

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		
	2014	2013	Changes
	RMB'000	RMB'000	%
Revenue	70,934	97,196	(27.0)
Cost of sales	(64,984)	(87,658)	(25.9)
Gross profit	5,950	9,538	(37.6)
Other operating income	915	1,307	(30.0)
Selling and distribution expenses	(3,064)	(3,055)	0.3
Administrative expenses	(9,113)	(9,973)	(8.6)
Finance costs	(6,883)	(2,953)	>100
Loss before income tax	(12,195)	(5,136)	>100
Income tax	2,790	76	>100
Net loss for the period	(9,405)	(5,060)	85.9
Notes to the above statement of comprehensive income:			
Other operating income including			
Interest income	726	1,250	(41.9)
Government grants	-	40	(>100)
(Loss) gain on disposal of held for trading investments	67	(2)	>100
Fair value (loss) gain on held for trading investment	(112)	(5)	>100
Gain on disposal of plant and equipment	226	-	N.M
Interest on borrowings	(6,883)	(2,953)	>100
Depreciation and amortisation expenses	(7,563)	(7,567)	-

(NM: Not Meaningful)

1(a)(ii) Statement of other comprehensive income for the 3-month Period Ended 31 March 2014

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	
	31/03/2014 RMB'000	31/12/2013 RMB'000	31/03/2014 RMB'000	31/12/2013 RMB'000
ASSETS				
Current assets:				
Cash and bank balances	91,307	144,570	252	152
Held-for-trading investments	2,196	2,559	-	-
Trade receivables	68,420	59,104	-	-
Other receivables and prepayments	9,579	10,229	6,347	6,347
Inventories	55,530	48,394	-	-
Prepaid leases	519	519	-	-
Development properties held for sale	459,605	459,605	-	-
Total current assets	687,156	724,980	6,599	6,499
Non current assets:				
Investment in subsidiaries	-	-	144,587	144,587
Investment in associate	26,000	26,000	-	-
Property, plant and equipment	165,151	171,843	-	-
Prepaid leases	26,106	25,437	-	-
Deferred tax assets	33,898	32,479	-	-
Assets classified as held for sales	18,802	18,802	-	-
Total non-current assets	269,957	274,561	144,587	144,587
Total assets	957,113	999,541	151,186	151,086
LIABILITIES AND EQUITY				
Current liabilities				
Bank borrowings	380,000	380,000	-	-
Trade payables	173,712	193,667	-	-
Other payables	47,836	60,999	23,861	23,298
Loans from a related party	610	610	610	610
Tax payable	16,443	16,348	-	-
Total current liabilities	618,601	651,624	24,471	23,908
Non-current liabilities:				
Deferred tax liabilities	20,817	20,817	-	-
Liabilities associated with assets classified as held for sale	42,000	42,000	-	-
Deferred income	146,476	146,476	-	-
Total non-current liabilities	209,293	209,293	-	-
Capital and Reserves:				
Issued capital	125,808	125,808	125,808	125,808
(Accumulated losses)	(21,443)	(12,038)	907	1,370
Other reserves	24,854	24,854	-	-
Total equity	129,219	138,624	126,715	127,178
Total liabilities and equity	957,113	999,541	151,186	151,086

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 31/03/2014		Group As at 31/12/2013	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
431,090	80,610	435,156	80,610

Details of any collateral

As at 31 March 2014, the Group secured facilities comprising notes payable of RMB89.1 million and bank loan of RMB342.0 million (31 December 2013: notes payable – RMB93.2 million and bank loans: RMB342.0 million). These facilities were secured by certain bank deposits, certain equipment and part of the prepaid leases.

As at 31 March 2014, the unsecured facilities comprised loans of RMB0.6 million (31 December 2013: RMB0.6 million) from a related party, and bank loans of RMB80.0 million (31 December 2013: RMB80.0 million). These bank loans were guaranteed by related parties and external parties.

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	
	2014 RMB'000	2013 RMB'000
Operating activities		
Loss before income tax	(12,195)	(5,136)
Adjustment for:		
Depreciation expense	7,563	7,567
Fair value loss (gain) on held-for-trading investments	111	(2)
Loss (gain) on disposal of held-for-trading investments	(67)	(5)
Gain on disposal of property, plant and equipment	(226)	-
Interest expense	6,883	2,953
Interest income	(726)	(1,250)
Operating cash flows before movements in working capital	1,343	4,127
Development held for sales	-	(4,142)
Trade receivables	(9,316)	(9,498)
Other receivables and prepayments	650	111
Inventories	(7,136)	367
Trade payables	(19,955)	7,883
Other payables	(13,163)	2,566
Cash used in operations	(47,577)	1,414
Interest received	726	1,250
Interest paid	(6,883)	(2,953)
Income tax paid	1,466	(945)
Net cash used in operating activities	(52,268)	(1,234)
Investing activities		
Payment for prepaid leases	(669)	-
Proceeds from disposal of property, plant and equipment	261	-
Proceeds from disposal of held-for-trading investments	1,107	1,322
Purchase of property, plant and equipment	(906)	(1,711)
Purchase of held-for-trading investments	(788)	(1,080)
Refund of deposit for prepared lease	-	667
Net cash used in investing activities	(995)	(802)
Financing activities		
Addition of bank borrowings	-	19,000
Repayment of bank borrowings	-	(82,891)
Decrease/(Increase) in pledged fixed deposits	4,175	34,135
Net cash used in financing activities	4,175	(29,756)
Net decrease in cash and cash equivalents	(49,088)	(31,792)
Cash and cash equivalents at beginning of the year	60,249	36,580
Cash and cash equivalents at end of the period (Note)	11,161	4,788

Note:		
Cash and cash equivalents comprise the following:		
Fixed deposits	80,146	126,201
Cash and bank balances	11,161	4,788
Less: Pledged fixed deposits	(80,146)	(126,201)
	11,161	4,788

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	2014			
	Issued Capital	Other Reserves ^(a)	Accumulated Profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January	125,808	24,854	(12,038)	138,624
Net loss for the period	-	-	(9,405)	(9,405)
Balance at 31 March	125,808	24,854	(21,443)	129,219

The Group	2013			
	Issued Capital	Other Reserves ^(a)	Accumulated Profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January	125,808	24,759	14,258	164,825
Net profit for the period	-	-	(5,060)	(5,060)
Balance at 31 March	125,808	24,759	9,198	159,765

The Company	2014		
	Issued Capital	Accumulated Profits	Total
	RMB'000	RMB'000	RMB'000
Balance at 1 January	125,808	1,370	127,178
Net loss for the period	-	(463)	(463)
Balance at 31 March	125,808	907	126,715

The Company	2013		
	Issued Capital	Accumulated Profits	Total
	RMB'000	RMB'000	RMB'000
Balance at 1 January	125,808	7,302	133,110
Net loss for the period	-	(86)	(86)
Balance at 31 March	125,808	7,216	133,024

- (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 2013. The Company does not have any shares that may be issued on conversion of any outstanding convertibles as at 31 March 2014 and 31 December 2013.

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 2014	31 December 2013
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 2013 have been applied in the preparation for the financial statements as at 31 March 2014.

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	
	2014	2013
Loss for the period (RMB'000)	(9,405)	(5,060)
Basic basis (RMB cents)	(3.12)	(1.68)
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 2014 and 31 March 2013, 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 2014	31 Dec 2013	31 March 2014	31 Dec 2013
Net Assets (RMB'000)	129,219	138,624	126,715	127,178
Net asset value per ordinary share (RMB cents)	42.86	45.98	42.03	42.18
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 27.0% to RMB70.9 million for the first quarter of FY2014 ("1Q 2014") as compared with the corresponding quarter in FY2013 ("1Q 2013"). The decrease was mainly due to a further slowdown in the PRC economy and ongoing uncertainties in the global economy.

Gross Profit and Gross Profit Margin

Corresponding to the lower sales volume and revenue, as well as fixed overhead costs and increasing higher raw material costs, the Group's gross profit decreased by 37.6% to RMB5.9 million in 1Q 2014 as compared with 1Q 2013, and gross profit margin declined from 9.8% in 1Q 2013 to 8.4% in 1Q 2014.

Other Operating Income

Other operating income mainly comprises interest income of RMB0.7 million.

Operating Cost

Administrative expenses

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

Finance costs

The higher finance costs in 1Q 2014 as compared to 1Q 2013 was mainly due to the non capitalisation of interest expense to Development properties held for sales in 1Q 2014 (interest of approximately RMB4.1 million was capitalised in Q1 2013) as the property development activity has been temporarily suspended due to the uncertainty of the current market condition.

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

As a result of the above factors, the Group recorded a net loss of RMB9.4 million in 1Q 2014, compared to a net loss of RMB5.0 million in 1Q 2013.

COMMENTARY ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Below is a review of the material changes in key balance sheet items as of 31 March 2014, compared with those as of 31 December 2013.

Trade receivables increased by RMB9.3 million, which was mainly due to timing issues as certain sales were generated near the end of Q1 2014.

Inventories increased by RMB7.1 million as the Group made purchases of inventories to stock up in anticipation of higher prices in future.

Property, plant and equipment decreased by RMB6.7 million, which was mainly due to the depreciation charged during the period.

Trade payables decreased by RMB19.9 million mainly due to repayment during the period.

Other payables decreased by RM13.1 million, which was mainly due to repayment of amount owing to Zhejiang Jishan Industry Co., Ltd of RMB10.0 million 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 as well as the sale consideration received from the Purchaser of Zhejiang Jishan Extra Width Co. Ltd ("Extra Width") as the legal ownership of Extra Width is to be transfer on 1 January 2015.

COMMENTARY ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

The Group's operating cash flows were negative in 1Q 2014 mainly due to the operating loss recorded during the period, repayment of trade payables and other payables. These have mainly resulted in a decrease in the overall net cash and cash equivalents of RMB49.1 million.

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

Not applicable.

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 Group's print and dye business continues to face challenges including higher cost of labour, raw materials, energy and higher environmental protection costs. In addition, as the Chinese economy continued to slow down as a result of the transformation of its economic model, the Group remains cautious on its business outlook for the next 12 months.

In response to the evolving business environment, the Group has proposed a business diversification into financial services, which received shareholders' approval at the Extraordinary General Meeting held on 26 March 2014.

The Board is of the view that the Group's foray into the financial services sector will provide an additional source of income for the Group, while allowing the Group to gain exposure to the private capital market.

As at the date of this announcement, The Group is in the process of obtaining all the relevant documents in preparation for the new business operation. The joint venture company, Shaoxing Keqiao District Jishan Uni-Power Private Capital Management Co., Ltd, which will undertake the business of provision of financial services, is expected to be operational in the second half of FY2014.

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

Not applicable.

13. Interested Person Transactions (“IPT”)

Name of Interested Person	Aggregate value of all IPT During the year (excluding Transactions below \$ 100,000 and transactions conducted under the shareholders’ mandate pursuant to Rule 920) RMB’000	Aggregate value of all IP Conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions below \$ 100,000) RMB’000
Amounts receivables from: Zhejiang Jishan Industry Co., Ltd	3,335	-
Amounts due to: Thriving Pte. Ltd.	610	-
Year end balance of bank borrowings guaranteed by: Jin Guan Liang	129,000	-
Year end balance of bank borrowings guaranteed by: Jin Yao Yun	85,000	-
Year end balance of bank borrowings guaranteed by: Zhejiang Jishan Group Holdings Co., Ltd.	65,000	-

BY ORDER OF THE BOARD

Jin Rong Hai
Chief Executive Officer

12 May 2014

Confirmation by the Board of Directors

Pursuant to Rule 705(5) of the SGX-ST Listing Manual, we, JIN RONG HAI, 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 2014 to be false or misleading in any material aspect.

On behalf of the Board of Directors:

Jin Rong Hai
Chief Executive Officer

Yu Ming Hai
Executive Director

12 May 2014