



SINOPIPE HOLDINGS LIMITED

(Company Registration Number: 200411382N)

First Quarter Financial Statements and Dividend Announcement for the Period Ended 31 March 2021

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

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

UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021

	Group		% Change + / (-)
	3 months ended 31.3.2021 RMB'000	31.3.2020 RMB'000	
Revenue	-	-	n.m.
Cost of sales	-	-	n.m.
Gross profit	-	-	n.m.
Administrative expenses	(295)	(231)	27.7
Loss before income tax	(295)	(231)	27.7
Income tax expense	-	-	n.m.
Loss for the period, representing total comprehensive loss for the period	(295)	(231)	27.7
Loss representing total comprehensive loss attributable to:			
- Owners of the Company	(295)	(231)	27.7

n.m. denotes not meaningful

1(a)(ii) Other charges/(credits)

	Group	
	3 months ended	
	31.3.2021	31.3.2020
	RMB'000	RMB'000
Depreciation of plant and equipment	-*	1
Foreign exchange (gain) loss, net	(88)	(199)
Operating lease expenses	9	18
Staff costs		
- Wages, salaries and bonuses	82	98
- Pension costs	9	13
- Other staff costs	-*	-*

-* denotes Less than RMB1,000.

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.

UNAUDITED STATEMENT OF FINANCIAL POSITION

	Group		Company	
	31.3.2021	31.12.2020	31.3.2021	31.12.2020
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Plant and equipment	1	1	1	1
Investment in subsidiaries	-	-	-	-
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Current assets				
Other receivables	37	23	37	23
Cash and bank balances	1,726	1,914	1,726	1,914
Total current assets	<u>1,763</u>	<u>1,937</u>	<u>1,763</u>	<u>1,937</u>
Total assets	<u>1,764</u>	<u>1,938</u>	<u>1,764</u>	<u>1,938</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	313,344	313,344	313,344	313,344
Other reserves	5,316	5,316	5,316	5,316
Accumulated losses	(325,433)	(325,138)	(325,416)	(325,121)
Capital deficiency	<u>(6,773)</u>	<u>(6,478)</u>	<u>(6,756)</u>	<u>(6,461)</u>
Current liabilities				
Other payables	8,537	8,416	8,520	8,399
Total current liabilities	<u>8,537</u>	<u>8,416</u>	<u>8,520</u>	<u>8,399</u>
Total liabilities	<u>8,537</u>	<u>8,416</u>	<u>8,520</u>	<u>8,399</u>
Total equity and liabilities	<u>1,764</u>	<u>1,938</u>	<u>1,764</u>	<u>1,938</u>

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

Amount repayable in one year or less, or on demand

Group		Group	
As at 31.3.2021		As at 31.12.2020	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	-	-

Amount repayable after one year

Group		Group	
As at 31.3.2021		As at 31.12.2020	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	-	-

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

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2021

	Group	
	3 months ended	
	31.3.2021	31.3.2020
	RMB'000	RMB'000
Operating activities		
Loss before income tax	(295)	(231)
Adjustments for:		
Depreciation of property, plant and equipment	-*	1
Operating cash flows before movements in working capital	(295)	(230)
<i>Movements in working capital</i>		
Other receivables	(14)	(15)
Other payables	121	(182)
Net cash used in operating activities	(188)	(427)
Net decrease in cash and cash equivalents	(188)	(427)
Cash and cash equivalents at beginning of financial period	1,914	2,942
Cash and cash equivalents at end of financial period	<u>1,726</u>	<u>2,515</u>

Note to Consolidated Cash Flow Statement

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

	Group	
	31.3.2021	31.3.2020
	RMB'000	RMB'000
Cash and bank balances	165	630
Restricted bank balance	1,561	1,885
	<u>1,726</u>	<u>2,515</u>

Restricted bank balances represents cash placed in the escrow account opened with a bank in Singapore acting as escrow agent in compliance with Rule 1018(1)(a) of the SGX-ST Listing Manual.

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.

UNAUDITED STATEMENT OF CHANGES IN EQUITY

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 2021	313,344	5,316	(325,138)	-	(6,478)
Total comprehensive loss for the period	-	-	(295)	-	(295)
Balance at 31 March 2021	313,344	5,316	(325,433)	-	(6,773)
Balance at 1 January 2020	313,344	5,316	(323,886)	-	(5,226)
Total comprehensive loss for the period	-	-	(231)	-	(231)
Balance at 31 March 2020	313,344	5,316	(324,117)	-	(5,457)

COMPANY

	Share capital	Reserves	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2021	313,344	5,316	(325,121)	(6,461)
Total comprehensive loss for the period	-	-	(295)	(295)
Balance at 31 March 2021	313,344	5,316	(325,416)	(6,756)
Balance at 1 January 2020	313,344	5,316	(323,811)	(5,151)
Total comprehensive loss for the period	-	-	(231)	(231)
Balance at 31 March 2020	313,344	5,316	(324,042)	(5,382)

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.

There is no change in the Company's issued share capital since the last financial year ended 31 December 2020.

Share Capital

Ordinary shares issued and fully paid-up

	Number of shares	RMB'000
Balance at 31 March 2021	287,594,900	313,344

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	
	31.3.2021	31.12.2020
Total number of issued shares excluding treasury shares	287,594,900	287,594,900

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.

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current period as those of the audited financial statements as of 31 December 2020.

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 adopted all the new/revised Singapore Financial Reporting Standards (International) ("SFRS(I)s") that are relevant to its operations and effective for annual periods beginning on or after January 1, 2021. The adoption of the new/revised SFRS(I)s does not have significant impact to the Group's and the Company's accounting policies.

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	
	31.3.2021	31.3.2020
Loss per ordinary share for the period:		
	RMB'000	RMB'000
Loss attributable to shareholders (basic and diluted)	(295)	(231)
	'000	'000
Weighted average number of ordinary shares (basic and diluted)	287,595	287,595
Basic and Diluted Loss per Share (RMB cents)	(0.10)	(0.08)

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	
	31.3.2021	31.12.2020	31.3.2021	31.12.2020
Net asset value per ordinary share (RMB cents)	(2.36)	(2.25)	(2.35)	(2.25)

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 March 2021 and 31 December 2020.

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

Administrative expenses increased by RMB64,000 or 27.7% from RMB231,000 in 1Q 2020 to RMB295,000 in 1Q 2021. Although general and administrative expenses were lower by RMB47,000 than a year ago, unrealised foreign exchange gain on revaluation of bank balances and payables were lower by RMB111,000. As a result, administrative expenses in 1Q 2021 were higher than in 1Q 2020.

As a result of the above, the Group recorded a net loss of RMB295,000 in 1Q 2021 compared to RMB231,000 in 1Q 2020.

Financial position

As at 31 March 2021, Group's current assets of RMB1.76 million comprised mainly cash and bank balances of RMB1.73 million and other receivables of RMB37,000 which were prepaid expenses and rental deposit. Group's current liabilities was RMB8.5 million comprised mainly outstanding professional fees, directors' fees and amount due to a director/shareholder. Group's net liabilities and capital deficiency increased to RMB6.77 million due to net loss of RMB295,000 recorded in 1Q 2021 .

Cash Flow

The Group registered net cash used in operating activities and net decrease in cash and bank balances of RMB188,000 in 1Q 2021 (1Q 2020: RMB427,000) mainly for payment of administrative expenses.

As at 31 March 2021, the Group had cash and bank balances of RMB1.73 million of which RMB1.56 million was cash placed in the escrow account in compliance with Rule 1018(1)(a) of the SGX-ST Listing Manual.

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

The Company is not able to continue the Proposed acquisition and RTO as the application for further extension of time to complete the Proposed acquisition was unsuccessful. Please refer to the Company's announcement via SGX-ST on 6 May 2021 for more details.

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 Board is working on the necessary follow up actions following the unsuccessful appeal for further extension of time to complete the Proposed acquisition and RTO.

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 and the reason(s) for the decision.

No dividend has been declared / recommended for the current period ended 31 March 2021 due to low available cash balances and need for working capital.

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.

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 7201(1).

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

15. Board Negative Assurance Confirmation for Interim Financial Results.

The Board of Sinopipe Holdings Limited, hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors which may render the financial results of the Company and the Group for the financial quarter ended 31 March 2021 to be false or misleading in any material aspect.

16. Disclose the status on the use of proceeds raised from IPO and any offerings pursuant to chapter 8 and whether the use of proceeds is in accordance with the stated use.

It is not useful and meaningful to disclose these historical information as the Company had discontinued and disposed of the plastic pipe business and operation segment. The Company is a cash company under Rule 1018 of the SGX-ST Listing Manual and is currently working on acquiring new business and injection of capital for relisting.

BY ORDER OF THE BOARD OF DIRECTORS

Mr Wang Sen
Non-Executive Chairman
Sinopipe Holdings Limited

12 May 2021