



CHINA MINING INTERNATIONAL LIMITED

中矿国际有限公司

Registered in Cayman Islands

Company Registration No. CT-140095

**UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2013
("Q2 2013") IN RESPECT OF THE FINANCIAL YEAR ENDING 31 DECEMBER 2013 ("FY2013")**

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding year of the immediately preceding financial year

	The Group					
	Q2 2013	Q2 2012	%	H1 2013	H1 2012	%
	RMB'000	RMB'000	Change	RMB'000	RMB'000	Change
Revenue	15,665	31,388	(50)	84,753	60,241	41
Cost of sales	(10,781)	(19,584)	(45)	(75,362)	(38,606)	95
Gross profit	4,884	11,804	(59)	9,391	21,635	(57)
Other operating expense	664	(1,236)	N/M	254	(1,098)	N/M
Fair value loss on financial assets	(5,111)	(18,412)	(72)	(9,638)	(5,765)	67
Share of losses of associates	-	(1,128)	N/M	-	(2,592)	N/M
Share of losses of joint venture	(50)	(73)	(32)	(128)	(128)	-
General and administrative expenses	(7,091)	(8,545)	(17)	(14,062)	(15,926)	(12)
Selling and distribution expenses	(687)	(680)	(1)	(1,162)	(1,309)	(11)
Finance (loss)/income	(660)	1,519	N/M	(1,365)	3,006	N/M
Loss before tax	(8,051)	(16,751)	(52)	(16,710)	(2,177)	668
Income tax (expense)/credit	(1,210)	320	N/M	(5,881)	(5,201)	13
Net loss for the period	(9,261)	(16,431)	(44)	(22,591)	(7,378)	206

"Q2 2012" and "Q2 2013" denotes the second quarter or the three-month period ended 30 June 2012 and 30 June 2013 respectively

"H1 2012" and "H1 2013" denotes the six-month period ended 30 June 2012 and 30 June 2013 respectively

"% Change" denotes increase/(decrease) in the relevant profit or loss item as compared with the comparative figure

"N/M" denotes "Not meaningful"

1.(a)(ii) The accompanying notes to the unaudited financial statements form an integral part of the financial statements

	The Group					
	Q2 2013	Q2 2012	%	H1 2013	H1 2012	%
	RMB'000	RMB'000	Change	RMB'000	RMB'000	Change
Loss before tax has been arrived at after charging/(crediting):						
Depreciation of property, plant and equipment	341	586	(42)	643	1,153	(44)
Foreign currency exchange gain	37	127	(71)	74	111	(33)
Amortization of land use rights	-	1	N/M	1	1	-
Loss on disposal of property, plant and equipment	-	-	-	-	54	N/M
Interest expense	660	-	N/M	1,365	-	N/M
Interest income	(377)	(40)	842	(423)	(135)	213

“Q2 2012” and “Q2 2013” denotes the second quarter or the three-month period ended 30 June 2012 and 30 June 2013 respectively

“H1 2012” and “H1 2013” denotes the six- month period ended 30 June 2012 and 30 June 2013 respectively

“% Change” denotes increase/(decrease) in the relevant profit or loss item as compared with the comparative figure

“N/M” denotes “Not meaningful”

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

Statements of financial position of the Group and the Company as at 31 December 2012 and 30 June 2013

	The Group		The Company	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	5,518	4,139	-	-
Land use rights	59	60	-	-
Investments in subsidiaries	-	-	213,738	213,738
Equity accounted investment in joint ventures	155,122	155,250	-	-
	160,699	159,449	213,738	213,738
Current assets				
Completed properties for sale	118,838	159,222	-	-
Properties under development for sale	77,245	74,382	-	-
Prepayments and other receivables	108,589	87,871	572	-
Amounts due from subsidiaries	-	-	486,119	492,891
Amounts due from related parties	-	1,455	-	-
Amounts due from joint ventures	2,708	2,543	-	-
Income tax recoverable	69	69	-	-
Financial assets at fair value through profit or loss	17,956	37,355	-	-
Pledged bank deposits	8,187	7,392	-	-
Cash and cash equivalents	209,256	183,990	6,307	890
	542,848	554,279	492,998	493,781
Non-current asset held for sales	-	40,000	-	-
	542,848	594,279	492,998	493,781
Current liabilities				
Trade payables	37,885	25,094	-	-
Sales and rental deposits	74,900	86,174	-	-
Accruals and other payables	41,581	55,523	317	1,283
Amount due to subsidiaries	-	-	11,548	11,548
Amounts due to joint ventures	769	1,264	-	-
Amounts due to joint venture partner	11	11	-	-
Share-margin financial facility	11,911	19,192	-	-
Income tax payables	43,695	52,022	-	-
	210,752	239,280	11,865	12,831
Net current assets	332,096	354,999	481,133	480,950
	492,795	514,448	694,871	694,688
Capital and reserves				
Issued capital	368,358	368,358	368,358	368,358
Share premium	224,594	224,594	224,594	224,594
Treasury shares	(18)	(18)	(18)	(18)
Capital reserve	49,031	49,031	-	-
(Accumulated losses)/retained earnings	(157,513)	(134,922)	101,937	101,754
Equity attributable to owners of the Company	484,452	507,043	694,871	694,688
Non-controlling interests	-	-	-	-
Total equity	484,452	507,043	694,871	694,688
Non-current liabilities				
Deferred tax liabilities	8,343	7,405	-	-
	8,343	7,405	-	-
	492,795	514,448	694,871	694,688

1.(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial year reported on with comparative figures as at the end of the immediately preceding financial year:

There is no borrowing or debt security as at 31 December 2012 and 30 June 2013.

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

	The Group			
	Q2 2013 RMB'000	Q2 2012 RMB'000	H1 2013 RMB'000	H1 2012 RMB'000
OPERATING ACTIVITIES				
(Loss)/profit before tax	(8,051)	(16,751)	(16,710)	(2,177)
Adjustments for:				
Depreciation of property, plant and equipment	341	586	643	1,153
Foreign currency exchange gain	37	127	74	111
Amortization of land use rights	-	1	1	1
Loss on disposal of property, plant and equipment	-	-	-	54
Share of loss of associates	-	1,129	-	2,592
Share of loss of joint ventures	50	73	128	128
Interest income	(377)	(40)	(423)	(135)
Interest expenses	660	-	1,365	-
Loss on financial assets at fair value through profit or loss	5,111	18,412	9,638	5,765
Amortization of discount on long-term receivables	-	(1,519)	-	(3,006)
Operating cash flows before movements in working capital	(2,229)	2,018	(5,284)	4,486
Completed properties for sale	(11,958)	6,428	40,384	25,371
Properties under development for sale	6,609	5,720	(2,863)	(4,756)
Trade receivables	-	-	-	399
Prepayments and other receivables	4,064	3,161	18,893	1,201
Trade payables	5,911	(6,669)	12,791	(11,921)
Sales and rental deposits	2,156	(11,990)	(11,274)	(24,653)
Accruals and other payables	(3,733)	(4,342)	(11,185)	(12,758)
Cash used in operations	820	(5,674)	41,462	(22,631)
Income tax paid	(618)	(512)	(13,271)	(4,737)
NET CASH GENERATED FROM/(USED IN)				
 OPERATING ACTIVITIES	202	(6,186)	28,191	(27,368)
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(1,316)	(4,820)	(1,616)	(4,969)
Increase in pledged bank deposits	(309)	(350)	(795)	(828)
Amount (advances to)/received from Joint Venture companies	(308)	996	(660)	(925)
Divided income	321	-	321	-
Proceed from disposal of financial assets at fair value through profit or loss	9,761	-	9,761	-
Interest received	377	40	423	135
NET CASH GENERATE FROM/(USED IN)				
 INVESTING ACTIVITIES	8,526	(4,134)	7,434	(6,587)
FINANCING ACTIVITIES				
Investment in quoted security	-	-	-	(49,240)
Repayment of margin facility	(7,281)	-	(7,281)	-
Receipts in realization of investment in quoted security	-	-	-	20,240
Receipts on maturity of structured deposit	-	-	-	16,000
Amount received from/(repaid to) related parties	-	313	1,455	549
Interest paid	(4,533)	-	(4,533)	-
NET CASH (USED IN)/GENERATED FROM				
 FINANCING ACTIVITIES	(11,814)	313	(10,359)	(12,451)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,086)	(10,007)	25,266	(46,406)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	212,342	64,166	183,990	100,565
CASH AND CASH EQUIVALENTS AT END OF PERIOD	209,256	54,159	209,256	54,159

1.(d) A statements of comprehensive income (for the issuer and group), together with a comparative statement for the corresponding year of the immediately preceding financial period.

Unaudited consolidated statements of comprehensive income of the Group and the Company for the three months period ended 30 June 2013 and 2012

Total comprehensive expense for the period attributable to:

	The Group			
	Q2 2013	Q2 2012	H1 2013	H1 2012
	RMB'000	RMB'000	RMB'000	RMB'000
Loss for the period	(9,261)	(16,431)	(22,591)	(7,378)
Other comprehensive expense for the period	-	-	-	-
Total comprehensive expense for the period	(9,261)	(16,431)	(22,591)	(7,378)

	The Group			
	Q2 2013	Q2 2012	H1 2013	H1 2012
	RMB'000	RMB'000	RMB'000	RMB'000
Owners of the Company	(9,261)	(16,431)	(22,591)	(7,378)
Minority interests	-	-	-	-
Total comprehensive expense for the period	(9,261)	(16,431)	(22,591)	(7,378)

Total comprehensive (expense)/income for the period attributable to:

	The Company			
	Q2 2013	Q2 2012	H1 2013	H1 2012
	RMB'000	RMB'000	RMB'000	RMB'000
Income/(Loss) for the period	793	(1,560)	183	(2,601)
Other comprehensive expense for the period	-	-	-	-
Total comprehensive income/(expense) for the period	793	(1,560)	183	(2,601)

	The Company			
	Q2 2013	Q2 2012	H1 2013	H1 2012
	RMB'000	RMB'000	RMB'000	RMB'000
Owners of the Company	793	(1,560)	183	(2,601)
Minority interests	-	-	-	-
Total comprehensive income/(expense) for the period	793	(1,560)	183	(2,601)

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 year of the immediately preceding financial year.

Unaudited consolidated statement of changes in equity of the Group for the three months period ended 30 June 2012 and 2013

The Group

	Share capital	Share premium	Capital reserve	Treasury Shares	Accumulated losses	Attributable to owners of the Company	Non controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2013	368,358	224,594	49,031	(18)	(134,922)	507,043	-	507,043
Comprehensive loss for the period	-	-	-	-	(13,330)	(13,330)	-	(13,330)
Balance as at 31.3.2013	368,358	224,594	49,031	(18)	(148,252)	493,713	-	493,713
Comprehensive loss for the period	-	-	-	-	(9,261)	(9,261)	-	(9,261)
Balance as at 30.6.2013	368,358	224,594	49,031	(18)	(157,513)	484,452	-	484,452

The Group

	Share capital	Share premium	Capital reserve	Treasury Shares	Retained earnings	Attributable to owners of the Company	Non controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2012	368,358	224,594	49,031	(18)	66,503	708,468	-	708,468
Comprehensive Income for the period	-	-	-	-	9,053	9,053	-	9,053
Balance as at 31.3.2012	368,358	224,594	49,031	(18)	75,556	717,521	-	717,521
Comprehensive expense for the period	-	-	-	-	(16,431)	(16,431)	-	(16,431)
Balance as at 30.6.2012	368,358	224,594	49,031	(18)	59,125	701,090	-	701,090

The Company

	Share capital	Share premium	Treasury Shares	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2013	368,358	224,594	(18)	101,754	694,688
Comprehensive expense for the period	-	-	-	(610)	(610)
Balance as at 31.3.2013	368,358	224,594	(18)	101,144	694,078
Comprehensive income for the period	-	-	-	793	793
Balance as at 30.6.2013	368,358	224,594	(18)	101,937	694,871

	The Company				
	Share capital RMB'000	Share premium RMB'000	Treasury Shares RMB'000	Retained earnings RMB'000	Total RMB'000
Balance as at 1.1.2012	368,358	224,594	(18)	107,063	699,997
Comprehensive expense for the period	-	-	-	(1,041)	(1,041)
Balance as at 31.3.2012	368,358	224,594	(18)	106,022	698,956
Comprehensive expense for the period	-	-	-	(1,560)	(1,560)
Balance as at 30.6.2012	368,358	224,594	(18)	104,462	697,396

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 year 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 issued shares excluding treasury shares of the issuer, as at the end of the current financial year reported on and as at the end of the corresponding year of the immediately preceding financial year.

Issued capital

There was no movement in the Company's share capital during the financial year ended 31 December 2012 and three months period ended 30 June 2013.

Subsequent to the completion of the reorganization of the share capital of the Company as announced by the Company on 15 April 2013, as at the date of this announcement, the authorized share capital of the Company is S\$500,000,000 (equivalent to about RMB2,536,333,000) divided into 500,000,000,000 ordinary shares with a par value of S\$0.001 each, of which 1,173,600,000 shares (including treasury shares) with a par value of S\$0.001 each have been issued and fully paid up.

Employee Share Option Scheme

No share options were issued for the year ended 31 December 2012 and period ended 30 June 2013 and there was no ordinary share that may be issued upon the exercise of any share option outstanding as at 31 December 2012 and 30 June 2013.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.

Total number of issued ordinary shares as at 1.1.2013 and 30.6.2013 (excluding treasury shares) 1,173,508,000

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current year reported on.

	<u>Group and Company</u>	
	Number of ordinary shares	RMB'000
Treasury shares at 1.1.2013	92,000	18
Share buy-back during the period	-	-
Treasury shares at 31.6.2013	92,000	18

	<u>Group and Company</u>	
	Number of ordinary shares	RMB'000
Treasury shares at 1.1.2012	92,000	18
Share buy-back during the period	-	-
Treasury shares at 31.6.2012	92,000	18

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 auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

The figures have not been audited or reviewed by the auditors.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied.

The same accounting policies and methods of computation adopted by the Group in respect of the audited financial statements for the financial year ended 31 December 2012 have been consistently applied by the Group for the financial period presented.

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.

There are no changes in the accounting policies and methods of computation, including any required by an accounting standard.

6. Earnings per ordinary share of the group for the current year reported on and the corresponding year of the immediately preceding financial year, after deducting any provision for preference dividends (a) Based on the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	<u>The Group</u>			
	Q2 2013 RMB'000	Q2 2012 RMB'000	H1 2013 RMB'000	H1 2012 RMB'000
Loss attributable to owners of the Company	(9,261)	(16,431)	(22,591)	(7,378)
Basic (Singapore cents) ⁽¹⁾	(0.16)⁽²⁾	(0.28) ⁽²⁾	(0.38)⁽²⁾	(0.13) ⁽²⁾
Diluted (Singapore cents) ⁽¹⁾	(0.16)⁽³⁾	(0.28) ⁽³⁾	(0.38)⁽³⁾	(0.13) ⁽³⁾

Notes:

- Calculated based on the average exchange rate in Q2 2013: S\$1: RMB4.93 (Q2 2012: S\$1: RMB4.99); H1 2013: S\$1: RMB5.00 (H1 2012: S\$1: RMB5.01)
- Based on the issued ordinary shares of 978,000,000 for the period ended 30 June 2012 and issued ordinary shares excluding treasury shares of 1,173,508,000 for the period ended 30 June 2013. No new shares were issued in Q2 2012 and Q2 2013.
- The Company has no dilutive potential ordinary shares in Q2 2012 and Q2 2013.

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 year reported on; and (b) immediately preceding financial year.

	The Group		The Company	
	30 June 2013 RMB'000	31 December 2012 RMB'000	30 June 2013 RMB'000	31 December 2012 RMB'000
Net asset value (excluding non-controlling interests) as at end of financial period and year	484,452	507,043	694,871	694,688
Net asset value per ordinary share as at the end of financial period and year (Singapore cents) ⁽¹⁾	8.49 cents	8.39 cents	12.18 cents	11.49 cents

Note:

(1) Calculated based on exchange rate of S\$1: RMB4.86 as at 30 June 2013 (as at 31 December 2012: S\$1: RMB5.15) and 1,173,508,000 ordinary shares (excluding treasury shares) as at 31 December 2012 and 30 June 2013.

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 year 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 year reported on.

(a) Review of consolidated statement of comprehensive income of the Group for Q2 2013 (relative to that for Q2 2012)

Turnover

The Group's turnovers (net of sales tax) generated in Q2 2013 (*vis-à-vis* Q2 2012) and H1 2013 (*vis-à-vis* H1 2012) were as follow:

	Q2 2013		Q2 2012		H1 2013		H1 2012	
	RMB million	%	RMB million	%	RMB million	%	RMB million	%
(1) Sales of developed properties	15.7	100	29.9	95	84.7	100	57.3	95
(2) Rental income	-	-	1.5	5			2.9	5
	15.7	100	31.4	100	84.7	100	60.2	100

Our overall turnover decreased by RMB15.7 million or 50% from RMB31.4 million in Q2 2012 to RMB15.7 million in Q2 2013. The decrease was principally attributed to the decreased sales of completed units in respect of the Xinxiang Sunny Town Project (新乡阳光新城项目) amidst cooling property market sentiments.

The Group ceased to have any sub-leasing income subsequent to the disposal of the Group's investment property, Shining Shopping Mall I, in FY2012.

Gross profit

In line with the lower revenue registered in Q2 2013, the Group registered a lower gross profit of RMB4.9 million in Q2 2013 compared to that of RMB11.8 million in Q2 2012. The lower gross profit margin of about 31% registered in Q2 2013 as compared to about 38% registered in Q2 2012 was due mainly to increased labour costs and construction material.

Other (expenses)/income

We registered an other income of about RMB664,000 in Q2 2013 *vis-à-vis* an other expenses of about RMB1.2 million in Q2 2012.

Our other income attained in Q2 2013 relates principally to interest income and a dividend received in respect of the Group's investment in a quoted security listed on the Shenzhen Stock Exchange in Q1 2012 as announced by the Company on 13 January 2012 (the "Quoted Investment").

Our other expenses incurred in Q2 2012 were attributed principally to the payment of revenue related business taxes.

Fair value loss on financial assets

The fair value losses registered in Q2 2013 and Q2 2012 were in respect of the Quoted Investment and were computed based on the Quoted Investment's closing share price as at 30 June 2013 and 30 June 2012 respectively relative to the initial investment cost.

Share of loss of associates

The Group ceased to account for the share of loss of associates subsequent to the disposal of its 40%-investment in Climbing Ace as announced by the Company on 28 February 2013 (the "Climbing Ace Disposal").

Share of loss of joint ventures

The Group's share of loss of joint ventures decreased by RMB23,000 or 32% from RMB73,000 in Q2 2012 to RMB50,000 in Q2 2013. The decrease was attributed mainly to less expenses incurred by Tian Cheng Holdings Limited ("天晟控股有限公司"), particularly in respect of the 2 iron ore mines owned by it (the "2 Iron Ore Mines") which have yet to commence production.

General and administrative expenses

In line with the reduced sales of developed properties, our general and administrative expenses decreased by RMB1.4 million or 17% from RMB8.5 million in Q2 2012 to RMB7.1 million in Q2 2013.

Finance (loss)/income

We registered a finance loss of about RMB660,000 in Q2 2013 *vis-à-vis* a finance income of about RMB1.5 million in Q2 2012.

Our finance loss incurred in Q2 2013 was attributed principally to the margin financing for the Quoted Investment. Our finance income attained in Q2 2012 was attributed principally to the amortisation of the unwinding discount of long-term receivables, the process of which had been fully completed in FY2012.

Loss before tax

Consequence to the above, the Group more than halved its loss before tax to RMB8.1 million in Q2 2013 from RMB16.7 million in Q2 2012.

Income tax expense

We registered an income tax expense of RMB1.2 million in Q2 2013 *vis-à-vis* an income tax credit of RMB320,000 in Q2 2012.

The income tax expense registered in Q2 2013 was attributed to the profit before tax attained by one of our subsidiaries, Xinxiang Huilong Real Estate Co., Ltd (新乡辉龙置业有限公司) ("Xinxiang Huilong").

The income tax credit recorded in Q2 2012 was due principally to the write-back of deferred tax liability of RMB3.2 million in relation to the fair value loss recognised in Q2 2012 on the Quoted Investment, net of the income tax expense attributed to the profit before tax attained by Xinxiang Huilong.

Net loss attributable to owners of the Company

Accordingly, the loss attributable to the owners of the Company was reduced to RMB9.3 million in Q2 2013 from RMB16.4 million in Q2 2012.

(b) Review of statements of financial position of the Group as at 30 June 2013 (relative to that as at 31 December 2012)

Non-current assets

Our non-current assets increased by RMB1.2 million or 1.0% from RMB159.4 million as at 31 December 2012 to RMB160.7 million as at 30 June 2013. The increase (net of the share of losses of RMB128,000 on investment in joint ventures) was attributed mainly to increased property, plant and equipment following the purchase of a vehicle in Q2 2013.

Current assets

Our completed properties for sale decreased by RMB40.4 million or 25%, due mainly to the delivery of completed units to buyers.

The financial assets at fair value through profit or loss relate to the Quoted Investment.

The amount due from related parties was fully collected as at 30 June 2013.

The 'non-current asset held for sales' as at 31 December 2012 relates to the asset held for sales in connection with the Climbing Ace Disposal, which was completed subsequent to 31 December 2012.

The increase in prepayments and other receivables by RMB20.7 million or 24% was due principally to the Climbing Ace Disposal, with the consideration for the disposal being reclassified from a 'non-current asset held for sale' as at 31 December 2012 to an 'other receivable' as at 30 June 2013 following the completion of the disposal in February 2013.

The increase in pledged bank deposits by about RMB795,000 or 11% was mainly attributed to the increase in deposits placed with banks to facilitate the procurement of housing loans by buyers of the Group's properties; these pledged deposits will be released to the Group upon the issuance of the relevant property ownership certificates to the buyers concerned.

The cash and bank balances of the Group as at 30 June 2013 were largely attribute to the proceeds of the placement carried out on 18 November 2011 which had not been utilized but were conserved for the expansion of the Group's business in the mining sector. The increase in cash and bank balances by RMB25.3 million or 14% was due principally to the partial receipt of the consideration for the Climbing Ace Disposal and improved cash collection.

Taken as a whole, our current assets decreased by RMB11.4 million or 2% from RMB594.3 million as at 31 December 2012 to RMB542.8 million as at 30 June 2013.

Current liabilities

Our sales and rental deposits collectively decreased by RMB11.3 million or 13%, due principally to the recognition of sales deposits as revenue upon the delivery of the completed property units to the buyers concerned.

The decreases in accruals and other payables by RMB13.9 million or 25%; amounts due to joint ventures by RMB495,000 or 39%; share-margin financing facility for the Quoted Investment by RMB7.3 million or 38%; and income tax payables by RMB8.3 million or 16% were due principally to repayments made by the Group.

The increase in trade payables by RMB12.8 million or 51% was due principally to more purchases made by the Group.

Taken as a whole, our current liabilities decreased by RMB28.5 million or 12% from RMB239.3 million as at 31 December 2012 to RMB210.7 million as at 30 June 2013.

Consequence to the above, we registered net cash generated from operating activities of RMB202,000 in Q2 2013 vis-à-vis net cash used in operating activities of RMB6.2 million in Q2 2012.

Deferred tax liabilities

The increase in deferred tax liabilities by RMB938,000 or 13% was due principally to the write-back of tax liabilities after tax clearance from the relevant tax authority.

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

Nil

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 year and the next 12 months.

As announced by the Company on 11 July 2013, the Company had on the even date entered into a non-binding Memorandum of Understanding ("MOU") with China Geological Exploration Holdings Limited ("CGE") and Guide True Limited ("GT") (collectively, the "Vendors"), pursuant to which the Company and the Vendor have reached an understanding to negotiate and finalise a definitive share sale and purchase agreement and other related documents (the "Definitive Documentation") in respect of the potential acquisition by the Company of a new company to be owned by the Vendors and incorporated in the British Virgin Islands ("Target Company"), which will, in turn own, directly or indirectly, the following mines (the "Target Mines") located within and outside of the People's Republic of China ("PRC") (the "Proposed Acquisition"):

1. a tantalum-niobium mine in Nigeria;
2. a tin-copper mine in Tajikistan;
3. an iron ore mine in South Australia; and
4. two iron ore mines in Xinjiang, the PRC.

Pursuant to the terms of the MOU, the Proposed Acquisition will, upon completion, result in a change of control of the Company and will constitute a "Reverse Take-over Transaction" as defined under Chapter 10 of the Listing Manual ("Listing Manual") of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). In complying with Rule 1015(3)(a) of the Listing Manual, the market capitalization of the Company is estimated to be not less than S\$300 million after the completion of the Proposed Acquisition.

It is currently contemplated that the purchase consideration ("Purchase Consideration") for the Proposed Acquisition will be satisfied through a combination of the following modes of payment:

1. the disposal to GT (or any other person or entity as GT may direct) of the Company's entire interest in the capital of its wholly-owned subsidiary, Elegant Jade Enterprises Limited ("Elegant Jade"). Elegant Jade presently owns various companies with underlying assets comprising, among others, the 2 Iron Ore Mines, which it co-owns with a third party through a 50:50 joint venture, and certain real estate property assets;
2. in cash; and
3. the issuance of new ordinary shares in the capital of the Company, credited as fully paid.

The Purchase Consideration shall be subject to, *inter alia*, the following:

1. an independent qualified person's report on each of the Target Mines in accordance with the Australasian Joint Ore Reserves Committee Code, or an equivalent standard that is acceptable to the SGX-ST; and
2. a valuation report on each of the Target Mines in accordance with the Code for Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports promulgated by the VALMIN Committee, or an equivalent standard that is acceptable to the SGX-ST.

The Company will make further announcement(s) as and when there are material developments to the Proposed Acquisition, and/or disclose further details of the Proposed Acquisition as required under Chapters 9 and 10 of the Listing Manual upon the execution of the Definitive Documentation.

Some of the statements in this release constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect our current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from our intentions, plans, expectations, assumptions and beliefs about the future, undue reliance must not be placed on these statements.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No.

(b)(i) Amount per share (cents)

No.

(b)(ii) Previous corresponding period (cents)

No.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

No.

(d) The date the dividend is payable.

No.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

No.

12. If no dividend has been declared / recommended, a statement to that effect.

No dividend has been declared or recommended for Q2 2013.

13. If the group has obtained general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of the interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	RMB'000	RMB'000
	-	-

The Company does not have any general mandate from its shareholders concerning interested party transaction.

14. Negative assurance on interim financial statements pursuant to Rule 705(4) of the Listing Manual

To the best of our knowledge and belief, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group and the Company for the three-month period ended 30 June 2013 to be false or misleading in any material aspect.

Signed for and on behalf of the Board of Directors

BY ORDER OF THE BOARD

Mr Li Bin
CEO and Director
14 August 2013

Ms Dong Lingling
Director