



# SINOPIPE HOLDINGS LIMITED

(Company Registration Number: 200411382N)

## Third Quarter and Nine Months Financial Statements and Dividend Announcement for the Period Ended 30 September 2019

### 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<br>3 months ended |           |             | Group<br>9 months ended |           |             |
|---|-------------------------|-----------|-------------|-------------------------|-----------|-------------|
|   | 30.9.2019               | 30.9.2018 | %<br>Change | 30.9.2019               | 30.9.2018 | %<br>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.        | 2                       | 528       | (99.6)      |
| Selling and distribution expenses   | -                       | -         | n.m.        | -                       | -         | n.m.        |
| Administrative expenses   | (551)                   | (772)     | (28.6)      | (1,549)                 | (1,724)   | (10.2)      |
| Other expenses  | -                       | -         | n.m.        | -                       | -         | n.m.        |
| Finance costs   | -                       | -         | n.m.        | -                       | -         | n.m.        |
| <b>Loss before income tax</b>   | (551)                   | (394)     | 39.8        | (1,547)                 | (1,198)   | 29.1        |
| Income tax expense  | -                       | -         | n.m.        | -                       | -         | n.m.        |
| Loss for the period from continuing operations                                      | (551)                   | (394)     | 39.8        | (1,547)                 | (1,198)   | 29.1        |
| <b>Discontinued operations</b>  |                         |           |             |                         |           |             |
| Loss for the period from discontinued operations                                    | -                       | -         | n.m.        | -                       | (7,768)   | n.m.        |
| Gain on disposal of subsidiaries  | -                       | -         | n.m.        | -                       | 911,741   | n.m.        |
| <b>(Loss) Income for the period, representing total comprehensive (loss) income</b> | (551)                   | (394)     | 39.8        | (1,547)                 | 902,775   | n.m.        |
| <b>(Loss) income attributable to:</b>   |                         |           |             |                         |           |             |
| <b>Continuing operations, net of tax</b>  |                         |           |             |                         |           |             |
| - Owners of the Company   | (551)                   | (394)     | 39.8        | (1,547)                 | (1,198)   | 29.1        |
| <b>Discontinuing operations, net of tax</b>   |                         |           |             |                         |           |             |
| - Owners of the Company   | -                       | (394)     | n.m.        | -                       | 904,473   | n.m.        |
| - Non-controlling interests   | -                       | -         | n.m.        | -                       | (500)     | n.m.        |
|   | -                       | (394)     | n.m.        | -                       | 903,973   | n.m.        |
| <b>(Loss) income for the period</b>   | (551)                   | (394)     | 39.8        | (1,547)                 | 903,973   | n.m.        |

| Group          |           | Group          |           |
|----------------|-----------|----------------|-----------|
| 3 months ended |           | 9 months ended |           |
| 30.9.2019      | 30.9.2018 | 30.9.2019      | 30.9.2018 |
| RMB'000        | RMB'000   | RMB'000        | RMB'000   |

### Continuing operation

|   |     |     |     |     |
|---|-----|-----|-----|-----|
| Depreciation of property, plant and equipment | -*  | 2   | 1   | 6   |
| Foreign exchange loss (gain), net             | 110 | 158 | 174 | 28  |
| Interest income                               |     |     |     |     |
| - Bank deposits                               | -   | (2) | (2) | (4) |
| Operating lease expenses                      | 18  | 17  | 53  | 52  |
| Staff costs                                   |     |     |     |     |
| - Wages, salaries and bonuses                 | 99  | 107 | 295 | 256 |
| - Pension costs                               | 14  | 17  | 40  | 44  |
| - Other staff costs                           | -*  | -*  | -*  | -*  |

\* Less than RMB1,000.

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

| Group     |            | Company   |            |
|-----------|------------|-----------|------------|
| 30.9.2019 | 31.12.2018 | 30.9.2019 | 31.12.2018 |
| RMB'000   | RMB'000    | RMB'000   | RMB'000    |

### ASSETS

#### Non-current assets

|                               |          |          |          |          |
|-------------------------------|----------|----------|----------|----------|
| Property, plant and equipment | 3        | 4        | 3        | 4        |
|                               | <u>3</u> | <u>4</u> | <u>3</u> | <u>4</u> |

#### Current assets

|                             |              |              |              |              |
|-----------------------------|--------------|--------------|--------------|--------------|
| Trade and other receivables | 1,247        | 3,171        | 3,301        | 3,171        |
| Cash and bank balances      | 2,345        | 1,547        | 313          | 1,547        |
| <b>Total current assets</b> | <u>3,592</u> | <u>4,718</u> | <u>3,614</u> | <u>4,718</u> |
| <b>Total assets</b>         | <u>3,595</u> | <u>4,722</u> | <u>3,617</u> | <u>4,722</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   | (323,272)      | (321,725)      | (323,173)      | (321,652)      |
| <b>Equity attributable to owners of the Company (Capital deficiency)</b> | <u>(4,612)</u> | <u>(3,065)</u> | <u>(4,513)</u> | <u>(2,992)</u> |

#### Current liabilities

|                                     |              |              |              |              |
|-------------------------------------|--------------|--------------|--------------|--------------|
| Trade and other payables            | 8,207        | 7,787        | 8,130        | 7,714        |
| <b>Total current liabilities</b>    | <u>8,207</u> | <u>7,787</u> | <u>8,130</u> | <u>7,714</u> |
| <b>Total liabilities</b>            | <u>8,207</u> | <u>7,787</u> | <u>8,130</u> | <u>7,714</u> |
| <b>Total equity and liabilities</b> | <u>3,595</u> | <u>4,722</u> | <u>3,617</u> | <u>4,722</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 30.9.2019</b> |           | <b>As at 31.12.2018</b> |           |
| Secured                | Unsecured | Secured                 | Unsecured |
| RMB'000                | RMB'000   | RMB'000                 | RMB'000   |
| -                      | -         | -                       | -         |

**Amount repayable after one year**

| <b>Group</b>           |           | <b>Group</b>            |           |
|------------------------|-----------|-------------------------|-----------|
| <b>As at 30.9.2019</b> |           | <b>As at 31.12.2018</b> |           |
| 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.**

|   | <b>Group</b>          |                  | <b>Group</b>          |                  |
|---|-----------------------|------------------|-----------------------|------------------|
|   | <b>3 months ended</b> |                  | <b>9 months ended</b> |                  |
|   | <b>30.9.2019</b>      | <b>30.9.2018</b> | <b>30.6.2019</b>      | <b>30.9.2018</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                               | (551)                 | (394)            | (1,547)               | 902,596          |
| Adjustments:  |                       |                  |                       |                  |
| Amortisation of deferred capital grant                        | -                     | -                | -                     | (284)            |
| Amortisation of land use rights                               | -                     | -                | -                     | 878              |
| Depreciation of property, plant and equipment                 | -                     | 2                | 1                     | 3,353            |
| Interest expense  | -                     | -                | -                     | 8,525            |
| Interest income   | -                     | (2)              | (2)                   | (4)              |
| Property, plant and equipment written-off                     | -                     | -                | -                     | 6                |
| (Reversal) Write-down of inventories                          | -                     | -                | -                     | (5,695)          |
| Gain on disposal of subsidiaries                              | -                     | -                | -                     | (911,741)        |
| Operating cash flows before movements in working capital      | (551)                 | (394)            | (1,548)               | (2,364)          |
| Movements in working capital:                                 |                       |                  |                       |                  |
| Inventories   | -                     | -                | -                     | 5,728            |
| Trade and other receivables                                   | (144)                 | (14)             | (130)                 | (2,099)          |
| Prepayments   | -                     | -                | -                     | 696              |
| Trade and other payables                                      | 103                   | (163)            | 420                   | (1,599)          |
| <b>Cash (used in) generated from operations</b>               | <b>(592)</b>          | <b>(571)</b>     | <b>(1,258)</b>        | <b>362</b>       |
| Income taxes paid   | -                     | -                | -                     | -                |
| <b>Net cash (used in) generated from operating activities</b> | <b>(592)</b>          | <b>(571)</b>     | <b>(1,258)</b>        | <b>362</b>       |

|   | Group<br>3 months ended |              | Group<br>9 months ended |                |
|---|-------------------------|--------------|-------------------------|----------------|
|   | 30.9.2019               | 30.9.2018    | 30.9.2019               | 30.9.2018      |
|   | RMB'000                 | RMB'000      | RMB'000                 | RMB'000        |
| <b>Investing activities</b>                                   |                         |              |                         |                |
| Net cash outflow on disposal of subsidiaries                  | -                       | -            | -                       | (2,895)        |
| Receipts of disposal consideration                            | 2,054                   | -            | 2,054                   | -              |
| Acquisition of property, plant and equipment                  | -                       | -            | -                       | (289)          |
| Interest received   | -                       | 2            | 2                       | 4              |
| <b>Net cash generated from (used in) investing activities</b> | <u>2,054</u>            | <u>2</u>     | <u>2,056</u>            | <u>(3,180)</u> |
| <b>Financing activities</b>                                   |                         |              |                         |                |
| Repayment of borrowings                                       | -                       | -            | -                       | (6,781)        |
| <b>Net cash used in financing activities</b>                  | <u>-</u>                | <u>-</u>     | <u>-</u>                | <u>(6,781)</u> |
| Net decrease in cash and bank balances                        | 1,462                   | (569)        | 798                     | (9,599)        |
| Cash and bank balances at beginning of financial period       | 883                     | 2,668        | 1,547                   | 11,698         |
| Cash and bank balances at end of financial period             | <u>2,345</u>            | <u>2,099</u> | <u>2,345</u>            | <u>2,099</u>   |

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

#### GROUP

|   | Share capital  | Other reserves | Accumulated losses | Non-controlling interests | Total equity   |
|---|----------------|----------------|--------------------|---------------------------|----------------|
|   | RMB'000        | RMB'000        | RMB'000            | RMB'000                   | RMB'000        |
| Balance at 1 January 2019                 | 313,344        | 5,316          | (321,725)          | -                         | (3,065)        |
| Total comprehensive loss for the period   | -              | -              | (408)              | -                         | (408)          |
| Balance at 31 March 2019                  | 313,344        | 5,316          | (322,133)          | -                         | (3,473)        |
| Total comprehensive loss for the period   | -              | -              | (588)              | -                         | (588)          |
| Balance at 30 June 2019                   | 313,344        | 5,316          | (322,721)          | -                         | (4,061)        |
| Total comprehensive loss for the period   | -              | -              | (551)              | -                         | (551)          |
| Balance at 30 September 2019              | <u>313,344</u> | <u>5,316</u>   | <u>(323,272)</u>   | <u>-</u>                  | <u>(4,612)</u> |
| 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 | -              | -              | 911,361            | -                         | 911,361        |
| Derecognition of subsidiaries             | -              | 17,379         | -                  | 7,074                     | 24,453         |
| 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              | <u>313,344</u> | <u>5,316</u>   | <u>(321,218)</u>   | <u>-</u>                  | <u>(2,558)</u> |

# COMPANY

|   | Share capital<br>RMB'000 | Reserves<br>RMB'000 | Accumulated losses<br>RMB'000 | Total equity<br>RMB'000 |
|---|--------------------------|---------------------|-------------------------------|-------------------------|
| Balance at 1 January 2019               | 313,344                  | 5,316               | (321,652)                     | (2,992)                 |
| Total comprehensive loss for the period | -                        | -                   | (408)                         | (408)                   |
| Balance at 31 March 2019                | 313,344                  | 5,316               | (322,060)                     | (3,400)                 |
| Total comprehensive loss for the period | -                        | -                   | (589)                         | (589)                   |
| Balance at 30 June 2019                 | 313,344                  | 5,316               | (322,649)                     | (3,989)                 |
| Total comprehensive loss for the period | -                        | -                   | (524)                         | (524)                   |
| Balance at 30 September 2019            | 313,344                  | 5,316               | (323,173)                     | (4,513)                 |
| 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 loss 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)                 |

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

## Share Capital

### Ordinary shares issued and fully paid-up

|                              | Number of shares | RMB'000 |
|------------------------------|------------------|---------|
| Balance at 30 September 2019 | 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     |             |
|---|-------------|-------------|
|   | 30.9.2019   | 31.12.2018  |
| 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 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.**

The Group and the Company adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after January 1, 2019. The adoption of the new and revised FRSs 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.**

|  | <b>Group</b>          |                  | <b>Group</b>          |                  |
|--|-----------------------|------------------|-----------------------|------------------|
|  | <b>3 months ended</b> |                  | <b>9 months ended</b> |                  |
|  | <b>30.9.2019</b>      | <b>30.9.2018</b> | <b>30.9.2019</b>      | <b>30.9.2018</b> |
| Loss per ordinary share for the period:                        |                       |                  |                       |                  |
|  | <b>RMB'000</b>        | <b>RMB'000</b>   | <b>RMB'000</b>        | <b>RMB'000</b>   |
| Loss attributable to shareholders (basic and diluted):         |                       |                  |                       |                  |
| Continuing operations  | (551)                 | (394)            | (1,547)               | (1,198)          |
| Discontinued operations  | -                     | -                | -                     | 904,473          |
|  | <b>'000</b>           | <b>'000</b>      | <b>'000</b>           | <b>'000</b>      |
| 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  | (0.19)                | (0.14)           | (0.54)                | (0.42)           |
| Discontinued operations  | -                     | -                | -                     | 314.50           |

**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   |            |
|--|-----------|------------|-----------|------------|
|  | 30.9.2019 | 31.12.2018 | 30.9.2019 | 31.12.2018 |
| Net asset value per ordinary share (RMB cents) | (1.60)    | (1.07)     | (1.57)    | (1.04)     |

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 2019 and 31 December 2018.

**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.**

**3Q 2019 vs 3Q 2018**

Other income was nil in 3Q 2019 compared to RMB 378,000 in 3Q 2018 mainly due to withholding tax of RMB373,000 provided in the prior year no longer payable and was reversed in 3Q 2018.

Administrative expenses decreased by RMB 221,000 or 28.6% to RMB 551,000 in 3Q 2019 from RMB 772,000 in 3Q 2018 mainly due to decreases in staff costs, professional fees and foreign exchange loss.

As a result of the above, the Group recorded a net loss of RMB 551,000 in 3Q 2019 compared to net loss of RMB 394,000 in 3Q 2018.

**Financial position**

As at 30 September 2019, the assets of the Group of RMB 3.6 million comprised mainly cash and cash equivalent of RMB 2.3 million and amount receivable under the disposal of China assets of RMB 1.0 million.

The liabilities of the Group of RMB 8.2 million were mainly accruals of professional fees, directors' fees, directors' remuneration of a former executive director and amount due to a shareholder.

**Cash Flows**

The Group registered net increase in cash and bank balances of RMB 1.5 million in 3Q 2019 mainly due to receipts of outstanding Disposal Consideration of RMB 2.1 million and was offset by operating cash outflows of RMB 592,000 mainly for payment of compliance costs and administrative expenses.

As at 30 September 2019, the Group had cash and cash equivalents of RMB 2.3 million.

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

Despite several reminders by the Company to Shanxi Bibenet Information Technology Co., Ltd ("**Shanxi Bibenet**") to carry out necessary work to complete the acquisition, Shanxi Bibenet informed the Company that it was still in the process of dealing with the equity structure adjustment under the requirements of VIE structure and talking with potential investors for funding requirement for the acquisition.

**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 had on 21 October 2019 received further payment from Fujian Yatong Construction Material Limited settling all the remaining balance of the outstanding disposal consideration. The Company had further deposited SGD348,612.57 from the receipts of the outstanding disposal consideration to the Escrow Account maintained with a bank in Singapore to comply with Rule 1018(1)(a) of the SGX-ST Listing Manual. Total balance of the Escrow Account is SGD378,612.57.

With regard to the acquisition agreement entered into by the Company with Shanxi Bibenet, Shanxi Bibenet has still not yet indicated that it is ready to complete the acquisition despite reminders by the Company. The Company will take necessary actions and update shareholders on any significant 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 / recommended for the current period ended 30 September 2019.

**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 30 September 2019 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

14 November 2019