

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		
	2015 RMB'000	2014 RMB'000	Changes %
Revenue	58,202	70,934	(17.9)
Cost of sales	(54,844)	(64,984)	(15.6)
Gross profit	3,358	5,950	(43.6)
Other operating income	82,349	915	>100
Selling and distribution expenses	(1,692)	(3,064)	(44.8)
Administrative expenses	(6,738)	(9,113)	(26.1)
Finance costs	(6,064)	(6,883)	(11.9)
Profit (loss) before income tax	71,213	(12,195)	>100
Income tax	(10,242)	2,790	(>100)
Net profit(loss) for the period	60,971	(9,405)	>100
Notes to the above statement of comprehensive income:			
Other operating income including			
Gain on disposal of subsidiary	85,235	-	>100
Interest income	341	726	(53.0)
Government grants	50	-	>100
(Loss) gain on disposal of held for trading investments	(41)	67	(>100)
Fair value gain (loss) on held for trading investment	556	(112)	>100
(Loss) gain on disposal of plant and equipment	(3,798)	226	(>100)
Interest on borrowings	(6,064)	(6,883)	(11.9)
Depreciation and amortisation expenses	(6,069)	(7,563)	(19.8)

1(a)(ii) Statement of other comprehensive income for the 3-month Period Ended 31 March 2015

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	
	31/03/2015 RMB'000	31/12/2014 RMB'000	31/03/2015 RMB'000	31/12/2014 RMB'000
ASSETS				
Current assets:				
Cash and bank balances	85,338	90,740	922	1,360
Held-for-trading investments	3,621	3,174	-	-
Trade receivables	67,641	71,432	-	-
Other receivables and prepayments	13,680	8,635	4,204	4,196
Inventories	33,683	32,201	-	-
Prepaid leases	-	509	-	-
Development properties held for sale	459,605	459,605	-	-
Asset classified as held for sale	-	19,090	-	-
Total current assets	663,568	685,386	5,126	5,556
Non current assets:				
Investment in subsidiaries	-	-	144,587	144,587
Investment in associate	26,401	26,401	-	-
Property, plant and equipment	135,170	145,856	-	-
Prepaid leases	25,235	24,726	-	-
Deferred tax assets	38,514	38,500	-	-
Total non-current assets	225,320	235,483	144,587	144,587
Total assets	888,888	920,869	149,713	150,143
LIABILITIES AND EQUITY				
Current liabilities				
Bank borrowings	369,000	369,000	-	-
Trade payables	154,309	171,518	-	-
Other payables	77,119	60,261	24,229	24,244
Loans from a related party	857	854	857	854
Tax payable	26,332	14,611	-	-
Deferred income	-	62,325	-	-
Liabilities associated with assets classified as held for sale	-	42,000	-	-
Total current liabilities	627,617	720,569	25,086	25,098
Non-current liabilities:				
Deferred tax liabilities	20,817	20,817	-	-
Deferred income	84,151	84,151	-	-
Total non-current liabilities	104,968	104,968	-	-
Capital and Reserves:				
Issued capital	125,808	125,808	125,808	125,808
Retained earning/(Accumulated losses)	8,817	(55,330)	(1,181)	(763)
Other reserves	21,678	24,854	-	-
Total equity	156,303	95,332	124,627	125,045
Total liabilities and equity	888,888	920,869	149,713	150,143

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 31/03/2015		Group As at 31/12/2014	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
454,684	857	495,053	854

Details of any collateral

As at 31 March 2015, the Group secured facilities comprising notes payable of RMB85.7 million and bank loan of RMB369.0 million (31 December 2014: notes payable – RMB84.1 million and bank loans: RMB411.0 million). These facilities were secured by certain bank deposits, pollution quota and part of the prepaid leases.

As at 31 March 2015, the unsecured facilities comprised loans of RMB0.9 million (31 December 2014: RMB0.9 million) from a related party.

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

	The Group	
	3 months ended 31 March	
	2015 RMB'000	2014 RMB'000
Operating activities		
Profit (loss) before income tax	71,213	(12,195)
Adjustment for:		
Depreciation expense	6,069	7,563
Fair value loss (gain) on held-for-trading investments	(556)	111
Loss (gain) on disposal of held-for-trading investments	41	(67)
Gain on disposal of property, plant and equipment	3,798	(226)
Gain on disposal of subsidiary	(85,235)	-
Interest expense	6,064	6,883
Interest income	(341)	(726)
Operating cash flows before movements in working capital	1,053	1,343
Trade receivables	3,791	(9,316)
Other receivables and prepayments	(5,045)	650
Inventories	(1,482)	(7,136)
Trade payables	(17,209)	(19,955)
Other payables	16,858	(13,163)
Cash used in operations	(2,034)	(47,577)
Interest received	341	726
Interest paid	(6,064)	(6,883)
Income tax paid	1,466	1,466
Net cash used in operating activities	(6,291)	(52,268)
Investing activities		
Payment for prepaid leases	-	(669)
Proceeds from disposal of property, plant and equipment	1,472	261
Proceeds from disposal of held-for-trading investments	1,040	1,107
Purchase of property, plant and equipment	(653)	(906)
Purchase of held-for-trading investments	(972)	(788)
Net cash generated from (used in) investing activities	887	(995)
Financing activities		
Decrease/(Increase) in pledged fixed deposits	13,450	4,175
Loan from related party	3	-
Net cash generated from financing activities	13,453	4,175
Net increase (decrease) in cash and cash equivalents	8,049	(49,088)
Cash and cash equivalents at beginning of the year	14,593	60,249
Cash and cash equivalents at end of the period (Note)	22,642	11,161
Note:		
Cash and cash equivalents comprise the following:		
Fixed deposits	62,696	80,146
Cash and bank balances	22,642	11,161
Less: Pledged fixed deposits	(62,696)	(80,146)
	22,642	11,161

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	2015			
	Issued Capital	Other Reserves ^(a)	Accumulated Profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January	125,808	24,854	(55,330)	95,332
Net profit for the period	-	-	60,971	60,971
Disposal of subsidiary	-	(3,176)	3,176	-
Balance at 31 March	125,808	21,678	8,817	156,303

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 Company	2015		
	Issued Capital	Accumulated Profits	Total
	RMB'000	RMB'000	RMB'000
Balance at 1 January	125,808	(763)	125,045
Net loss for the period	-	(418)	(418)
Balance at 31 March	125,808	(1,181)	124,627

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

- (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 2014. The Company does not have any shares that may be issued on conversion of any outstanding convertibles as at 31 March 2015 and 31 December 2014.

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 2015	31 December 2015
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 2014 have been applied in the preparation for the financial statements as at 31 March 2015.

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	
	2015	2014
Profit/(Loss) for the period (RMB'000)	60,971	(9,405)
Basic basis (RMB cents)	20.22	(3.12)
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 2015 and 31 March 2014, 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 2014	31 March 2014	31 Dec 2014
Net Assets (RMB'000)	156,303	95,332	124,627	125,045
Net asset value per ordinary share (RMB cents)	51.84	31.62	41.33	41.47
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 17.9% to RMB58.2 million for the first quarter of FY2015 ("1Q 2015") as compared to the corresponding quarter in FY2014 ("1Q 2014"). The decrease was mainly due to a further slowdown and uncertainties in the PRC economy.

Gross Profit and Gross Profit Margin

In line with lower sales volume and revenue, as well as fixed overhead costs and increasing higher raw material costs, the Group's gross profit decreased by 43.6% to RMB3.4 million in 1Q 2015 as compared to 1Q 2014; gross profit margin declined from 8.4% in 1Q 2014 to 5.8% in 1Q 2015.

Other Operating Income

Other operating income mainly comprises of gain on disposal of subsidiary Zhejiang Jishan Extra Width Co., Ltd ("Extra Width") of approximately RMB85.2 million, which more than offset the loss on disposal of certain plant and equipment of RMB3.8 million.

Selling and distribution expenses

The decrease in selling and distribution expenses is fairly in line with the decrease in revenue during the period.

Administrative expenses

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

Finance costs

The decrease in finance costs corresponds with the decrease in bank borrowings during the period.

Income tax

An income tax credit was made on the operating losses based on the statutory tax rate as such losses were assessed to be recoverable in future.

Net profit for the period

The net profit for the period was mainly due to the gain on disposal of subsidiary as highlighted above.

COMMENTARY ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Below is a review of the material changes in key balance sheet items as at 31 March 2015, compared with those as at 31 December 2014.

Trade receivables decreased by RMB3.8 million, mainly due to receipt of payment from trade debtor during the period.

Other receivables increased by RMB5.0 million, mainly due to advance payments to suppliers for purchases of raw materials and plant and equipment.

Inventories decreased by RMB1.1 million, which is in line with the decrease in sales and production for the period Q1 2015.

Property, plant and equipment decreased by RMB10.7 million, which was mainly due to the depreciation charged and disposal of certain plant and equipment during the period.

Trade payables decreased by RMB17.2 million, mainly due to repayment during the period.

Other payables increased by RM16.9 million, mainly due to receipt of securities deposits of approximately RMB10.5 million from subcontractors for printing and dyeing work which the Group has contracted to them 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.

Asset classified as held for sale, deferred income under current liabilities, liabilities associated with asset classified as held for sale, there is no such above-mentioned items as at 31 March 2015 as the disposal of Extra Width was completed on 7 January 2015 and a gain on disposal of subsidiary of approximately RMB85.2 million had been recognised in the income statement for the period.

COMMENTARY ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

The Group's operating cash flows were negative in 1Q 2014 mainly due to repayment of trade payables offset by the increase in other payables and payment of interest expenses during the period.

The decrease in pledged deposits of approximately RMB13.5 million has resulted in an overall increase in net cash and cash equivalents during the period ended 31 March 2015.

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 remains cautious about the business outlook of its core print and dye business for the next 12 months as it is seeing a slowdown in the growth of China's textile manufacturing industry amid a sluggish China economy.

The Group is also facing cost pressures as manpower cost and raw material costs are increasing; anti-pollution measures implemented by the authorities are also pushing up energy and environmental protection costs.

In view of the above, the Group is focused on improving productivity to keep costs under control, and will closely monitor the business situation.

As China's macroeconomic situation remains lackluster, the Government has implemented tighter control on the financial sector. This coupled with a slowdown in the market, we are taking a cautious approach on the Group's financial services business.

We will provide an update when appropriate and when there are concrete business 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

Not applicable.

13. Interested Person Transactions (“IPT”)

There is no Interested Person Transaction (“IPT”) for the period ended 31 March 2015.

BY ORDER OF THE BOARD

Jin Rong Hai
Chief Executive Officer

13 May 2015

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 2015 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

13 May 2015