

**CHINA JISHAN HOLDINGS LIMITED (Reg. No. : 200310591E)**

**Financial Statement And Dividend Announcement for the Period Ended 30 June 2019**

**PART1 - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

**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 30 June			The Group 6 months ended 30 June		
	2019 RMB'000	2018 RMB'000	Changes %	2019 RMB'000	2018 RMB'000	Changes %
Revenue	9,431	9,431	-	18,861	18,861	-
Cost of sales	(410)	(325)	26.2	(825)	(732)	12.7
<b>Gross profit</b>	<b>9,021</b>	<b>9,106</b>	(4.3)	<b>18,034</b>	<b>18,129</b>	(4.4)
Other operating income	10,032	8,869	13.1	17,075	15,142	12.8
Administrative expenses	(7,973)	(9,724)	(20.7)	(14,608)	(16,738)	(16.4)
Finance costs	(5,784)	(4,358)	32.3	(11,336)	(8,980)	26.23
<b>Profit before income tax</b>	<b>5,296</b>	<b>3,893</b>	36.0	<b>9,166</b>	<b>7,553</b>	21.4
Income tax	(1,552)	(1,159)	33.9	(2,658)	(2,229)	19.2
<b>Net profit for the period</b>	<b>3,744</b>	<b>2,734</b>	36.9	<b>6,508</b>	<b>5,324</b>	22.2
<b>Notes to the above statement of comprehensive income:</b>						
Other operating income including						
Margin on sewage and utilities charged to lessees (N1)	8,178	9,187	(10.9)	14,557	15,322	(5.0)
(Loss)/Gain on disposal of held for trading investments	18	(348)	NM	79	(197)	NM
Fair value gain/( loss) on held for trading investment	(287)	29	NM	316	12	NM
Interest on borrowings	(5,784)	(4,358)	32.7	(11,336)	(8,980)	26.2
Depreciation expense	(2,020)	(2,163)	(9.8)	(4,078)	(4,148)	(1.7)

NM : Not meaningful

(N1) – The margin on recovery of sewage and utilities costs from lessees was derived from the net charges to lessees by the Group after deducting the cost of the sewage processing and utilities costs paid to the local government.

**1(a)(ii) Statement of other comprehensive income for the period ended 30 June 2019**

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	
	30/06/2019 RMB'000	31/12/2018 RMB'000	30/06/2019 RMB'000	31/12/2018 RMB'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and bank balances	9,464	25,415	94	253
Other financial assets	3,053	2,235	-	-
Other receivables and prepayments	7,842	9,394	4,523	4,471
Inventories	481	483	-	-
Prepaid leases	519	519	-	-
Total current assets	21,359	38,046	4,617	4,724
<b>Non-current assets:</b>				
Investment in subsidiaries	-	-	144,587	144,587
Investment in associate	28,687	28,687	-	-
Property, plant and equipment	28,534	26,161	-	-
Investment property	87,245	87,245	-	-
Development properties held for sale	459,605	459,605	-	-
Prepaid leases	22,365	22,625	-	-
Deferred tax assets	46,068	45,662	-	-
Total non-current assets	672,504	669,985	144,587	144,587
<b>Total assets</b>	<b>693,863</b>	<b>708,031</b>	<b>149,205</b>	<b>149,311</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Bank borrowings	304,908	307,408	-	-
Trade payables	9,701	9,931	-	-
Other payables	125,024	145,514	34,642	34,647
Loans from a related party	872	872	872	872
Tax payable	23,236	20,692	-	-
Total current liabilities	463,741	484,417	36,879	35,519
<b>Non-current liabilities:</b>				
Deferred tax liabilities	44,144	44,144	-	-
Total non-current liabilities	44,144	44,144	-	-
<b>Capital and Reserves:</b>				
Issued capital	125,808	125,808	125,808	125,808
Retained earnings/(Accumulated losses)	38,492	31,984	(13,483)	(12,016)
Other reserves	21,678	21,678	-	-
Total equity	185,978	179,470	112,326	113,792
<b>Total liabilities and equity</b>	<b>693,863</b>	<b>708,031</b>	<b>149,205</b>	<b>149,311</b>

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

<b>Amount repayable in one year or less, or on demand</b>			
<b>Group As at 30/06/2019</b>		<b>Group As at 31/12/2018</b>	
<b>Secured RMB'000</b>	<b>Unsecured RMB'000</b>	<b>Secured RMB'000</b>	<b>Unsecured RMB'000</b>
304,908	872	307,408	872

**Details of any collateral**

As at 30 June 2019, the Group secured facilities comprising bank loans of RMB 304.9 million (as at 31 December 2018, the figure was RMB307.4 million). These bank loans were secured by equipment, prepaid leases, and the land use rights of the Group's development properties. The Group has been unable to obtain a renewal of bank loans totalling RMB 203.5 million as a result of the legal case brought by Shanghai Jintumu Real Estate Co., Ltd in connection with the proposed disposal of equity interest in Shao Xing Yue Sheng Real Estate Property Development Co., Ltd. which was disclosed in previous announcements. While these bank loans are currently subsisting, the banks are charging the Group higher interest rates on the said loans.

As at 30 June 2019, the unsecured facilities comprised loans of RMB0.9 million from a related party (as at 31 December 2018, the figure was RMB0.9 million).

**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 30 June		The Group 6 months ended 30 June	
	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
<b>Operating activities</b>				
Profit/(Loss) before income tax	5,296	(132)	9,166	(1,208)
Adjustment for:				
Depreciation expense	2,020	2,163	4,148	4,328
Fair value loss (gain) on held for trading investments	287	347	(316)	196
(Gain) on disposal of held for trading investments	(18)	(29)	(79)	(12)
Loss on disposal of property, plant and equipment	21	-	56	-
Interest expense	5,784	4,358	11,336	8,980
Interest income	-	(1)	(1)	(4)
<b>Operating cash flows before movements in working</b>	<b>13,390</b>	<b>10,731</b>	<b>24,310</b>	<b>21,041</b>
Trade receivables	-	1,858	-	2,407
Other receivables and prepayments	2,301	323	1,552	45
Inventories	-	-	2	-
Trade payables	372	1,596	(230)	(1,550)
Other payables	(1,100)	(6,893)	(20,490)	(11,484)
<b>Cash generated from operations</b>	<b>14,963</b>	<b>7,615</b>	<b>5,145</b>	<b>10,459</b>
Interest received	-	1	-	4
Interest paid	(5,784)	(4,358)	(11,336)	(8,980)
Income tax paid	(12)	(60)	(520)	(60)
<b>Net cash generated from/(used in) operating activities</b>	<b>9,167</b>	<b>3,198</b>	<b>(6,711)</b>	<b>1,423</b>
Prepaid lease	130	129	260	259
Proceed from disposal of investments held for trading	182	1,049	1,994	1,957
Proceed from disposal of property, plant and equipment	8	-	9	-
Purchase of property, plant and equipment	(445)	(104)	(6,586)	(1,096)
Purchase of investments held for trading	(233)	(1,114)	(2,417)	(2,719)
<b>Net cash used in investing activities</b>	<b>(358)</b>	<b>(40)</b>	<b>(6,740)</b>	<b>(1,599)</b>
<b>Financing activities</b>				
Bank borrowings	(2,000)	(1,412)	(2,500)	(32,302)
Loan from related party	-	(18)	-	(18)
Decrease in pledged fixed deposits	-	-	-	-
<b>Net cash from financing activities</b>	<b>(2,000)</b>	<b>(1,430)</b>	<b>(2,500)</b>	<b>(32,320)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6,809</b>	<b>1,728</b>	<b>(15,951)</b>	<b>(32,496)</b>
Cash and cash equivalents at beginning of the period	2,655	4,770	24,415	38,994
<b>Cash and cash equivalents at end of the period (Note )</b>	<b>9,464</b>	<b>6,498</b>	<b>9,464</b>	<b>6,498</b>

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 financial year

The Group	2019			
	Issued Capital	Other Reserves <sup>(a)</sup>	Accumulated Profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1 January	125,808	21,678	31,984	179,470
Net profit for the period	-	-	6,508	6,508
<b>Balance as at 30 June</b>	<b>125,808</b>	<b>21,678</b>	<b>38,492</b>	<b>185,978</b>

The Group	2018			
	Issued Capital	Other Reserves <sup>(a)</sup>	Accumulated Profits	Total
Balance as at 1 January	125,808	21,678	21,382	168,868
Net profit for the period	-	-	5,324	5,324
<b>Balance as at 30 June</b>	<b>125,808</b>	<b>21,678</b>	<b>26,706</b>	<b>174,192</b>

The Company	2019		
	Issued Capital	Accumulated Profits	Total
	RMB'000	RMB'000	RMB'000
Balance as at 1 January	125,808	(12,016)	113,792
Net loss for the period		(1,467)	(1,467)
<b>Balance as at 30 June</b>	<b>125,808</b>	<b>(13,483)</b>	<b>112,326</b>

The Company	2018		
	Issued Capital	Accumulated Profits	Total
	RMB'000	RMB'000	RMB'000
Balance as at 1 January	125,808	(8,477)	117,331
Net loss for the period	-	(1,133)	(1,133)
<b>Balance as at 30 June</b>	<b>125,808</b>	<b>(9,610)</b>	<b>116,198</b>

The Group's subsidiaries in the PRC Republic of China (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 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, provided that the remaining balance 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 for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The number of issued shares of the Company was 301,500,000 as at 30 June 2019 and 31 December 2018. There was no change in the issued capital and paid-up capital of the Company since end of March 2019. The Company does not have any shares that may be issued on conversion of any outstanding convertibles as at 30 June 2019 and 30 June 2018. There are no treasury shares or no subsidiary holdings as at 30 June 2019 and 30 June 2018.

**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,**

	30 June 2019	31 December 2018
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, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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 auditing standard or practice (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 Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared to the audited financial statements as at 31 December 2018.

**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**

The Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current financial year consistent with those of the audited financial statements for the year ended 31 December 2018.

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

	3 months ended 30 June		6 months ended 30 June	
	2019	2018	2019	2018
Net profit after income tax (RMB'000)	3,744	2,734	6,508	5,324
Basic basis (RMB cents)	1.24	0.91	2.16	1.77
On a fully diluted basis (RMB cents) <sup>(1)</sup>	N.A	N.A	N.A	N.A
Number of shares in calculating EPS ('000)	301,500	301,500	301,500	301,500

<sup>(1)</sup> Diluted earnings per share have not been calculated, as no dilution events existed 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 the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	Group		Company	
	30 Jun 2019	31 Dec 2018	30 Jun 2019	31 Dec 2018
Net assets (RMB'000)	185,978	179,470	112,326	113,792
<b>Net asset value per ordinary share (RMB cents)</b>	<b>61.7</b>	<b>59.5</b>	<b>37.3</b>	<b>37.7</b>
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**

Group revenue for Q2 2019 consist of rental income of RMB9.4 million (Q2 2018: RMB9.4 million) for renting out part of the factory space and certain plant and equipment. The revenue is consistent with the prior period as there is no change in the lessees' composition during the period.

**Gross Profit and Gross Profit Margin**

The cost of sales of RMB0.4 million (Q2 2018: RMB0.3 million) mainly comprises of taxes such as property tax and land use tax related to the lands.

The slight decrease in gross profit and gross profit margin of the Group were due to lower cost of sales in Q2 2018 as compared to the current period.

**Other Operating Income**

Other operating income for Q2 2019 mainly comprises of margin recovery of sewage and utilities costs from lessees of RMB8.2 million (Q2 2018: RMB9.2 million) offset by the fair value loss of RMB0.3 million on held for trading investment. There is also new government subsidy amounting to RMB2.1 million received during the period for no loss of employees for the past years, no such subsidy was received in Q2 2018 resulted in higher other operating income for the period.

**Administrative expenses**

The lower in administrative expenses of RMB1.7 million in current period was mainly due to lower PRC lawyer fees of RMB1.5 million in Q2 2019 of as compared to RMB3.0 million in Q2 2018.

**Finance costs**

Higher finance costs in Q2 2019 mainly due to higher interest costs for the period as explained in para 1 (b)(ii).

## COMMENTARY ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Below is a review of the material changes in key balance sheet items as at 30 June 2019, as compared to 31 December 2018

**Property, plant and equipment** increased by RMB2.4 million mainly due to addition of property, plant and equipment of RMB6.5 million offset with the depreciation expenses of RMB4.1 million during the period.

**Other receivables and prepayment** decreased by RMB1.6 million mainly due to receipts of receivables during the period.

**Development properties held for sale** represents leasehold lands for commercial and residential development which is located at Anchang Town, Shaoxing County, Zhejiang China.

**Deferred tax assets** are related to certain subsidiaries' unutilised tax losses which are available for offset against future taxable profits.

**Bank borrowings** decreased by RMB2.5 million mainly due to repayment during the period.

**Other payables** decreased by RMB20.5 million, mainly due to payments to some contractors of RMB5.0 million for the building of new factory in Binhai industrial zone, reduction in rentals advances and other advances (related to utilities overhead) from lessees of RMB11.0 million, payment of PRC legal fees of RMB1.3 million and other miscellaneous accrued expenses. .

**Deferred tax liabilities** mainly included the income tax effect of RMB43.6 million resulting from the temporary difference between the carrying value and the tax written down value of the investment property and property, plant and equipment, which was fully claimed against taxable profit when the government grant was finalised in financial year ended 31 December 2018.

## COMMENTARY ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flows from operating activities were positive during the period of RMB9.1 million mainly due to higher operating profit and receipt of other receivables of RMB2.3 million during the period.

Net cash used in investing activities was RMB0.3 million due mainly to the purchase of property, plant and equipment of RMB0.4 million and purchase of financial assets at fair value of RMB0.2 million, partially offset against proceeds from disposal of financial assets at fair value of RMB0.2 million.

Net cash used in financing activities of RMB2.0 million was mainly due to the repayment of bank loans during the period.

### 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 significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Concerns over China's economic growth remain unabated as GDP growth slowed to 6.2 per cent in the second quarter, the weakest pace in at least 27 years, on the back of lower demand at home and abroad in the face of mounting US-China trade tensions. In light of this uncertainty, the Board remains vigilant on the possible impact on the Group's leasing business.

In relation to the legal matter of the proposed disposal of the entire equity interest in Shao Xing Yue Sheng Real Estate Property Development Co., Ltd, as announced on 31 July 2019, the Supreme People's Court of the PRC has dismissed the appeal filed by the counter party against the first instance judgment of the Zhejiang Higher Court and has affirmed the first-instance judgment. The judgement of the Supreme People's Court is final and binding on the parties. Pursuant to the court's order in the judgement, details of which was earlier announced on 25 October 2018, the Group has on 6 August 2019 repaid the deposit of aggregate RMB80.0 million and interest of aggregate RMB35.2 million to the counter party.

### 11. Dividend

#### (a) Current Financial Period Reported On

Any dividends 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) Book Closure Date**

Not applicable

**12. If no dividend has been declared / recommended, a statement to that effect and the reason(s) for the decision**

No dividend is declared for current period as the Board of Directors is of the view that the Group should retain the cash flow for future development.

**13. If the Group has obtained a general mandate from Shareholders for Interested Person Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group did not obtain any general mandate from its shareholders for IPTs.

**Interested Person Transactions ("IPT")**

There is no IPT during the period ended 30 June 2019.

**14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

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**

Xiao Zi Liang  
Chief Executive Officer/Executive Director  
14 August 2019

## **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 2nd Quarter ended 30 June 2019 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