



# SINOPIPE HOLDINGS LIMITED

(Company Registration Number: 200411382N)

## Fourth Quarter and Full Year Financial Statements and Dividend Announcement for the Period Ended 31 December 2018

### PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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

	Group			Group		
	3 months ended		%	12 months ended		%
	31.12.2018	31.12.2017	Change	31.12.2018	31.12.2017	Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
<b>Revenue</b>	-	-	n.m.	-	-	n.m.
Cost of sales	-	-	n.m.	-	-	n.m.
<b>Gross profit</b>	-	-	n.m.	-	-	n.m.
Other income	2	1	100.0	528	8	n.m.
Selling and distribution expenses	-	-	n.m.	-	-	-
Administrative expenses	(489)	(533)	(8.3)	(2,213)	(2,622)	(15.6)
Other expenses	(20)	-	n.m.	(20)	-	n.m.
Finance costs	-	-	n.m.	-	-	n.m.
Share of results of associates	-	-	n.m.	-	-	n.m.
<b>Loss before income tax</b>	(507)	(532)	(4.7)	(1,705)	(2,614)	(34.8)
Income tax expense	-	-	n.m.	-	-	-
Loss for the period from continuing operations	(507)	(532)	(4.7)	(1,705)	(2,614)	(34.8)
<b>Discontinued operations</b>						
Loss for the period from discontinued operations <sup>Note (1)</sup>	-	(545)	n.m.	(7,768)	(35,660)	(78.2)
Deconsolidation of subsidiaries on disposal	-	-	n.m.	911,741	-	n.m.
	-	(545)	n.m.	903,973	(35,660)	n.m.
<b>(Loss) income for the period, representing total comprehensive (loss) income</b>	(507)	(1,077)	(52.9)	902,268	(38,274)	n.m.
<b>Income (Loss) attributable to:</b>						
<b>Continuing operations, net of tax</b>						
- Owners of the Company	(507)	(532)	(4.7)	(1,705)	(2,614)	(34.8)
<b>Discontinuing operations, net of tax</b>						
Owners of the Company	-	(265)	n.m.	904,473	(34,585)	n.m.
Non-controlling interests	-	(280)	n.m.	(500)	(1,075)	(53.5)
	-	(545)	n.m.	903,973	(35,660)	n.m.

	Group		Group	
	3 months ended		12 months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Continuing operations:</b>				
Depreciation of property, plant and equipment	2	2	8	11
Foreign exchange (gain) loss, net	12	(46)	40	80
Property, plant and equipment written-off	13	-	13	-
Government grants and subsidies	-	(1)	(1)	(4)
Allowance on doubtful receivables	7	-	7	-
Interest income				
- Bank deposits	(2)	-	(6)	-
Operating lease expenses	18	20	69	74
Staff costs				
- Wages, salaries and bonuses	98	117	354	533
- Pension costs	16	17	59	67
- Other staff costs	-	-	1	1

**Note (1):**

**Loss from discontinued operations:**

	Group			Group		
	3 months ended		%	12 months ended		%
	31.12.2018	31.12.2017	Change	31.12.2018	31.12.2017	Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
<b>Revenue</b>	-	24,263	n.m.	16,789	127,341	(86.8)
Cost of sales	-	(15,152)	n.m.	(15,748)	(99,790)	(84.2)
<b>Gross profit</b>	-	9,111	n.m.	1,041	27,551	(96.2)
Other income	-	7,580	n.m.	6,677	12,646	(47.2)
Selling and distribution expenses	-	(2,358)	n.m.	(2,010)	(9,394)	(78.6)
Administrative expenses	-	(4,830)	n.m.	(4,809)	(20,318)	(76.3)
Other expenses	-	(1,672)	n.m.	(323)	(2,975)	(89.1)
Finance costs	-	(8,392)	n.m.	(8,525)	(43,119)	(80.2)
Share of results of associates	-	-	n.m.	-	-	n.m.
<b>Loss before income tax</b>	-	(561)	n.m.	(7,949)	(35,609)	(77.7)
Income tax expense	-	16	n.m.	181	(51)	(454.9)
Loss for the period	-	(545)	n.m.	(7,768)	(35,660)	(78.2)

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

	Group		Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	24	4	24
	<u>4</u>	<u>24</u>	<u>4</u>	<u>24</u>
<b>Current assets</b>				
Trade and other receivables	3,171	15	3,171	15
Cash and bank balances	1,547	3	1,547	3
	4,718	18	4,718	18
Assets of disposal group classified as held-for-sale	-	365,194	-	-
<b>Total current assets</b>	<u>4,722</u>	<u>365,212</u>	<u>4,722</u>	<u>18</u>
<b>Total assets</b>	<u>4,722</u>	<u>365,236</u>	<u>4,722</u>	<u>42</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	313,344	313,344	313,344	313,344
Other reserves	5,316	(12,063)	5,316	5,316
Accumulated losses	(321,725)	(1,224,493)	(321,652)	(329,939)
<b>Equity attributable to owners of the Company</b>	<u>(3,065)</u>	<u>(923,212)</u>	<u>(2,992)</u>	<u>(11,279)</u>
<b>Non-controlling interests</b>	-	(6,574)	-	-
<b>Capital deficiency</b>	<u>(3,065)</u>	<u>(929,786)</u>	<u>(2,992)</u>	<u>(11,279)</u>
<b>Current liabilities</b>				
Trade and other payables	7,787	11,389	7,714	11,321
Liabilities of disposal group classified as held-for-sale	-	1,283,633	-	-
Current liabilities and total liabilities	<u>7,787</u>	<u>1,295,022</u>	<u>7,714</u>	<u>11,321</u>
<b>Total equity and liabilities</b>	<u>4,722</u>	<u>365,236</u>	<u>4,722</u>	<u>42</u>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

<b>Group</b>		<b>Group</b>	
<b>As at 31.12.2018</b>		<b>As at 31.12.2017</b>	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	505,678	121,742

**Amount repayable after one year**

<b>Group</b>		<b>Group</b>	
<b>As at 31.12.2018</b>		<b>As at 31.12.2017</b>	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	34,600	7,875

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

	<b>Group</b>		<b>Group</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2018</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Operating activities</b>				
(Loss) Income before income tax				
- Continuing operations	(507)	(532)	(1,705)	(2,614)
- Discontinued operations	-	(561)	903,792	(35,609)
	(507)	(1,093)	902,087	(38,223)
Adjustments:				
Amortisation of deferred capital grant		(49)	(284)	(510)
Amortisation of land use rights	-	456	878	1,711
Depreciation of property, plant and equipment	2	4,881	3,356	19,291
Allowance (Reversal) on doubtful receivables	7	(3,662)	7	(3,662)
Interest expense	-	8,392	8,525	43,119
Interest income	(2)	(1)	(6)	(12)
Property, plant and equipment written-off	13	(113)	19	8
(Reversal) Write-down of inventories	-	(3,317)	(5,695)	(3,317)
Deconsolidation of subsidiaries on disposal	-	-	(911,741)	-
Operating cash flows before movements in working capital	(487)	5,494	(2,854)	18,405
Movements in working capital:				
Inventories	-	1,852	5,728	22,204
Trade and other receivables	7	2,234	(2,092)	(75,277)
Prepayments	-	(1,485)	696	1,441
Trade and other payables	(74)	4,885	(1,670)	85,301
<b>Cash (used in) generated from operations</b>	(554)	12,980	(192)	52,074
Income taxes paid	-	(1)	-	(7)
<b>Net cash (used in) generated from operating activities</b>	(554)	12,979	(192)	52,067

	<b>Group</b>		<b>Group</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2018</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Investing activities</b>				
Net cash outflow on disposal of subsidiaries	-	-	(2,895)	-
Acquisition of property, plant and equipment	-	(985)	(289)	(1,417)
Interest received	2	1	6	12
<b>Net cash generated from (used in) investing activities</b>	<u>2</u>	<u>(984)</u>	<u>(3,178)</u>	<u>(1,405)</u>
<b>Financing activities</b>				
Interest paid	-	(8,392)	-	(43,119)
Proceeds from borrowings	-	-	-	-
Repayment of borrowings	-	(2,546)	(6,781)	(16,714)
Pledged bank balances	-	(577)	(6,829)	1,153
<b>Net cash (used in) generated from financing activities</b>	<u>-</u>	<u>(11,515)</u>	<u>48</u>	<u>(58,680)</u>
Net (decrease) increase in cash and bank balances	(552)	480	(3,322)	(8,018)
Cash and bank balances at beginning of financial period	2,099	4,389	4,869	12,887
Cash and bank balances at end of financial period	<u>1,547</u>	<u>4,869</u>	<u>1,547</u>	<u>4,869</u>

#### Note to Consolidated Cash Flow Statement

(1) For the purpose of consolidated statement of cash flows, cash and bank balances comprises the following:

	<b>Group</b>	
	<b>31.12.2018</b>	<b>31.12.2017</b>
	RMB'000	RMB'000
Cash and bank balances	1,547	11,698
Less: Pledged bank balances *	-	(6,829)
	<u>1,547</u>	<u>4,869</u>

\* Pledged bank balances relate to amounts pledged to banks as security for banking facilities (including bills payable) extended to the Group.

**(2) Cash flow notes on disposal of subsidiaries:**

	RMB'000
Land use rights	56,637
Property, plant and equipment	146,704
Goodwill	3,117
Inventories	10,617
Trade and other receivables	133,048
Prepayments	789
Cash and bank balances	9,722
Deferred capital grants	(11,543)
Deferred tax liabilities	(7,175)
Borrowings	(663,114)
Trade and other payables	(597,092)
Income tax liabilities	(8,046)
<b>Net liabilities disposed of</b>	<b>(926,336)</b>
Other reserves relating to disposal group	17,379
Non-controlling interests	7,073
Cash advance payable waived	143
Deconsolidation of subsidiaries on disposal	911,741
<b>Disposal consideration</b>	<b>10,000</b>
Less:	
Consideration receivable	(3,149)
<b>Consideration received</b>	<b>6,851</b>
Cash and bank balances of subsidiaries disposed of	(9,746)
<b>Net cash outflow on disposal of subsidiaries</b>	<b>(2,895)</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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**GROUP**

	Share capital	Other reserves	Accumulated losses	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2018	313,344	(12,063)	(1,224,493)	(6,574)	(929,786)
Total comprehensive loss for the period	-	-	(7,692)	(500)	(8,192)
Balance at 31 March 2018	313,344	(12,063)	(1,232,185)	(7,074)	(937,978)
Total comprehensive income for the period	-	17,379	911,361	7,074	935,814
Balance at 30 June 2018	313,344	5,316	(320,824)	-	(2,164)
Total comprehensive loss for the period	-	-	(394)	-	(394)
Balance at 30 September 2018	313,344	5,316	(321,218)	-	(2,558)
Total comprehensive loss for the period	-	-	(507)	-	(507)
Balance at 31 December 2018	313,344	5,316	(321,725)	-	(3,065)

**GROUP**

	<b>Share capital</b>	<b>Other reserves</b>	<b>Accumulated losses</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2017	313,344	(12,063)	(1,187,294)	(5,499)	(891,512)
Total comprehensive loss for the period	-	-	(9,531)	(1,220)	(10,751)
Balance at 31 March 2017	313,344	(12,063)	(1,196,825)	(6,719)	(902,263)
Total comprehensive loss for the period	-	-	(20,167)	(1,795)	(21,962)
Balance at 30 June 2017	313,344	(12,063)	(1,216,992)	(8,514)	(924,225)
Total comprehensive loss for the period	-	-	(6,704)	2,220	(4,484)
Balance at 30 September 2017	313,344	(12,063)	(1,223,696)	(6,294)	(928,709)
Total comprehensive loss for the period	-	-	(797)	(280)	(1,077)
Balance at 31 December 2017	313,344	(12,063)	(1,224,493)	(6,574)	(929,786)

**COMPANY**

	<b>Share capital</b>	<b>Reserves</b>	<b>Accumulated losses</b>	<b>Total equity</b>
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2018	313,344	5,316	(329,939)	(11,279)
Total comprehensive loss for the period	-	-	(444)	(444)
Balance at 31 March 2018	313,344	5,316	(330,383)	(11,723)
Total comprehensive income for the period	-	-	9,627	9,627
Balance at 30 June 2018	313,344	5,316	(320,756)	(2,096)
Total comprehensive loss for the period	-	-	(389)	(389)
Balance at 30 September 2018	313,344	5,316	(321,145)	(2,485)
Total comprehensive loss for the period	-	-	(507)	(507)
Balance at 31 December 2017	313,344	5,316	(321,652)	(2,992)
Balance at 1 January 2017	313,344	5,316	(416,304)	(97,644)
Total comprehensive loss for the period	-	-	(272)	(272)
Balance at 31 March 2017	313,344	5,316	(416,576)	(97,916)
Total comprehensive income for the period	-	-	1,000	1,000
Balance at 30 June 2017	313,344	5,316	(415,576)	(96,916)
Total comprehensive loss for the period	-	-	1,850	1,850
Balance at 30 September 2017	313,344	5,316	(413,726)	(95,066)
Total comprehensive loss for the period	-	-	1,645	1,645
Obligation to repay payables waived	-	-	82,142	82,142
Balance at 31 December 2017	313,344	5,316	(329,939)	(11,279)

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, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

**Share Capital**

Ordinary shares issued and fully paid-up

	Number of shares	RMB'000
Balance at 31 December 2018	<u>287,594,900</u>	<u>313,344</u>

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.

	Company	
	31.12.2018	31.12.2017
Total number of issued shares excluding treasury shares	<u>287,594,900</u>	<u>287,594,900</u>

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 report on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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's financial statements for the year ending 31 December 2018 is prepared in accordance with the Singapore Financial Standards (International) ("SFRS(I)"). The Group has performed a detailed analysis of the transition options and other requirements of SFRS(I) and has determined that there is no change to the Group's current accounting policies under the financial reporting standards in Singapore or material adjustment on the initial transition of the new framework. Other than the adoption of the new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect the current financial year, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited financial statements.

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.

None.



**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.**

	Group 3 months ended		Group 12 months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Loss per ordinary share for the period:				
	RMB'000	RMB'000	RMB'000	RMB'000
Loss attributable to shareholders (basic and diluted):				
Continuing operations	(507)	(532)	(1,705)	(2,614)
Discontinued operations	-	(265)	904,473	(34,585)
	'000	'000	'000	'000
Weighted average number of ordinary shares (basic and diluted)	287,595	287,595	287,595	287,595
Basic and Diluted Loss per Share (RMB cents):				
Continuing operations	(0.18)	(0.18)	(0.59)	(0.91)
Discontinued operations	-	(0.09)	314.50	(12.03)

**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 financial period reported on; and (b) immediately preceding financial year.**

	Group		Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Net asset value per ordinary share (RMB cents)	(1.07)	(323.30)	(1.04)	(3.92)

Net asset value per ordinary share was calculated based on the total number of issued shares excluding treasury shares of 287,594,900 as at 31 December 2018 and 31 December 2017.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (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.

## **Income Statement**

### **Quarter Four**

#### **Continuing operations:**

Administrative expenses decreased to RMB489,000 in 4Q 2018 from RMB533,000 in 4Q 2017 by RMB44,000 mainly due to professional fees incurred for the Proposed Disposal of the subsidiaries in the PRC during 4Q 2017.

Other expenses of RMB20,000 in 4Q 2018 comprised mainly office equipment written-off of RMB13,000 and allowance on doubtful other receivable of RMB7,000.

### **Discontinued operations:**

As the Company does not have any operations in 4Q 2018, comparison of the results from discontinued operations is not meaningful.

As a result of the above, net loss for the Group for 4Q 2018 was RMB 507,000.

### **Full year**

#### **Continuing operations:**

Other income increased to RMB528,000 in FY2018 from RMB8,000 in FY2017 mainly due to the reversal of withholding tax of RMB 373,000 provided in prior year and waiver of loan of RMB 143,000 under the Sale and Purchase Agreement for the Proposed Disposal.

#### **Discontinued operations:**

As the Group's plastic pipe operations were disposed of on 30 April 2018, comparison of the results from discontinued operations is not meaningful.

Net operating loss for the Group excluding deconsolidation of subsidiaries on disposal for FY2018 was RMB9.5 million.

### **Financial position**

As at 31 December 2018, the assets of the Group and Company comprised mainly cash and cash equivalent of approximately RMB 1.5 million and other receivables of RMB 3.2 million of which RMB 3.1 million was amount receivable under the disposal of China assets.

Trade and other payable of RMB 7.8 million were mainly accruals and provision for professional fees, directors' fees and amount due to a shareholder.

### **Cash Flow**

The Group's cashflow in 4Q 2018 were mainly payments of administrative expenses incurred for continuing operations of RMB 554,000.

As at 31 December 2018, the Group had cash and bank balances of RMB 1.5 million.

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

In line with the prospect statement made in 3Q 2018.

### **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.**

The Company is deemed a cash company under Rule 1018 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST Listing Manual**") with effect from 1 May 2018 .

The Company announced on 20 February 2019 via SGXNET that it had entered into a Memorandum of Understanding with Mr Song Jianjun, an independent third party (the "**Vendor**") in relation to the proposed acquisition of 100% of the registered capital of Shanxi Bibenet Information Technology Co., Ltd (the "**Proposed Acquisition**"). The Proposed Acquisition, if undertaken and completed, is expected to result in a "very substantial acquisition" or a "reverse takeover" of the Company as defined under Chapter 10 of the SGX-ST Listing Manual. The Company and the Vendor will be undertaking further work on the Proposed Acquisition. Announcements on material developments will be made as and when appropriate.

With regard to the outstanding disposal consideration of RMB 3.1 million receivable from the Purchaser, the Purchaser had informed the Company on 18 February 2019 that it is now able to make the payment to the Company within three to four weeks.

## 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 / recommended for the current period ended 31 December 2018.

## 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for Interested Person Transactions.

## PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

## 14. Segment information (of the group), together with comparative information for the immediately preceding year.

1. The Group's discontinued operations comprises the following:

The plastic pipe segment is involved in the design, manufacture, distribution and installation of plastic pipes and pipe fittings for use in various types of piping systems and networks. This reportable segment has been formed by aggregating the water supply, drainage and sewerage, telecommunication and electrical, water-saving irrigation and fuel gas operating segments which are regarded by management to exhibit similar economic characteristics.

The plastic pipe segment was classified as discontinued operations following the Sale and Purchase Agreement entered on 31 March 2017 and Supplementary Agreement on 13 February 2018 to disposed of the PRC assets ("**Proposed Disposal**"). The Proposed Disposal was completed on 30 April 2018.

2. The Group's continuing operations comprises mainly corporate services expenses.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Segment assets and liabilities are not disclosed as they are not regularly provided to the chief operating decision maker.

**Year ended 31 December 2018**

	<b>Plastic pipe</b> (Discontinued)	<b>Corporate</b>	<b>Total</b>
	RMB'000	RMB'000	RMB'000
<b>Revenue</b>			
External customers	16,789	-	16,789
<b>Results</b>			
Amortisation of deferred capital grant	284	-	284
Amortisation of land use rights	(878)	-	(878)
Depreciation of property, plant and equipment	(3,348)	(8)	(3,356)
Government grants and subsidies	3	1	4
Interest expense	(8,525)	-	(8,525)
Interest income	6	-	6
Property, plant and equipment written-off	(6)	(13)	(19)
Allowance on doubtful receivables	-	(7)	(7)
Reversal (Write-down) on inventories	5,695	-	5,695
Segment operating loss	(7,768)	(1,705)	(9,473)

**Year ended 31 December 2017**

	<b>Plastic pipe</b> (Discontinued)	<b>Corporate</b>	<b>Total</b>
	RMB'000	RMB'000	RMB'000
<b>Revenue</b>			
External customers	127,341	-	127,341
<b>Results</b>			
Amortisation of deferred capital grant	510	-	510
Amortisation of land use rights	(1,711)	-	(1,711)
Depreciation of property, plant and equipment	(19,281)	(10)	(19,291)
Government grants and subsidies	12	3	15
Interest expense	(43,119)	-	(43,119)
Interest income	12	-	12
Property, plant and equipment written-off	8	-	8
Allowance on doubtful receivables	3,662	-	3,662
Reversal on inventories, net	3,317	-	3,317
Segment operating loss	(35,660)	(2,614)	(38,274)

## Geographical information

No geographical information is provided as the principal assets employed by the Group are located in the PRC and the Group's revenue and profits are derived primarily from customers in the PRC. The Group's principal assets and plastic pipe businesses in the PRC were disposed of under the Proposed Disposal as mentioned above.

## Information about major customers

For the financial years ended 31 December 2017 and 2018, the Group does not have revenue from transactions with a single customer that amount to 10 per cent or more of the Group's revenue.

## **15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating or geographical segments.**

Please refer to paragraph 8 for review of performance.

## **16. A breakdown of sales.**

	Group		% Change
	2018	2017	
	RMB'000	RMB'000	+ / (-)
<b>Continuing operation:</b>			
(a) Sales reported for first half year	-	-	n.m.
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(804)	(1,704)	(52.8)
(c) Sales reported for second half year	-	-	n.m.
(d) Operating income after tax before deducting non-controlling interests reported for second half year	297	(910)	(132.6)
<b>Discontinuing operation:</b>			
(a) Sales reported for first half year	16,789	77,086	(78.2)
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(7,768) (*)	(31,009)	(74.9)
(c) Sales reported for second half year	-	50,255	(100.0)
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	-	(4,651)	(100.0)

\*Excluding Deconsolidation of subsidiaries on disposal.

## **17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

None.

## **18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

None.

**19. 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 7201(1).**

The Company has obtained undertakings from all its directors and executive officers.

**BY ORDER OF THE BOARD OF DIRECTORS**

Mr Wang Sen  
Non-Executive Chairman  
Sinopipe Holdings Limited

1 March 2019