中 國 全 通 ( 控 股 ) 有 限 公 司

# CHINA ALL ACCESS (HOLDINGS) LIMITED

**(In Liquidation)**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 633)**

## INTERIM RESULTS ANNOUNCEMENT
## FOR THE SIX MONTHS ENDED 30 JUNE 2021

The board (the "**Board**") of directors (the "**Directors**") of China All Access (Holdings) Limited (In Liquidation) (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2021, which have been reviewed by the audit committee of the Board, together with the comparative figures for the corresponding period in 2020.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

**For the six months ended 30 June 2021**

*(Expressed in RMB)*

| | Notes | **Six months ended 30 June** **2021** **(Unaudited)** ***RMB'000*** | 2020 (Unaudited) *RMB'000* |
|---|---|---|---|
| **Revenue** | 3 | **3,181,465** | 2,258,806 |
| Cost of sales | | **(3,095,376)** | (2,248,621) |
| **Gross profit** | | **86,089** | 10,185 |
| Other revenue | 4 | **54,592** | 18,211 |
| Other net loss | | **(4,597)** | (2,558) |
| Distribution costs | | **(2,794)** | (1,021) |
| Administrative expenses | | **(83,504)** | (29,148) |
| Research and development expenses | | **(13,878)** | (4,548) |
| **Profit/(loss) from operations** | | **35,908** | (8,879) |
| Finance income | 5(a) | **941** | 142 |
| Finance costs | 5(b) | **(145,391)** | (192,929) |
| **Loss before taxation** | 5 | **(108,542)** | (201,666) |
| Income tax expense | 6 | **(8,811)** | (6,765) |
| **Loss for the period** | | **(117,353)** | (208,431) |
| **Loss for the period attributable to:** | | | |
| Owners of the Company | | **(117,020)** | (208,431) |
| Non-controlling interests | | **(333)** | — |
| | | **(117,353)** | (208,431) |
| **Loss per share** | 7 | | |
| Basic and diluted (RMB) | | **(0.05)** | (0.09) |

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
**For the six months ended 30 June 2021**
*(Expressed in RMB)*

| | Six months ended 30 June | |
|---|---|---|
| | **2021** | 2020 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| **Loss for the period** | **(117,353)** | (208,431) |
| **Other comprehensive income for the period (after tax and reclassification adjustments):** | | |
| ***Item that may be reclassified subsequently to profit or loss:*** | | |
| Exchange differences arising on translation of financial statements | **125,184** | 1,067 |
| **Total comprehensive loss for the period** | **7,831** | (207,364) |
| **Total comprehensive loss for the period attributable to:** | | |
| Owners of the Company | **8,164** | (207,364) |
| Non-controlling interest | **(333)** | — |
| | **7,831** | (207,364) |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

**At 30 June 2021**

*(Expressed in RMB)*

| | Notes | **30 June 2021 (Unaudited)** ***RMB'000*** | 31 December 2020 (Audited) *RMB'000* |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | | **166,271** | 175,854 |
| Intangible assets | | **—** | 8,080 |
| | | **166,271** | 183,934 |
| **Current assets** | | | |
| Inventories | | **320,418** | 289,117 |
| Trade and other receivables | 8 | **2,461,062** | 3,058,542 |
| Prepayments | | **216,765** | 162,235 |
| Discounted bills receivable | | **234,367** | 240,637 |
| Bills receivable | | **58,730** | 66,230 |
| Financial assets at fair value through profit or loss | | **—** | 49 |
| Restricted cash | | **275,255** | 132,215 |
| Cash and cash equivalents | | **18,707** | 33,741 |
| | | **3,585,304** | 3,982,766 |

| | Notes | **30 June 2021 (Unaudited) *RMB'000*** | 31 December 2020 (Audited) *RMB'000* |
|---|---|---|---|
| **Current liabilities** | | | |
| Trade and other payables | 9 | **1,969,746** | 2,413,133 |
| Contract liabilities | | **122,924** | 141,886 |
| Deferred income | | **6,026** | 2,225 |
| Borrowings | | **1,337,041** | 1,290,965 |
| Bank advances on discounted bills receivable | | **239,256** | 245,526 |
| Lease liabilities | | **—** | 1,601 |
| Income tax payable | | **211,672** | 193,662 |
| | | **3,886,665** | 4,288,998 |
| **Net current liabilities** | | **(301,361)** | (306,232) |
| **Total assets less current liabilities** | | **(135,090)** | (122,298) |
| **Non-current liabilities** | | | |
| Borrowings | | **—** | 20,623 |
| | | **—** | 20,623 |
| **NET LIABILITIES** | | **(135,090)** | (142,921) |
| **CAPITAL AND RESERVES** | | | |
| Share capital | | **19,788** | 19,788 |
| Reserves | | **(153,874)** | (162,038) |
| Equity attributable to owners of the Company | | **(134,086)** | (142,250) |
| Non-controlling interests | | **(1,004)** | (671) |
| **TOTAL EQUITY** | | **(135,090)** | (142,921) |

## NOTES

## For the six months ended 30 June 2021

*(Expressed in RMB unless otherwise indicated)*

### 1. BASIS OF PREPARATION

This interim financial statements of China All Access (Holdings) Limited (In Liquidation) (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), including compliance with Hong Kong Accounting Standard ("**HKAS**") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). The consolidated financial statements were approved and authorised for issue by the board of directors of the Company (the "**Board**") on 26 September 2022.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2020 annual financial statements of the Group, except for the accounting policy changes that are expected to be reflected in the 2021 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of the interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2020 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

The financial information relating to the financial year ended 31 December 2020 that is included in the interim financial statements as comparative information does not constitute the Group's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

**Going concern basis**

The Group incurred a net loss of approximately RMB117,353,000 (for the six months ended 30 June 2020: RMB208,431,000) for the six months ended 30 June 2021 and, as of that date, the Group had net current liabilities of approximately RMB301,361,000 (31 December 2020: RMB306,232,000) and net liabilities of approximately RMB135,090,000 (31 December 2020: RMB142,921,000). As at 30 June 2021, the Group recorded current and non-current borrowings of approximately RMB1,337,041,000 and RMBnil (31 December 2020: RMB1,290,965,000 and RMB20,623,000) respectively and cash and cash equivalents of approximately RMB18,707,000 (31 December 2020: RMB33,741,000). The total borrowings exceeded the cash and cash equivalents by an amount of approximately RMB1,318,334,000 (31 December 2020: RMB1,277,847,000).

In preparing the consolidated financial statements, the directors have given careful consideration to the future liquidity of the Group in light of the conditions described above. Further, as at 30 June 2021, the Group had borrowings of approximately RMB1,337,041,000 (31 December 2020: RMB1,311,588,000), of which approximately RMB1,191,490,000 (31 December 2020: RMB1,128,732,000) were overdue for repayment. Certain other payables were also overdue, including interest payables of approximately RMB984,536,000 (31 December 2020: RMB854,714,000) and corporate bonds of approximately RMB18,935,000 (31 December 2020: RMB19,151,000). The major overdue balances are further explained below:

(a) The promissory note issued by the Company to Prosper Talent Limited ("**Prosper Talent**") on 23 August 2016 with the remaining outstanding principal amount of US$56,000,000 which was overdue at 31 December 2019 and 2020 and remains unsettled up to the date of the approval and authorization of the consolidated financial statements for issue. On 27 June 2019, the Company, Mr. Chan, an executive director of the Company, and China All Access Science and Engineering Technology Development Limited ("**SETD**"), 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 Special Administrative Region (the "**High Court of Hong Kong**") by Prosper Talent as the 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 Prosper Talent, the Company and Mr. Chan which was secured by a personal guarantee entered into by Mr. Chan and security assignment entered into by SETD in favour of Prosper Talent. Prosper Talent'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 other reliefs (the "**Prosper Talent Writ**"). As set out in the Company's announcement dated 20 June 2020, the Defendants made an consent order with Prosper Talent in the High Court of Hong Kong for the Prosper Talent Writ and according to this consent order, it is ordered that the proceedings be wholly discontinued and there be no order as to costs of these proceedings, including but not limited to the costs of and incidental to this consent order;

(b) A promissory note issued by the Company to Dundee Greentech Limited ("**Dundee**") on 18 November 2018 with the remaining outstanding principal amount of HK$847,080,000 in connection to redeem the convertible bond issued by the Company to Dundee in August 2015, was overdue and remains unsettled up to the date of the approval and authorization of the consolidated financial statements for issue. As set out in the Company's announcement dated 22 February 2021, a winding-up petition (the "**Dundee Petition**") was filed by Dundee with the High Court of the Hong Kong for the winding up of the Company under the provisions of the Companies (Winding Up and Miscellaneous Provision) Ordinance (Chapter 32 of the Laws of Hong Kong) in relation to an alleged unpaid amount in the sum of HK$1,451,584,773.03 (comprising of the principal amount of HK$847,080,000.00, establishment fee of HK$101,649,600.00, contractual interest payable of HK$34,254,522.74 and default interest payable of HK$468,600,650.29). Further, as set out in the Company's announcement dated 10 February 2022, (a) on 21 June 2021, the Company was ordered to be wound up by the High Court of Hong Kong and the Official Receiver was appointed as the Provisional Liquidator of the Company; and (b) on 5 January 2022, the High Court of Hong Kong ordered that Messrs. So Man Chun and Jong Yat Kit of PricewaterhouseCoopers Limited be appointed as the joint and several liquidators of the Company (the "**Liquidators**").

(c) other payables with amount of HK$31,500,000 (equivalent to approximately RMB28,218,000) were in relation to the placement of 5% coupon unlisted bonds issued on 23 January 2015 which were due to three independent individuals (the "**Subscribers**") and matured on the fifth anniversary of the issue date (the "**Corporate Bonds**"), details of which were set out in the Company's announcement dated 4 May 2015. On 17 June 2020, one of the Subscribers (the "**First Subscriber**") filed a winding-up petition at the Court of First Instance of High Court of Hong Kong (the "**First Petition**") against the Company for (i) the outstanding principal of HK$10,000,000; (ii) interest payable of HK$500,000; and (iii) default interest at 9% on the sum of HK$10,500,000 from 27 January 2020 until full and final payment of this petition (the "**First Petition Amount**"). As set out in the Company's announcement dated 25 September 2020, the Company and the First Petitioner entered into an agreement on 2 September 2020 pursuant to which the Company agreed to settle the First Petition Amount and the First Petitioner agreed to withdraw the First Petition. The First Petition Amount was settled on 4 September 2020 and on 9 September 2020, the High Court of Hong Kong issued the consent summons confirming that, amongst other things, the First Petition returnable for hearing at the open court on 16 September 2020 be dismissed. On 16 September 2020, the First Petition was formally withdrawn after hearing submissions.

As further disclosed in the Company's announcement dated 18 January 2021, a winding-up petition (the "**Second Petition**") was filed by another Subscriber (the "**Second Subscriber**") on 15 December 2020 with the High Court of the Hong Kong for the winding up of the Company under the provisions of the Companies (Winding Up and Miscellaneous Provision) Ordinance (Chapter 32 of the Laws of Hong Kong) in relation to an alleged sum of HK$11,336,260.27 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 the Second Petition (the "**Second Petition Amount**"). On 21 June 2021, the Second Petition was heard and the High Court of Hong Kong ordered that the Company be wound up. As further disclosed in the Company's announcement dated 12 January 2022, (a) the Company and the Second Subscriber have signed an agreement on 27 July 2021 pursuant to which both parties agreed to a repayment schedule and the Second Subscriber does not object the Company to apply for the withdrawal of the winding-up order in relation to the Second Petition; and (b) the Company and the Second Petitioner signed an agreement on 12 January 2022 pursuant to which both parties agreed to a new repayment schedule and the Second Subscriber does not object the Company to apply for the withdrawal of the winding-up order in relation to the Second Petition. The remaining individual of the Subscribers (the "**Third Subscriber**") also entered into a repayment schedule with the Company with the same terms to the repayment schedule dated 12 January 2022 signed by the Second Subscriber (collectively referred as to the "**Repayment Schedules**") and pursuant to the Repayment Schedules, the Company is required to settle the remaining outstanding amounts of HK$7,474,917 due to each of the Second Subscriber and the Third Subscriber (in aggregate HK$14,949,834) (the "**Corporate Bonds Payables**") before 30 April 2022 as a condition for the Second Subscriber to withdraw the Second Petition and for the Third Subscriber not to object the Company to apply for the withdrawal of the winding-up order in relation to the Second Petition. Up to the date of the approval and authorisation of the consolidated financial statements for issue, the Corporate Bonds Payables were not yet settled and the Second Petition was not yet withdrawn.

Further, the Company had declared a final dividend of HK5.0 cents per ordinary share subsequent for the financial year ended 31 December 2018, amounting to approximately HK$99,986,000 in total, which is still outstanding as at the date of and up to the date of the approval and authorization of the consodliated financial statements for issue.

The trading of the shares of the Company was suspended on 1 April 2021 as the Company failed to publish its annual results announcement for the year ended 31 December 2020 in accordance to the Listing Rules and on 27 May 2021, the Stock Exchange provided a set of resumption guidance for the Company to: (a) publish all outstanding financial results required under the Listing Rules and address any audit modifications; (b) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules; and (c) inform the market of all material information for the Company's shareholders and investors to appraise the Company's position.

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, including but not limited to, the following:

(a) The Company has engaged an independent financial adviser (the "**FA**") to assist the directors in formulating a debt restructuring plan for its creditors (including Prosper Talent and Dundee) involving a proposed scheme of arrangement.

(b) 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.

(c) The directors are considering various alternatives to strengthen the capital base of the Company through various financing projects:

    (i) as set out in the Company's announcement dated 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 "**Share Subscription**"). Up to the date of the approval and authorization of the consolidated financial statements for issue, the Share Subscription has not been completed and its details were set out in the Company's announcements dated 28 April 2020 and 4 May 2020;

(ii) as set out in the Company's announcement dated 19 October 2020, the Company has engaged Asia Development & Investment Bank Limited, the holding company of ADIB Holdings ("**ADIB**") in searching for customers for the assets pledged (the "**Pledged Assets**") from China RS Group Limited (中國榮勝集團有限公司) (the "**Purchaser**") in respect of the consideration for acquition of 100% equiy interest in Hebei Noter Communication Technology Co., Limited* (河北諾特通信技術有限公司) ("**Hebei Noter**") by the Purchaser from the Group (the "**Disposal**"). After carrying out a preliminary due diligence process by ADIB and some potential customers on the Pledged Assets, ADIB provided the Company on 16 October 2020 a purchase request from a state owned import and export trading company in the PRC (the "**Potential Buyer**") who is mainly engaged in the business of black metal, non-ferrous metals, mineral products, hardware products, petrochemical and its products. Up to the date of the approval and authorization of the consolidated financial statements for issue, no legally binding agreement was entered into between the Potential Buyer and the Group; and

(iii) as set out in the Company's announcement dated 24 May 2021, the Company entered into a credit facility agreement (the "**Credit Facility Agreement**") with ADIB Holdings. Pursuant to the Credit Facility Agreement, ADIB Holdings agreed to provide credit facility up to US$300 million for the investment, construction and operation of 5G telecommunications infrastructure projects (the "**Credit Facility**"). The Credit Facility is revolving credit facility effective from 25 May 2021 until 24 May 2026 at the interest rate of 4.5% per annum. The Company is allowed to draw down the Credit Facility by one tranche or by different tranches through written application. Both parties will execute guarantee agreements, including maximum guarantee agreement, mortgage agreement and pledge agreement for each transaction done under the Credit Facility Agreement in order to guarantee the repayment of all credit. Up to the date of the approval and authorization of the consolidated financial statements for issue, no money had been drawn down in respect of the Credit Facility.

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

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 (a) the debt restructuring plan being supported by the creditors and the proposed scheme of arrangement being sanctioned by the High Court of Hong Kong; (b) the Group's debtors timely settling their debts to the Group according to the agreed settlement schedules; (c) the Group successfully completing the Share Subscription, the sale of the Pledged Assets and the application for the draw down of money under the Credit Facility Agreement; and (d) the Group successfully implementing its cost control measures and to improve its business operations.

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 condensed consolidated financial statements.

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

**Application of amendments to HKFRSs**

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the Group's condensed consolidated financial statements:

| | |
|---|---|
| Amendment to HKFRS 16 | *Covid-19-Related Rent Concessions* |
| Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS16 | *Interest Rate Benchmark Reform – Phase 2* |

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## 3. 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 the services provided in the field of unified communications and integration of telecommunications, computers as well as necessary enterprise software, middleware, storage, and audio-visual systems, which enable users to access, store, transmit, and manipulate information. During the period, the Group has engaged in (1) system design, installation, testing, software development, provision of application services for satellite and wireless communication, (2) distribution of satellite receivers and equipment, and (3) 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. During the period, 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.

– Investment activities: revenue generated from interest earned from provision of facilitating capital to supply steam and investment returns generated from direct investment and high yield treasury products.

### *(a) Information about segment profit or loss*

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below:

| | ICT | | New Energy | | Investment activities | | Total | |
|---|---|---|---|---|---|---|---|---|
| | For six months ended 30 June | | For six months ended 30 June | | For six months ended 30 June | | For six months ended 30 June | |
| | **2021** | 2020 | **2021** | 2020 | **2021** | 2020 | **2021** | 2020 |
| | **(Unaudited)** | (Unaudited) | **(Unaudited)** | (Unaudited) | **(Unaudited)** | (Unaudited) | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* | ***RMB'000*** | *RMB'000* | ***RMB'000*** | *RMB'000* | ***RMB'000*** | *RMB'000* |
| Reportable segment revenue | **3,181,465** | 2,258,806 | **—** | — | **—** | — | **3,181,465** | 2.258,806 |
| Segment operating (loss)/profit | **54,047** | (151,996) | **(8,080)** | (17,435) | **(19)** | — | **45,948** | (169,431) |

The timing of revenue recognition for revenue recognised in ICT operation was at a point in time for ICT segment during the six months ended 30 June 2021 and 2020.

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

| | For six months ended 30 June | |
|---|---|---|
| | **2021** | 2020 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| Customer A | **—**[1] | 429,544 |
| Customer B | **—**[1] | 326,945 |
| Customer C | **875,810** | 326,025 |
| Customer D | **1,046,768** | —[1] |

1 The corresponding revenue contributed to less than 10% of the total revenue of the Group.

*(b)* ***Reconciliations of reportable segment profit or loss***

| | For six months ended 30 June | |
|---|---|---|
| | **2021** | 2020 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| Reportable segment profit/(loss) | **45,948** | (169,431) |
| Other revenue | **—** | 625 |
| Finance income | **941** | 142 |
| Finance costs | **(145,391)** | (192,929) |
| Unallocated head office and corporate expenses | **(10,040)** | (12,372) |
| Loss before taxation | **(108,542)** | (373,965) |

*(c)* ***Reconciliation of reportable segment assets and liabilities***

| | **As at** | As at |
|---|---|---|
| | **30 June** | 31 December |
| | **2021** | 2020 |
| | **(Unaudited)** | (Audited) |
| | ***RMB'000*** | *RMB'000* |
| **Assets** | | |
| Reporting segment assets: | | |
| – ICT | **2,649,708** | 3,055,728 |
| – New Energy | **18** | 9,104 |
| – Investment activities | **30** | 49 |
| Reportable segment assets | **2,649,756** | 3,064,881 |
| Unallocated assets | **1,101,819** | 1,101,819 |
| **Total assets** | **3,751,575** | 4,166,700 |
| **Liabilities** | | |
| Reporting segment liabilities: | | |
| – ICT | **1,608,083** | 1,971,968 |
| – New Energy | **423** | 385 |
| – Investment activities | **—** | — |
| Reportable segment liabilities | **1,608,506** | 1,972,353 |
| Unallocated liabilities | **2,278,159** | 2,337,268 |
| **Total liabilities** | **3,886,665** | 4,309,621 |

## 4. OTHER REVENUE

| | For six months ended 30 June | |
|---|---|---|
| | **2021** | 2020 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| Government subsidy | **51,747** | 17,147 |
| Others | **2,845** | 1,064 |
| | **54,592** | 18,211 |

## 5. LOSS BEFORE TAXATION

Loss before taxation is arrived at after:

### *(a) Finance income*

| | For six months ended 30 June | |
|---|---|---|
| | **2021** | 2020 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| Interest income from bank deposits | **941** | 142 |

### *(b) Finance costs*

| | For six months ended 30 June | |
|---|---|---|
| | **2021** | 2020 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| Interest on borrowings | **139,671** | 189,759 |
| Interest on discounted bills receivable | **5,147** | 625 |
| Interest on lease liabilities | **30** | 163 |
| Bank charges | **543** | 2,382 |
| | **145,391** | 192,929 |

### *(c) Other items*

| | For six months ended 30 June | |
|---|---|---|
| | **2021** | 2020 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| Cost of inventories sold (included in cost of sales) | **3,095,376** | 2,248,621 |
| Depreciation of property, plant and equipment | **9,809** | 9,023 |
| Depreciation of right-of-use assets | **1,294** | 1,780 |
| Amortisation of intangible assets | **955** | 17,431 |
| Operating lease charges in respect of leased premises | **624** | 4,583 |

## 6. INCOME TAX EXPENSE

| | For six months ended 30 June | |
|---|---|---|
| | **2021** | 2020 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| Current tax – PRC Enterprise Income Tax | **8,811** | 6,765 |

No provision for Hong Kong Profits Tax has been made since there were no assessable profits arising in Hong Kong.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for both years, except for 北京全通諾特通信技術有限公司 (Beijing All Access Noter Communication Technology Co., Limited*) ("**Beijing All Access**"), Shenzhen Lead Communications Limited* (深圳市立德通訊器材有限公司) ("**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%.

* *for identification purposes only*

## 7. LOSS PER SHARE

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

| | For six months ended 30 June | |
|---|---|---|
| | **2021** | 2020 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| **Loss** | | |
| Loss for the purpose of basic and diluted loss per share | | |
| Loss for the period attributable to owners of the Company | **(117,020)** | (208,431) |

| | For six months ended 30 June | |
|---|---|---|
| | **2021** | 2020 |
| | **(Unaudited)** | (Unaudited) |
| | ***'000*** | *'000* |
| **Number of shares** | | |
| Weighted average number of ordinary shares for the purpose of basic and diluted loss per share | **2,311,890** | 2,311,890 |

As the Company's outstanding share option had an anti-dilutive effect to the basis loss per share calculation for the six months ended 30 June 2021 and 2020, the exercise of the above potential dilutive shares is not assumed in the calculation of diluted loss per share.

## 8. TRADE AND OTHER RECEIVABLES

| | Notes | At 30 June 2021 (Unaudited) *RMB'000* | At 31 December 2020 (Audited) *RMB'000* |
|---|---|---|---|
| Trade receivables | | **923,355** | 1,516,694 |
| Less: Allowance for credit losses | | **(365,521)** | (365,521) |
| | | **557,834** | 1,151,173 |
| Other receivables and deposits | (i) | **802,026** | 806,167 |
| Consideration receivables for disposal of Hebei Noter Group | (ii) | **1,101,202** | 1,101,202 |
| | | **2,461,062** | 3,058,542 |

*Notes:*

(i) As at 30 June 2021, other deposits and receivables included amounts due from Hebei Noter and its 90% owned subsidiary Hebei Haoguang Communication Technology Limited* (河北浩廣通信科技有限公司) ("**Hebei Haoguang**") (collectively referred to as the "**Hebei Noter Group**"), which represent balances due from Hebei Noter Group with carrying amount, net of allowance for credit losses, of approximately RMB795,785,000, were included in other receivables (for the year ended 31 December 2020: RMB795,785,000).

During the six months ended 30 June 2021, an allowance for credit losses of approximately RMBnil (31 December 2020: RMBnil) was recognised in respect of the amounts due from Hebei Noter Group.

* *For identification purposes only*

(ii) As set out in the Company's circular dated 15 November 2018 (the "**Circular**"), China All Access Group Limited ("**CAA Group**"), a wholly owned subsidiary of the Company, entered into an agreement dated 3 June 2018 and a supplemental agreement dated 8 June 2018 (the "**Disposal Agreements**") in respect of the disposal of entire equity interest in Hebei Noter Group at a consideration of RMB1,750 million (the "**Disposal Consideration Recievable**"). Pursuant to the Agreements, the Disposal Consideration Receivable should be repayable in the following manner:

(1) RMB175,000,000 shall be payable within 60 business days after 7 December 2018 (the "**Disposal Date**");

(2) RMB350,000,000 shall be payable within 6 months after the Disposal Date;

(3) RMB350,000,000 shall be payable within 12 months after the Disposal Date;

(4) RMB350,000,000 shall be payable within 18 months after the Disposal Date;

(5) RMB350,000,000 shall be payable within 24 months after the Disposal Date; and

(6) RMB175,000,000 shall be payable within 30 months after the Disposal Date.

The Disposal Consideration Receivable was initially recognized at fair value at the Disposal Date and was arrived at on the basis of valuation carried out by independent professional valuers. The effective interest rate of the consideration on initial recognition is 13.58%. Pursuant to the Disposal Agreements, the Disposal Consideration Receivables is secured over the share charge of Hebei Noter made by the Purchaser in favour of the Group. Details of the terms of payment of the Disposal Consideration Receivable were set out in the Circular.

On 31 December 2019, the Purchaser, CAA Group, and an entity which to the best of the Company's directors' knowledge, information and belief having made all reasonable enquiry, is a third party independent of the Company and the connected persons of the Company (the "**Third Party**") entered into guarantee agreement pursuant to which (1) the Company has the right to buy up to 5 million grams of ultrafine copper powder controlled by the Third Party (the "**Copper Powder**") at an agreed price of US$80; and (ii) to use the proceeds of the sales of the Copper Powder as compensation to indemnify the CAA Group against any loss as a result of the amount due from Hebei Noter Group and the Disposal Consideration Receivables (the "**Guarantee**"). On 31 December 2020, the Purchaser, CAA Group and the Third Party further entered into a supplemental guarantee pursuant to which (1) the unit price of the Copper Powder to be sold by the Third Party to CAA Group be amended from

US$80 per gram to 50% of the net selling price, in any case not less than EURO 800 per gram; and (2) the Third Party agrees to collaborate with CAA Group as joint beneficial owners for collateralizing part of 5,000,000 gram of the Copper Powder in order to secure credit or loan facilities from any fund provider which will benefit the investment projects of CAA Group. The Third Party will, in return, share 50% of the investment return generated from the investment projects financed by such credit or loan facilities (the "**Supplementary Guarantee**"). The directors of the Company consider that the value of the Copper Powder is approximately not less than EUR 1,250 per gram and is of high purity based on an expert report and an analysis performed by a firm of assaying services company based in Europe.

During the six months ended 30 June 2021, an allowance for credit losses of approximately RMBnil (for the year ended 31 December 2020: RMBnil) was recognised in respect of the consideration receivables from the disposal of Hebei Noter Group.

***Aging analysis***

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:

| | **At 30 June 2021 (Unaudited)** | At 31 December 2020 (Audited) |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Within 1 month | **372,878** | 986,185 |
| 1 to 2 months | **158,404** | 107,976 |
| 2 to 3 months | **1,947** | 5,053 |
| 3 to 6 months | **18,740** | 37,179 |
| Over 6 months but within 1 year | **4,836** | 12,246 |
| Over 1 year | **1,029** | 2,534 |
| | **557,834** | 1,151,173 |

## 9. TRADE AND OTHER PAYABLES

| | Note | At 30 June 2021 (Unaudited) *RMB'000* | At 31 December 2020 (Audited) *RMB'000* |
|---|---|---|---|
| Trade and bills payables | | **781,843** | 1,358,826 |
| Interest payables | 1 | **984,536** | 854,714 |
| Dividend payable | 2 | **83,198** | 84,148 |
| Corporate bonds | 3 | **18,935** | 19,151 |
| Other payables and accruals | | **101,234** | 96,294 |
| | | **1,969,746** | 2,413,133 |

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

| | At 30 June 2021 (Unaudited) *RMB'000* | At 31 December 2020 (Audited) *RMB'000* |
|---|---|---|
| Within 1 month | **568,583** | 764,326 |
| 1 to 3 months | **23,445** | 158,942 |
| 3 to 6 months | **80,743** | 231,772 |
| Over 6 months but within 1 year | **18,524** | 20,555 |
| Over 1 year | **90,548** | 183,231 |
| | **781,843** | 1,358,826 |

Notes:

1. Interest payables included interest payable to Prosper Talent and Dundee of approximately RMB426,127,000 and RMB550,409,000 (31 December 2020: RMB370,010,000 and RMB477,295,000) respectively as at 30 June 2021.

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

3. As at 30 June 2021 and 31 December 2020, the Corporate Bonds were overdue and two of the Subscribers have filed winding-up petition against the Company, of which details are set out in note 1.

As at 30 June 2021, bills payable of approximately RMB275,255,000 (31 December 2020: RMB132,215,000) was supported by guarantee deposits of equivalent amount as requested by banks and presented as restricted cash.

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group reported its unaudited consolidated results for the six months ended 30 June 2021. The Group continued to focus on the development its businesses in the Information and Communication Technology ("**ICT**"), the New Energy and the Investment activities segments.

The major business highlights for the period are as follows:

1. Revenue for the six months ended 30 June 2021 increased by approximately 40.85% to approximately RMB3,181,465,000 as compared to the corresponding period in 2020;

2. Gross profit for the six months ended 30 June 2021 increased by approximately 745.25% to approximately RMB86,089,000 as compared to the corresponding period in 2020; and

3. Loss attributable to owners of the Company for the six months ended 30 June 2021 decreased by 43.86% to approximately RMB117,020,000 as compared to the corresponding period in 2020.

### ICT

Revenue generated from ICT during the six months ended 30 June 2021 increased by approximately 40.85% to approximately RMB3,181,465,000 as compared to the corresponding period in last year, which accounted for approximately 100% of the Group's total revenue for the six months ended 30 June 2021.

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 the first half of 2021.

**New Energy**

In 2020 and 2021, due to the prolonged impact of COVID-19 and subsequent lockdown and travel bans of cities in the PRC, it has caused significant disruption for the New Energy segment. There was no revenue generated from New Energy segment for the six months ended 30 June 2020 and 2021.

**Investment Activities**

Owing to the adverse situation in the market, the Group did not rollout any investment activity during the six months ended 30 June 2020 and 30 June 2021.

## FINANCIAL REVIEW

### Revenue

Revenue increased from approximately RMB2,258,806,000 for the six months ended 30 June 2020 to approximately RMB3,181,465,000 for the six months ended 30 June 2021, representing an increase of approximately 40.85%. The increase in revenue in the period under review was mainly attributable to the factor below:

- ICT recorded an increase in revenue from approximately RMB2,258,806,000 for the six months ended 30 June 2020 to approximately RMB3,181,465,000 for the six months ended 30 June 2021, representing an increase of approximately 40.85%. 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.

### Gross profit

Gross profit increased from approximately RMB10,185,000 for the six months ended 30 June 2020 to approximately RMB86,089,000 for the six months ended 30 June 2021, representing an increase of approximately 745.25%. Gross profit margin increased from approximately 0.45% for the six months ended 30 June 2020 to approximately 2.71% for the six months ended 30 June 2021. After we secured a number of new customers who are the major market leaders in the mobile phone market in 2020, the gross profit was gradually improved by rapidly growing the volume. The profitability of the Group's business was also subsequently improved in 2021.

### Other revenue

Other revenue increased from approximately RMB18,211,000 for the six months ended 30 June 2020 to approximately RMB54,592,000 for the six months ended 30 June 2021, representing an increase of approximately 199.77%. It was mainly attributable to enlarged subsidies received from the local government in support of high-end manufacturing businesses.

**Other net loss**

Other net loss increased from approximately RMB2,558,000 for the six months ended 30 June 2020 to approximately RMB4,597,000 for the six months ended 30 June 2021, representing an increase of approximately 79.7%. It was mainly attributable to the net exchange loss recognised in the period.

**Distribution costs, administrative expenses and research and development expenses**

Distribution costs, administrative expenses and research and development expenses increased from approximately RMB34,717,000 for the six months ended 30 June 2020 to approximately RMB100,176,000 for the six months ended 30 June 2021, representing an increase of approximately 188.55%. The increase was mainly attributed to the increase in administrative expenses incurred during the six months ended 30 June 2021. The Group will continue to take all necessary measures to control the costs to improve profitability of the Group in the future.

The percentage of distribution costs, administrative expenses and research and development expenses as a percentage of the Group's total revenue increased from approximately 1.54% for the six months ended 30 June 2020 to approximately 3.1% for the six months ended 30 June 2021, representing an increase of approximately 1.56 percentage points. The increase was mainly due to the increase in administrative expenses incurred during the six months ended 30 June 2021.

**Finance income and finance costs**

Finance income increased from approximately RMB142,000 for the six months ended 30 June 2020 to approximately RMB941,000 for the six months ended 30 June 2021, representing an increase of approximately 562.68%. The increase was mainly due to the increase of interest income from bank deposits during the six months ended 30 June 2021 as compared with that of 2020.

Finance costs decreased from approximately RMB192,929,000 for the six months ended 30 June 2020 to approximately RMB145,391,000 for the six months ended 30 June 2021, representing a decrease of approximately 24.64%. The decrease was mainly due to the reduced utilization of banking facilities for our manufacturing business after the effort of enhancing both the turnovers of accounts receivables and account payables.

**Income tax**

Income tax increased from approximately RMB6,765,000 for the six months ended 30 June 2020 to approximately RMB8,811,000 for the six months ended 30 June 2021, representing an increase of approximately 30.24%. The increase in income tax was mainly due to the increase in PRC enterprise income tax for the six months ended 30 June 2021.

**Loss for the period attributable to owners of the Company**

Loss for the period attributable to owners of the Company for the six months ended 30 June 2020 decreased from approximately RMB208,431,000 to approximately RMB117,020,000 for the six months ended 30 June 2021, representing a decrease of approximately 43.86%. The reduction in loss for the six months ended 30 June 2021 was mainly due to the increase in gross profit. The reason for the increase in such area was discussed in the financial review section above.

## LIQUIDITY AND CAPITAL RESOURCES

### Liquidity, financial resources and capital structure

As at 30 June 2021, the Group had cash and cash equivalents of approximately RMB18,707,000 (31 December 2020: RMB33,741,000), restricted cash of approximately RMB275,255,000 (31 December 2020: RMB132,215,000), borrowings of approximately RMB1,337,041,000 (31 December 2020: RMB1,270,342,000). The gearing ratio (calculated by dividing borrowings by total assets) as at 30 June 2021 was approximately 35.64% (31 December 2020: 30.49%). As at 30 June 2021, the Group had current assets of approximately RMB3,585,304,000 (31 December 2020: RMB3,982,766,000) and current liabilities of approximately RMB3,886,665,000 (31 December 2020: RMB4,288,998,000). The current ratio (which is calculated by dividing current assets by current liabilities) was approximately 0.92 as at 30 June 2021, as compared with the current ratio of approximately 0.93 as at 31 December 2020. The current ratio was maintained at same level during the six months ended 30 June 2021 as compared with that of 2020.

The approach of the board of directors of the Company 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 six months ended 30 June 2021, the Group's total capital expenditure amounted to approximately RMB3,058,000 (31 December 2020: RMB17,108,000), which was mainly used for procurement for upgrading plant, machinery and equipment.

**Capital commitment**

As at 30 June 2021, the Group had no capital commitment (31 December 2020: nil).

**Going Concern**

The Group incurred a net loss of approximately RMB117,353,000 (2020: RMB208,431,000) for the six months ended 30 June 2021 and, as of that date, the Group had net current liabilities of approximately RMB301,361,000 (31 December 2020: RMB306,232,000) and net liabilities of approximately RMB135,090,000 (31 December 2020: RMB142,921,000). At 30 June 2021, the Group recorded current and non-current borrowings of approximately RMB1,337,041,000 (31 December 2020: RMB1,290,965,000) and nil (31 December 2020: RMB20,623,000) respectively and cash and cash equivalents of approximately RMB18,707,000 (31 December 2020: RMB33,741,000). The total borrowings exceeded the cash and cash equivalents of approximately RMB1,318,334,000 (31 December 2020: RMB1,257,224,000).

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 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 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 32 to 33 of this announcement.

**Charge on material assets**

As at 30 June 2021, assets of the Group amounting to approximately RMB275,255,000 (31 December 2020: RMB110,508,000) were pledged for the Group's borrowings and bills payables.

## HUMAN RESOURCES

As at 30 June 2021, the Group had 2,180 employees (31 December 2020: 3,067 employees). The decrease in the number of employees was mainly due to increase in production efficiency to improve profitability. 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 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.

## PROSPECTS

The Group has established its ICT production plant in Ganzhou, Jiangxi Province to expand our production capacity for five years. It earmarked a very successful model of relocating high technology production facility from Shenzhen, Guangdong Province northward to an inner province whilst its original plant in Shenzhen, Guangdong has been transformed to become a research and development centre and pilot run facility enabling us to further develop the technology of LCD display and showcase our new solutions to all customers in the Greater Bay Area. With that track record, we have received tremendous support from the local government of both cities in terms of favourable taxation policies and other government subsidiaries. Moreover, the impact of COVID-19 expedited the application of more technology products including wearables, tablets and all kinds of motion control and voice control display type devices which created a much broader market for our ICT business. We believe our strong position in the market will enable us to be benefited from the prominent market growth in the years to come.

## 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 preparing a debt restructuring plan which involves a proposed scheme of arrangement (the "**Scheme**"). If the Scheme is approved by the requisite majority of creditors for the creditors' meeting, the Company will seek the Hong Kong's court sanction for the Scheme.

(b) The Company has been actively looking for buyers to liquidate the collateral pledged in favour of the Group.

(c) The Company has been developing ICT segment to generate more operating cash flow for serving the debt.

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 determine a definite timetable on the completion of the Measures. Notwithstanding, 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 consolidated financial statements of the Group for the six months ended 30 June 2021.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2021 and 30 June 2020, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## EVENTS SUBSEQUENT TO THE REPORTING PERIOD

With reference to the announcement of the Company dated 31 March 2021, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") was suspended with effect on 1 April 2021 pending the publication of the announcement in relation to the audited annual results for the year ended 31 December 2020.

With reference to the announcements of the Company dated 1 June 2021 and 12 January 2022, the Stock Exchange provided a set of resumption guidance (the "**Resumption Guidance**") for the Company to:

(a) publish all outstanding financial results required under the Listing Rules and address any audit modifications;

(b) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules;

(c) inform the market of all material information for the Company's shareholders and investors to appraise the Company's position; and

(d) have the winding-up order against the Company withdrawn or dismissed and the appointment of any liquidators discharged.

Under Rule 6.01A of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company the 18-month period expires on 30 September 2022.

With reference to the announcement of the Company date 10 February 2022, the Company was ordered to be wound up by the High Court of Hong Kong (the "**High Court**"). On 5 January 2022, the High Court ordered that Messrs. So Man Chun and Jong Yat Kit of PricewaterhouseCoopers Limited be appointed as the joint and several liquidators of the Company (the "**Liquidators**"). Since the appointment, the Liquidators have been investigating into the affairs of the Company and taking all necessary actions to preserve the assets. The Liquidators only managed to obtain limited books and records from the Official Receiver (i.e. the Provisional Liquidator) and are still in the process of taking control of the subsidiaries. Due to the limited financial information available to the Liquidators and the Liquidators were only appointed in the early 2022, the Liquidators have no information in relation to the Group prior to their appointments and the directors are working on the outstanding financial statements. Therefore, the Liquidators therefore are not in a position to confirm the completeness, existence and accuracy of the historical results of the Group. Furthermore, the Liquidators do not accept or assume responsibility for the consolidated financial statements for any purpose or to any person to whom the consolidated financial statements are shown or into whose hands they may come. The information contained in this announcement has been presented to the best knowledge of the Liquidators based on limited information made available to them up to the date of this announcement.

Since the suspension of trading in the shares of the Company, the Company has been taking measures to negotiate with creditors in relation to debt settlement arrangement, including making proposal for possible debt restructuring and repayment plan, and take appropriate steps to fulfill the Resumption Guidance. The Company will update shareholders and potential investors of the Company on the resumption progress and development of debt settlement arrangement as and when appropriate.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Save as disclosed below, during the six months ended 30 June 2021, 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 of Hong Kong Limited (the "**Stock Exchange**").

## 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 six months ended 30 June 2021.

## REVIEW BY THE AUDIT COMMITTEE

The audit committee of the Company has reviewed the unaudited interim results of the Group for the six months ended 30 June 2021.

## AUDIT COMMITTEE

Special attention of the Audit Committee was drawn to note 1 "Going concern basis" to the consolidated financial statements that the Group incurred a net loss of approximately RMB115,826,000 (2020: RMB208,431,000) for the six months ended 30 June 2021 and, as of that date, the Group had net current liabilities of approximately RMB301,331,000 (31 December 2020: RMB306,232,000) and net liabilities of approximately RMB135,060,000 (31 December 2020: RMB142,921,000). At 30 June 2021, the Group recorded current and non-current borrowings of approximately RMB1,265,269,000 (31 December 2020: RMB1,290,965,000) and nil (31 December 2020: RMB20,623,000) respectively and cash and cash equivalents of approximately RMB18,707,000 (31 December 2020: RMB33,741,000). The total borrowings exceeded the cash and cash equivalents of approximately RMB1,246,562,000 (31 December 2020: RMB1,236,601,000).

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 30 to 31 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 announcement, 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.

## INTERIM DIVIDEND

The Board had not declared any payment of interim dividend for the six months ended 30 June 2021 (for the six months ended 30 June 2020: Nil).

## PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the Company's website at www.chinaallaccess.com. The interim report for the six months ended 30 June 2021 of the Group will also be published on the aforesaid websites and despatched to the shareholders of the Company in due course.

## CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been halted with effect from 9:00 a.m. on 1 April 2021. Trading in the shares will remain suspended until further notice.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
**China All Access (Holdings) Limited**
**(In Liquidation)**
**Shao Kwok Keung**
*Company Secretary*

Hong Kong, 26 September 2022

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