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)

ANNOUNCEMENT OF AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

The board (the "**Board**") of directors (the "**Directors**") of China All Access (Holdings) Limited (In Liquidation) (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2021 together with the comparative figures for the corresponding period in 2020.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021

(Expressed in Renminbi)

	Notes	**2021** *RMB'000*	2020 *RMB'000*
Revenue	4	**5,453,197**	7,472,715
Cost of sales		**(5,369,404)**	(7,352,386)
Gross profit		**83,793**	120,329
Other income	6	**83,554**	31,922
Other net gain/(loss)	6	**343,327**	(51,325)
Distribution costs		**(4,984)**	(10,338)
Administrative expenses		**(106,131)**	(60,785)
Allowance for credit losses	7(c)	**(121,970)**	(609,307)
Research and development expenses		**(184,545)**	(27,173)
Profit/(loss) from operations		**93,045**	(606,677)
Finance income	7(a)	**5,120**	1,768
Finance costs	7(b)	**(308,092)**	(249,818)
Loss before taxation	7	**(209,927)**	(854,727)
Income tax credit/(expense)	8	**13,852**	(8,918)
Loss for the year		**(196,075)**	(863,645)
Loss attributable to:			
Owners of the Company		**(195,361)**	(863,248)
Non-controlling interests		**(714)**	(397)
		(196,075)	(863,645)
Loss per share	9		
Basic and diluted (RMB)		**(0.085)**	(0.373)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

(Expressed in Renminbi)

	2021	2020
	RMB'000	*RMB'000*
Loss for the year	**(196,075)**	(863,645)
Other comprehensive (loss)/income for the year (after tax and reclassification adjustments):		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of financial statements	**(52,931)**	136,636
Other comprehensive (loss)/income for the year	**(52,931)**	136,636
Total comprehensive loss for the year	**(249,006)**	(727,009)
Total comprehensive loss for the year attributable to:		
Owners of the Company	**(248,292)**	(726,612)
Non-controlling interest	**(714)**	(397)
	(249,006)	(737,009)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

(Expressed in Renminbi)

	Notes	**2021**	2020
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**156,811**	175,854
Intangible assets		**—**	8,080
		156,811	183,934
Current assets			
Inventories		**66,717**	289,117
Trade and other receivables	10	**4,564,508**	3,058,542
Prepayments		**60,286**	162,235
Discounted bills receivable		**—**	240,637
Bills receivable		**43,826**	66,230
Financial assets at fair value through profit or loss		**421**	49
Restricted cash		**200,545**	132,215
Cash and cash equivalents		**29,945**	33,741
		4,966,248	3,982,766

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2021

(Expressed in Renminbi)

	Notes	**2021** *RMB'000*	2020 *RMB'000*
Current liabilities			
Trade and other payables	11	**4,042,655**	2,413,133
Contract liabilities		**61,771**	141,886
Deferred income		**470**	2,225
Borrowings		**1,242,065**	1,290,965
Lease liabilities		**1,027**	1,601
Bank advances on discounted bills receivables		**—**	245,526
Income tax payable		**165,599**	193,662
		5,513,587	4,288,998
Net current liabilities		**(547,339)**	(306,232)
Total assets less current liabilities		**(390,528)**	(122,298)
Non-current liabilities			
Borrowings		**—**	20,623
NET LIABILITIES		**(390,528)**	(142,921)
CAPITAL AND RESERVES			
Share capital		**19,788**	19,788
Reserves		**(408,931)**	(162,038)
Equity attributable to owners of the Company		**(389,143)**	(142,250)
Non-controlling interests		**(1,385)**	(671)
TOTAL EQUITY		**(390,528)**	(142,921)

1. GENERAL INFORMATION

China All Access (Holdings) Limited (In Liquidation) (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 2021, the ultimate holding company of the Company is Creative Sector Limited, a company incorporated in the British Virgin Islands (the "**BVI**") with limited liability. The ultimate controlling party is Mr. Chan Yuen Ming ("**Mr. Chan**"), who is also the Chairman and Executive Director of the Company.

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

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

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

In addition, the Group has applied the agenda decision of the IFRS Interpretations Committee (the "**Committee**") of the International Accounting Standards Board issued in June 2021 which clarified the costs that an entity should include as "estimated costs necessary to make the sale" when determining the net realisable value of inventories.

The application of the amendments to HKFRSs in the current year has 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 effective

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 related Amendments[3]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021[1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5 (2020)[3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[3]
Amendments to HKAS 8	Definition of Accounting Esimates[3]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]
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 April 2021.

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

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

[4] Effective for annual periods beginning on or after a date to be determined.

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

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The 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. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. 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.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Going concern basis

The Group incurred a net loss of approximately RMB196,075,000 (2020: RMB863,645,000) for the year ended 31 December 2021 and, as of that date, the Group had net current liabilities of approximately RMB547,339,000 (2020: RMB306,232,000) and net liabilities of approximately RMB390,528,000 (2020: RMB142,921,000). As at 31 December 2021, the Group recorded current and non-current borrowings of approximately RMB1,242,065,000 and RMBnil (2020: RMB1,290,965,000 and RMB20,623,000) respectively and cash and cash equivalents of approximately RMB29,945,000 (2020: RMB33,741,000). The total borrowings exceeded the cash and cash equivalents by an amount of approximately RMB1,212,120,000 (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 31 December 2021, the Group had borrowings of approximately RMB1,242,065,000 (2020: RMB1,311,588,000), of which approximately RMB1,100,961,000 (2020: RMB1,128,732,000) were overdue for repayment. Certain other payables were also overdue, including interest payables of approximately RMB635,214,000 (2020: RMB854,714,000) and corporate bonds of approximately RMB13,824,000 (2020: RMB19,151,000). The major overdue balances are further explained below:

(a) as disclosed in note 26 to the consolidated financial statements, the promissory note issued by the Company to Prosper Talent Limited ("**Prosper Talent**") on 23 August 2016 with the remaining principal amount of US$56,000,000 which was overdue as at 31 December 2021 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, 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 were 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) as disclosed in note 26 to the consolidated financial statements, a promissory note issued by the Company to Dundee Greentech Limited ("**Dundee**") on 18 November 2018 with an 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 as at 31 December 2021 and 2020 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 carrying amount of HK$16,907,000 and HK$22,755,000 (equivalent to approximately RMB13,824,000 and RMB19,151,000) as at 31 December 2021 and 2020 respectively 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 as the repayment schedule dated 12 January 2022 signed by the Second Subscirber (collectively referred to as the "**Repayment**

Schedules") and pursuant to the Repayment Schedules the Company is required to settle the remaining amounts of HK$7,474,917 due to each of the Second Subscriber and the Third Subscriber (amounting in aggregate to 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 authorization 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 to the financial year ended 31 December 2017 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 consolidated 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 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; (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 of liquidators (provisional or not) discharged.

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 a financial adviser (the "**FA**") to assist the directors of the Company 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 19 October 2020, the Company has engaged Asia Development & Investment Bank Limited, the holding company of ADIB Holdings Limited ("**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 acquisition of 100% equity 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 the carrying out of 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

(ii) 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 a 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 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 consolidated financial statements.

4. **REVENUE**

For the year ended 31 December 2021

Disaggregation of revenue from contracts with customers

	ICT	**New Energy**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Sale of goods			
Sales of electronic components			
– Display and touch modules	**5,372,989**	**—**	**5,372,989**
– Casings and keyboard	**80,208**	**—**	**80,208**
Sales of photovoltaic module and related products	**—**	**—**	**—**
Total	**5,453,197**	**—**	**5,453,197**
Timing of revenue recognition			
– At a point in time	**5,453,197**	**—**	**5,453,197**

For the year ended 31 December 2020

Disaggregation of revenue from contracts with customers

	ICT	New Energy	Total
	RMB'000	*RMB'000*	*RMB'000*
Sale of goods			
Sales of electronic components			
– Display and touch modules	7,415,341	—	7,415,341
– Casings and keyboard	57,374	—	57,374
Sales of photovoltaic module and related products	—	—	—
Total	7,472,715	—	7,472,715
Timing of revenue recognition			
– At a point in time	7,472,715	—	7,472,715

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

	2021	2020
	RMB'000	*RMB'000*
Sales of electronic components	**5,453,197**	7,472,715
Sales of photovoltaic module and related products	**—**	—
Revenue from contracts with customers	**5,453,197**	7,472,715

5. 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.

- 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*) ***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		Investment activities		Total	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Reportable segment revenue *(Note)*	**5,453,197**	7,472,715	**—**	—	**—**	—	**5,453,197**	7,472,715
Segment operating (loss)/profit	**(382,355)**	(577,966)	**(8,226)**	(51,573)	**(28)**	16	**(390,609)**	(629,523)
Unallocated other income							**—**	654
Unallocated other net gain/(loss)							**470,814**	(1,152)
Finance income							**5,120**	1,768
Unallocated finance costs							**(272,778)**	(212,533)
Other corporate expenses							**(22,474)**	(13,941)
Loss before taxation							**(209,927)**	(854,727)

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

	2021	2020
	RMB'000	*RMB'000*
Assets		
Reportable segment assets:		
– ICT	**4,011,625**	3,055,728
– New Energy	**—**	9,104
– Investment activities	**21**	49
Reportable segment assets	**4,011,646**	3,064,881
Unallocated assets	**1,111,413**	1,101,819
Total assets	**5,123,059**	4,166,700
Liabilities		
Reportable segment liabilities:		
– ICT	**3,576,145**	1,971,968
– New Energy	**1,178**	385
– Investment activities	**—**	—
Reportable segment liabilities	**3,577,863**	1,972,353
Unallocated liabilities	**1,935,724**	2,337,268
Total liabilities	**5,513,587**	4,309,621

(b) *Other segment information*

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

	ICT		New Energy		Investment activities		Unallocated		Total	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Depreciation and amortisation	**21,717**	40,240	**995**	7,447	**–**	–	**1,044**	1,941	**23,756**	49,628
Loss on disposal and written-off of property, plant and equipment	**3,255**	1,031	**–**	–	**–**	–	**–**	–	**3,255**	1,031
Allowance for credit losses on trade and other receivables	**124,141**	607,506	**–**	–	**–**	–	**–**	–	**124,141**	607,506
Exchange loss, net	**–**	–	**–**	–	**–**	–	**(55)**	1,152	**(55)**	1,152
Government subsidy	**(80,612)**	(25,535)	**–**	–	**–**	–	**–**	(654)	**(80,612)**	(26,189)
Penalty income	**311**	20	**–**	–	**–**	–	**–**	–	**311**	20
Unrealised (gain)/loss on fair value change of financial assets at FVTPL	**–**	–	**–**	–	**–**	–	**28**	(16)	**28**	(16)
Allowance for/(reversal of) credit losses on bills receivables	**(109)**	567	**–**	–	**–**	–	**–**	–	**(109)**	567
Allowance for credit losses on discounted bills receivables	**(2,062)**	1,234	**–**	–	**–**	–	**–**	–	**(2,062)**	1,234
Impairment of property, plant and equipment	**–**	5,560	**–**	–	**–**	–	**–**	–	**–**	5,560
Impairment of intangible assets	**–**	–	**6,966**	43,598	**–**	–	**–**	–	**6,966**	43,598
Impairment of prepayments	**3,311**	–	**–**	–	**–**	–	**–**	–	**3,311**	–
Write-down of obsolete Inventories	**113,420**	8,931	**–**	–	**–**	–	**–**	–	**113,420**	8,931
Finance costs	**34,301**	37,285	**–**	–	**–**	–	**273,791**	212,533	**308,092**	249,818
Addition to non-current assets *(Note)*	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–

Note: Addition to non-current assets exclude additions of financial instrument and deferred tax assets.

Information about major customers

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

	2021	2020
	RMB'000	*RMB'000*
Customer A[1]	—[2]	1,411,335
Customer B[1]	**1,347,400**	1,347,400
Customer C[1]	**1,495,383**	—[2]
Customer D[1]	**1,202,481**	—[2]

1 Revenue generated from Customer A, Customer B, Customer C and Customer D are attributable to ICT.

2 The corresponding revenue did not contribute over 10% of the total revenue of the Group.

Except disclosed above, no other customers contributed 10% or more to the Group's total revenue 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.

	External customers		Non-current assets	
	2021	2020	**2021**	2020
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
The PRC	**5,453,197**	7,472,715	**84,453**	98,351
Hong Kong	**—**	—	**—**	1,059
Malaysia	**—**	—	**72,358**	84,254
	5,453,197	7,472,715	**156,811**	183,934

6. OTHER INCOME AND NET LOSS

	2021	2020
	RMB'000	*RMB'000*
Other income		
Government subsidy	**80,612**	26,843
Penalty income	**311**	20
Others	**2,631**	5,059
	83,554	31,922
Other net gain/(loss)		
Loss on disposal and written-off of property, plant and equipment	**(3,255)**	(1,031)
Exchange gain/(loss), net	**55**	(1,152)
Impairment loss recognised in respect of		
– property, plant and equipment	**—**	(5,560)
– intangible assets	**(6,966)**	(43,598)
– prepayments	**(3,311)**	—
	(10,277)	(49,158)
Unrealised (loss)/gain on fair value change financial assets at FVTPL	**(28)**	16
Interest expenses reversed *(Note)*	**470,814**	—
Write down of obsolete inventories	**(113,420)**	—
Others	**(562)**	—
	343,327	(51,325)

Note:

The amount represented interest expenses reversed by the Company in respect of the borrowings from Prosper Talent and Dundee of approximately RMB72,089,000 and RMB398,725,000 respectively during the year ended 31 December 2021.

7. LOSS BEFORE TAXATION

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

(a) Finance income

	2021	2020
	RMB'000	*RMB'000*
Interest income from bank deposits	**5,120**	1,874

(b) Finance costs

	2021	2020
	RMB'000	*RMB'000*
Interest on borrowings	**295,345**	238,590
Interest on Corporate Bonds	**1,294**	—
Default interest on borrowings	**—**	—
Interest on lease liabilities	**72**	145
Interest on discounted bills receivables	**10,132**	7,673
Bank charges	**1,249**	3,410
	308,092	249,818

(c) Allowance for/(reversal of) credit loss

	2021	2020
	RMB'000	*RMB'000*
Allowance for credit losses in respect of trade and other receivables, net	**124,141**	607,506
(Reversal of)/allowance for credit losses in respect of bills receivables, net	**(109)**	567
(Reversal of)/allowance for credit losses in respect of discounted bills receivables, net	**(2,062)**	1,234
	121,970	609,307

(d) Other items

	2021	2020
	RMB'000	*RMB'000*
Cost of inventories sold	**5,352,141**	7,321,634
Depreciation of property, plant and equipment	**20,152**	39,566
Depreciation of right-of-use assets	**2,609**	2,615
Amortisation of intangible assets	**995**	7,447
Write-down of obsolete inventories (included in cost of sales)	**—**	8,931
Auditors' remuneration:		
– Audit service	**1,000**	1,000
– Non-audit services	**—**	—
	1,000	1,000
Expenses relating to short term leases	**1,396**	1,981

(e) Staff costs (excluding directors' remuneration)

	2021	2020
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**48,923**	27,634
Share-based payment expenses	**1,123**	1,970
Retirement benefit scheme contributions	**2,038**	1,092
	52,084	30,696

8. INCOME TAX EXPENSE

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

	2021	2020
	RMB'000	*RMB'000*
Current tax – PRC Enterprise Income Tax		
Provision for the year	**2,927**	9,463
Over-provision in prior years	**(16,779)**	—
	(13,852)	9,463
Deferred tax *(Note 28)*		
Credited for the year	**—**	(545)
	(13,852)	8,918

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 are 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 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*

9. LOSS PER SHARE

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

	2021	2020
	RMB'000	*RMB'000*
Loss		
Loss for the purpose of basic and diluted loss per share (loss for the year attributable to owners of the Company)	**(195,361)**	(863,248)

	2021	2020
	'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 options had an anti-dilutive effect to the basic loss per share calculation for the years ended 31 December 2021 and 2020, the exercise of the above potential dilutive shares is not assumed in the calculation of diluted loss per share.

10. TRADE AND OTHER RECEIVABLES

	Notes	**2021**	2020
		RMB'000	*RMB'000*
Trade receivables		**3,133,658**	1,516,694
Less: Allowance for credit losses		**(469,682)**	(365,521)
		2,663,976	1,151,173
Other receivables and deposits	(i)	**799,330**	806,167
Consideration receivables for disposal of Hebei Noter	(ii)	**1,101,202**	1,101,202
Total trade and other receivables		**4,564,508**	3,058,542

Notes:

(i) As at 31 December 2021, other receivables and deposits 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 that were due from Hebei Noter Group with carrying amount, net of allowance for credit losses, of approximately RMB795,785,000, which were included in other receivables (2020: RMB795,785,000).

During the year ended 31 December 2021, an allowance for credit losses of approximately RMBnil (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 the entire equity interest in Hebei Noter Group at a consideration of RMB1,750 million (the "**Disposal Consideration Receivable**"). 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 (i) 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 collaterializing 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 EUR1,250 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 year ended 31 December 2021, an allowance for credit losses of approximately RMBnil (2020: RMBnil) was recognised in respect of the consideration receivables from the disposal of Hebei Noter Group.

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

	2021	2020
	RMB'000	*RMB'000*
Within 1 month	**2,240,661**	986,185
1 to 2 months	**336,095**	107,976
2 to 3 months	**720**	5,053
3 to 6 months	**155**	37,179
Over 6 months but within 1 year	**76,973**	12,246
Over 1 year	**9,372**	2,534
	2,663,976	1,151,173

The Group may grant credit up to 3 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.

11. TRADE AND OTHER PAYABLES

		2021	2020
	Note	***RMB'000***	*RMB'000*
Trade and bills payables		**3,112,080**	1,358,826
Interest payables	(i)	**635,214**	854,714
Dividend payable	(ii)	**81,749**	84,148
Corporate bonds	(iii)	**13,824**	19,151
Other payables and accruals	(iv)	**199,788**	96,294
		4,042,655	2,413,133

Note:

i. Interest payables included interest payable to Prosper Talent and Dundee of approximately RMB245,361,000 and RMB377,850,000 (2020: RMB370,010,000 and RMB477,295,000) respectively as at 31 December 2021.

ii. 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.

iii. As at 31 December 2021 and 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 3(b).

iv. As at 31 December 2021, the account balance mainly represented accrued consultancy services fee due to Hongda Capital Limited of approximately HK$71,699,000 (equivalent to RMB58,621,000) (2020: HK$71,699,000 (equivalent to RMB60,342,000)), accrued salaries of approximately RMB58,250,000 (2020: RMB19,546,000) and value-added tax payable of approximately RMB21,232,000 (2020: RMB3,202,000), and also included compensation payable in respect of 13 litigation claims against Beijing All Access, Guangdong All Access Noter Communication Technology Co., Limited, Shenzhen Kangquan and Shenzhen Lead with aggregate amount of approximately RMB606,000 (2020: RMB431,000).

All of the trade payables, bills payables and other payables and accruals are expected to be settled within one year. Bills payables of approximately RMB200,545,000 (2020: RMB132,215,000) were supported by guarantee deposits of equivalent amount as requested by banks and presented as restricted cash.

The credit periods granted by suppliers ranged 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:

	2021	2020
	RMB'000	*RMB'000*
Within 1 month	**2,418,172**	764,326
1 to 3 months	**302,873**	158,942
3 to 6 months	**95,744**	231,772
Over 6 months but within 1 year	**40,579**	20,555
Over 1 year	**254,712**	183,231
	3,112,080	1,358,826

EXTRACT FROM THE INDEPENDENT AUDITOR'S REPORT ON THE GROUP'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Company's auditors have issued a disclaimer of opinion on the Group's consolidated financial statements for the year ended 31 December 2021, an extract of the auditors' report is as follow:

DISCLAIMER OF OPINION

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements and as to whether the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

(a) Multiple uncertainties relating to going concern

The Group incurred a net loss of approximately RMB196,075,000 for the year ended 31 December 2021 and, as of that date, the Group had net current liabilities of approximately RMB547,339,000 and net liabilities of approximately RMB390,528,000. As at 31 December 2021, the Group recorded borrowings of approximately RMB1,242,065,000 and cash and cash equivalents of approximately RMB29,945,000. These total borrowings exceeded the cash and cash equivalents by an amount of approximately RMB1,212,120,000.

In preparing the consolidated financial statements, the directors have given consideration to the future liquidity of the Group in light of the conditions described above. Further, as at 31 December 2021, the Group's borrowings of approximately RMB1,242,065,000 included approximately RMB1,100,961,000 of borrowings which were overdue for repayment and certain other payables of the Group were also overdue, including interest payables of approximately RMB635,214,000 and corporate bond payables of approximately RMB13,824,000. The major overdue balances of the Group are further explained below:

(a) as disclosed in note 26 to the consolidated financial statements, 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 was matured and overdue for repayment at 31 December 2021 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 the 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 were 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 a 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) as disclosed in note 26 to the consolidated financial statements, a promissory note with an outstanding principal amount of HK$847,080,000 issued by the Company to Dundee Greentech Limited ("**Dundee**") on 18 November 2018 in connection with the redemption of the convertible bond issued by the Company to Dundee in August 2015, was matured and overdue as at 31 December 2021 and 2020 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 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) as disclosed in note 24 to the consolidated financial statements, other payables with carrying amount of HK$16,907,000 and HK$22,755,000 (equivalent to approximately RMB13,824,000 and RMB19,151,000) respectively as at 31 December 2021 and 2020 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 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 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 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 Petitioner 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 as the repayment schedule dated 12 January 2022 signed by the Second Subscriber (collectively referred to as the "**Repayment Schedules**") and pursuant to the Repayment Schedules, the Company is required to settle the remaining amount of HK$7,474,917 due to each of the Second Subscriber and the Third Subscriber (amounting in aggregate to 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 authorization 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 for the financial year ended 31 December 2017, 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 consolidated 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 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; (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 (provisional or not) discharged.

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.

The directors of the Company and the Liquidators have been undertaking a number of measures to improve the Group's liquidity and financial position so as to be able to meet its liabilities as and when they fall due, which are set out in Note 3(b) to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the eventual successful outcome of these measures, which are subject to multiple uncertainties, including whether: (a) the debt restructuring scheme will eventually be formulated by the Company and supported by creditors and sanctioned by the High Court of Hong Kong; (b) the Group's debtors will timely settle their debts to the Group according to the agreed settlement schedules; (c) the Group can successfully complete the sale of the Pledged Assets and the application for the drawing down of money under the Credit Facility Agreement; and (d) the Group can successfully implement its cost control measures and to improve its business operations.

Should the Group fail to achieve successful outcomes from the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and 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. The effects of these adjustments have not been reflected in the consolidated financial statements.

We have not been provided with sufficient appropriate audit evidence to conclude on the appropriateness of management's use of the going concern basis of accounting in the preparation of the consolidated financial statements because of the lack of detailed analyses provided by management in relation to its plans and measures for future actions in its going concern assessment which take into account the uncertainty of outcome of these plans and measures and how variability in outcome would affect the future cash flows of the Group. Any adjustments found to be required may have consequential significant effects on the consolidated net liabilities of the Group as at 31 December 2021 and the consolidated loss and other comprehensive loss and cash flows of the Group for the year ended 31 December 2021, and the related elements and disclosures thereof in the consolidated financial statements.

(b) ***Recoverability of 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")***

Included in other receivables disclosed in Note 17 to the consolidated financial statements is consideration receivable for disposal of Hebei Noter Group and amount due from Hebei Noter Group with carrying amounts, net of allowances for credit losses, of approximately RMB1,101,202,000 and RMB795,785,000 respectively as at 31 December 2021 and RMB1,101,202,000 and RMB795,785,000 respectively as at 31 December 2020, which were overdue for repayment as at 31 December 2021 and 2020 and remained unsettled as at the date of this report. The Group had been in negotiations with Hebei Noter Group and the purchaser of Hebei Noter Group as set out in the Company's circular dated 15 November 2018 (the "**Purchaser**") for settlement of the Hebei Noter Group Receivables. We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to 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 2021 and 2020 because we were unable to satisfy ourselves about (i) the existence and ownership of the assets pledged in favour of the Group in relation to the Hebei Noter Group Receivables; (ii) the validity of the guarantee and supplementary guarantee agreements as disclosed in note 17 to the consolidated financial statements (the "**Guarantees**"), including the validity of the assets underlying the Guarantees included in (i); and (iii) the valuation of the assets (a) pledged to the Group as collateral by the Purchaser; and (b) underlying the Guarantees in relation to the Hebei Noter Group Receivables and whether the credit exposures represented by the Hebei Noter Group Receivables were adequately covered as at 31 December 2021 and 2020. There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the carrying amounts of the Hebei Noter Group Receivables, and the related allowances for credit losses recognised of approximately RMB1,896,987,000 and RMBnil as at and for the year ended 31 December 2021 respectively and RMB1,896,987,000 and RMBnil respectively as at and for the year ended 31 December 2020 respectively, were free from material misstatement. Any adjustments that would be required may have consequential significant effects on the allowances for credit losses recognised in consolidated profit or loss for the years ended 31 December 2021 and 2020 in respect of the Hebei Noter Group Receivables and the impairment allowances in respect of and net carrying amounts of the Hebei Noter Group Receivables as at 31 December 2021 and 2020 and hence on the consolidated net liabilities of the Group as at 31 December 2021 and 2020 and the consolidated loss and other comprehensive income or loss and cash flows of the Group for the years ended 31 December 2021 and 2020, and the related elements and disclosures thereof in the consolidated financial statements.

(c) Scope limitation on inventories

Included in the consolidated statement of financial position of the Group were inventories of approximately RMB289,117,000 as at 31 December 2020, details of which are disclosed in note 17 to the consolidated financial statements.

We were unable to observe the counting of physical inventories of these inventories at the end of that reporting period and we were unable to satisfy ourselves by alternative means concerning the existence of the inventory quantities of these inventories held at 31 December 2020.

There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the carrying amount of inventories as at 31 December 2020 and consequently the cost of inventories recognized in cost of sales for the year ended 31 December 2021, and the write down of inventories amounted to approximately RMB113,420,000 and RMB8,931,000 recognised in consolidated profit or loss for the years ended 31 December 2021 and 2020 respectively, were free from material misstatement. Any adjustments that would be required may have consequential significant effects on these balances and hence on the consolidated net liabilities of the Group as at 31 December 2020 and loss and other comprehensive income or loss and cash flows of the Group for the years ended 31 December 2021 and 2020, and the related elements and disclosures thereof in the consolidated financial statements.

(d) Scope limitation on trade and other payables and borrowings and related finance costs

Included in (1) trade and other payables in the consolidated statement of financial position of the Group were interest payables and corporate bonds with carrying amounts of approximately RMB635,214,000 and RMB13,824,000 respectively as at 31 December 2021 and RMB854,714,000 and RMB19,151,000 respectively as at 31 December 2020; (2) the borrowings in the consolidated statements of financial position of the Group were guaranteed loans, promissory notes and unsecured loan (the "**Borrowings**") with carrying amounts of approximately RMB85,000,000, RMB1,048,502,000 and RMB50,000,000 respectively as at 31 December 2021 and RMB178,800,000, RMB1,078,732,000 and RMB50,000,000 respectively as at 31 December 2020 and included in the consolidated statement of profit or loss of the Group was finance costs of approximately RMB308,092,000 and RMB249,818,000 respectively for the years ended 31 December 2021 and 2020 and interest expenses reversed included in other gain for the year of approximately RMB470,814,000 for the year ended 31 December 2021. Details of which are disclosed in notes 25, 27, 8(b) and 7 to the consolidated financial statements respectively. Further, included in the statement of financial position of the Company disclosed in note 30 to the consolidated financial statements were borrowings and other payables and accruals with carrying amounts of approximately RMB1,098,502,000 and RMB750,692,000 respectively as at 31 December 2021 and RMB1,128,732,000 and RMB1,083,765,000 respectively as at 31 December 2020.

We were unable to satisfy ourselves about (i) the completeness and recording accuracy of the promissory notes and unsecured loan included in the borrowings because the Group had defaulted in its payments with aggregate carrying amount of approximately RMB1,100,961,000 and RMB1,128,732,000 respectively as at 31 December 2021 and 2020; and (ii) the amount of finance costs reported for the years ended 31 December 2021 and 2020 because supporting documentation to ascertain the accuracy and completeness of the interest calculations was not made available to us. Consequentially, we were unable to assess the completeness of interest payable included in trade and other payables of approximately RMB635,214,000 and RMB854,714,000 respectively as at 31 December 2021 and 2020 and the validity and recording accuracy of movements of the finance costs recorded in interest payables, including the finance costs recognised for the years ended 31 December 2021 and 2020 and interest expenses reversed in consolidated profit or loss for the year ended 31 December 2021; (iii) the validity and recording accuracy of the balance of the corporate bonds of approximately RMB13,824,000 and RMB19,151,000 respectively as at 31 December 2021 and 2020 as the Company failed to make payment in accordance with the relevant repayment schedule entered into; and (iv) we were unable to carry out effective confirmation procedures with the respective counter parties of the Borrowings and corporate bonds holders for the purposes of our audit as we have not received replies to our direct confirmation requests from these creditors with carrying amounts of RMB1,100,961,000 and RMB13,824,000 as at 31 December 2021 and RMB1,147,532,000 and RMB19,151,000 as at 31 December 2020.

Therefore, we were unable to satisfy ourselves as to whether the carrying amounts of trade and other payables and borrowings as at 31 December 2021 and 2020 and the recorded amount of other gain/loss and finance costs for the years ended 31 December 2021 and 2020 were free from material misstatements and whether there existed material amounts of trade and other payables and borrowings of the Group and the Company as at 31 December 2021 and 2020 which were not accounted for and recognised in the consolidated financial statements of the Group and the financial statements of the Company. Any adjustments found to be required in respect of the above matters and any unrecorded material amounts of trade and other payables and borrowings found to be in existence may have consequential significant effects on the net liabilities of the Group and the Company as at 31 December 2021 and 2020 and the loss and other comprehensive income or loss and cash flows of the Group for the years then ended, and the fair presentation thereof, and the elements making up, and related disclosures in, the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group reported its audited consolidated results for the year ended 31 December 2021. The Group continued to focus on the development its businesses in the information and communication technology ("**ICT**"), New Energy and Investment activities segments in 2021. Major business highlights for the year are as follows:

1. Revenue for the year ended 31 December 2021 decreased by approximately 27.03% to approximately RMB5,453,197,000 as compared to that in 2020;

2. Gross profit for the year ended 31 December 2021 decreased by approximately 30.36% to approximately RMB83,793,000 as compared to that in 2020; and

3. Loss attributable to owners of the Company for the year ended 31 December 2021 decreased by approximately 77.37% to approximately RMB195,361,000 as compared to that in 2020.

ICT

Revenue generated from ICT during the year ended 31 December 2021 decreased by approximately 27.03% to approximately RMB5,453,197,000 as compared to the corresponding period in last year, which accounted for approximately 100.00% of the Group's total revenue for the year ended 31 December 2021.

Due to the continued unfavorable impact of factors such as the outbreak of the novel coronavirus ("**COVID-19**") and the weakening demand in the ICT market, the competition in the ICT market remained aggressive. To deal with the unfavorable situation, the Group has carried out several business improvements, such as improving production efficiency and reducing production costs. The Group has also carried out review and optimized the customer base and product portfolio. Therefore, the Group was able to proactively respond to market challenge, and still be able to improve the profitability in term of gross profit.

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 years ended 31 December 2020 and 31 December 2021.

Investment activities

Owing to the adverse situation in the market, the Group did not rollout any investment activity during the year ended 31 December 2020 and 31 December 2021.

FINANCIAL REVIEW

Revenue

Revenue decreased from approximately RMB7,472,715,000 for the year ended 31 December 2020 to approximately RMB5,453,197,000 for the year ended 31 December 2021, representing a decrease of approximately 27.03%. The decrease in revenue during the year as compared with that of last year was mainly attributable to the performance of ICT segment and an analysis of the Group's major business segments are set out as below:

- ICT segment recorded a decrease in revenue from approximately RMB 7,472,715,000 for the year ended 31 December 2020 to approximately RMB5,453,197,000 for the year ended 31 December 2021, representing a decrease of approximately 27.03%. The decrease was mainly attributable to the continued unfavorable impact of factors such as the outbreak of the COVID-19 and the weakening demand in the ICT market, then lead to the increase in competition in the ICT market.

Gross profit

Gross profit decreased from approximately RMB120,329,000 for the year ended 31 December 2020 to approximately RMB83,793,000 for the year ended 31 December 2021, representing a decrease of approximately 30.36% from the corresponding period in 2020. The gross profit margin trended from approximately 1.61% for the year ended 31 December 2020 to approximately 1.54% for the year ended 31 December 2021. It maintained the profit margin at similar level despite the increased market competition.

Other income

Other income increased from approximately RMB31,922,000 for the year ended 31 December 2020 to approximately RMB83,554,000 for the year ended 31 December 2021, representing an increase of approximately 161.74% from the corresponding period in 2020. It was mainly attributable to the increase in government subsidy for the year ended 31 December 2021.

Other net gain

Other net gain increased from a loss of RMB51,325,000 for the year ended 31 December 2020 to approximately RMB343,327,000 for the year ended 31 December 2021. Whilst obsolete inventories of RMB113,420,000 were written down for the year ended 31 December 2021, there was a reversal of interest expenses amounting to RMB470,814,000 in the same period resulting in a net gain position.

Distribution costs, administrative expenses and research and development expenses

Distribution costs, administrative expenses and research and development expenses increased from approximately RMB98,296,000 for the year ended 31 December 2020 to approximately RMB295,660,000 for the year ended 31 December 2021, representing an increase of approximately 200.79% from the corresponding period in 2020. The increase was mainly due to the increase in administrative expenses and research and development expenses. The increase in administrative expenses was mainly due to the incurrence of legal and professional fees in dealing with the legal proceedings instituted by some creditors. The research and development expenses were increased to strengthen our competitive edge in product innovation.

The percentage of distribution costs, administrative expenses and research and development expenses as a percentage of the Group's total revenue increased from approximately 1.32% for the year ended 31 December 2020 to approximately 5.44% for the year ended 31 December 2021. The Group will continue to take all necessary measures to control the costs to improve profitability of the Group in the future.

Allowance for credit loss

Allowance for credit loss decreased from approximately RMB609,307,000 for the year ended 31 December 2020 to approximately RMB121,970,000 for the year ended 31 December 2021, representing a decrease of approximately 79.98% from the corresponding period in 2020. The Group performs impairment assessment under expected credit loss model on trade and other receivables individually or based on provision matrix.

Whilst the Company provided a considerable amount of allowance for credit loss in 2020 with reference to an assessment on the then economic situation and consequential implication on the Group's cash flow of the trade and other receivables, the directors consider that the Group's credit risk is significantly reduced. The situation was improved in 2021.

Finance income and finance costs

Finance income increased from approximately RMB1,768,000 for the year ended 31 December 2020 to approximately RMB5,120,000 for the year ended 31 December 2021, representing an increase of approximately 189.59% from the corresponding period in 2020. The increase was mainly attributable to the increase in interest income from bank deposits.

Finance costs increased from approximately RMB249,818,000 for the year ended 31 December 2020 to approximately RMB308,092,000 for the year ended 31 December 2021, representing an increase of approximately 23.33% from the corresponding period in 2020. The increase was mainly due to the increase in the interest on borrowings.

Income tax

Income tax changed from an expense of approximately RMB8,918,000 for the year ended 31 December 2020 to a credit of approximately RMB13,852,000 for the year ended 31 December 2021. It was mainly due to reversal of over-provision done in prior years.

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 RMB195,361,000 for the year ended 31 December 2021 as compared to a loss for the year attributable to owners of the Company of approximately RMB863,248,000 for the year ended 31 December 2020. The decrease in loss for the year attributable to owners of the Company were mainly due to the contribution of other net gain and the decrease in allowance for credit loss.

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 2021, the Group had unrestricted cash and cash equivalents of approximately RMB29,945,000 (2020: RMB33,741,000), restricted cash of approximately RMB200,545,000 (2020: RMB132,215,000) and borrowings of approximately RMB1,242,065,000 (2020: RMB1,311,588,000). The gearing ratio (calculated by dividing borrowings by total assets) as at 31 December 2021 was approximately 24.24% (2020: 31.48%). As at 31 December 2021, the Group had current assets of approximately RMB4,966,248,000 (2020: RMB3,982,766,000) and current liabilities of approximately RMB5,513,587,000 (2020: RMB4,288,998,000). The current ratio was approximately 0.90 as at 31 December 2021, as compared with the current ratio of approximately 0.93 as at 31 December 2020. The current ratio remained stable and only slightly decreased for the year ended 31 December 2021.

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 RMB9,524,000 (2020: RMB17,108,000), which was mainly used for procurement for upgrading plant, machinery and equipment.

Capital commitment

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

Charge on material assets

As at 31 December 2021, assets of the Group amounting to approximately RMB200,545,000 (2020: RMB110,508,000) were pledged for the Group's borrowings and bills payable.

Contingent liabilities

As at 31 December 2021, the Group had no material contingent liabilities (2020: nil).

Going concern

The Group incurred a net loss of approximately RMB196,075,000 (2020: RMB863,645,000) for the year ended 31 December 2021 and, as of that date, the Group had net current liabilities of approximately RMB547,339,000 (2020: RMB306,232,000) and net liabilities of approximately RMB390,528,000 (RMB142,921,000). At 31 December 2021, the Group recorded current and non-current borrowings of approximately RMB1,242,065,000 (2020: RMB1,290,965,000) and nil (2020: RMB20,623,000) respectively and cash and cash equivalents of approximately RMB29,945,000 (2020: RMB33,741,000). The total borrowings exceeded the cash and cash equivalents of approximately RMB1,212,120,000 (2020: RMB1,277,847,000).

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 audited 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 audited 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 page 53 of this announcement.

Recoverability of the Hebei Noter Group Receivables

Included in other receivables disclosed in note 10 to the audited 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 RMB1,101,202,000 and RMB795,785,000 respectively as at 31 December 2021 and RMB1,101,202,000 and RMB795,785,000 respectively as at 31 December 2020, which were overdue for repayment as at 31 December 2021 and 2020 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 liaising with the Purchaser to recover 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.

Scope of limitation on inventories

Included in consolidated statement of financial position of the Group were inventories of approximately RMB289,117,000 as at 31 December 2020, and write down of inventories amounted to approximately RMB8,931,000 recognized in consolidated profit or loss for the year ended 31 December 2020.

The auditors were unable to observe the counting of physical inventories of these inventories at the end of the reporting period due to the lockdown measures imposed to combat COVID-19 and they were unable to satisfy themselves by alternative means concerning the existence of the inventory quantities and carrying amount of these inventories held at 31 December 2020 and consequently the cost of inventories recognized in cost of sales for the year ended 31 December 2021, and the write down of inventories amounted to approximately RMB113,420,000 and RMB8,931,000 recognised in consolidated profit or loss for the years ended 31 December 2021 and 2020 respectively, were free from material misstatement.

Due to the lockdown measures imposed to combat COVID-19, the auditors did not commute from Hong Kong to China to perform physical stock take for the year ended 31 December 2020.

The Company performed physical stock take of physical inventories as at 31 December 2020 to confirm the carrying amounts of inventories as at 31 December 2020 and consequently the cost of inventories recognized in cost of sales for the year ended 31 December 2021, and the write down of inventories amounted to approximately RMB113,420,000 and RMB8,931,000 recognised in consolidated profit or loss for the years ended 31 December 2021 and 2020 respectively.

Scope limitation on trade and other payables and borrowings and related finance costs

Included in (1) trade and other payables in the consolidated statement of financial position of the Group were interest payables and corporate bonds with carrying amounts of approximately RMB635,214,000 and RMB13,824,000 respectively as at 31 December 2021 and RMB854,714,000 and RMB19,151,000 respectively as at 31 December 2020; (2) the borrowings in the consolidated statements of financial position of the Group were guaranteed loans, promissory notes and unsecured loan (the "**Borrowings**") with carrying amounts of approximately RMB85,000,000, RMB1,048,502,000 and RMB50,000,000 respectively as at 31 December 2021 and RMB178,800,000, RMB1,078,732,000 and RMB50,000,000 respectively as at 31 December 2020 and included in the consolidated statement of profit or loss of the Group was finance costs of approximately RMB308,092,000 and RMB249,818,000 respectively for the years ended 31 December 2021 and 2020 and interest expenses reversed included in other gain for the year of approximately RMB470,814,000 for the year ended 31 December 2021. Details of which are disclosed in notes 11, 7(b) and 6 to the consolidated financial statements respectively. Further, included in the statement of financial position of the Company were borrowings and other payables and accruals with carrying amounts of approximately RMB1,098,502,000 and RMB750,692,000 respectively as at 31 December 2021 and approximately RMB1,128,732,000 and RMB1,083,765,000 respectively as at 31 December 2020.

The auditors were unable to satisfy themselves about (i) the completeness and recording accuracy of the promissory notes and unsecured loan included in the borrowings because the Group had defaulted in its payments with aggregate carrying amount of approximately RMB1,100,961,000 and RMB1,128,732,000 respectively as at 31 December 2021 and 2020; and (ii) the amount of finance costs reported for the years ended 31 December 2021 and 2020 because supporting documentation to ascertain the accuracy and completeness of the interest calculations was not made available to us. Consequentially, the auditors were unable to assess the completeness of interest payable included in trade and other payables of approximately RMB635,214,000 and RMB854,714,000 respectively as at 31 December 2021 and 2020 and the validity and recording accuracy of movements of the finance costs recorded in interest payables, including the finance costs recognised for the years ended 31 December 2021 and 2020 and interest expenses reversed in consolidated profit or loss for the year ended 31 December 2021; (iii) the validity and recording accuracy of the balance of the corporate bonds of approximately RMB13,824,000 and RMB19,151,000 respectively as at 31 December 2021 and 2020 as the Company failed to make payment in accordance with the relevant repayment schedule entered into; and (iv) the auditors were unable to carry out effective confirmation procedures with the respective counter parties of the Borrowings and corporate bonds holders for the purposes of their audit as the auditors have not received replies to their direct confirmation requests from these creditors with carrying amounts of RMB1,100,961,000 and RMB13,824,000 as at 31 December 2021 and RMB1,147,532,000 and RMB19,151,000 as at 31 December 2020.

Since the appointment of Liquidators on 5 January 2022 up to now, the Liquidators only received a few number of proof of debts submitted by a small number of creditors. The creditors may file their proof of debt after receiving the debt restructuring proposal being prepared by the attorney. Hence, the validity, completeness and recording accuracy of the carrying amount of the promissory notes, unsecured loan and corporate bonds can only be relied on our internal accounting records. Meanwhile, we took a reasonable approach in accruing the interest amount to minimize the risk of misstating the finance costs and interest payable.

The Company has been maintaining dialogue with the major creditors to ascertain the validity, completeness, recording accuracy and reasonableness of the carrying amount of the trade and other payables and borrowings and related finance costs in the books which the Company believes reflect a fair amount of our liabilities.

HUMAN RESOURCES

As at 31 December 2021, the Group had 930 employees (2020: 3,067 employees). The decrease in the number of employees was mainly due to the Group's business improvements of improving production efficiency and reducing production costs, while maintaining the same scale of production. 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, tabloids 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.

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;

(b) The Company is listing the Collateral in a specialized trading platform in the PRC;

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

(d) The Company started commercial negotiation with another buyer in Europe 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

Should the Group fail 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 audited consolidated financial statements of the Group for the year ended 31 December 2021.

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

During the year ended 31 December 2021 and 31 December 2020, neither the Company nor any of its subsidiaries had 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

During the year ended 31 December 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.

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 2021.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: Nil).

Audit committee

Special attention of the Audit Committee was drawn to note 3 "Going concern basis" to the audited consolidated financial statements that the Group incurred a net loss of approximately RMB196,075,000 (2020: RMB863,645,000) for the year ended 31 December 2021 and, as of that date, the Group had net current liabilities of approximately RMB547,339,000 (2020: RMB306,232,000) and net liabilities of approximately RMB390,528,000 (2020: RMB142,921,000). At 31 December 2021, the Group recorded current and non-current borrowings of approximately RMB1,242,065,000 (2020: RMB1,290,965,000) and nil (2020: RMB20,623,000) respectively and cash and cash equivalents of approximately RMB29,945,000 (2020: RMB33,741,000). The total borrowings exceeded the cash and cash equivalents of approximately RMB1,212,120,000 (2020: RMB1,277,847,000).

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 47 to 48 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 2021.

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.

Regarding the scope limitation on inventories

The Audit Committee noted that the Board has undertaken or in the progress of implementing the measures to confirm the inventories were free from material misstatement. 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 inventories were free from material misstatement as at 31 December 2021.

Regarding the scope limitation on trade and other payables and borrowings and related finance costs

The Audit Committee noted that the Board has undertaken or in the progress of implementing the measures to confirm the trade and other payables and borrowings and related finance costs were free from material misstatement. 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 trade and other payables and borrowings and related finance costs were free from material misstatement as at 31 December 2021.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual 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 annual report of the Company for the year ended 31 December 2021 will also be published on the aforesaid websites and dispatched to the Shareholders in due course.

REVIEW OF ANNUAL RESULTS

The audit committee and auditors of the Company have reviewed the annual results of the Group for the year ended 31 December 2021.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Hong Kong 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, 30 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 Directors; and Mr. Wong Che Man Eddy, Mr. Lam Kin Hung Patrick and Mr. Tam Sui Kwan as the independent non-executive Directors.