

CHINA JISHAN HOLDINGS LIMITED (Reg. No.: 200310591E)**First Quarter Financial Statement****PART1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group 3 months ended 31 March		
	2016 RMB'000	2015 RMB'000	Changes %
Revenue	19,328	58,202	(66.8)
Cost of sales	(13,787)	(54,844)	(74.9)
Gross profit	5,541	3,358	65.0
Other operating income	1,142	82,349	(<100)
Selling and distribution expenses	(509)	(1,692)	(69.9)
Administrative expenses	(4,207)	(6,738)	(37.6)
Finance costs	(5,343)	(6,064)	(11.9)
(Loss)profit before income tax	(3,376)	71,213	NM
Income tax	758	(10,242)	NM
Net (loss)profit for the period	(2,618)	60,971	NM
Notes to the above statement of comprehensive income:			
Other operating income including			
Gain on disposal of subsidiary	-	85,235	NM
Interest income	254	341	(25.5)
Government grants	1,300	50	>100
(Loss) on disposal of held for trading investments	(10)	(41)	(>100)
Fair value gain/(loss) on held for trading investment	(510)	556	NM
Gain/(loss) on disposal of plant and equipment	(56)	(3,798)	NM
Interest on borrowings	(5,343)	(6,064)	(11.9)
Depreciation and amortisation expenses	(6,201)	(6,069)	2.2

NM : Not meaningful

1(a)(ii) Statement of other comprehensive income for the 3-month Period Ended 31 March 2016

There is no other comprehensive income other than those disclosed in the statement of comprehensive income for the period.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	The Group		The Company	
	31/03/2016 RMB'000	31/12/2015 RMB'000	31/03/2016 RMB'000	31/12/2015 RMB'000
ASSETS				
Current assets:				
Cash and bank balances	32,083	58,806	780	1,062
Held-for-trading investments	2,920	3,326	-	-
Trade receivables	54,764	66,886	-	-
Other receivables and prepayments	12,915	9,511	4,334	4,334
Inventories	21,162	15,484	-	-
Prepaid leases	519	519	-	-
Development properties held for sale	459,605	459,605	-	-
Total current assets	583,968	614,137	5,114	5,396
Non-current assets:				
Investment in subsidiaries	-	-	144,587	144,587
Investment in associate	26,785	26,785	-	-
Property, plant and equipment	112,691	109,333	-	-
Prepaid leases	24,182	24,182	-	-
Deferred tax assets	38,917	38,917	-	-
Total non-current assets	202,575	199,217	144,587	144,587
Total assets	786,543	813,354	149,701	149,983
LIABILITIES AND EQUITY				
Current liabilities:				
Bank borrowings	379,000	379,000	-	-
Trade payables	70,451	91,104	-	-
Other payables	59,839	62,619	25,541	25,479
Loans from a related party	906	906	906	906
Tax payable	20,969	21,729	-	-
Total current liabilities	531,165	555,358	26,447	26,385
Non-current liabilities:				
Deferred tax liabilities	20,817	20,817	-	-
Deferred income	80,693	80,693	-	-
Total non-current liabilities	101,510	101,510	-	-
Capital and Reserves:				
Issued capital	125,808	125,808	125,808	125,808
Retained earnings/(Accumulated losses)	6,382	9,000	(2,554)	(2,210)
Other reserves	21,678	21,678	-	-
Total equity	153,868	156,486	123,254	123,598
Total liabilities and equity	786,543	813,354	149,701	149,983

1(b)(ii) Aggregate amount of group's borrowings and debts securities
Amount repayable in one year or less, or on demand

Amount repayable in one year or less, or on demand

Group As at 31/03/2016		Group As at 31/12/2015	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
405,910	906	419,999	906

Details of any collateral

As at 31 March 2016, the Group secured facilities comprising notes payable of RMB26.9 million and bank loan of RMB379.0 million (31 December 2015: notes payable – RMB41.0 million and bank loans: RMB379.0 million). These facilities were secured by certain bank deposits, pollution quota and part of the prepaid leases.

As at 31 March 2016, the unsecured facilities comprised loans of RMB0.9 million (31 December 2015: RMB0.9 million) from a related party.

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group	
	3 months ended 31 March	
	2016 RMB'000	2015 RMB'000
Operating activities		
Profit/(Loss) before income tax	(3,376)	71,213
Adjustment for:		
Depreciation expense	6,201	6,069
Fair value loss/(gain) on held-for-trading investments	510	(556)
Loss on disposal of held-for-trading investments	10	41
Loss/(gain) on disposal of property, plant and equipment	(56)	3,798
Gain on disposal of subsidiary	-	(85,235)
Interest expense	5,343	6,064
Interest income	(254)	(341)
Operating cash flows before movements in working capital	8,378	1,053
Trade receivables	12,122	3,791
Other receivables and prepayments	(3,404)	(5,045)
Inventories	(5,677)	(1,482)
Trade payables	(20,653)	(17,209)
Other payables	(2,780)	16,858
Cash used in operations	(12,014)	(2,034)
Interest received	254	341
Interest paid	(5,343)	(6,064)
Income tax paid	(2)	1,466
Net cash used in operating activities	(17,105)	(6,291)
Investing activities		
Proceeds from disposal of property, plant and equipment	441	1,472
Proceeds from disposal of held-for-trading investments	430	1,040
Purchase of property, plant and equipment	(9,945)	(653)
Purchase of held-for-trading investments	(544)	(972)
Net cash generated from (used in) investing activities	(9,618)	887
Financing activities		
Decrease/(Increase) in pledged fixed deposits	20,652	13,450
Loan from related party	-	3
Net cash generated from financing activities	20,652	13,453
Net increase (decrease) in cash and cash equivalents	(6,071)	8,049
Cash and cash equivalents at beginning of the year	11,239	14,593
Cash and cash equivalents at end of the period (Note)	5,168	22,642

Note:		
Cash and cash equivalents comprise the following:		
Fixed deposits	26,915	62,696
Cash and bank balances	5,168	22,642
Less: Pledged fixed deposits	(26,915)	(62,696)
	5,168	22,642

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding

The Group	2016			
	Issued Capital	Other Reserves ^(a)	Accumulated Profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1 January	125,808	21,678	9,000	156,486
Net loss for the period	-	-	(2,618)	(2,618)
Balance as at 31 March	125,808	21,678	6,382	153,868

The Group	2015			
	Issued Capital	Other Reserves ^(a)	Accumulated Profits	Total
Balance as at 1 January	125,808	24,854	(55,330)	95,332
Net profit for the period	-	-	60,971	60,971
Disposal of subsidiary	-	(3,176)	3,176	-
Balance as at 31 March	125,808	21,678	8,817	156,303

The Company	2016		
	Issued Capital	Accumulated Profits	Total
	RMB'000	RMB'000	RMB'000
Balance as at 1 January	125,808	(2,210)	123,598
Net loss for the period	-	(344)	(344)
Balance as at 31 March	125,808	(2,554)	123,254

The Company	2015		
	Issued Capital	Accumulated Profits	Total
	RMB'000	RMB'000	RMB'000
Balance as at 1 January	125,808	(763)	125,045
Net loss for the period	-	(418)	(418)
Balance as at 31 March	125,808	(1,181)	124,627

- (a) In accordance with the Company Law of the People's Republic of China (the "PRC"), the Group's subsidiaries in the PRC are required to allocate 10% of its profit after tax, as determined in accordance with PRC accounting standards and regulations applicable to the PRC subsidiaries, to the statutory surplus reserve ("SSR") until such reserve reaches 50% of the registered capital of the corresponding PRC subsidiaries. Subject to certain restrictions set out in the Company Law of the PRC, part of the SSR may be converted to increase share capital of such PRC subsidiaries, provided that the remaining balance of the SSR after the capitalisation is not less than 25% of the registered capital of such PRC subsidiaries.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issues of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. States also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the immediately preceding financial year

There was no change in the issued capital and paid-up capital of the Company since 31 December 2015. The Company does not have any shares that may be issued on conversion of any outstanding convertibles as at 31 March 2016 and 31 December 2015.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year,

	31 March 2016	31 December 2015
Number of issued shares excluding treasury shares	301,500,000	301,500,000
Number of treasury shares held	NIL	NIL

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The same accounting policies and methods of computation adopted in the most recently audited financial statements for the financial year ended 31 December 2015 have been applied in the preparation for the financial statements as at 31 March 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	3 months ended 31 March	
	2016	2015
(Loss)/profit for the period (RMB'000)	(2,618)	60,971
Basic basis (RMB cents)	(0.87)	20.22
On a fully diluted basis (RMB cents) ⁽¹⁾	N.A	N.A
Number of shares in calculating EPS ('000)	301,500	301,500

⁽¹⁾ Diluted earnings per share for the three months ended 31 March 2016 and 31 March 2015, respectively, have not been calculated, as there were no dilution events during these periods. No share options were granted to any employees during these periods.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the(a) current period reported on and(b) immediately preceding financial year

	Group		Company	
	31 March 2016	31 Dec 2015	31 March 2016	31 Dec 2015
Net Assets (RMB'000)	153,868	156,486	123,254	123,598
Net asset value per ordinary share (RMB cents)	51.03	51.90	40.88	40.99
Number of shares calculating NAV ('000)	301,500	301,500	301,500	301,500

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business.

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including(where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

COMMENTARY ON THE CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD

Revenue

The Group's revenue decreased by 66.8% to RMB19.3 million for the first quarter of FY2016 ("1Q2016") as compared to the corresponding quarter in FY2015 ("1Q2015"). The decrease is due to a further slowdown and uncertainties in the PRC economy.

In 1Q2015, the products processed by the Group's printing and dyeing business, fabric processing segments consist of 2 general categories: "narrow width" and "extra width", which are classified in accordance with the width of the material. In light of the lacklustre of PRC economic environment, the Company has rented out part of its factory space and plant and equipment of the "narrow width" division from 2Q2015 onwards, as part of the Group's effort to reduce redundancy and increase production efficiency.

The revenue for 1Q2016 only consist of rental income for renting out part of the factory space mentioned above and revenue generated from "extra width" as the factory space and plant and equipment of the "narrow width" division have already been rented out. This has led to a decrease in revenue but resulted in the increase of the gross profit margin of the Group.

Gross Profit and Gross Profit Margin

The rental revenue in 1Q2016 has resulted in the increase in gross profit as well as gross profit margin of the Company even though the overall revenue has decreased due to reasons mentioned above.

Other Operating Income

Other operating income in 1Q2016 mainly comprises of government grant received of RMB1.3 million. Other operating income in 1Q2015 mainly related to gain on disposal of subsidiary Zhejiang Jishan Extra Width Co., Ltd ("Extra Width") of approximately RMB85.2 million.

Selling and distribution expenses

The decrease in selling and distribution expenses is fairly in line with the decrease in revenue during the period.

Administrative expenses

The decrease in administrative expenses is fairly in line with the decrease in revenue during the period.

Finance costs

The decrease in finance costs corresponds with the decrease in bank borrowings during the period.

Income tax

An income tax credit was made on the operating losses based on the statutory tax rate as such losses were assessed to be recoverable in future.

Net loss for the period

The net loss for the period was mainly due to decrease in revenue which resulted from the further slowdown and uncertainties in the PRC economy as mentioned above.

COMMENTARY ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Below is a review of the material changes in key balance sheet items as at 31 March 2016, compared with those as at 31 December 2015.

Trade receivables decreased by RMB12.1million, mainly due to receipt of payment from trade debtor during the period.

Other receivables increased by RMB3.4 million, mainly due to advance payments to suppliers for purchases of raw materials and plant and equipment.

Inventories increased by RMB5.7 million the Company has stocked up some inventories for anticipation of price increase in near future.

Property, plant and equipment increased by RMB3.3 million, which was mainly due to the addition of property, plant and equipment of RMB9.9 million offset by depreciation charges of RMB6.2 million during the period.

Trade payables decreased by RMB20.7 million mainly due to repayment during the period.

Other payables decreased by RM2.8 million mainly due to repayment during the period.

Deferred income mainly represented the received-but-not-utilised compensations from local government, which is the compensation for assets for the planned relocation and other losses to be incurred.

COMMENTARY ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

The Group's operating cash flows were negative in 1Q 2016 mainly due to repayment of trade payables of RMB20.7 million and other payables of RMB2.8 million as well as payment of interest expenses during the period.

The above net cash outflows offset by the decrease in pledged deposits of approximately RMB20.6 million has resulted in an overall decrease in net cash and cash equivalents during the period ended 31 March 2016.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The current results are in line with the Company's commentary on prospects or previous quarter outlook in paragraph 10 of its previous quarter results announcement.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and known factors or events that may affect the group in the next reporting period and the next 12 months

The near-term business outlook of our core print and dye business is expected to remain challenging as the growth in the textile manufacturing industry remains subdued amid weak economic sentiments in China. The Group also continues to face challenges arising from higher cost related to environmental protection as well as cost of labor and energy.

The Group will continue to focus on improving productivity to offset rising costs and will exercise prudence in the Group's financial services business while monitoring the current business climate closely.

The Group will make further announcements to keep shareholders updated on any material development as and when appropriate.

11. Dividend

(A) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared / recommended, a statement to that effect

No dividend has been declared or recommended for the current financial period.

13. Interested Person Transactions (“IPT”)

The Group has not obtained a general mandate from its shareholders for Interested Person Transactions (“IPTs”). There is no IPT for the period ended 31 March 2016.

14. Undertakings

The Company confirms that it has procured undertakings from all its directors and executive officer in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Yu Ming Hai
Executive Director

12 May 2016

Confirmation by the Board of Directors

Pursuant to Rule 705(5) of the SGX-ST Listing Manual, we, XIAO ZI LIANG, and YU MING HAI being two Directors of China Jishan Holdings Limited (the “Company”), do hereby confirm on behalf of the Board of Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the Group’s unaudited financial statements for the 1st Quarter ended 31 March 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors:

Xiao Zi Liang
Chief Executive Officer

Yu Ming Hai
Executive Director

12 May 2016