

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		
	2018 RMB'000	2017 RMB'000	Changes %
Revenue	9,430	8,466	11.4
Cost of sales	-	(798)	NM
Gross profit	9,430	7,668	22.9
Other operating income	6,273	3,708	69.2
Selling and distribution expenses	-	(1)	N.M
Administrative expenses	(7,421)	(7,582)	(2.1)
Finance costs	(4,622)	(4,869)	(5.1)
Profit/(loss) before income tax	3,660	(1,076)	N.M
Income tax	(1,070)	152	N.M
Net profit/(loss) for the period	2,590	(924)	N.M
Notes to the above statement of comprehensive income:			
Other operating income including			
Margin on sewage cost and utilities charged to lessees	6,135	3,578	71.5
Gain on disposal of held for trading investments	151	-	N.M
Fair value gain/(loss) on held for trading investment	(17)	120	N.M
Interest on borrowings	(4,622)	(4,869)	(5.1)
Depreciation expenses (N1)	(2,165)	(4,969)	(56.4)

NM : Not meaningful

(N1)- the decrease in depreciation is mainly due to decrease in property, plant and equipment in 1Q2018 vs 1Q2017 as a result of disposal and write off certain property, plant and equipment in FY 2017.

1(a)(ii) Statement of other comprehensive income for the 3-month Period Ended 31 March 2018

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	
	31/03/2018 RMB'000	31/12/2017 RMB'000	31/03/2018 RMB'000	31/12/2017 RMB'000
ASSETS				
Current assets:				
Cash and bank balances	4,770	38,994	513	1,084
Held-for-trading investments	2,540	1,709	-	-
Trade receivables	8,767	9,316	-	-
Other receivables and prepayments	9,664	9,386	4,285	4,349
Inventories	479	479	-	-
Prepaid leases	647	647	-	-
Development properties held for sale	497,680	497,680	-	-
Total current assets	524,547	558,211	4,797	5,433
Non-current assets:				
Investment in subsidiaries	-	-	144,587	144,587
Investment in associate	28,723	28,723	-	-
Property, plant and equipment	27,970	28,086	-	-
Investment properties	90,415	91,472	-	-
Prepaid leases	22,886	23,016	-	-
Deferred tax assets	842	842	-	-
Total non-current assets	170,836	172,139	144,587	144,587
Total assets	695,383	730,350	149,385	150,020
LIABILITIES AND EQUITY				
Current liabilities:				
Bank borrowings	312,000	342,890	-	-
Trade payables	8,139	11,285	-	-
Other payables	148,290	152,881	31,776	31,793
Loans from a related party	896	896	896	896
Tax payable	33,783	32,713	-	-
Total current liabilities	503,108	540,665	32,673	32,689
Non-current liabilities:				
Deferred tax liabilities	20,817	20,817	-	-
Total non-current liabilities	20,817	20,817	-	-
Capital and Reserves:				
Issued capital	125,808	125,808	125,808	125,808
Retained earnings/(Accumulated losses)	23,972	21,382	(9,096)	(8,477)
Other reserves	21,678	21,678	-	-
Total equity	171,457	168,868	116,712	117,331
Total liabilities and equity	695,383	730,350	149,385	150,020

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 31/03/2018		Group As at 31/12/2017	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
312,000	896	342,890	896

Details of any collateral

As at 31 March 2018, the Group secured facilities comprising bank loans of RMB312.0 million (31 December 2017: RMB342.9 million). These facilities were secured by pollution quota, part of the prepaid leases and guarantee by related parties.

As at 31 March 2018, the unsecured facilities comprised loans of RMB0.9 million (31 December 2017: 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	
	2018 RMB'000	2017 RMB'000
Operating activities		
Profit/(loss) before income tax	3,660	(1,076)
Adjustment for:		
Depreciation expense	2,165	4,969
Fair value gain on held-for-trading investments	(151)	(120)
Loss on disposal of held-for-trading investments	17	-
Interest expense	4,622	4,869
Interest income	(3)	(12)
Operating cash flows before movements in working capital	10,310	8,630
Trade receivables	549	7,142
Other receivables and prepayments	(278)	206
Inventories	-	858
Trade payables	(3,146)	(12,398)
Other payables	(4,591)	(4,895)
Cash generated from (used in) operations	2,844	(457)
Interest received	3	12
Interest paid	(4,622)	(4,869)
Income tax	-	12
Net cash used in operating activities	(1,775)	(5,302)
Investing activities		
Proceeds from disposal of property, plant and equipment	-	-
Prepaid leases	130	-
Proceeds from disposal of held-for-trading investments	908	-
Purchase of investment properties, property, plant and equipment	(992)	(14,332)
Purchase of held-for-trading investments	(1,605)	-
Net cash used in investing activities	(1,559)	(14,332)
Financing activities		
Decrease in pledged fixed deposits	-	2,854
Bank borrowings	(30,890)	(38,000)
Loan from related party	-	-
Net cash used in financing activities	(30,890)	(35,146)
Net decrease in cash and cash equivalents	(34,224)	(54,780)
Cash and cash equivalents at beginning of the year	38,994	91,281
Cash and cash equivalents at end of the period (Note)	4,770	36,501

Note:		
Cash and cash equivalents comprise the following:		
Fixed deposits	-	-
Cash and bank balances	4,770	36,501
Less: Pledged fixed deposits	-	-
	4,770	36,501

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	2018			
	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	21,382	168,868
Net profit for the period	-	-	2,590	2,590
Balance as at 31 March	125,808	21,678	23,972	171,458

The Group	2017			
	Issued Capital	Other Reserves ^(a)	Accumulated Profits	Total
Balance as at 1 January	125,808	21,678	(1,382)	146,104
Net loss for the period	-	-	(924)	(924)
Balance as at 31 March	125,808	21,678	(2,306)	145,180

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		(619)	(619)
Balance as at 31 March	125,808	(9,096)	116,712

The Company	2017		
	Issued Capital	Accumulated Profits	Total
	RMB'000	RMB'000	RMB'000
Balance as at 1 January	125,808	(5,595)	120,213
Net loss for the period	-	(1,114)	(1,114)
Balance as at 31 March	125,808	(6,709)	119,099

- (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 2017. The Company does not have any shares that may be issued on conversion of any outstanding convertibles as at 31 March 2018 and 31 December 2017.

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 2018	31 December 2017
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 2017 have been applied in the preparation for the financial statements as at 31 March 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

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	
	2018	2017
(Loss)/profit for the period (RMB'000)	2,590	(924)
Basic basis (RMB cents)	0.86	(0.31)
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 2018 and 31 March 2017, 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 2018	31 Dec 2017	31 March 2018	31 Dec 2017
Net Assets (RMB'000)	171,458	168,868	116,712	117,331
Net asset value per ordinary share (RMB cents)	56.87	56.01	38.71	38.92
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 revenue for 1Q2018 mainly consisted of rental income of RMB 9.4 million (1Q2017 : RMB8.1 million) from renting out the factory space and certain plant and equipment. The Group's revenue increased by 11.4% to RMB9.4 million for the first quarter of FY2018 ("1Q2018") as compared to the corresponding quarter in FY2017 ("1Q2017"). The increase is due to an addition of factory space was rented to a lessee in 2nd quarter of FY2017, the additional rental income is approximately RMB1.3 million per quarter.

Gross Profit and Gross Profit Margin

The rental revenue in 1Q2018 has resulted in the increase in gross profit as well as gross profit margin of the Company due to reasons mentioned above. The Group managed to increase its gross profit margin and reduced its net losses after tax year-on-year.

Other Operating Income

Other operating income in 1Q2018 mainly comprises of sewage cost and utilities overhead recharged to lessees of RMB6.1 million (1Q2017: RMB3.6 million).

The higher of margin on sewage cost and utilities overhead charged to lessees was mainly due to

- The lessees have just completed their relocation from old factory in Keqiao to new factory in Binhai at the end of FY2016, hence there were times spent by lessees on the testing and adjustments on the relocated plant and equipment, hence reduced in the usage of the sewage and utilities facilities during 1Q2017,
- In 1Q2018, the lessees have fully resumed their operations and hence increase in the usage of the sewage and utilities facilities of the Group,
- Additional lessee from 2nd quarter 2017 as mentioned above, thus increase in additional usage of sewage and utilities of the Group in 1Q2018 as compared to 1Q2017.

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 profit for the period

The net profit for the period was mainly due to increase in rental revenue and other operating income 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 2018, compared with those as at 31 December 2017.

Trade receivables decreased by RMB0.6 million, mainly due to receipt of payment from trade debtor during the period.

Trade payables decreased by RMB3.2 million mainly due to repayment during the period.

Investment properties decreased RMB1.1 million was mainly due to depreciation for the period.

Other payables mainly consist of deposit for Proposed Disposal of RMB80.0 million and other deposits and payable related to property, plant and equipment, the decreased by RM4.6 million was mainly due to repayment of payables related to property, plant and equipment during the period.

COMMENTARY ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

The Group's cash used in operating activities were negative in 1Q 2018 was mainly due to profit before income tax of RMB3.7 million offset with the repayment of trade payables and other payables of RMB3.1 million and RMB4.6 million respectively.

Further, the repayment of bank borrowings of RMB30.9 million has resulted in an overall decrease in net cash and cash equivalents during the period ended 31 March 2017.

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

It is expected that the print and dye business will gradually recover this year on the back of continued improvement of China's economy.

In connection with the Proposed Disposal of the entire equity interest in Shao Xing Yue Sheng Real Estate Property Development Co., Ltd (as referred to in our previous announcements), the management is currently still in negotiations with the Purchaser, and any eventual final proposals from the Purchaser will be subject to our Board's approval. We will provide updates when appropriate or when there are concrete new developments.

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 2018.

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

Xiao Zi Liang

Executive Director

15 May 2018

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 2018 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

15 May 2018