中國全通
CHINA ALL ACCESS

中國全通(控股)有限公司
CHINA ALL ACCESS (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 633)

ANNOUNCEMENT OF UNAUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

UNAUDITED CONSOLIDATED RESULTS

For the reasons explained below under "Review of Unaudited Annual Results", the auditing process for the annual results of China All Access (Holdings) Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") has not been completed. In the meantime, the board (the "**Board**") of directors (the "**Directors**") of the Company is pleased to announce the unaudited consolidated results of the Group for the year ended 31 December 2020 together with the comparative figures for the corresponding period in 2019.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2020

	Notes	**2020**	2019
		RMB'000	*RMB'000*
		(Unaudited)	*(Audited)*
Revenue	5	**7,684,615**	5,044,439
Cost of sales		**(7,499,063)**	(4,960,017)
Gross profit		**185,552**	84,422
Other income	7	**31,856**	18,455
Other net loss	7	**(138,022)**	(407,744)
Distribution costs		**(7,178)**	(6,251)
Administrative expenses		**(103,638)**	(368,654)
Allowance for credit loss		**—**	(1,279,592)
Research and development expenses		**(18,014)**	(145,975)
Loss from operations		**(49,444)**	(2,105,339)
Finance income	8	**199**	1,874
Finance costs	8	**(256,137)**	(554,432)
Share of results of associates		**(450)**	(1,709)
Loss before taxation	8	**(305,832)**	(2,659,606)
Income tax expense	9	**(21,953)**	(1,466)
Loss for the year attributable to owners of the Company		**(327,785)**	(2,661,072)

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

For the year ended 31 December 2020

	Notes	**2020**	2019
		RMB'000	*RMB'000*
		(Unaudited)	*(Audited)*
Loss attributable to:			
Owners of the Company		**(327,785)**	(2,659,123)
Non-controlling interests		**—**	(1,949)
		(327,785)	(2,661,072)
Loss per share	10		
Basic and diluted (RMB)		**(0.142)**	(1.248)

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Loss for the year	**(327,785)**	(2,661,072)
Other comprehensive loss for the year (after tax and reclassification adjustments):		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of financial statements	**(32,153)**	(69,206)
Other comprehensive loss for the year	**(32,153)**	(69,206)
Total comprehensive loss for the year	**(359,938)**	(2,730,278)
Total comprehensive loss for the year attributable to:		
Owners of the Company	**(359,614)**	(2,728,329)
Non-controlling interests	**(324)**	(1,949)
	(359,938)	(2,730,278)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	Notes	**2020**	2019
		RMB'000	*RMB'000*
		(Unaudited)	*(Audited)*
Non-current assets			
Property, plant and equipment		**189,473**	213,800
Intangible assets		**8,135**	60,050
Other receivables	11	**137,800**	142,046
		335,408	415,896
Current assets			
Inventories		**1,184,891**	315,560
Trade and other receivables	11	**6,142,915**	2,923,963
Prepayments		**111,957**	102,639
Discounted bills receivable		**200,886**	207,156
Bills receivable		**67,077**	260
Financial assets at fair value through profit or loss		**—**	36
Restricted cash		**133,015**	166,004
Cash and cash equivalents		**33,800**	18,462
		7,874,541	3,734,080

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 31 December 2020

	Notes	**2020**	2019
		RMB'000	*RMB'000*
		(Unaudited)	*(Audited)*
Current liabilities			
Trade and other payables	12	**5,922,448**	1,607,653
Contract liabilities		**153,438**	186,688
Deferred income		**1,960**	1,839
Borrowings		**1,277,573**	1,350,081
Lease liabilities		**3,248**	—
Bank advances on discounted bills receivables		**201,714**	207,984
Income tax payable		**204,370**	176,374
		7,764,751	3,533,832
Net current assets		**109,790**	200,248
Total assets less current liabilities		**445,198**	616,144
Non-current liabilities			
Borrowings		**71,747**	28,100
Lease liabilities		**1,809**	923
Deferred income		**5,069**	6,909
Deferred tax liabilities		**425**	545
		79,050	36,477
NET ASSETS		**366,148**	579,667
CAPITAL AND RESERVES			
Share capital		**19,788**	19,788
Reserves		**347,785**	561,828
Equity attributable to owners of the Company		**367,573**	581,616
Non-controlling interests		**(1,425)**	(1,949)
TOTAL EQUITY		**366,148**	579,667

1. GENERAL INFORMATION

China All Access (Holdings) Limited (the "**Company**") was incorporated in the Cayman Islands on 4 December 2007 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands ("**Cayman Companies Law**"). The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 16 September 2009.

At 31 December 2020, the directors of the Company consider the immediate parent and ultimate holding company of the Company to be Creative Sector Limited, a company incorporated in the British Virgin Islands (the "**BVI**") with limited liability.

The functional currency of the Company is Hong Kong dollar ("**HK$**"). The consolidated financial statements are presented in Renminbi ("**RMB**") because the principal activities of the Company's subsidiaries (collectively with the Company referred to as the "**Group**") are carried out in the People's Republic of China (the "**PRC**"), and all values are rounded to the nearest thousand (RMB'000) unless otherwise indicated.

2. STATEMENT OF COMPLIANCE

The unaudited consolidated financial statements have been prepared in accordance with all applicable HKFRSs, which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and interpretations issued by the HKICPA and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange and by the disclosure requirements of the Hong Kong Companies Ordinance.

3. GOING CONCERN BASIS

The Group incurred a net loss of approximately RMB327,785,000 (2019: RMB2,661,072,000) for the year ended 31 December 2020. At 31 December 2020, the Group recorded current and non-current borrowings of approximately RMB1,277,573,000 (2019: RMB1,350,081,000) and RMB71,747,000 (2019: RMB28,100,000) respectively and cash and cash equivalents of approximately RMB33,800,000 (2019: RMB18,462,000). The total borrowings exceeded the cash and cash equivalents of approximately RMB1,315,520,000 (2019: RMB1,359,719,000).

In preparing the unaudited consolidated financial statements, the directors have given careful consideration to the future liquidity of the Group in light of the fact that at 31 December 2020, the Group had borrowings of approximately RMB1,349,320,000 (2019: RMB1,509,682,000) of which approximately RMB1,323,169,000 (2019: RMB1,323,169,000) were overdue. These borrowings are further explained below:

(a) Prosper Talent Limited ("Prosper Talent"), a promissory note holder of the promissory note issued by the Company, with an outstanding principal amount of US$56,000,000 was due since August 2018 and remains unsettled. On 27 June 2019, the Company, Mr. Chan Yuen Ming ("Mr. Chan"), an executive director of the Company, and an indirect wholly owned subsidiary of the Company (collectively referred to as the "Defendants"), received a writ of summons issued in the Court of First Instance of High Court of Hong Kong by Prosper Talent as a plaintiff against the Defendants. According to the indorsement of claim enclosed in the writ of summons, US$95,383,187.40 was due and outstanding under a note purchase agreement entered into between the Plaintiff, the Company and Mr. Chan which was secured by a personal guarantee entered into by Mr. Chan and security assignment entered into by the indirect wholly owned subsidiary in favour of the Plaintiff. The Plaintiff's claims are for (i) the sum of US$95,383,187.40 or its Hong Kong dollars equivalent at the time of payment; (ii) further interest; (iii) costs; and (iv) further and/or reliefs. The Company is negotiating a debt repayment plan (the "Prosper Talent Repayment Plan") with Prosper Talent to settle the outstanding principal and interests and a consent order executed by the Plaintiff and the Defendants was filed to the Court of First Instance of High Court of Hong Kong on 22 June 2020 in which the proceedings was wholly discontinued.

(b) Dundee Greentech Limited ("Dundee"), a promissory note holder of the promissory note issued by the Company, with an outstanding principal amount of HK$847,080,000 was due since December 2018 and remains unsettled. Dundee filed a petition for winding-up on 19 February 2021. The Company will continue to negotiate a debt settlement plan (the "Dundee Settlement Plan") with Dundee to resolve the winding-up petition.

(c) Another creditor (the "Second Petitioner") filed a winding-up petition on 15 December 2020 in relation to an alleged Unpaid Amount in the sum of HK$10,000,000 (comprising of the Principal Sum of HK$10,000,000, interest payable of HK$500,000 and default interest at 9% on the sum of HK$10,500,000 from 27 January 2020 until full and final payment of this Second Petition. The Company will continue to negotiate a debt settlement plan (the "Second Petitioner Settlement Plan") with it to resolve the winding-up petition.

The directors had proposed a final dividend of HK$5.0 cents per ordinary shares subsequent to the financial year ended 31 December 2017, of amount approximately RMB80,014,000 in total, which is still outstanding as at the date of approval of these consolidated financial statements.

The above conditions indicate the existence of material uncertainties, which may cast significant doubt upon the Group's ability to continue as a going concern.

In view of these circumstances, the directors have given careful consideration to the future liquidity and its available sources of financing to assess whether the Group will have sufficient funds to fulfill its financial obligations to continue as a going concern. The Group has taken the following measures to improve the Group's financial position and alleviate its liquidity pressure, which include, but not limited to, the following:

(a) The Group has been taking active measures to collect trade and other receivables through various channels to improve operating cash flows and its financial position.

(b) The directors are considering various alternatives to strengthen the capital base of the Company through various fundraising exercises, including but not limited to, private placements, open offers or right issue of new shares of the Company. In particular, the Company has entered into the following transactions to raise fund:

— On 28 April 2020, the Company entered into the subscription agreement with ADIB Holdings Limited ("**ADIB Holdings**"), pursuant to which ADIB Holdings has conditionally agreed to subscribe (or procure the subscription by its nominee(s)), and the Company has conditionally agreed to allot and issue, 420,000,000 shares of HK$0.16 each for a cash consideration of approximately HK$67,200,000 (the "**Subscription**"). At the date of approval of these consolidated financial statements, the Subscription has not been completed. Further details were set out in the Company's announcements dated 28 April 2020, 4 May 2020 and 17 November 2020; and

— the Company entered into a trade financing agreement with Energy Venture Holding Company (EVHC) LLC ("**EVHC**") (the "**EVHC Trade Financing**"). Pursuant to the EVHC Trade Financing, EVHC agreed to provide trade financing of US$500 million for the joint development of the telecommunications projects and solar energy projects which are being developed by the Company.

Notwithstanding the above, significant uncertainties exist as to whether management will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon (i) the borrowings of (a), (b) and (c) will be settled; (ii) the recoverability issue of the consideration receivable for disposal of Hebei Noter Communication Technology Co., Limited and its subsidiary ("**Hebei Noter Group**") and amount due from Hebei Noter Group (collectively referred to as the "**Hebei Noter Group Receivables**") will be resolved satisfactorily; and (iii) the Group will succeed in raising sufficient fund to meet its financial obligations.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the Group's unaudited consolidated financial statement.

4. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	*Definition of Material*
Amendments to HKFRS 3	*Definition of a Business*
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	*Interest Rate Benchmark Reform*

The application of the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effect

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	*Insurance Contracts and the related Amendments*[1]
Amendment to HKFRS 16	*Covid-19 – Related Rent Concessions*[4]
Amendments to HKFRS 3	*Reference to the Conceptual Framework*[2]
Amendments to HKFRS 9 HKAS 39, HKFRS 7 HKFRS 4 and HKFRS 16	*Interest Rate Benchmark Reform – Phase 2*[5]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)*[1]
Amendments to HKAS 16	*Property, Plant and Equipment – Proceeds before Intended Use*[2]
Amendments to HKAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*[2]
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2018-2020*[2]

1 Effective for annual periods beginning on or after 1 January 2023.

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

3 Effective for annual periods beginning on or after a date to be determined.

4 Effective for annual periods beginning on or after 1 June 2020.

5 Effective for annual periods beginning on or after 1 January 2021.

The Directors of the Company anticipate that the application of all the new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

5. REVENUE

For the year ended 31 December 2020

Disaggregation of revenue from contracts with customers

	ICT	New Energy	Total
	RMB'000	*RMB'000*	*RMB'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*
Sale of goods			
Sales of electronic components			
– Display and touch modules	**7,512,839**	**—**	**7,512,839**
– Casings and keyboard	**96,545**	**—**	**96,545**
Sales of photovoltaic module and related products	**—**	**75,231**	**75,231**
Total	**7,609,384**	**75,231**	**7,684,615**
Timing of revenue recognition			
- At a point in time	**7,609,384**	**75,231**	**7,684,615**

For the year ended 31 December 2019

Disaggregation of revenue from contracts with customers

	ICT	New Energy	Total
	RMB'000	***RMB'000***	***RMB'000***
	(Audited)	***(Audited)***	***(Audited)***
Type of goods and services			
Sales of electronic components			
- Display and touch modules	**4,889,077**	**—**	**4,889,077**
- Casings and keyboard	**87,029**	**—**	**87,029**
Sales of photovoltaic module and related products	**—**	**68,333**	**68,333**
Total	**4,976,106**	**68,333**	**5,044,439**
Timing of revenue recognition			
- At a point in time	**4,976,106**	**68,333**	**5,044,439**

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Sales of electronic components	**7,609,384**	4,976,106
Sales of photovoltaic module and related products	**75,231**	68,333
Total revenue	**7,684,615**	5,044,439

Transaction price allocated to the remaining performance obligation for contracts with customers

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its revenue such that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts as all contract works entered into by the Group have an original expected duration of one year or less.

6. SEGMENT REPORTING

The Group manages its businesses by divisions which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments:

– ICT: including but not limited to research and development, manufacture and distribution of wireless terminals and equipment, including display modules, casings and keyboards.

– New Energy: including but not limited to development, investment, operation and management of solar power plants. The Group has engaged in research and development, installation and application of devices for increasing the luminous flux per unit area for photovoltaic plants and sale of photovoltaic module and related products.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

All assets and liabilities are allocated to the reportable segments with the exception of other corporate assets and liabilities, certain communication equipment which is jointly used by all reportable segments, income tax payable and deferred tax liabilities.

Revenue and expenses are allocated to the reportable segments with reference to profit earned/(loss) suffered by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. However, assistance provided by one segment to another, including sharing of assets, is not measured.

The measure used for reporting segment profit is "segment operating (loss)/profit". Segment operating (loss)/profit includes the gross profit generated by the segment, certain distribution costs, administrative expenses and finance costs directly attributable to the segment. Items that are not specifically attributable to individual segments, such as partial other income, partial other net loss, other corporate administrative expenses, finance income, partial finance costs and share of results of associates, are excluded from segment operating (loss)/profit.

In addition to receiving segment information concerning segment operating (loss)/profit, management is provided with segment information concerning revenue, assets and liabilities used by the segments in their operations.

	ICT		New Energy		Total	
	2020	2019	**2020**	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	*(Audited)*	***(Unaudited)***	*(Audited)*	***(Unaudited)***	*(Audited)*
Reportable segment revenue *(Note)*	**7,609,384**	4,976,106	**75,231**	68,333	**7,684,615**	5,044,439
Segment operating (loss)/profit	**2,352**	(1,725,841)	**(244)**	(201,483)	**2,108**	(1,927,324)
Unallocated other income					**156**	4,210
Unallocated other net loss					**(1,097)**	(36,092)
Finance income					**7**	1,874
Unallocated finance costs					**(223,254)**	(544,004)
Share of results of associates					**(450)**	(1,709)
Other corporate expenses					**(82,402)**	(156,561)
Loss before taxation					**(304,932)**	(2,659,606)

Note: Segment revenue reported above represents revenue generated from external customers. There were no inter-segment revenue in both years.

	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Assets		
Reporting segment assets:		
- ICT	**6,557,428**	2,995,706
- New Energy	**65,623**	68,492
Reportable segment assets	**6,623,051**	3,064,198
Unallocated assets	**1,593,168**	1,085,778
Total assets	**8,216,219**	4,149,976
Liabilities		
Reporting segment liabilities:		
- ICT	**6,487,669**	1,541,367
- New Energy	**102**	39
Reportable segment liabilities	**6,487,771**	1,541,406
Unallocated liabilities	**1,362,300**	2,028,903
Total liabilities	**7,850,071**	3,570,309

(b) Other segment information

Amounts included in the measure of segment profit or loss or segment assets:

	ICT		New Energy		Unallocated		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	*(Audited)*	***(Unaudited)***	*(Audited)*	***(Unaudited)***	*(Audited)*	***(Unaudited)***	*(Audited)*
Depreciation and amortisation	**44,391**	27,313	**34,159**	33,871	**717**	1,016	**79,267**	62,200
Loss on disposal and written-off of property, plant and equipment	**135,263**	12,484	**—**	—	**1,208**	27,012	**136,471**	39,496
Allowance for credit losses on trade and other receivables	**—**	1,271,457	**—**	—	**—**	8,092	**—**	1,279,549
Exchange loss, net	**—**	—	**—**	—	**1,062**	3,718	**1,062**	3,718
Government subsidy	**20,982**	14,195	**—**	—	**—**	—	**20,982**	14,195
Unrealised loss on fair value change of financial assets at FVTPL	**—**	—	**—**	—	**18**	5,362	**18**	5,362
Reversal of credit losses on bills receivables	**—**	(71)	**—**	—	**—**	—	**—**	(71)
Allowance for credit losses on discounted bills receivables	**—**	114	**—**	—	**—**	—	**—**	114
Impairment of goodwill	**—**	93,892	**—**	—	**—**	—	**—**	93,892
Impairment of intangible assets	**—**	10,003	**—**	253,815	**—**	—	**—**	263,818
Write-down of obsolete inventories	**10,266**	12,673	**—**	—	**—**	—	**10,266**	12,673
Finance costs	**32,883**	10,428	**—**	—	**223,254**	544,004	**256,137**	554,432

Information about major customers

Revenue from customers amounting to 10% or more of the Group's revenue is set out below.

	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Customer A[1]	**1,670,244**	N/A[2]
Customer B[1]	**1,512,305**	2,759,027
Customer C[1]	**N/A[2]**	1,213,498

[1] Revenue generated from Customer A and Customer B are attributable to ICT.

[2] The corresponding revenue did not contribute over 10% of the total revenue of the Group for the corresponding year.

Except disclosed above, no other customers contributed 10% or more to the Group's total revenue from continuing operations for both years.

(c) Geographical segments

The following table provides an analysis of the Group's revenue from external customers based on location of operations and non-current assets based on geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	*(Audited)*	***(Unaudited)***	*(Audited)*
The PRC	**7,684,560**	5,044,439	**107,477**	164,121
Hong Kong	**55**	—	**1,652**	2,837
Malaysia	**—**	—	**98,825**	106,892
	7,684,615	5,044,439	**207,954**	273,850

Note: Non-current assets excluded those relating to financial assets, goodwill and deferred tax assets.

7. OTHER INCOME AND NET LOSS

	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Other income		
Government subsidy	**20,982**	14,195
Others	**10,874**	4,260
	31,856	18,455
Other net loss		
Loss on disposal and written-off of property, plant and equipment	**(136,471)**	(39,496)
Exchange loss, net	**(1,062)**	(3,718)
Impairment loss recognised in respect of		
- goodwill	**—**	(93,892)
- intangible assets	**—**	(263,818)
	(137,533)	(400,924)
Unrealised loss on fair value change of financial assets at FVTPL	**(18)**	(5,362)
Others	**(471)**	(1,458)
	(138,022)	(407,744)

8. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

(a) Finance income

	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Interest income from bank deposits	**199**	708
Interest income from other receivables	**—**	1,166
	199	1,874

(b) Finance costs

	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Interest on borrowings	**245,423**	114,964
Default interest	**—**	430,660
Interest on lease liabilities	**352**	347
Interest on discounted bills receivables	**10,237**	8,134
Bank charges	**125**	327
	256,137	554,432

(c) (Reversal) of/allowance for credit loss

	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Allowance for credit losses in respect of trade and other receivables, net	**—**	1,279,549
Reversal of credit losses in respect of bills receivables, net	**—**	(71)
Allowance for credit losses in respect of discounted bills receivables, net	**—**	114
	—	1,279,592

(d) Other items

	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Cost of inventories sold	**7,488,797**	4,945,629
Depreciation of property, plant and equipment	**45,108**	21,515
Depreciation of right-of-use assets	**—**	1,856
Amortisation of intangible assets	**34,159**	38,829
Write-down of obsolete inventories (included in cost of sales)	**10,266**	12,673
Auditors' remuneration:		
– Audit service	**2,000**	1,800
– Non-audit services	**1,500**	1,575
	3,500	3,375
Gross rental income from investment property	**—**	9,658

(e) Staff costs (excluding directors' remuneration)

	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Salaries, wages and other benefits	**76,215**	92,537
Share-based payment expenses	**4,082**	4,489
Retirement benefit scheme contributions	**4,862**	5,361
	85,159	102,387

9. INCOME TAX EXPENSE

Income tax expense in the consolidated statement of profit or loss represents:

	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Current tax — PRC Enterprise Income Tax		
Provision for the year	**21,953**	6,769
Deferred tax		
Credited for the year	**—**	(5,303)
	21,953	1,466

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax, if any, is calculated at 16.5% of the estimated assessable profit for both years. The Group does not have assessable profits chargeable to Hong Kong Profits Tax for both years.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for both years, except for 深圳市立德通訊器材有限公司(Shenzhen Lead Communications Limited*) ("**Shenzhen Lead**") and 深圳市康銓機電有限公司 (Shenzhen Kangquan Mechanical and Electrical Co., Limited*) ("**Shenzhen Kangquan**") which qualified as High and New Technology Enterprises and entitled to the preferential tax rate of 15%.

10. LOSS PER SHARE

The computations of basic and diluted loss per share attributable to owners of the Company are based on the following data:

	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Loss		
Loss for the purpose of basic and diluted loss per share (loss for the year attributable to owners of the Company)	**(327,785)**	(2,659,123)

	2020	2019
	'000	*'000*
	(Unaudited)	*(Audited)*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**2,311,891**	2,130,352

As the Company's outstanding share options had an anti-dilutive effect to the basic loss per share calculation for the years ended 31 December 2020 and 2019, the exercise of the above potential dilutive shares is not assumed in the calculation of diluted loss per share.

11. TRADE AND OTHER RECEIVABLES

	Notes	**2020** ***RMB'000*** ***(Unaudited)***	2019 *RMB'000* *(Audited)*
Trade receivables		**4,075,590**	911,406
Less: Allowance for credit losses		**(326,565)**	(326,565)
		3,749,025	584,841
Other receivables and deposits	(i)	**1,430,683**	1,379,966
Consideration receivables for disposal of Hebei Noter Group	(ii)	**1,101,007**	1,101,202
		2,531,690	2,481,168
Total trade and other receivables		**6,280,715**	3,066,009

	2020 ***RMB'000*** ***(Unaudited)***	2019 *RMB'000* *(Audited)*
Analysed for reporting purposes as:		
Current assets	**6,142,915**	**2,923,963**
Non-current assets	**137,800**	**142,046**
	6,280,715	**3,066,009**

Notes:

(i) At 31 December 2020, amounts due from Hebei Noter Group with carrying amount, net of allowance for credit losses, of RMB795,785,000 were included in other receivables (2019: RMB795,785,000).

During the year ended 31 December 2020, an allowance for credit losses of nil (2019: RMB289,715,000) was recognised in respect of the amounts due from Hebei Noter Group.

(ii) At 31 December 2020 and 2019, consideration receivables from disposal of Hebei Noter Group represent the remaining balance of consideration for the disposal of the entire equity interest in Hebei Noter Group to China RS Group Limited. The consideration shall be repayable in the manner as set forth in note 37 to the consolidated financial statements for the year ended 31 December 2019. The fair value of the consideration at the disposal date has been arrived on the basis of valuation carried out by third party qualified valuers. The effective interest rate of the consideration on initial recognition is 13.58%. Details of the repayment terms of the consideration receivables are set out in the Company's circular dated 15 November 2018. The consideration receivables is secured over the share charge of Hebei Noter made by China RS Group Limited in favour of the Group.

At the end of the reporting period, the aging analysis of trade receivables (which are included in trade and other receivables), based on the invoice date (or date of revenue recognition, if earlier) and net of allowance for credit losses, is as follows:

	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Within 1 month	**1,607,659**	367,790
1 to 2 months	**581,327**	188,643
2 to 3 months	**1,015,489**	13,679
3 to 6 months	**425,484**	3,666
Over 6 months but within 1 year	**5,778**	2,512
Over 1 year	**113,288**	8,551
	3,749,025	584,841

The Group may grant credit up to 18 months to its customers according to the negotiation and relationship with these customers. Credit terms could be extended for certain well-established customers on a case-by-case basis. The Group does not hold any collateral over its customers.

12. TRADE AND OTHER PAYABLES

	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Trade and bills payables	**4,882,195**	700,068
Other payables and accruals	**1,040,253**	907,585
	5,922,448	1,607,653

All of the trade payables, bills payables and other payables and accruals are expected to be settled within one year. Bills payables of approximately RMB106,358,000 (2019: RMB166,004,000) was supported by guarantee deposits of equivalent amount as requested by banks and presented as restricted cash. Other payables and accruals mainly include interest payable of approximately RMB467,750,000, default interests payable of approximately RMB430,660,000 and dividend payables of approximately RMB89,567,000 and other accrued operating expenses.

Final dividend of HK5.0 cents per ordinary share for the year ended 31 December 2017, of amount approximately HK$99,986,000 in total, which is still outstanding as at the date of approval of these consolidated financial statements.

The credit period granted by suppliers ranging from 30 to 180 days.

At the end of the reporting period, the aging analysis of trade and bills payables based on the invoice date is as follows:

	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Within 1 month	**1,455,298**	**157,999**
1 to 3 months	**2,329,554**	**167,900**
3 to 6 months	**907,412**	**180,771**
Over 6 months but within 1 year	**111,696**	**131,366**
Over 1 year	**78,235**	**62,032**
	4,882,195	**700,068**

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group reported its unaudited consolidated results for the year ended 31 December 2020. The Group continued to focus on the development its businesses in the information and communication technology ("**ICT**"), New Energy and Investment activities segments in 2020.

Major business highlights for the year are as follows:

1. Revenue for the year ended 31 December 2020 increased by approximately 52.34% to approximately RMB7,684,615,000 as compared to that in 2019;

2. Gross profit for the year ended 31 December 2020 increased by approximately 119.79% to approximately RMB185,552,000 as compared to that in 2019; and

3. Loss attributable to owners of the Company for the year ended 31 December 2020 decreased by approximately 87.67% to approximately RMB327,785,000 as compared to that in 2019.

ICT

Revenue generated from ICT during the year ended 31 December 2020 increased by approximately 52.92% to approximately RMB7,609,384,000 as compared to the corresponding period in last year, which accounted for approximately 99.02% of the Group's total revenue for the year ended 31 December 2020.

Despite the adverse effect of the Sino-US trade war and the outbreak of the novel coronavirus ("**COVID-19**") on a global basis, our ICT business continued to realise very encouraging increase in product shipment and revenue generation. This was mainly attributable to the Group's effort in securing a number of new customers who are the major market leaders in the mobile phone market. These included both very famous international brands and local brands. It also reinforced the success of implementing the Group's strategy in diversifying our customer base from very high customer concentration to more wide spread number of customers. Moreover, the Group also enlarged our product portfolio from very focused on mobile phone to tablet, motor vehicle electronic application, electronic label, AMOLED panel and wearable. Benefitted from the expansion of customer base and increase in sales orders, we continued to demonstrate positive growth momentum in 2020.

New Energy

After the continuous research and development of our new technology, sales and marketing effort of the business team and the production facility which was built up in Shandong Province in 2019, we accomplished some initiatives in the aspects of entering into partnership agreements with some industry players as well as market development. As a result, we delivered a promising result in 2020. In 2020, due to the impact of COVID-19 and subsequent lockdown and travel bans of cities have caused significant disruption for the New Energy segment, with the stable control of the epidemic in China and the full resumption of work and production, it is expected that the performance will be further improved in 2021.

Revenue generated from New Energy segment for year ended 31 December 2020 increased by 10.09% to approximately RMB75,231,000 as compared to the corresponding period in last year which accounted for approximately 0.98% of the Group's total revenue for the year ended 31 December 2020.

Investment activities

Owing to the adverse situation in the market, the Group did not rollout any investment activity during the year ended 31 December 2019 and 31 December 2020.

FINANCIAL REVIEW

Revenue

Revenue increased from approximately RMB5,044,439,000 for the year ended 31 December 2019 to approximately RMB7,684,615,000 for the year ended 31 December 2020, representing an increase of approximately 52.34%. The increase in revenue during the year as compared with that of last year was mainly attributable to the factors below:

- ICT segment recorded an increase in revenue from approximately RMB 4,976,106,000 for the year ended 31 December 2019 to approximately RMB7,609,384,000 for the year ended 31 December 2020, representing an increase of approximately 52.92%. The increase was mainly attributable to the effort in securing a number of new customers who are the major market leaders in the mobile phone market.

- New Energy segment recorded an increase in revenue from approximately RMB68,333,000 for the year ended 31 December 2019 to RMB75,231,000 for the year ended 31 December 2020, representing an increase of approximately 10.09%. It was mainly due to the completion of the upgrade of the products and the completion of the installation of the products in the solar power station in Nanning, Guangxi Province for field experiment, product testing and product display purpose in 2019.

Gross profit

Gross profit increased from approximately RMB84,422,000 for the year ended 31 December 2019 to approximately RMB185,552,000 for the year ended 31 December 2020, representing an increase of approximately 119.79% from the corresponding period in 2019. The gross profit margin increased from approximately 1.67% for the year ended 31 December 2019 to approximately 2.41% for the year ended 31 December 2020. After the business development of the Group in 2019, the Group strove for new customers and new orders in a very tough business environment. The profitability of the Group's business was subsequently improved in 2020.

Other income

Other income increased from approximately RMB18,455,000 for the year ended 31 December 2019 to approximately RMB31,856,000 for the year ended 31 December 2020, representing an increase of approximately 72.61% from the corresponding period in 2019. It was mainly attributable to the increase in government subsidy for the year ended 31 December 2020.

Other net loss

Other net loss decreased from RMB407,744,000 for the year ended 31 December 2019 to approximately RMB138,022,000 for the year ended 31 December 2020, representing a decrease of approximately 66.15% from the corresponding period in 2019. The decrease was due to the decrease of the impairment loss recognised in respect of goodwill and intangible assets for the year ended 31 December 2020.

Distribution costs, administrative expenses and research and development expenses

Distribution costs, administrative expenses and research and development expenses increased from approximately RMB520,880,000 for the year ended 31 December 2019 to approximately RMB128,830,000 for the year ended 31 December 2020, representing a decrease of approximately 75.27% from the corresponding period in 2019. The decresase was mainly due to the decrease in research and development expenses. The research and development expenses were incurred for the upgrade of the first generation products in the New Energy segment. The upgrade were completed in 2019, thus the cost was reduced for the year ended 31 December 2020.

The percentage of distribution costs, administrative expenses and research and development expenses as a percentage of the Group's total revenue decreased from approximately 10.33% for the year ended 31 December 2019 to approximately 1.68% for the year ended 31 December 2020, representing an decrease of approximately 8.65 percentage points from the corresponding period in 2019. The decrease was mainly due to the decrease in research and development expenses for the year ended 31 December 2020.

Allowance for credit loss

Allowance for credit loss decreased from approximately RMB1,279,592,000 for the year ended 31 December 2019 to approximately nil for the year ended 31 December 2020, representing a decrease of approximately 100% from the corresponding period in 2019. The decrease was mainly attributable to the continuous slowdown in the economic growth which will affect the consumer market in the PRC and in turn affecting the cash flow of the trade and other receivables in 2019. The Group performs impairment assessment under expected credit loss model on trade and other receivables individually or based on provision matrix. In this regard, the directors consider that the Group's credit risk is significantly reduced. The situation was improved in 2020.

Finance income and finance costs

Finance income decreased from approximately RMB1,874,000 for the year ended 31 December 2019 to approximately RMB199,000 for the year ended 31 December 2020, representing a decrease of approximately 89.38% from the corresponding period in 2019. The decrease was mainly attributable to the decrease in interest income from structured deposits and other receivables during the year ended 31 December 2020.

Finance costs decreased from approximately RMB554,432,000 for the year ended 31 December 2019 to approximately RMB256,137,000 for the year ended 31 December 2020, representing a decrease of approximately 53.80% from the corresponding period in 2019. The decrease was mainly due to the decrease in finance costs associated with borrowings during the year ended 31 December 2020.

Income tax

Income tax increased from approximately RMB1,466,000 for the year ended 31 December 2019 to approximately RMB21,953,000 for the year ended 31 December 2020, representing an increase of approximately 1,397.48% from the corresponding period in 2019. The increase in income tax was mainly due to the increase in PRC enterprise income tax for the year ended 31 December 2020.

Loss for the year attributable to owners of the Company

The Group recorded a loss for the year attributable to owners of the Company of approximately RMB327,785,000 for the year ended 31 December 2020 as compared to a loss for the year attributable to owners of the Company of approximately RMB2,659,123,000 for the year ended 31 December 2019. The decrease in loss for the year attributable to owners of the Company were mainly due to the decrease in allowance for credit loss and finance costs. The reason for the decrease in such area was discussed in the financial review section above.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity, financial resources and capital structure

As at 31 December 2020, the Group had unrestricted cash and cash equivalents of approximately RMB33,800,000 (2019: RMB18,462,000), restricted cash of approximately RMB133,015,000 (2019: RMB166,004,000) and borrowings of approximately RMB1,349,320,000 (2019: RMB1,378,181,000). The gearing ratio (calculated by dividing borrowings by total assets) as at 31 December 2020 was approximately 16.42% (2019: 33.21%). As at 31 December 2020, the Group had current assets of approximately RMB7,874,541,000 (2019: RMB3,734,080,000) and current liabilities of approximately RMB7,764,751,000 (2019: RMB3,533,832,000). The current ratio was approximately 1.01 as at 31 December 2020, as compared with the current ratio of approximately 1.06 as at 31 December 2019. The decrease of the current ratio was mainly attributable to the increase in trade and other payables.

The approach of the Board to manage liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

Foreign exchange exposure

The Group's sales and purchases were mainly denominated in Renminbi. Therefore, the Group is not exposed to significant foreign currency exchange risks. The Group does not employ any financial instruments for hedging purposes. While the Board currently does not expect currency fluctuations to materially impact the Group's operations, the Board will review the foreign exchange exposure of the Group from time to time as appropriate.

Capital expenditure

During the year under review, the Group's total capital expenditure amounted to approximately RMB30,410,000 (2019: RMB164,662,000), which was mainly used for procurement for upgrading plant, machinery and equipment.

Capital commitment

As at 31 December 2020, the Group had no capital commitment (2019: nil).

Charge on material assets

As at 31 December 2020, assets of the Group amounting to approximately RMB110,508,000 (2019: RMB151,555,000) were pledged for the Group's borrowings and bills payable.

Contingent liabilities

As at 31 December 2020, the Group had no material contingent liabilities.

Going concern

The Group incurred a net loss of approximately RMB327,785,000 (2019: RMB2,661,072,000) for the year ended 31 December 2020. At 31 December 2020, the Group recorded current and non-current borrowings of approximately RMB1,277,573,000 (2019: RMB1,350,081,000) and RMB71,747,000 (2019: RMB28,100,000) respectively and cash and cash equivalents of approximately RMB33,800,000 (2019: RMB18,462,000). The total borrowings exceeded the cash and cash equivalents of approximately RMB1,315,520,000 (2019: RMB1,359,719,000).

These conditions indicate the existence of multiple material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realize its assets and discharge its liabilities in the normal course of business.

In view of the circumstances, the Board has undertaken and/or is in the progress of implementing various measures (the "**Measures**") to improve the Group's liquidity position as set out in the below section headed "Remedial Measures To Address the Going Concern". Up to the date of this announcement, the Measures have not been completed. Assuming the successful implementation of the Measures, a cash flow forecast of the Group was prepared for a period covered not less than twelve months from the date of approval of the unaudited consolidated financial statements (the "**Approval Date**") (the "**Cash Flow Forecast**"). With reference to the Cash Flow Forecast, the Board is of the opinion that the Group will have sufficient working capital to meet its financial obligation as and when they fall due in the next twelve months from the Approval Date. Accordingly, the unaudited consolidated financial statements have been prepared on a going concern basis.

Further discussions in relation to the going concern and the Company's proposed Measures on going concern are set out on pages 41 to 43 of this announcement.

Recoverability of the Hebei Noter Group Receivables

Included in other receivables disclosed in Note 10 to the unaudited consolidated statement of financial position are consideration receivable for disposal of Hebei Noter Group and amount due from Hebei Noter Group with carrying amounts, net of allowance for credit losses, of approximately RMB1,101,007,000 and RMB795,785,000 respectively as at 31 December 2020 which were overdue for repayment and remained unsettled as at the date of this announcement.

The Company reviewed the business portfolio of the Purchaser at the time of the disposal agreement. Based on its business portfolio, the Company assessed the Purchaser's credit status to ascertain that its financial position was sound enough to honour the payments. Upon defaulting the first instalment payment, the Company has been reviewing the business portfolio to assess the Purchaser's credit status. The aging situation of the inventory and receivables of the Purchaser's business portfolio is unavoidable due to the adverse economic situation caused by the Sino-US trade battle since 2018 and the pandemic outbreak of COVID-19 since the end of 2019.

According to the disposal agreement, the entire ownership of the disposal company is pledged to the Company after completion. There is no change in the ultimate beneficial owner of the Purchaser since disposal agreement on 3 June 2018. The Purchaser has been maintaining dialogue with the Company on its plan to pay the consideration. Both parties are actively working on solutions to resolve the problem. In view of the unexpected adverse economic situation as mentioned above, the businesses of both the Company and the Purchaser have been seriously affected. The Company is taking the view that working actively with the Purchaser to resolve the payment is more constructive than taking any claim on the Purchaser.

Since the Purchaser's failure to pay first instalment of the consideration on timely basis, the Company has been chasing after the Purchaser to pay the consideration as soon as possible. Also, the Company has been urging the Purchaser to provide additional valuable collaterals which can be liquidated in the market to generate cash for paying the consideration. The Purchaser provided certain quantity of commodity as additional collaterals (the "**Collaterals**"). It is being stored in an overseas warehouse. Based on the valuation report provided by the Purchaser, the market value of the assets far exceeds the amount due from the Purchaser to the Company.

HUMAN RESOURCES

As at 31 December 2020, the Group had 3,067 employees (2019: 1,991 employees). The increase in the number of employees was mainly due to the increase in the production scale.

The Group offers its employees competitive salary packages, as well as contribution to defined retirement plans.

The Group's employees are remunerated in line with the prevailing market terms and individual performance, with the remuneration package and policies reviewed on a r regular basis.

Discretionary bonuses may be rewarded to employees after assessment of the performance of the Group and that of the individual employee.

The Group also operates a defined contribution Mandatory Provident Fund retirement benefits scheme for its employees in Hong Kong, and provides its PRC employees with welfare schemes as required by the applicable laws and regulations of the PRC.

PROSPECT

Update on the Development of the New Energy Segment

The Group had commenced the vanadium-titanium all-ceramic solar panel project in Jinan, Shandong. The Group has established a subsidiary with issued and paid-up capital of RMB255 million. The subsidiary is a world's first clean energy integrated solution provider using solar thermal utilisation technology, and is dedicated to the research and development, production, sales and after-sales technical support of the vanadium-titanium all-ceramic solar heating systems and the multi-energy complementary integrated energy system.

The vanadium-titanium all-ceramic solar panel project proposed by the Group is located in the Jibei economic development zone, Jinan City, Shandong, and will have a total construction floor area of 105,000 square meters. The Group plans to build three production lines for the production of vanadium-titanium all-ceramic heat-collecting panels. The production lines will have an annual capacity of 1 million square meters of vanadium-titanium all-ceramic heat-collecting panels, and an annual output value of RMB1.8 billion after completion. This project was supported by the Jinan Municipal Government. The project was also included in eight key projects for transforming from old to new growth drivers by the Jinan Jiyang District, and was included among the key municipal preparatory projects by the Jinan Municipal Government, underscoring the significant development potential of the market.

The innovative vanadium-titanium material is applied to the surface of the ceramic base and combined at high temperature to form the vanadium-titanium all-ceramic solar panel, with a three-dimensional network structure of sunlight absorbent layer to form a sunlight trap to improve sunlight absorption efficiency. The vanadium-titanium all-ceramic solar panels being developed by the Group has the advantages of environmental protection capability, safe and low production cost, durability and stable performance. Vanadium-titanium all-ceramic material is made from industrial waste. It possesses high strength and high-temperature resistance; non-corrosion corrode, non-colour fading or non-stains; and has high efficiency and high solar absorption ratio. At present, there are 28 patented technologies associated with its vanadium-titanium all-ceramic product line, enabling it to be a prime choice for materials in the new energy field.

Moreover, the vanadium-titanium all-ceramic technology has a wide range of applications, including: (1) providing clean and economically efficient agricultural greenhouse heating systems; (2) providing residential heating and district-scale central heating collection, as well as water heating supply system and (3) industrial use of generate electricity and desalinate brackish water in desert areas, as well as improvement in the ecology.

New energy is a key industry supported by the PRC Government and has a promising future, especially the global restrictions on fossil fuels. There is sizable market space for both domestic and the Belt and Road Initiative countries. At present, the testing of the project products has been completed, and the production line is expected to be completed and commence production in the second half of 2020. The development of the vanadium-titanium all-ceramic solar panel project will help the Group to enrich its new energy project portfolio and expand its business scale, resulting in a sustainable source of revenue for the Group.

Development of engineering procurement construction ("EPC")

On 28 August 2020, the Company entered into a trade financing agreement (the "**Trade Financing Agreement**") with Energy Venture Holding Company (EVHC) LLC (the "**Financing Partner**"). Whilst the Company is developing the business of EPC, it has to secure trade financing for execution of various telecommunications projects. Pursuant to the Trade Financing Agreement, the Financing Partner agreed to provide trade financing of US$500 million for the joint development of the telecommunications projects as well as other EPC projects including solar energy projects which are being developed by the Company. The Company is responsible for identifying qualified telecommunications projects and any other projects for the Financing Partner to provide funding, executing equipment procurement, mobilising resources for project construction, monitoring project progress, running testing and commission, finalising project completion and handover as well as managing ongoing maintenance and warranty service.

The Board is of the view that the entering into the Trade Financing Agreement is beneficial to the Company as it provides prominent amount of financing resources for EPC projects which can generate more profitable business and positive operating cashflow for our future development.

For details, please refer to the Company's announcement dated 31 August 2020.

REMEDIAL MEASURES TO ADDRESS THE GOING CONCERN

In order to address the issues, up to the date of this announcement, the Group continues to focus on implementing the following Measures to improve the Group's liquidity position:

(a) The Company is negotiating a debt repayment plan (the "**Prosper Talent Repayment Plan**") with Prosper Talent to settle the outstanding principal and interests and a consent order executed by the Plaintiff and the Defendants was filed to the Court of First Instance of High Court of Hong Kong on 22 June 2020 in which the proceedings was wholly discontinued.

(b) The Dundee filed a petition for winding-up on 19 February 2021. The Company will continue to negotiate a debt settlement plan (the "**Dundee Settlement Plan**") with Dundee to resolve the winding-up petition.

(c) The Company repaid outstanding balances including interest with amount of approximately HK$11,370,000 (equivalent to approximately RMB10,005,000) to the Creditor and a consent summon executed by the Company and the Creditor has been filed to the Court of First Instance of High Court of Hong Kong on 9 September 2020 in which the winding-up petition was wholly discontinued.

(d) Another creditor (the "**Second Petitioner**") filed a winding-up petition on 15 December 2020 in relation to an alleged Unpaid Amount in the sum of HK$10,000,000 (comprising of the Principal Sum of HK$10,000,000, interest payable of HK$500,000 and default interest at 9% on the sum of HK$10,500,000 from 27 January 2020 until full and final payment of this Second Petition. The Company will continue to negotiate a debt settlement plan (the "**Second Petitioner Settlement Plan**") with it to resolve the winding-up petition.

(e) The Group has been taking active measures to collect trade and other receivables through to improve operating cash flows and its financial position.

(f) The directors are considering various alternatives to strengthen the capital base of the Company through various fundraising exercises, including but not limited to, private placements, open offers or right issue of new shares of the Company. In particular, the Company has entered into the following transactions to raise fund:

— On 28 April 2020, the Company entered into the subscription agreement with ADIB Holdings Limited ("**ADIB Holdings**"), pursuant to which ADIB Holdings has conditionally agreed to subscribe (or procure the subscription by its nominee(s)), and the Company has conditionally agreed to allot and issue, 420,000,000 shares of HK$0.16 each for a cash consideration of approximately HK$67,200,000 (the "**Subscription**"). At the date of approval of these unaudited consolidated financial statements, the Subscription has not been completed. Further details were set out in the Company's announcements dated 28 April 2020, 4 May 2020 and 17 November 2020; and

— the Company entered into a trade financing agreement with Energy Venture Holding Company (EVHC) LLC ("**EVHC**") (the "**EVHC Trade Financing**"). Pursuant to the EVHC Trade Financing, EVHC agreed to provide trade financing of US$500 million for the joint development of the telecommunications projects and solar energy projects which are being developed by the Company.

(g) The Group continues to take active measures to control administrative costs to improve operating cash flows and its financial position.

As at the date of this announcement, (c) of the above Measures has been completed. As the above Measures involve on-going negotiations and communications with various external parties, it is difficult to define a definite timetable on the completion of the Measures. Notwithstanding, the Board will strive to complete the above Measures as soon as possible.

In addition, the Company will also explore other avenues to finance the Group's working capital and to repay the promissory notes and other outstanding borrowings.

Recoverability of the Hebei Noter Group Receivables

In order to address the issues, up to the date of this announcement, the Group continues to focus on implementing the following Measures to resolve the issues of the Hebei Noter Group Receivables.

(a) The Company reviewed the business portfolio of the Purchaser at the time of the disposal agreement. Based on its business portfolio, the Company assessed the Purchaser's credit status to ascertain that its financial position was sound enough to honour the payments. Upon defaulting the first instalment payment, the Company has been reviewing the business portfolio to assess the Purchaser's credit status. The aging situation of the inventory and receivables of the Purchaser's business portfolio is unavoidable due to the adverse economic situation caused by the Sino-US trade battle since 2018 and the pandemic outbreak of COVID-19 since the end of 2019; and

(b) The Company is closing a transaction of the Collateral with a buyer in the PRC at the selling price which is close to the market value of the Collateral as per the valuation report provided by the Purchaser. For details, please refer to the Company's announcement dated 19 October 2020.

(c) The Company started commercial negotiation with another buyer in the PRC at the selling price which is close to the market value of the Collateral as per the valuation report provided by the Purchaser.

As of the date of this announcement, (a) of the above measures has been completed. The buyer of (a) is going through internal procedures. Meanwhile, the Company is waiting for feedback from the buyer of (b) on the terms and conditions of the transaction. The Board will strive to complete the above measures as soon as possible.

IMPACT OF THE GOING CONCERN ON THE GROUP'S FINANCIAL POSITION

Had the Group failed to continue business as a going concern, adjustments would have been made to the consolidated financial statements to restate the value of assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, and to make provision for further liabilities that may arise. The effects of these potential adjustments have not been reflected in the unaudited consolidated financial statements of the Group for the year ended 31 December 2020.

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

During the year ended 31 December 2020 and 31 December 2019, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company' s listed securities.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

(i) Deemed disposal (the "Deemed Disposal 1") of interest in China All Access Science and Engineering Technology Development Limited ("SETD")

On 2 January 2020, CRC-YJ Industry Limited and SETD, being a wholly owned subsidiary of the Company entered into a subscription agreement for the subscription for 4,286 shares of the share capital of SETD (representing approximately 30% of the enlarged share capital of SETD) by way of capital contribution in cash.

The Deemed Disposal 1 was not completed as at the date of this annual results announcement.

Please refer to the announcements and circular of the Company dated 3 January 2020, 22 January 2020, 17 February 2020 and 15 September 2020 for details.

(ii) Deemed disposal (the "Deemed Disposal 2") of interest in All Access Global Limited ("AAGL")

On 11 February 2020, CRC-YJ Industry Limited and AAGL, being a wholly owned subsidiary of the Company entered into a subscription agreement for the subscription for 4,286 shares of the share capital of AAGL (representing approximately 30% of the enlarged share capital of AAGL) by way of capital contribution in cash.

The Deemed Disposal 2 was not completed as at the date of this annual results announcement.

Please refer to the announcements of the Company dated 11 February 2020 and 15 September 2020 for details.

EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Since the outbreak of the COVID-19 in early 2020, various prevention and control measures have been and continued to be implemented across the PRC. The Group will pay attention to the development of the COVID-19 and evaluate its impact on the financial position and operating results of the Group.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 31 December 2020, the Company was in due compliance with the code provisions of the Corporate Governance Code (the "**CG code**") as set out in Appendix 14 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on the Stock Exchange.

Pursuant to E.1.2 of the CG Code, the chairman of the Board should attend the annual general meeting. Mr. Chan Yuen Ming ("**Mr. Chan**"), an executive Director and the chairman of the Board, did not attend the annual general meeting of the Company held on 30 June 2020 and the adjourned annual general meeting of the Company held on 30 November 2020 due to other business engagements and instead, Mr. Shao Kwok Keung ("**Mr. Shao**"), an executive Director and the chief executive officer of the Company, took the chair at the annual general meeting. The Board considers that the arrangement is appropriate as Mr. Chan, as chairman of the Board, is responsible for the Group's overall business development and strategy whereas Mr. Shao, as chief executive officer, is responsible for the corporate management of the Company. The Board will regularly review the effectiveness of the segregation of roles to ensure its appropriateness under the Group's prevailing circumstances.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix 10 to the Listing Rules. The Company has made specific enquiry with all the Directors, and all of them confirmed that they had fully complied with the required standards set out in the Model Code and the Company's code of conduct regarding securities transactions during the year ended 31 December 2020.

FINAL DIVIDEND

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

Audit committee

Special attention of the Audit Committee was drawn to Note 2 "Going concern basis" to the unaudited consolidated financial statements that the Group incurred a net loss of approximately RMB327,785,000 (2019: RMB2,661,072,000) for the year ended 31 December 2020. At 31 December 2020, the Group recorded current and non-current borrowings of approximately RMB1,277,573,000 (2019: RMB1,350,081,000) and RMB71,747,000 (2019: RMB28,100,000) respectively and cash and cash equivalents of approximately RMB33,800,000 (2019: RMB18,462,000). The total borrowings exceeded the cash and cash equivalents of approximately RMB1,315,520,000 (2019: RMB1,359,719,000). These conditions indicate the existence of multiple material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realize its assets and discharge its liabilities in the normal course of business. The management's discussions in relation to the Group's going concern are set out on pages 37 and 38 of this announcement.

In addition to the judgement that the financial statements shall be prepared on a going concern basis as discussed above, other major judgmental areas in relation to the preparation of the financial statements include the application of the Group's accounting policies on (i) Impairment of property, plant and equipment and right-of-use assets; (ii) ECL on financial assets at amortised cost; (iii) Net realisable value of inventories; and (iv) Impairment of intangible assets.

The Audit Committee has reviewed and agreed with the management's position on these judgmental areas.

Audit Committee's view on the Going Concern

The Audit Committee noted that the Board has undertaken or in the progress of implementing the Measures to improve the Group's liquidity position. As at the date of this report, the Board was not aware of any indication that any of the Measures cannot be completed. With reference to the cash flow forecast of the Group which is prepared upon the assumption that the Measures will be successfully implemented, the Board is of the view that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the next twelve months from the Approval Date. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The Audit Committee has reviewed and agreed with the management's position and is of the view that the Board should continue its efforts in implementing necessary measures for enhancing the Group's liquidity position in the next financial year.

Regarding the Hebei Noter Group Receivable

The Audit Committee noted that the Board has undertaken or in the progress of implementing the measures to improve the recoverability of the Hebei Noter Group Receivable. As at the date of this announcement, the Board was not aware of any indication that any of the measures cannot be completed. Assuming the successful implementation of the measures, the audit committee was satisfied that the Company will obtain sufficient appropriate evidence to satisfy that the impairment assessments of the Hebei Noter Group Receivables and the related measurement of life time expected credit losses on these receivables as at 31 December 2020. The Audit Committee has reviewed and agreed with the management's position and is of the view that the Board should continue its efforts in implementing necessary measures to recover the Hebei Noter Group Receivables in the next financial year.

REVIEW OF UNAUDITED ANNUAL RESULTS

The auditing process for the annual results for the year ended 31 December 2020 has not been completed due to reasons mentioned in the announcement of the Company dated 31 March 2021. The unaudited annual results contained herein have not been agreed with the Company's auditors as required under Rule 13.49 (2) of the Listing Rules. An announcement relating to the audited results will be made when the auditing process has been completed by the Company's auditors in accordance with Hong Kong Standards on Auditing issued by Hong Kong Institute of Certified Public Accountants. The unaudited annual results contained herein have been reviewed and agreed by the audit committee of the Company.

PUBLICATION OF FURTHER ANNOUNCEMENT(S), THE FINAL RESULTS AND ANNUAL REPORT

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to (i) the audited results for the year ended 31 December 2020 as agreed by the Company's auditors and the material differences (if any) as compared with the unaudited annual results contained herein, (ii) the proposed date on which the forthcoming annual general meeting will be held, and (iii) the period during which the register of members will be closed in order to ascertain shareholders' eligibility to attend and vote at the said meeting. In addition, the Company will issue further announcement(s) as and when necessary if there are other material development in the completion of the auditing process. As mentioned in the announcement of the Company dated 31 March 2021, subject to no unforeseen circumstances and assuming that the audit work will be completed in time and communications to the Audit Committee on the annual audit can be completed, the announcement relating to the Group's 2020 Annual Results as agreed with the Company's auditor will be published on 31 August 2021 and the Company's annual report for the year ended 31 December 2020 will be published on the websites of the Stock Exchange and the Company and also be dispatched to the Shareholders on 31 August 2021.

The financial information contained herein in respect of the unaudited annual results of the Group have not been audited and have not been agreed with the auditors. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
China All Access (Holdings) Limited
Mr. Chan Yuen Ming
Chairman

Hong Kong, 20 April 2021

As at the date of this announcement, the executive Directors are Mr. Chan Yuen Ming, Mr. Shao Kwok Keung; and the independent non-executive Directors are Mr. Wong Che Man Eddy, Mr. Lam Kin Hung Patrick and Mr. Tam Sui Kwan.