



# SINOPIPE HOLDINGS LIMITED

(Company Registration Number: 200411382N)

## Third Quarter and Nine Months Financial Statements and Dividend Announcement for the Period Ended 30 September 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 |           | %       | 9 months ended |           | %       |
|                                                                                     | 30.9.2018      | 30.9.2017 | Change  | 30.9.2018      | 30.9.2017 | 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                                                                        | 378            | -         | n.m.    | 526            | 7         | n.m.    |
| Selling and distribution expenses                                                   | -              | -         | n.m.    | -              | -         | -       |
| Administrative expenses                                                             | (772)          | (378)     | 104.2   | (1,724)        | (2,089)   | (17.5)  |
| Other expenses                                                                      | -              | -         | n.m.    | -              | -         | n.m.    |
| Finance costs                                                                       | -              | -         | n.m.    | -              | -         | n.m.    |
| Share of results of associates                                                      | -              | -         | n.m.    | -              | -         | n.m.    |
| <b>Loss before income tax</b>                                                       | (394)          | (378)     | 4.2     | (1,198)        | (2,082)   | (42.5)  |
| Income tax expense                                                                  | -              | -         | n.m.    | -              | -         | -       |
| Income (Loss) for the period from continuing operations                             | (394)          | (378)     | 4.2     | (1,198)        | (2,082)   | (42.5)  |
| <b>Discontinued operations</b>                                                      |                |           |         |                |           |         |
| Loss for the period from discontinued operations <sup>Note (1)</sup>                | -              | (4,106)   | (100.0) | (7,768)        | (35,115)  | (77.9)  |
| Deconsolidation of subsidiaries on disposal                                         | -              | -         | n.m.    | 911,741        | -         | n.m.    |
|                                                                                     | -              | (4,106)   | (100.0) | 903,973        | (35,115)  | n.m.    |
| <b>(Loss) income for the period, representing total comprehensive (loss) income</b> | (394)          | (4,484)   | (91.2)  | 902,775        | (37,197)  | n.m.    |
| <b>Income (Loss) attributable to:</b>                                               |                |           |         |                |           |         |
| <b>Continuing operations, net of tax</b>                                            |                |           |         |                |           |         |
| - Owners of the Company                                                             | (394)          | (378)     | 4.2     | (1,198)        | (2,082)   | (42.5)  |
| <b>Discontinuing operations, net of tax</b>                                         |                |           |         |                |           |         |
| Owners of the Company                                                               | -              | (6,326)   | (100.0) | 904,473        | (34,320)  | n.m.    |
| Non-controlling interests                                                           | -              | 2,220     | (100.0) | (500)          | (795)     | (37.1)  |
|                                                                                     | -              | (4,106)   | (100.0) | 903,973        | (35,115)  | n.m.    |

|                                               | Group<br>3 months ended |           | Group<br>9 months ended |           |
|-----------------------------------------------|-------------------------|-----------|-------------------------|-----------|
|                                               | 30.9.2018               | 30.9.2017 | 30.9.2018               | 30.9.2017 |
|                                               | RMB'000                 | RMB'000   | RMB'000                 | RMB'000   |
| Amortisation of deferred capital grant        | -                       | (128)     | (284)                   | (461)     |
| Amortisation of land use rights               | -                       | 511       | 878                     | 1,255     |
| Depreciation of property, plant and equipment | 2                       | 4,790     | 3,355                   | 14,410    |
| Foreign exchange (gain) loss, net             | 158                     | 133       | 28                      | 126       |
| Property, plant and equipment written-off     | -                       | -         | 6                       | 121       |
| Government grants and subsidies               | -                       | (12)      | (4)                     | (15)      |
| Interest expense                              |                         |           |                         |           |
| - Loans and borrowings                        | -                       | 9,569     | 8,525                   | 34,727    |
| Interest income                               |                         |           |                         |           |
| - Bank deposits                               | (2)                     | (1)       | (4)                     | (11)      |
| (Reversal) Write-down on inventories          | -                       | -         | (5,695)                 | -         |
| Operating lease expenses                      | 17                      | 41        | 62                      | 145       |
| Staff costs *                                 |                         |           |                         |           |
| - Wages, salaries and bonuses                 | 107                     | 3,643     | 3,708                   | 13,368    |
| - Pension costs                               | 17                      | 968       | 596                     | 2,712     |
| - Other staff costs                           | -                       | 299       | 213                     | 756       |

\* This amount includes directors' remuneration and remuneration of key management personnel.

#### Note (1):

#### Loss from discontinued operations:

|                                   | Group<br>3 months ended |           |             | Group<br>9 months ended |           |             |
|-----------------------------------|-------------------------|-----------|-------------|-------------------------|-----------|-------------|
|                                   | 30.9.2018               | 30.9.2017 | %<br>Change | 30.9.2018               | 30.9.2017 | %<br>Change |
|                                   | RMB'000                 | RMB'000   | + / (-)     | RMB'000                 | RMB'000   | + / (-)     |
| <b>Revenue</b>                    | -                       | 25,992    | (100.0)     | 16,789                  | 103,078   | (83.7)      |
| Cost of sales                     | -                       | (15,591)  | (100.0)     | (15,748)                | (84,638)  | (81.4)      |
| <b>Gross profit</b>               | -                       | 10,401    | (100.0)     | 1,041                   | 18,440    | (94.4)      |
| Other income                      | -                       | 1,178     | (100.0)     | 6,677                   | 5,066     | 31.8        |
| Selling and distribution expenses | -                       | (2,324)   | (100.0)     | (2,010)                 | (7,036)   | (71.4)      |
| Administrative expenses           | -                       | (3,494)   | (100.0)     | (4,809)                 | (15,488)  | (69.0)      |
| Other expenses                    | -                       | (472)     | (100.0)     | (323)                   | (1,303)   | (75.2)      |
| Finance costs                     | -                       | (9,569)   | (100.0)     | (8,525)                 | (34,727)  | (75.5)      |
| Share of results of associates    | -                       | -         | (100.0)     | -                       | -         | n.m.        |
| <b>Loss before income tax</b>     | -                       | (4,280)   | (100.0)     | (7,949)                 | (35,048)  | (77.3)      |
| Income tax expense                | -                       | 174       | (100.0)     | 181                     | (67)      | (370.1)     |
| <b>Loss for the period</b>        | -                       | (4,106)   | (100.0)     | (7,768)                 | (35,115)  | (77.9)      |

**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.**

|                                                           | <b>Group</b>     |                   | <b>Company</b>   |                   |
|-----------------------------------------------------------|------------------|-------------------|------------------|-------------------|
|                                                           | <b>30.9.2018</b> | <b>31.12.2017</b> | <b>30.9.2018</b> | <b>31.12.2017</b> |
|                                                           | <b>RMB'000</b>   | <b>RMB'000</b>    | <b>RMB'000</b>   | <b>RMB'000</b>    |
| <b>ASSETS</b>                                             |                  |                   |                  |                   |
| <b>Non-current assets</b>                                 |                  |                   |                  |                   |
| Property, plant and equipment                             | 18               | 24                | 18               | 24                |
|                                                           | <u>18</u>        | <u>24</u>         | <u>18</u>        | <u>24</u>         |
| <b>Current assets</b>                                     |                  |                   |                  |                   |
| Trade and other receivables                               | 3,178            | 15                | 3,178            | 15                |
| Cash and bank balances                                    | 2,099            | 3                 | 2,099            | 3                 |
|                                                           | <u>5,277</u>     | <u>18</u>         | <u>5,277</u>     | <u>18</u>         |
| Assets of disposal group classified as held-for-sale      | -                | 365,194           | -                | -                 |
| <b>Total current assets</b>                               | <u>5,295</u>     | <u>365,212</u>    | <u>5,295</u>     | <u>18</u>         |
| <b>Total assets</b>                                       | <u>5,295</u>     | <u>365,236</u>    | <u>5,295</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                                        | (321,218)        | (1,224,493)       | (321,145)        | (329,939)         |
| <b>Equity attributable to owners of the Company</b>       | <u>(2,558)</u>   | <u>(923,212)</u>  | <u>(2,485)</u>   | <u>(11,279)</u>   |
| <b>Non-controlling interests</b>                          | -                | (6,574)           | -                | -                 |
| <b>Capital deficiency</b>                                 | <u>(2,558)</u>   | <u>(929,786)</u>  | <u>(2,485)</u>   | <u>(11,279)</u>   |
| <b>Current liabilities</b>                                |                  |                   |                  |                   |
| Trade and other payables                                  | 7,853            | 11,389            | 7,780            | 11,321            |
| Liabilities of disposal group classified as held-for-sale | -                | 1,283,633         | -                | -                 |
| <b>Current liabilities and total liabilities</b>          | <u>7,853</u>     | <u>1,295,022</u>  | <u>7,780</u>     | <u>11,321</u>     |
| <b>Total equity and liabilities</b>                       | <u>5,295</u>     | <u>365,236</u>    | <u>5,295</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 30.9.2018</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 30.9.2018</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>9 months ended</b> |                  |
|                                                               | <b>30.9.2018</b>      | <b>30.9.2017</b> | <b>30.9.2018</b>      | <b>30.9.2017</b> |
|                                                               | <b>RMB'000</b>        | <b>RMB'000</b>   | <b>RMB'000</b>        | <b>RMB'000</b>   |
| <b>Operating activities</b>                                   |                       |                  |                       |                  |
| (Loss) Income before income tax                               | (394)                 | (4,658)          | 902,596               | (37,130)         |
| Adjustments:                                                  |                       |                  |                       |                  |
| Amortisation of deferred capital grant                        | -                     | (128)            | (284)                 | (461)            |
| Amortisation of land use rights                               | -                     | 511              | 878                   | 1,255            |
| Depreciation of property, plant and equipment                 | 2                     | 4,790            | 3,355                 | 14,410           |
| Interest expense                                              | -                     | 9,569            | 8,525                 | 34,727           |
| Interest income                                               | (2)                   | (1)              | (4)                   | (11)             |
| Property, plant and equipment written-off                     | -                     | -                | 6                     | 121              |
| (Reversal) Write-down of inventories                          | -                     | -                | (5,695)               | -                |
| Deconsolidation of subsidiaries on disposal                   | -                     | -                | (911,741)             | -                |
| Share of results of associates                                | -                     | -                | -                     | -                |
| Operating cash flows before movements in working capital      | (394)                 | 10,083           | (2,364)               | 12,911           |
| Movements in working capital:                                 |                       |                  |                       |                  |
| Inventories                                                   | -                     | 1,094            | 5,728                 | 20,352           |
| Trade and other receivables                                   | (14)                  | (28,284)         | (2,099)               | (77,511)         |
| Prepayments                                                   | -                     | 524              | 696                   | 2,926            |
| Trade and other payables                                      | (163)                 | 38,677           | (1,599)               | 80,416           |
| <b>Cash (used in) generated from operations</b>               | <b>(571)</b>          | <b>22,094</b>    | <b>362</b>            | <b>39,094</b>    |
| Income taxes paid                                             | -                     | 158              | -                     | (6)              |
| <b>Net cash (used in) generated from operating activities</b> | <b>(571)</b>          | <b>22,252</b>    | <b>362</b>            | <b>39,088</b>    |

|                                                               | Group<br>3 months ended |                 | Group<br>9 months ended |                 |
|---------------------------------------------------------------|-------------------------|-----------------|-------------------------|-----------------|
|                                                               | 30.9.2018               | 30.9.2017       | 30.9.2018               | 30.9.2017       |
|                                                               | 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                  | -                       | (198)           | (289)                   | (431)           |
| Interest received                                             | 2                       | 1               | 4                       | 11              |
| <b>Net cash generated from (used in) investing activities</b> | <u>2</u>                | <u>(197)</u>    | <u>(3,180)</u>          | <u>(420)</u>    |
| <b>Financing activities</b>                                   |                         |                 |                         |                 |
| Interest paid                                                 | -                       | (9,569)         | -                       | (34,727)        |
| Proceeds from borrowings                                      | -                       | -               | -                       | 8               |
| Repayment of borrowings                                       | -                       | (11,973)        | (6,781)                 | (14,176)        |
| Pledged bank balances                                         | -                       | -               | -                       | 1,730           |
| <b>Net cash used in financing activities</b>                  | <u>-</u>                | <u>(21,542)</u> | <u>(6,781)</u>          | <u>(47,165)</u> |
| Net (decrease) increase in cash and bank balances             | (569)                   | 513             | (9,599)                 | (8,497)         |
| Cash and bank balances at beginning of financial period       | 2,668                   | 3,877           | 11,698                  | 12,887          |
| Cash and bank balances at end of financial period             | <u>2,099</u>            | <u>4,390</u>    | <u>2,099</u>            | <u>4,390</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        |              |
|-------------------------------|--------------|--------------|
|                               | 30.9.2018    | 30.9.2017    |
|                               | RMB'000      | RMB'000      |
| Cash and bank balances        | 2,099        | 10,642       |
| Less: Pledged bank balances * | -            | (6,252)      |
|                               | <u>2,099</u> | <u>4,390</u> |

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

**Cash flow notes on disposal of subsidiaries:**

|                                                     | <b>Group</b>          |                  | <b>Group</b>          |                  |
|-----------------------------------------------------|-----------------------|------------------|-----------------------|------------------|
|                                                     | <b>3 months ended</b> |                  | <b>9 months ended</b> |                  |
|                                                     | <b>30.9.2018</b>      | <b>30.9.2017</b> | <b>30.9.2018</b>      | <b>30.9.2017</b> |
|                                                     | <b>RMB'000</b>        | <b>RMB'000</b>   | <b>RMB'000</b>        | <b>RMB'000</b>   |
| Land use rights                                     | -                     | -                | 56,637                | -                |
| Property, plant and equipment                       | -                     | -                | 146,704               | -                |
| Goodwill                                            | -                     | -                | 3,117                 | -                |
| Inventories                                         | -                     | -                | 7,469                 | -                |
| Trade and other receivables                         | -                     | -                | 136,197               | -                |
| Prepayments                                         | -                     | -                | 789                   | -                |
| Cash and bank balances                              | -                     | -                | 9,746                 | -                |
| Deferred capital grants                             | -                     | -                | (11,543)              | -                |
| Deferred tax liabilities                            | -                     | -                | (7,175)               | -                |
| Borrowings                                          | -                     | -                | (663,114)             | -                |
| Trade and other payables                            | -                     | -                | (596,973)             | -                |
| Income tax liabilities                              | -                     | -                | (8,046)               | -                |
| <b>Net liabilities disposed of</b>                  | -                     | -                | (926,192)             | -                |
| Other reserves relating to disposal group           | -                     | -                | 17,378                | -                |
| Non-controlling interests                           | -                     | -                | 7,073                 | -                |
| Deconsolidation of subsidiaries on disposal         | -                     | -                | 911,741               | -                |
| <b>Disposal consideration</b>                       | -                     | -                | 10,000                | -                |
| Less:                                               |                       |                  |                       |                  |
| Consideration receivable                            | -                     | -                | (3,149)               | -                |
| <b>Consideration received</b>                       | -                     | -                | 6,851                 | -                |
| Cash and bank balances of subsidiaries disposed of  | -                     | -                | (9,746)               | -                |
| <b>Net cash outflow on disposal of subsidiaries</b> | -                     | -                | (2,895)               | -                |

**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**

|                                           | <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 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)             |
| 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)           |

**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)             |
| 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)            |

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<br>shares | RMB'000 |
|------------------------------|---------------------|---------|
| Balance at 30 September 2018 | 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     |             |
|---------------------------------------------------------|-------------|-------------|
|                                                         | 30.9.2018   | 31.12.2017  |
| 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.

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<br>3 months ended |           | Group<br>9 months ended |           |
|----------------------------------------------------------------|-------------------------|-----------|-------------------------|-----------|
|                                                                | 30.9.2018               | 30.9.2017 | 30.9.2018               | 30.9.2017 |
| Loss per ordinary share for the period:                        |                         |           |                         |           |
|                                                                | RMB'000                 | RMB'000   | RMB'000                 | RMB'000   |
| Loss attributable to shareholders (basic and diluted):         |                         |           |                         |           |
| Continuing operations                                          | (394)                   | (378)     | (1,198)                 | (2,082)   |
| Discontinued operations                                        | -                       | (6,326)   | 904,473                 | (34,320)  |
|                                                                | '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                                          | (0.14)                  | (0.13)    | (0.42)                  | (0.72)    |
| Discontinued operations                                        | -                       | (2.2)     | 314.50                  | (11.93)   |

**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   |            |
|------------------------------------------------|-----------|------------|-----------|------------|
|                                                | 30.9.2018 | 31.12.2017 | 30.9.2018 | 31.12.2017 |
| Net asset value per ordinary share (RMB cents) | (0.89)    | (323.30)   | (0.86)    | (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 30 September 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**

### **3Q 2018 vs 3Q 2017**

#### **Continuing operations**

Other income of RMB 378,000 was recorded in 3Q 2018 compared to nil amount in 3Q 2017 mainly due to the over-provision for withholding tax of RMB 373,000 in prior year. This amount is now reversed as it is no longer payable.

Administrative expenses was significantly higher in 3Q 2018 (RMB 772,000) than in 3Q 2017 (RMB 378,000) by RMB 394,000 mainly due to the adjustments for over-provision for audit fees of RMB 142,000 and over-provision for directors' fees of RMB 232,000 made in 3Q 2017.

## **Discontinued operations**

As the Company does not have any operations in 3Q 2018, comparison of the results from discontinued operations is not meaningful.

As a result of the above, net loss for the Group for 3Q 2018 was RMB 394,000.

## **Financial position**

As at 30 September 2018, the assets of the Group and Company comprised mainly cash and cash equivalent of approximately RMB 2.1 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 7.9 million were mainly accruals and provision for professional fees, directors' fees, staff salaries and amount due to a shareholder.

## **Cash Flows**

The Group's cashflows in 3Q 2018 were mainly net cash payment of administrative expenses from continuing operations of RMB 571,000.

As at 30 September 2018, the Group had cash and bank balances of RMB 2.1 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 2Q 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"). The Company is still talking to potential investors for injection of new businesses. Announcements on material developments will be made as and when appropriate.

## **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 30 September 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.

**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. 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.

**16. 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 30 September 2018 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD OF DIRECTORS**

Mr Wang Sen  
Non-Executive Chairman  
Sinopipe Holdings Limited

5 November 2018