

Antelope Enterprise Announces Second Half and Full Year 2022 Financial Results

*AEHL Executes on Strategic Transformation as its Livestreaming Ecommerce
Business Accounts for 96% of 2nd Half Revenue and 84% of 2022 Revenue*

Chengdu, China, May 2, 2023 – Antelope Enterprise Holdings Limited (NASDAQ Capital Market: AEHL) (“Antelope Enterprise”, “AEHL” or the “Company”), which operates KylinCloud, a livestreaming ecommerce business in China with access to 300,000+ hosts and influencers, today announced its financial results for the second half and fiscal year ended December 31, 2022.

Fiscal Year 2022 Summary

- Revenue for the Company’s livestreaming ecommerce business was RMB 273.7 million (US\$ 40.7 million), as compared to RMB 58.5 million (US\$ 9.1 million) for its period of operations from September 21, 2021 to December 31, 2021. Total revenue for fiscal year 2022, including revenue generated from the Company’s consulting and legacy ceramic tile businesses, was RMB 324.0 million (US\$ 48.2 million), as compared to RMB 216.3 million (US\$ 33.5 million) for fiscal year 2021.
- Gross profit for the Company’s livestreaming ecommerce business was RMB 28.1 million (US\$ 4.2 million), as compared to RMB 3.0 million (US\$ 0.5 million) for its period of operations from September 21, 2021 to December 31, 2021. Total gross profit for fiscal year 2022, including gross profit from the Company’s consulting and legacy ceramic tile businesses, was RMB 24.4 million (US\$ 3.6 million), as compared to RMB 67.3 (US\$ 10.4 million) for fiscal year 2021.
- Income from operations for the Company’s livestreaming ecommerce business was RMB 8.9 million (US\$ 1.3 million), as compared to a loss from operations of RMB 2.5 million (US\$ 0.4 million) for its period of operations from September 21, 2021 to December 31, 2021. Total loss from operations for fiscal year 2022, including the loss from operations from the Company’s consulting and legacy ceramic tile businesses, was RMB 53.4 million (US\$ 7.9 million), as compared to a loss from operations of RMB 89.8 (US\$ 13.9 million) for fiscal year 2021.

Mr. Will Zhang, Chief Executive Officer of Antelope Enterprise, commented, “I am extremely proud of the achievements of our team in 2022 and pleased with our results as we successfully executed on our strategic plan to enter the high growth livestreaming ecommerce sector. Our KylinCloud livestreaming business generated 96% of our total revenue for the second half of 2022 as we pivoted away from the legacy ceramic tile building materials business which has been divested on April 28, 2023. Our top line revenue for our livestreaming ecommerce business came in \$40.7 million for the full year 2022, modestly ahead of our pre-announcement, and the registered hosts and influencers on our KylinCloud platform increased eight times to 316,696 in 2022 from 39,624 in 2021.”

“As a first mover in the livestreaming ecommerce space, KylinCloud provides turnkey

livestreaming marketing and broadcasting services to consumer brand companies by matching companies' brand characteristics and products with hosts and influencers. This results in livestreaming sales presentations that can generate increased sales and profitability for these companies. We believe that KylinCloud has the core competencies to increase its market share and be highly competitive in this key sales channel as a pure play in the sector.”

“I believe that we have a tremendous market opportunity ahead of us and have the financial resources, operating infrastructure and the vibrant team culture to achieve long-term growth. I am genuinely excited about our unique business model and execution capabilities, and I am confident that we will create value for our shareholders,” concluded CEO Will. Zhang.

Six Months Results Ended December 31, 2022

Revenue for the six months ended December 31, 2022 was RMB 168.1 million (US\$ 24.1 million), a 164.3% increase from RMB 63.6 million (US\$ 9.9 million) for the same period of 2021. The increase in revenue was due to RMB 161.4 million (US\$ 23.1 million) in revenue generated from KylinCloud, the Company’s livestreaming ecommerce business, which constituted 96% of second half 2022 total Company revenue.

Gross profit for the six months ended December 31, 2022 was RMB 26.0 million (US\$ 3.7 million), as compared to RMB 1.0 million (US\$ 0.1 million) for the same period of 2021. The increase in gross profit was due to RMB 25.0 million (US\$ 3.6 million) in gross profit generated by the Company’s livestreaming ecommerce business. For the second half of 2022, our gross profit margin was 15.5% for the livestreaming ecommerce business as compared to a gross profit margin of 5.1% for the second half of 2021; gross profit for the livestreaming ecommerce business was RMB 3.0 million (US\$ 0.5 million) for the first half of 2021.

Other income for the six months ended December 31, 2022 was RMB 1.3 million (US\$ 0.2 million), as compared to the RMB 24,000 (\$4,000) for the comparable period of 2021. Other income primarily consists of interest income, currency exchange gains and government grants. For the second half of 2022, we had RMB 552,000 in interest income, and RMB 536,000 in a tax subsidy.

Selling and distribution expenses for the six months ended December 31, 2022 were RMB 14.5 million (US\$ 2.1 million), as compared to RMB 24,000 (US\$ 4,000) for the comparable period of 2021. The increase in selling and distribution expenses was primarily due to an increase in commission expenses of RMB 7.4 million and an increase in advertising expenses of RMB 7.0 million, both of which were attributable to KylinCloud.

Administrative expenses for the six months ended December 31, 2022 were RMB 21.6 million (US\$ 3.1 million), as compared to RMB 8.3 million (US\$ 1.3 million) for the same period of 2021. The increase in administrative expenses was mainly due to increases of (i) RMB 2.0 million in professional fees, (ii) RMB 1.1 million in compensation fees, (iii) RMB 1.2 million in insurance expenses, (iv) RMB 1.3 million increase in R&D expenses, (v) RMB 1.7 million increase in payroll expenses, and (vi) RMB 6.3 million in promotional fees.

Bad debt reversal for the six months ended December 31, 2022 was RMB 2.8 million (US\$ 0.4 million), as compared to bad debt expense of RMB 10.1 million (US\$ 1.6 million) for the same period of 2021. We recognized a loss allowance for an expected credit loss on our financial assets, primarily on trade receivables, which are subject to impairment under IFRS 9, Financial

Instruments. We believe that we have undertaken appropriate measures to resolve our bad debt expense attributable to our legacy ceramic tile business.

Net loss from continuing operations for the six months ended December 31, 2022 was RMB 6.1 million (US\$ 0.9 million), as compared to RMB 17.7 million (US\$ 2.8 million) for the same period of 2021. In terms of our livestreaming ecommerce business, net income was RMB 0.7 million (US\$ 0.1 million) for the second half of 2022 as compared to a net loss of RMB 1.4 million (US\$ 0.2 million) for the second half of 2021. The decrease in the Company's total net loss from continuing operations was mainly due to the increase in gross profit attributable to our livestreaming ecommerce business and the reversal of bad expense that occurred in the second half of 2022 as compared to the same period of 2021.

Loss per basic share and fully diluted share from continuing operation for the six months ended December 31, 2022 were RMB 0.73 (US\$ 0.10), as compared to loss per basic and fully diluted share of RMB 3.44 (US\$ 0.53) for the same period of 2021.

Full Year 2022 Financial Results

Revenue for the year ended December 31, 2022 was RMB 286.3 million (US\$ 42.6 million), as compared to RMB 71.5 million (US\$ 11.1 million) for the year ended December 31, 2021. The increase in revenue was due to RMB 273.7 million (US\$ 40.7 million) in revenue generated from the Company's livestreaming ecommerce business, which represented 84.5% of 2022 revenue. Gross profit was RMB 27.9 million (US\$ 4.1 million), as compared to RMB 6.0 million (US\$ 1.0 million) for the same period of 2021. The increase in gross profit was due to RMB 28.1 million (US\$ 4.2 million) in gross profit generated from the Company's livestreaming ecommerce business, which was 15.2% greater than the total gross profit generated by the Company for the year 2022, as its other businesses generated gross losses. Total Company gross profit margin was 9.7%, as compared to a gross loss margin of 8.4% for the same period of 2021. Other income was RMB 3.0 million (US\$ 0.4 million), as compared to RMB 32,000 (US\$ 5,000) for the same period of 2021. Selling expenses were RMB 16.4 million (US\$ 2.4 million), as compared to RMB 24,000 (US\$ 4,000) for the same period of 2021. Administrative expenses were RMB 22.8 million (US\$ 3.4 million), as compared to RMB 16.0 million (US\$ 2.5 million) for the same period of 2021. Bad debt reversal was RMB 2.8 million (US\$ 0.4 million), as compared to bad debt expense of RMB 10.1 million (US\$ 1.6 million) for the same period of 2021. For the full year 2022, income from operations for the Company's livestreaming ecommerce business was RMB 8.9 million (US\$ 1.3 million) in 2022, as compared to an operating loss of RMB 2.5 million (US\$ 0.4 million) for its period of operations in 2021. Total net loss for the Company from continuing operations for the year ended December 31, 2022 was RMB 5.7 million (US\$ 0.1 million), as compared to a net loss of RMB 20.3 million (US\$ 3.2 million) for the same period of 2021. Net loss from discontinued operations for the year ended December 31, 2022 was RMB 48.0 million (US\$ 7.1 million), as compared to a net loss of RMB 69.7 million (US\$ 10.8 million) for the same period of 2021. Loss per share from continuing operations on a basic and fully diluted basis were RMB 1.19 (US\$ 0.18) for the year ended December 31, 2022, as compared to basic and fully diluted loss per share of RMB 3.71 (US\$ 0.58) for the same period of 2021. Loss per share from discontinued operations on a basic and fully diluted basis were RMB 5.73 (US\$ 0.85) for the year ended December 31, 2022, as compared to basic and fully diluted loss per share of RMB 13.54 (US\$ 2.10) for the same period of 2021.

Statements of Selected Financial Position Items for the Fiscal Year Ended 2022

- Cash and bank balances were RMB 3.9 million (US\$ 0.6 million) as of December 31, 2022, compared with RMB 27.9 million (US\$ 4.4 million) as of December 31, 2021. As of December 31, 2022, out total outstanding bank loan amounts were nil.
- Trade receivables turnover was zero of December 31, 2022 due to no outstanding trade receivables at December 31, 2022, as compared with 11 days as of December 31, 2021.
- Trade payables turnover of our social and livestreaming ecommerce business was three days as of December 31, 2022 as compared with seven days as of December 31, 2021.

Liquidity and Capital Resources

Our cash flow analysis for each of the accounts includes the cash flow transactions of discontinued operations.

Cash flow used in operating activities was RMB 23.1 million (US\$ 3.3 million) for the six months ended December 31, 2022, as compared to RMB 4.4 million (US\$ 0.7 million) in cash used in operations for the same period of 2021. The increase in cash outflow was mainly due to an increase in operating cash outflow before working capital changes of RMB 81.0 million, a decrease in cash inflow on unearned revenue of RMB 22.7 million, a decrease in cash inflow from inventory of RMB 82.7 million and a decrease in cash inflow on trade payable of RMB 7.9 million; these cash flows were partly offset by a decrease in cash outflow on trade receivables of RMB 168.2 million, a decrease in cash outflow on other receivables and prepayments of RMB 5.8 million, and a decrease in cash outflow from taxes payable of RMB 1.4 million.

Cash flow used in investing activities was RMB 1.9 million (US\$ 0.3 million) for the six months ended December 31, 2022, as compared to cash flow used in investing activities of RMB 1.2 million (US\$ 0.2 million) for the same period of 2021. For the six months ended December 31, 2022, we experienced cash outflow from an available-for-sale financial asset of RMB 8.4 million and the acquisition of fixed assets of RMB 11,000, which was partly offset by decrease in restricted cash of RMB 6.5 million. For the six months ended December 31, 2021, we experienced cash outflow from the acquisition of fixed assets of RMB 1.15 million.

Cash flow provided by financing activities was RMB 14.3 million (US\$ 2.0 million) for the six months ended December 31, 2022, as compared to cash flow used in financing activities of RMB 1.0 million (US\$ 0.2 million) in the same period of 2021. For the six months ended December 31, 2022, we generated cash inflow from a capital contribution from a noncontrolling interest of RMB 2.5 million, issuance of share capital for equity financing of RMB 3.3 million and proceeds from a promissory note of RMB 8.8 million; these cash flows were offset by the payment of lease liabilities of RMB 0.2 million. For the six months ended December 31, 2021, we generated cash inflow from the issuance of share capital of RMB 0.4 million, proceeds resulting from warrants exercised of RMB 136,000, and the payment of lease liabilities of RMB 0.5 million.

Divestiture of Ceramic Tile Business

Over the last two years, the Company enacted a corporate transformation to pivot towards high

growth technology areas which included the acquisition of livestreaming ecommerce business. In December 2022, the Company's Board of Directors unanimously agreed to divest of its legacy ceramic tile building materials business. On December 30, 2022, the Company entered into a share purchase agreement pursuant where it agreed to sell the Company's legacy ceramic tile manufacturing business to New Stonehenge Limited in exchange for a 5% unsecured promissory note (the "Note") with a principal amount of US\$ 8.5 million. The Note will mature in four years and the 5% interest and principal amount on the Note is to be paid in four annual installments. A special meeting of the company's shareholders was held on February 21, 2023, and the shareholders approved the sale of this business. On April 28, 2023, this transaction closed and the Company transferred its ownership of the ceramic tile manufacturing business to New Stonehenge Limited which, as a result, assumed all of its assets and liabilities.

Business Outlook

The Company operates a livestreaming ecommerce business through its KylinCloud subsidiary, which comprises virtually all of Antelope Enterprise's ongoing business operations. Kylin Cloud's platform strategically matches appropriate hosts and influencers to the products of consumer brand companies which results in increased sales for consumer brand companies. For the second six months and the full year 2022, KylinCloud generated 96.0% and 84.5% of the Company's total revenue, respectively.

The Company believes that livestreaming product marketing is an important growth engine for consumer brand companies since it heightens consumer engagement and can build brand loyalty through rich content and online interaction. The Company expects that livestreaming ecommerce will comprise an ever-increasing percentage of China's ecommerce sales in the years ahead spurred by a consumer ecosystem that includes a young demographic and their high usage rate of mobile devices. AEHL also believes that China's livestreaming ecommerce sector will experience high double-digit growth for many years to come, and the Company is encouraged by the strong contribution to revenue of its KylinCloud subsidiary to date.

This business outlook reflects the Company's current and preliminary views and is based on the information currently available to us, which are subject to change, and is subject to risks and uncertainties, as well as risks and uncertainties identified in the Company's public filings.

Conference Call Information

We will host a conference call at 8:00 am ET on May 2, 2023. Listeners may access the call by dialing 1-877-270-2148 five to ten minutes prior to the scheduled conference call time, and international callers should dial 1-412-902-6510; all callers should ask to join the Antelope Enterprise Holdings Ltd. earnings conference call. A replay of the conference call will be available for 14 days starting from 11:00 am ET on May 2, 2023. To access the replay, dial 1-877-344-7529 and international callers should dial 1-412-317-0088. The replay access code is 5861605.

About Antelope Enterprise Holdings Limited

Antelope Enterprise Holdings Limited holds a 51% ownership position in Hainan Kylin Cloud Services Technology Co., Ltd ("KylinCloud"), which operates a livestreaming ecommerce

business in China with access to 300,000+ hosts and influencers. For more information, please visit our website at <http://www.aehl-kylin.com/>, or follow the Company on Twitter at https://twitter.com/aehl_ltd. To receive the Company's public announcements, please email investor@aehlltd.com.

Currency Convenience Translation

The Company's financial information is stated in Renminbi ("RMB"). Translations of amounts from RMB into United States dollars ("US\$") in this earnings release are solely for the convenience of the readers and were calculated at the rate of US\$1.00 = RMB 6.8972 for balance sheet accounts at the balance sheet date, US\$1.00 = RMB 6.7290 for the P&L accounts for the year ended December 31, 2022, and US\$1.00 = RMB 6.9789 for the P&L accounts for the six months ended December 31, 2022. The exchange rate refers to the historical rate as set forth in the H.10 statistical release published by www.federalreserve.gov on December 31, 2022. Such translations should not be construed as representations that RMB amounts could have been, or could be, converted realized or settled into US\$ at that rate on December 31, 2022 or any other rate.

Safe Harbor Statement

Certain of the statements made in this press release are "forward-looking statements" within the meaning and protections of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, assumptions, estimates, intentions, and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause the actual results, performance, capital, ownership or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements in this press release include, without limitation, the continued stable macroeconomic environment in the PRC, the PRC real estate, construction and technology sectors continuing to exhibit sound long-term fundamentals, our ability to bring additional ceramic tile production capacity online going forward as our business improves, our ceramic tile customers continuing to adjust to our product price increases, our ability to sustain our average selling price increases and to continue to build volume in the quarters ahead, and whether our enhanced marketing efforts will help to produce wider customer acceptance of the new price points; and our ability to continue to grow our business management, information system consulting, and online social commerce and live streaming business. All statements other than statements of historical fact are statements that could be forward-looking statements. You can identify these forward-looking statements through our use of words such as "may," "will," "anticipate," "assume," "should," "indicate," "would," "believe," "contemplate," "expect," "estimate," "continue," "plan," "point to," "project," "could," "intend," "target" and other similar words and expressions of the future.

All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary notice, including, without limitation, those risks and uncertainties described in our annual report on Form 20-F for the year ended December 31, 2022 and otherwise in our SEC reports and filings. Such reports are available upon request from the Company, or from

the Securities and Exchange Commission, including through the SEC's Internet website at <http://www.sec.gov>. We have no obligation and do not undertake to update, revise or correct any of the forward-looking statements after the date hereof, or after the respective dates on which any such statements otherwise are made.

FINANCIAL TABLES

ANTELOPE ENTERPRISE HOLDINGS., LTD AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | As of December 31, 2022 | | As of December 31, 2021 |
|-------------------------------------|----------------------------|---------|-------------------------------|
| | USD'000 | RMB'000 | RMB'000 |
| ASSETS AND LIABILITIES | | | |
| NONCURRENT ASSETS | | | |
| Property and equipment, net | 146 | 1,006 | 1,250 |
| Intangible assets, net | 1 | 6 | - |
| Right-of-use assets, net | 68 | 469 | 44,288 |
| Total noncurrent assets | 215 | 1,481 | 45,538 |
| CURRENT ASSETS | | | |
| Inventories, net | - | - | 31,589 |
| Trade receivables, net | - | - | 51,416 |
| Other receivables and prepayments | 2,781 | 19,180 | 20,781 |
| Available-for-sale financial assets | 1,236 | 8,523 | - |
| VAT receivable | 20 | 142 | 663 |
| Restricted cash | 300 | 2,069 | - |
| Cash and bank balances | 571 | 3,936 | 27,880 |
| Total current assets | 4,908 | 33,850 | 132,329 |

| | | | |
|---|---------------|----------------|----------------|
| Assets classified as held for sale | <u>10,826</u> | <u>74,675</u> | <u>-</u> |
| Total assets | <u>15,949</u> | <u>110,006</u> | <u>177,867</u> |
| CURRENT LIABILITIES | | | |
| Trade payables | 446 | 3,079 | 6,290 |
| Unearned revenue | - | - | 15,545 |
| Accrued liabilities and other payables | 116 | 799 | 22,381 |
| Amounts owed to related parties | 187 | 1,291 | 36,348 |
| Lease liabilities | 48 | 328 | 13,404 |
| Taxes payable | <u>84</u> | <u>582</u> | <u>1,018</u> |
| Total current liabilities | <u>881</u> | <u>6,079</u> | <u>94,986</u> |
| NET CURRENT ASSETS | <u>4,027</u> | <u>27,771</u> | <u>37,343</u> |
| NONCURRENT LIABILITIES | | | |
| Lease liabilities | 23 | 157 | 33,325 |
| Notes payable | <u>1,272</u> | <u>8,775</u> | <u>-</u> |
| Total noncurrent liabilities | 1,295 | 8,932 | 33,325 |
| Liabilities directly associated with assets classified as held for sale | 12,836 | 88,530 | - |
| NET ASSETS | <u>937</u> | <u>6,465</u> | <u>49,556</u> |
| EQUITY | | | |
| Share capital | 187 | 1,288 | 943 |

| | | | |
|----------------------------|------|-------|---------|
| Reserves | (35) | (241) | 49,919 |
| Noncontrolling interest | 785 | 5,418 | (1,306) |
| Total stockholders' equity | 937 | 6,465 | 49,556 |

ANTELOPE ENTERPRISE HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

| | Unaudited | | |
|---|--------------------------------------|----------------|----------------|
| | Six Months ended December 31, | | |
| | 2022 | 2021 | |
| | USD'000 | RMB'000 | RMB'000 |
| Net sales | 24,087 | 168,101 | 63,606 |
| Cost of goods sold | 20,360 | 142,091 | 62,671 |
| Gross profit (loss) | 3,727 | 26,010 | 935 |
| Other income | 184 | 1,284 | 24 |
| Fair value unrealized gain of available-for sale financial asset | 19 | 130 | - |
| Selling and distribution expenses | (2,078) | (14,504) | (24) |
| Administrative expenses | (3,102) | (21,645) | (8,261) |
| Bad debt reversal (expense) | 394 | 2,751 | (10,148) |
| Finance costs | (2) | (11) | (14) |
| Other expenses | (5) | (38) | (1) |
| Loss before taxation | (863) | (6,023) | (17,489) |

| | | | |
|--|----------------|-----------------|-----------------|
| Income tax expense | <u>(18)</u> | <u>(126)</u> | <u>(210)</u> |
| Net loss for the year from continuing operations | (881) | (6,149) | (17,699) |
| Loss for the year from discontinued operations | (3,116) | (21,748) | (1,590) |
| | <u></u> | <u></u> | <u></u> |
| Net loss for the year | <u>(3,997)</u> | <u>(27,897)</u> | <u>(19,289)</u> |
| Net loss attributable to: | | | |
| Equity Holders of the Company | (4,095) | (28,582) | (17,983) |
| Non-controlling interest | <u>98</u> | <u>685</u> | <u>(1,306)</u> |
| Net loss | <u>(3,997)</u> | <u>(27,897)</u> | <u>(19,289)</u> |
| Loss per share | | | |
| Basic (RMB)- | <u></u> | <u></u> | <u></u> |
| -- from continuing operations | <u>(0.11)</u> | <u>(0.73)</u> | <u>(3.44)</u> |
| -- from discontinued operations | <u>(0.37)</u> | <u>(2.60)</u> | <u>(0.31)</u> |
| Diluted (RMB) | | | |
| -- from continuing operations | <u>(0.10)</u> | <u>(0.73)</u> | <u>(3.44)</u> |
| -- from discontinued operations | <u>(0.37)</u> | <u>(2.60)</u> | <u>(0.31)</u> |

ANTELOPE ENTERPRISE HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

| <u>Unaudited</u> | | |
|--------------------------------------|----------------|----------------|
| Six Months Ended December 31, | | |
| | 2022 | 2021 |
| | USD'000 | RMB'000 |
| | <u></u> | <u></u> |

CASH FLOWS FROM OPERATING ACTIVITIES:

| | | | |
|--|----------------|-----------------|----------------|
| Loss before taxation | (3,979) | (27,770) | (19,079) |
| Adjustments for | | | |
| Operating lease charge | 963 | 6,721 | 7,032 |
| Depreciation of property, plant and equipment | 19 | 134 | 77 |
| Fair value gain on available-for sale financial assets | (19) | (130) | - |
| Write down of inventories (reversal of inventory provision) | (580) | (4,045) | (99,237) |
| Bad debt provision of trade receivables | (13,066) | (91,186) | 75,727 |
| Share based compensation | 165 | 1,155 | 1,003 |
| Interest expense on lease liability | 108 | 751 | 1,072 |
| Amortization of OID of convertible note | <u>2</u> | <u>15</u> | <u>-</u> |
| Operating cash flows before working capital changes | (16,386) | (114,355) | (33,405) |
| Decrease in inventories | 1,768 | 12,336 | 95,013 |
| Increase in trade receivables | 14,308 | 99,855 | (68,360) |
| Decrease (Increase) in other receivables and prepayments | (1,030) | (7,185) | (13,002) |
| Decrease in trade payables | (1,024) | (7,143) | 794 |
| Decrease in unearned revenue | (1,030) | (7,188) | 15,545 |
| Increase (decrease) in taxes payable | 136 | 947 | (441) |
| Decrease in accrued liabilities, other payables, and amounts owed to related parties | <u>(6)</u> | <u>(41)</u> | <u>(547)</u> |
| Cash generated from (used in) operations | (3,263) | (22,774) | (4,403) |
| Interest paid | - | - | - |
| Income tax paid | <u>(43)</u> | <u>(301)</u> | <u>(34)</u> |
| Net cash generated from (used in) operating activities | <u>(3,306)</u> | <u>(23,075)</u> | <u>(4,437)</u> |

CASH FLOWS FROM INVESTING ACTIVITIES:

| | | | |
|---|---------|---------|---------|
| Acquisition of fixed assets | (2) | (11) | (1,150) |
| Acquisition of intangible assets | - | | |
| Decrease (increase) in available-for-sale financial asset | (1,203) | (8,393) | |

| | | | |
|--|---------|----------|---------|
| Decrease (increase) in restricted cash | 929 | 6,481 | - |
| Interest received | - | - | - |
| Net cash generated from (used in) investing activities | (276) | (1,923) | (1,150) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Payment for lease liabilities | (26) | (181) | (483) |
| Issuance of share capital for equity financing | 469 | 3,274 | (390) |
| Warrants exercised | - | - | (136) |
| Capital contribution from noncontrolling interest | 351 | 2,450 | - |
| Proceeds from convertible note | 1,255 | 8,759 | - |
| Net cash generated from (used in) financing activities | 2,049 | 14,302 | (1,009) |
| NET DECREASE IN CASH & EQUIVALENTS | (1,533) | (10,696) | (6,596) |
| CASH & EQUIVALENTS, BEGINNING OF PERIOD | 2,240 | 15,003 | 34,029 |
| EFFECT OF FOREIGN EXCHANGE RATE DIFFERENCES | (92) | (65) | 447 |
| CASH & EQUIVALENTS, END OF PERIOD | 615 | 4,242 | 27,880 |

ANTELOPE ENTERPRISE HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

| | Years ended December 31, | | |
|---------------------|--------------------------|---------|---------|
| | 2022 | | 2021 |
| | USD'000 | RMB'000 | RMB'000 |
| Net sales | 42,554 | 286,347 | 71,527 |
| Cost of goods sold | 38,406 | 258,431 | 65,493 |
| Gross profit (loss) | 4,149 | 27,916 | 6,034 |
| Other income | 441 | 2,966 | 32 |

| | | | |
|---|-----------------------|------------------------|-------------------------|
| Fair value unrealized gain of available-for sale financial asset | 19 | 130 | - |
| Selling and distribution expenses | (2,434) | (16,380) | (24) |
| Administrative expenses | (3,382) | (22,757) | (15,975) |
| Bad debt reversal (expense) | 409 | 2,751 | (10,148) |
| Finance costs | (4) | (25) | (51) |
| Other expenses | <u>(6)</u> | <u>(42)</u> | <u>(34)</u> |
| Loss before taxation | (809) | (5,441) | (20,166) |
| Income tax expense | <u>(31)</u> | <u>(209)</u> | <u>(217)</u> |
| Net loss from continuing operations | (840) | (5,650) | (20,383) |
| Loss from discontinued operations | <u>(7,132)</u> | <u>(47,994)</u> | <u>(69,675)</u> |
| Net loss for the year | <u><u>(7,972)</u></u> | <u><u>(53,644)</u></u> | <u><u>(90,058)</u></u> |
| Net loss attributable to : | | | |
| Equity holders of the Company | (8,607) | (57,918) | (88,752) |
| Non-controlling interest | <u>635</u> | <u>4,274</u> | <u>(1,306)</u> |
| Net loss | <u><u>(7,972)</u></u> | <u><u>(53,644)</u></u> | <u><u>(90,058)</u></u> |
| Net loss attributable to the equity holders of the Company arise from: | | | |
| Continuing operations | <u><u>(1,475)</u></u> | <u><u>(9,924)</u></u> | <u><u>(19,077)</u></u> |
| Discontinued operations | <u><u>(7,132)</u></u> | <u><u>(47,994)</u></u> | <u><u>(69,675)</u></u> |
| Other comprehensive loss | | | |
| Exchange differences on translation of financial statements of foreign operations | <u>29</u> | <u>198</u> | <u>585</u> |
| Total comprehensive loss for the year | <u><u>(7,943)</u></u> | <u><u>(53,446)</u></u> | <u><u>(178,225)</u></u> |
| Total comprehensive loss attributable to: | | | |
| Equity holders of the Company | (8,578) | (57,720) | (88,167) |
| Non-controlling interest | <u>635</u> | <u>4,274</u> | <u>(1,306)</u> |
| Total comprehensive loss | <u><u>(7,943)</u></u> | <u><u>(53,446)</u></u> | <u><u>(89,473)</u></u> |

Total comprehensive loss attributable to the equity holders of the Company arise from:

| | | | |
|-------------------------|---------|----------|----------|
| Continuing operations | (810) | (5,452) | (19,798) |
| Discontinued operations | (7,132) | (47,994) | (69,675) |

Loss per share

Basic (RMB)

| | | | |
|---------------------------------|--------|--------|---------|
| -- from continuing operations | (0.18) | (1.19) | (3.71) |
| -- from discontinued operations | (0.85) | (5.73) | (13.54) |

Diluted (RMB)

| | | | |
|---------------------------------|--------|--------|---------|
| -- from continuing operations | (0.18) | (1.19) | (3.71) |
| -- from discontinued operations | (0.85) | (5.73) | (13.54) |

ANTELOPE ENTERPRISE HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31,

| | 2022 | | 2021 |
|--|---------|---------|---------|
| | USD'000 | RMB'000 | RMB'000 |

CASH FLOWS FROM OPERATING ACTIVITIES:

| | | | |
|---|----------|-----------|----------|
| Loss before taxation | (7,941) | (53,433) | (89,841) |
| Adjustments for | | | |
| Operating lease charge | 1,974 | 13,285 | 14,067 |
| Depreciation of property, plant and equipment | 40 | 266 | 96 |
| Fair value gain on available-for sale financial assets | (19) | (130) | - |
| Write down of inventories (reversal of inventory provision) | (601) | (4,045) | (99,237) |
| Bad debt provision of trade receivables | (11,540) | (77,650) | 125,554 |
| Share based compensation | 324 | 2,180 | 1,835 |
| Interest expense on lease liability | 224 | 1,504 | 2,166 |
| Amortization of OID of convertible note | 2 | 15 | - |
| Operating cash flows before working capital changes | (17,537) | (118,008) | (45,360) |
| Increase in trade receivables | 17,661 | 118,842 | (75,499) |

| | | | |
|--|----------------|-----------------|----------------|
| Increase in inventories | 1,023 | 6,885 | 119,850 |
| Decrease (Increase) in other receivables and prepayments | (208) | (1,398) | (19,936) |
| Decrease in trade payables | (477) | (3,211) | (461) |
| Decrease in unearned revenue | (2,310) | (15,545) | 15,545 |
| Increase (decrease) in taxes payable | (45) | (306) | (1,756) |
| Decrease in accrued liabilities, other payables, and amounts owed to related parties | <u>(354)</u> | <u>(2,385)</u> | <u>(465)</u> |
| Cash generated from (used in) operations | (2,248) | (15,126) | (8,082) |
| Interest paid | - | - | - |
| Income tax paid | (48) | (326) | (41) |
| Net cash generated from (used in) operating activities | <u>(2,296)</u> | <u>(15,452)</u> | <u>(8,123)</u> |

CASH FLOWS FROM INVESTING ACTIVITIES:

| | | | |
|--|----------------|-----------------|----------------|
| Acquisition of fixed assets | (3) | (22) | (1,279) |
| Acquisition of intangible assets | (1) | (6) | |
| Increase available-for-sale financial assets | (1,247) | (8,393) | |
| Decrease (increase) in restricted cash | <u>(307)</u> | <u>(2,069)</u> | <u>-</u> |
| Interest received | <u>-</u> | <u>-</u> | <u>-</u> |
| Net cash generated from (used in) investing activities | <u>(1,559)</u> | <u>(10,490)</u> | <u>(1,279)</u> |

CASH FLOWS FROM FINANCING ACTIVITIES:

| | | | |
|---|---------|----------|----------|
| Payment for lease liabilities | (2,179) | (14,661) | (15,447) |
| Issuance of share capital for equity financing | 851 | 5,724 | 29,586 |
| Warrants exercised | - | - | 10,258 |
| Capital contribution from noncontrolling interest | 364 | 2,450 | - |
| Proceeds from promissory note | 1,302 | 8,759 | - |
| Advance from related parties | - | - | - |

| | | | |
|--|-------------------|---------------------|----------------------|
| Net cash generated from (used in) financing activities | <u>338</u> | <u>2,272</u> | <u>24,397</u> |
| NET INCREASE (DECREASE) IN CASH & EQUIVALENTS | (3,518) | (23,670) | 14,995 |
| CASH & EQUIVALENTS, BEGINNING OF YEAR | 4,375 | 27,880 | 12,344 |
| EFFECT OF FOREIGN EXCHANGE RATE DIFFERENCES | <u>(242)</u> | <u>32</u> | <u>541</u> |
| CASH & EQUIVALENTS, END OF YEAR | <u><u>615</u></u> | <u><u>4,242</u></u> | <u><u>27,880</u></u> |

Source: Antelope Enterprise Holdings, Ltd.

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