%
Compressors	**4,391**	**6.9%**	–	–
Others	**429**	**0.7%**	27	0.1%
Sub-total	**5,271**	**8.3%**	3,460	12.1%
Total	**63,793**	**100.0%**	28,616	100.0%

Gross profit/(loss) and gross margin

For the year ended 31 December 2020, the Group recorded a gross profit of approximately RMB9.6 million (for the year ended 31 December 2019: gross loss of approximately RMB5.7 million). The Group's gross margin increased to approximately 15.0% for the year ended 31 December 2020, as compared to approximately -19.9% for the year ended 31 December 2019. Gross profit for the year ended 31 December 2020 increased by approximately RMB15.3 million, mainly due to increase in products sales, such as compressors, which generated higher profit margin comparing with other products, and thus generated gross profit for the year ended 31 December 2020 as compared with the same period of 2019.

The following table sets forth the breakdown of the Group's gross profit/(loss) by products of the automobile parts business during the reporting period (the supply chain business has not generated profit during the reporting period):

	For the year ended 31 December	
	2020	2019
Gross profit/(loss)	***RMB'000***	*RMB'000*
Domestic		
Evaporators	**849**	(5,163)
Condensers	**1,106**	(209)
Compressors	**6,010**	–
Others	**481**	(169)
Sub-total	**8,446**	(5,541)
International		
Evaporators	**75**	(214)
Condensers	**(1)**	8
Compressors	**891**	–
Others	**186**	9
Sub-total	**1,151**	(197)
Total	**9,597**	(5,738)

Other income, gains and losses

For the year ended 31 December 2020, the Group's other income, gains and losses amounted to approximately RMB12.0 million, an increase of approximately RMB4.4 million as compared to the same period of last year (for the year ended 31 December 2019: approximately RMB7.6 million). The increase of other income, gains and losses was mainly attributable to the increase in the main component of the Group's other income and gains, being gross rental income, investment income from financial assets at fair value through profit or loss and gain on disposal of property, plant and equipment.

Impairment losses recognized on trade receivables, other receivables and other assets

For the year ended 31 December 2020, the Group's impairment loss recognized on trade receivables, other receivables and other assets amounted to approximately RMB0.6 million, decreased by approximately 86.4% as compared to the same period of last year (for the year ended 31 December 2019: approximately RMB4.4 million), mainly due to reversal of provisions for impairment of some long aging trade receivables collected by the Group.

Selling and distribution costs

Selling and distribution costs primarily comprised of staff-related costs, sales transportation fees, entertainment and travelling expenses. For the year ended 31 December 2020, the Group's selling and distribution costs amounted to approximately RMB2.0 million, increased by approximately 81.8% as compared to the same period of last year (for the year ended 31 December 2019: approximately RMB1.1 million), mainly due to increase in sales revenue, causing an increase in sales-related staff expenses and provision for sales warranty.

Administrative expenses

Administrative expenses primarily comprised of staff-related costs, various local taxes and education surcharges, depreciation of property, plant and equipment and right-of-use assets, R&D expenses and miscellaneous expenses. For the year ended 31 December 2020, the Group's administrative expenses amounted to approximately RMB25.9 million, decreased by approximately 12.2% as compared to the same period of last year (for the year ended 31 December 2019: approximately RMB29.5 million), mainly due to decrease of consulting fees and termination benefits for employees.

Other expenses

Other expenses primarily comprised of impairment on assets and miscellaneous expenses. For the year ended 31 December 2020, the Group recorded other expenses of approximately RMB1.1 million (for the year ended 31 December 2019: approximately RMB11,000). The increase in other expenses for the year ended 31 December 2020 was mainly due to written off of assets arising from deregistration of a subsidiary.

Interest expense

Since the adoption of HKFRS 16 Lease on 1 January 2019, the Group's interest expense for the year ended 31 December 2020 amounted to approximately RMB25,000 (for the year ended 31 December 2019: approximately RMB128,000).

Share of gain of a joint venture

Anhui Shuanghua Heat Exchange System Co., Ltd. ("Anhui Shuanghua") was established on 31 May 2018 and became a non-wholly owned subsidiary during the year ended 31 December 2019. For the year ended 31 December 2020, the Group had no share of gain of a joint venture.

Income tax credit

For the year ended 31 December 2020, the Group's income tax credit was approximately RMB0.9 million (for the year ended 31 December 2019: approximately RMB1.6 million).

Loss for the Year

For the year ended 31 December 2020, the loss attributable to the owners of the Company was approximately RMB5.2 million, while the loss attributable to the owners of the Company for the same period of last year was approximately RMB31.4 million.

LIQUIDITY AND FINANCIAL RESOURCES

Net current assets

The Group's net current assets decreased from approximately RMB170.8 million as at 31 December 2019 to approximately RMB134.4 million as at 31 December 2020.

Financial position and bank borrowings

As at 31 December 2020, the Group's cash and cash equivalents, restricted time deposits and financial assets at fair value through profit or loss amounted to approximately RMB121.9 million (as at 31 December 2019: approximately RMB163.4 million). As at 31 December 2020 and 2019, the Group did not have any borrowings. The gearing ratio was not applicable to the Group (as at 31 December 2019: nil).

Save as aforesaid or otherwise disclosed in the notes to the financial statements, and apart from intra-Group liabilities, as at 31 December 2020, the Group did not have any outstanding mortgages, charges, debentures, debt securities or other loan capitals or bank overdrafts or loans or other similar indebtedness or finance lease commitments, liabilities under acceptances or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities.

The Directors have confirmed that there has not been any material change in the indebtedness and contingent liabilities of the Group since 31 December 2019.

Working capital
(All amounts in this section were net of provisions for impairment of inventories and trade receivables)

For the year ended 31 December 2020, the average inventory turnover days were 140 days (for the year ended 31 December 2019: 308 days). The average inventory turnover days are arrived at by dividing the arithmetic means of the opening and ending balances of inventory for the relevant period by cost of sales of the same period and multiplying the quotient by 365 days. The decrease in the average inventory turnover days was primarily attributable to increase in sales of stocks.

For the year ended 31 December 2020, the average turnover days of trade and bills receivables were 116 days (for the year ended 31 December 2019: 359 days). The average turnover days of trade and bills receivables are arrived at by dividing the arithmetic means of the opening and ending balances of trade and bills receivables for the relevant period by revenue of the same period and multiplying the quotient by 365 days. The decrease in the average turnover days of trade and bills receivables was mainly due to increase in sales revenue and the overall turnover rate of the Group.

For the year ended 31 December 2020, the average turnover days of trade and bills payables were 110 days (for the year ended 31 December 2019: 156 days). The average turnover days of trade and bills payables are arrived at by dividing the arithmetic means of the opening and ending balances of trade and bills payables for the relevant period by cost of sales of the same period and multiplying the quotient by 365 days. The average turnover days of trade and bills payables decreased mainly because the management accelerated the repayment rate to improve liquidity.

CAPITAL EXPENDITURES, CAPITAL COMMITMENTS AND HUMAN RESOURCES

For the year ended 31 December 2020, the Group's capital expenditures were approximately RMB49.1 million, mainly due to additions of machinery and equipment and construction in progress (for the year ended 31 December 2019: approximately RMB1.2 million).

As at 31 December 2020, the Group had 140 employees including Directors, management, sales, logistics supports and other ancillary personnels (as at 31 December 2019: 64). The Group's total wages and salaries (excluding directors' and chief executives' remuneration) for the year ended 31 December 2020 amounted to approximately RMB9.4 million (for the year ended 31 December 2019: approximately RMB8.8 million). Our remuneration policy is primarily based on the job responsibilities, work performance and number of years of service of each employee and the current market conditions.

Pursuant to the relevant People's Republic of China ("PRC") labour laws and regulations, the Group has to pay contributions to a number of staff social insurance schemes (including medical, maternity, work injury, unemployment and pension insurances) and staff housing reserve funds. We provide social insurances and pay contributions to housing reserve funds for our employees in accordance with the interpretations to the relevant PRC labour laws and regulations given, and policies and measures executed by local government departments. We have established various welfare plans including the provision of pension funds, medical insurance, unemployment insurance and other relevant insurance for employees who are employed by the Group pursuant to the PRC rules and regulations and the existing policy requirements of the local government. The Group's welfare expenses for the year ended 31 December 2020 amounted to approximately RMB2.1 million (for the year ended 31 December 2019: approximately RMB6.7 million). We have complied, in all material respects, with all statutory requirements on retirement contribution in the jurisdictions where the Group operates.

The determination of the remuneration to the Directors is based on remuneration of directors of comparable companies in the industry, time commitment, duties and responsibilities of the Directors in the Group and our operational and financial performance. The basic salary of each of our executive and non-executive Directors will be reviewed by the remuneration committee of the Board at the end of each financial year. None of the Directors waived any emoluments during the year ended 31 December 2020.

Significant investments, material acquisitions and disposals

On 28 June 2020, Shanghai Eagle Investment Limited ("Eagle Investment"), a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Fuzhou Anda, an independent third party with extensive experience in the cold storage and cold chain supply business, pursuant to which Eagle Investment sold 40% of the equity interest of Shuanghua Supply Chain, its then wholly-owned subsidiary, at a consideration of RMB1 and the settlement of the outstanding capital of RMB8.0 million. For further details of the said transfer, please refer to the announcement of the Company dated 28 June 2020.

On 6 November 2020, Eagle Investment entered into a joint venture agreement with Shanghai Lidahang, an independent third party, in relation to the formation of Lidahang Supply Chain and Eagle Investment agreed to contribute to the registered capital of Lidahang Supply Chain at RMB10.5 million. Lidahang Supply Chain is owned as to 70% by Eagle Investment and is recognized as an indirect non wholly-owned subsidiary of the Company. For further details of the formation of Lidahang Supply Chain, please refer to the announcement of the Company dated 6 November 2020.

Save as disclosed in this announcement, for the year ended 31 December 2020, the Group did not have any significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures (for the year ended 31 December 2019: disposal of 99.999% of the equity interest of Shanghai Citgoc Petroleum Co., Ltd. at a total consideration of approximately RMB12.3 million; acquiring 6.67% of the shares of Anhui Shuanghua held by Mr. Cheng Ruicheng ("Mr. Cheng") at a consideration of RMB1 and the settlement of the outstanding capital of RMB1 million and acquiring 15% of the shares of Anhui Shuanghua held by Huangshan Djerma Heat Exchange System Co., Ltd. at a consideration of RMB2.25 million; making a capital contribution of RMB22 million into the registered capital of Anhui Shuanghua and the shareholding in Anhui Shuanghua was further increased to 86.49%; investment in Huangshan Shuanghua at a consideration of RMB10.2 million).

Foreign exchange risks

The Group's operations are located in the PRC with RMB as the functional and presentation currency. The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the unit's functional currency. The currency exposure of the Group mainly comes from fluctuations in the exchange rates of HKD to RMB and USD to RMB. At present, the Group does not intend to hedge its exposure to foreign exchange fluctuations. However, the management constantly monitors the economic situation and the Group's foreign exchange risk profile and will consider appropriate hedging measures in the future when necessary.

Contingent liabilities

The Group had no significant contingent liabilities as at 31 December 2020 (as at 31 December 2019: nil).

Pledge of assets

As at 31 December 2020, the Group had no pledge of assets (as at 31 December 2019, the Group's bills payable of RMB2.1 million was secured by certain of the Group's bills receivable of RMB2.1 million).

SHARE OPTION SCHEME

As at 31 December 2020, no share options have been granted or exercised pursuant to the share option scheme adopted.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2020.

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

As at 31 December 2019, a balance of approximately RMB10.0 million of the proceeds from the initial public offering of the Company remained unutilized (the "Unutilized Proceeds"). The utilization of the Unutilized Proceeds during the reporting period are set out below:

Use of proceeds		**Planned applications** *RMB million*	**Amount of Utilized Proceeds utilized during the year ended 31 December 2020** *RMB million*
1.	For the installation of facilities, utilities and security equipment of the Group's plant	2.0	2.0
2.	For the transformation and upgrade of equipment	3.0	3.0
3.	General working capital	5.0	5.0
Total		**10.0**	**10.0**

The Unutilized Proceeds were utilized in accordance with the intended use as previously disclosed in the 2019 annual report of the Company and the supplemental announcement in relation thereto dated 23 July 2020. As at 31 December 2020, no amount of the proceeds from the initial public offering remained unutilized.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2020 (for the year ended 31 December 2019: nil).

MATERIAL EVENTS AFTER THE REPORTING PERIOD

On 10 February 2021, Shanghai Shuanghua Autoparts Co., Ltd, an indirect subsidiary of the Company ("Shanghai Shuanghua") entered into an equity transfer agreement with Mr. Cheng, pursuant to which Shanghai Shuanghua acquired approximately 13.51% of the shares of Anhui Shuanghua held by Mr. Cheng at a cash consideration of RMB4.6 million. For further details of the said transfer, please refer to the announcement of the Company dated 10 February 2020.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted all the requirements of the code provisions of the Corporate Governance Code and Corporate Governance Report (the "Corporate Governance Code") contained in Appendix 14 to the Listing Rules.

None of the Directors is aware of any information which would reasonably indicate that the Company was not in compliance with the Corporate Governance Code during the year ended 31 December 2020, except the deviation from provision A.2.1 and provision A.4.3 as explained below.

Code provision A.2.1

Under provision A.2.1 of the Corporate Governance Code, the roles of the chairman and the chief executive officer ("CEO") of the Group should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO of the Group should be clearly established and set out in writing.

The roles of the chairman and the CEO of the Group are not separated and are performed by the same individual. Mr. Zheng Ping acted as both the chairman and CEO throughout the period under review. The Directors met regularly to consider major matters affecting the operations of the Group. The Directors consider that this structure will not impair the balance of power and authority between the Directors and management of the Group and believe that this structure will enable the Group to make and implement decisions promptly and efficiently.

Code provision A.4.3

Under provision A.4.3 of the Corporate Governance Code, if an independent non-executive Director serves for more than nine years, his further appointment should be subject to a separate resolution to be approved by the shareholders of the Company. Mr. He Binhui and Mr. Chen Lifan have served as independent non-executive Directors for more than nine years. The future appointment of these two independent non-executive Directors without the approval by way of passing a separate resolution of the shareholders of the Company is regarded as a deviation from provision A.4.3 of the Corporate Governance Code. Accordingly, the re-election of Mr. He Binhui and Mr. Chen Lifan will be subject to separate resolutions to be approved at the 2020 annual general meeting, and the Company will state the reason why the relevant independent non-executive Directors who are subject to rotation and re-election are still independent and should be re-elected in the shareholders' circular.

The Board is of the opinion that each of Mr. He Binhui and Mr. Chen Lifan remains independent, notwithstanding the length of their service. Each of Mr. He Binhui and Mr. Chen Lifan has confirmed to meet the independence criteria as set out in Rule 3.13 of the Listing Rules. They continue to demonstrate the attribute of an independent non-executive Director and there is no evidence that their tenure has any impact of their independence. The Board believes that their profound knowledge and experience and understanding of the Company could contribute to the continued success of the Group. In view of the above, the Company considers that sufficient measures have been taken to ensure that the standard of the Company's corporate governance practices is not lower than those required in the CG Code.

AUDIT COMMITTEE

Pursuant to the Listing Rules, an audit committee was established on 8 June 2011, comprising three independent non-executive Directors, namely Mr. He Binhui, Ms. Guo Ying and Mr. Chen Lifan, and is chaired by Mr. He Binhui.

The written terms of reference which describe the authorities and duties of the audit committee were prepared and adopted with reference to "A Guide for the Formation of an Audit Committee" published by the Hong Kong Institute of Certified Public Accountants. The audit committee provides an important link between the Board and the Company's auditor in matters coming within the scope of the Group audit. It also reviews the financial reporting process and the adequacy and effectiveness of the Group's internal control system.

To comply with the requirements under the Corporate Governance Code in respect of the responsibilities for performing the corporate governance duties, the Board has delegated its responsibilities to the audit committee to develop and review the policies and practices of the Company on corporate governance and make recommendations to the Board; to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; to develop, review and monitor the code of conduct applicable to the directors and employees; to review and monitor the training and continuous professional development of directors and senior management; and to review the Company's compliance with the code provisions set out in the Corporate Governance Code contained in the Listing Rules and disclosures in the corporate governance report.

During the year ended 31 December 2020, the audit committee held five meetings for the purpose of reviewing the Company's reports and accounts, and providing advice and recommendations to the Board. The audit committee also reviewed the internal control procedures of the Group and the Company's progress in implementing the corporate governance requirements as set out in the Corporate Governance Code. The minutes of the audit committee meeting are kept by the company secretary of the Company.

The Group's results for the year ended 31 December 2020 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards.

COMPLIANCE WITH THE MODEL CODE

The Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules has been adopted by the Company as the code of conduct for securities transactions by the Directors. The Directors have also been reminded of their responsibilities under the Model Code regularly by the Company. Having made specific enquiries with them, all Directors confirmed that they have complied with the required standards of the Model Code during the year ended 31 December 2020.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors or any of their respective associates (as defined under the Listing Rules) has interest in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or has any other conflict of interests with the Group as at the date of this announcement.

ANNUAL GENERAL MEETING

The date of annual general meeting of the Company will be announced shortly, notice of which will be published and dispatched to the shareholders as soon as practicable in accordance with the Company's articles of association and the Listing Rules.

By order of the Board
Shuanghua Holdings Limited
Zheng Ping
Chairman

Hong Kong, 31 March 2021

As at the date of this announcement, the Board consists of three executive Directors, Mr. Zheng Ping, Ms. Zheng Fei and Ms. Tang Lo Nar, one non-executive Director, Ms. Kong Xiaoling, and three independent non-executive Directors, Ms. Guo Ying, Mr. He Binhui and Mr. Chen Lifan.