



CHINA MINING INTERNATIONAL LIMITED

中矿国际有限公司

Registered in Cayman Islands

Company Registration No. CT-140095

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (“FY2015”)

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		
	FY2015 RMB'000	FY2014 RMB'000 (Restated)	% Change
Revenue	17,138	34,075	(49.7)
Cost of sales	<u>(13,242)</u>	<u>(28,669)</u>	(53.8)
Gross profit	3,896	5,406	(27.9)
Selling and distribution expenses	(1,050)	(3,132)	(66)
General and administrative expenses	(44,054)	(62,306)	(29)
Other income	24,892	4,127	503
Other expenses	(22,467)	(70,107)	(68)
Share of losses of joint ventures	(484)	(601)	(19)
Finance income	<u>1,963</u>	<u>5,738</u>	(66)
Loss before tax	(37,304)	(120,875)	(69)
Income tax (expenses)/credit	<u>(89)</u>	<u>8,147</u>	N/M
Loss for the year	<u>(37,393)</u>	<u>(112,728)</u>	(67)

“FY2014” and “FY2015” denotes the full year or the twelve-month financial period ended 31 December 2014 and 31 December 2015 respectively.

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

“N/M” denotes “Not meaningful”.

*The restatement for FY2014 arose due to the need for comparative figures to FY2015, which, in compliance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, necessitates the discontinued operations (as previously classified) to be reclassified as continuing operations as the reverse takeover transaction as announced by the Company on 11 July 2013 and 1 April 2014 and 31 December 2014 (the “Proposed RTO”) has yet to be completed within the contemplated time frame.

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

	The Group		
	FY2015	FY2014	%
	RMB'000	RMB'000	Change
		(Restated)	
Loss from operations before tax has been arrived at after charging/(crediting):			
Depreciation of property, plant and equipment	2,567	1,849	39
Net foreign currency exchange (gain)/loss	(6,249)	408	N/M
Amortization of land use rights	2	2	-
Written off on property, plant and equipment	-	126	N/M
Loss on disposal of property, plant and equipment	-	31	N/M
Net gain on financial assets at fair value through profit or loss	-	(4,127)	N/M
Write back of allowance on doubtful other receivables	(15,030)	-	N/M
Fair value gain on derivative financial instruments	(3,606)	-	N/M
Impairment loss on completed properties for sale	6,451	2,559	152
Impairment loss on investment in joint ventures	16,016	66,899	(76)
Accretion interest on other investment	(548)	-	N/M
Interest income	(1,415)	(5,458)	(74)

"FY2014" and "FY2015" denotes the full year or the twelve-month financial period ended 31 December 2014 and 31 December 2015 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 2014 and 31 December 2015

	The Group			The Company	
	31 Dec 2015 RMB'000	31 Dec 2014 RMB'000 (Restated*)	31 Dec 2013 RMB'000 (Restated*)	31 Dec 2015 RMB'000	31 Dec 2014 RMB'000
Non-current assets					
Property, plant and equipment	6,863	8,620	5,928	304	751
Land use rights	54	56	58	-	-
Investments in subsidiaries	-	-	-	190,101	206,601
Other investment	49,840	-	-	-	-
Derivative financial instruments	19,314	-	-	-	-
Equity accounted investment in joint ventures	-	16,500	84,000	-	-
	76,071	25,176	89,986	190,405	207,352
Current assets					
Completed properties for sale	73,704	79,046	110,274	-	-
Prepayments and other receivables	8,433	11,489	78,980	572	575
Amounts due from subsidiaries (non-trade)	-	-	-	30,925	1,393
Amounts due from related parties (non-trade)	468	441	327	468	441
Amounts due from joint ventures (non-trade)	8,636	6,761	3,699	-	-
Amounts due from joint ventures partner (non-trade)	-	-	25,000	-	-
Income tax recoverable	69	69	69	-	-
Available-for-sale financial assets	-	-	7,000	-	-
Pledged bank deposits	7,308	8,740	9,121	-	-
Cash and cash equivalents	49,450	162,334	206,934	14,715	2,282
	148,068	268,880	441,404	46,680	4,691
Current liabilities					
Trade payables	8,635	7,845	27,505	-	-
Sales and rental deposits	39,886	41,173	57,753	-	-
Accruals and other payables	10,893	15,155	19,151	1,005	4,363
Amount due to subsidiaries (non-trade)	-	-	-	80,614	3,135
Amounts due to related parties (non-trade)	520	27,214	6,033	520	27,214
Amounts due to joint ventures (non-trade)	1,966	2,557	687	-	-
Amounts due to joint venture partner (non-trade)	11	11	11	-	-
Income tax payables	40,288	40,768	44,997	-	-
	102,199	134,723	156,137	82,139	34,712
Net current assets/(liabilities)	45,869	134,157	285,267	(35,459)	(30,021)
Non-current liabilities					
Deferred tax liabilities	-	-	8,331	-	-
	-	-	8,331	-	-
	121,940	159,333	366,922	154,946	177,331
Capital and reserves					
Issued capital	5,897	5,897	5,897	5,897	5,897
Share premium	224,594	224,594	224,594	224,594	224,594
Treasury shares	(18)	(18)	(18)	(18)	(18)
Capital reserve	49,031	49,031	49,031	-	-
Distributable reserve	267,600	267,600	362,461	267,600	267,600
Accumulated losses	(425,164)	(387,771)	(275,043)	(343,127)	(320,742)
Total equity	121,940	159,333	366,922	154,946	177,331

*The restatement for FY2014 arose due to the need for comparative figures to FY2015, which, in compliance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, necessitates the discontinued operations (as previously classified) to be reclassified as continuing operations as the reverse takeover transaction as announced by the Company on 11 July 2013 and 1 April 2014 and 31 December 2014 (the "Proposed RTO") has yet to be completed within the contemplated time frame.

*The restatement for FY2013 arose due to a prior-year adjustment to write-off a capitalized interest of RMB10.4 million consequent to the disposal of certain assets.

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 2014 and 31 December 2015.

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	
	FY2015	FY2014
	RMB'000	RMB'000
		(Restated)
OPERATING ACTIVITIES		
Loss before tax:	(37,304)	(120,875)
Adjustments for:		
Amortisation of land use rights	2	2
Depreciation of property, plant and equipment	2,567	1,849
Foreign currency exchange (gain)/loss	(769)	408
Impairment loss on investment in joint venture	16,016	66,899
Impairment loss on completed properties for sales	6,451	2,559
Interest income	(1,415)	(5,458)
Accretion interest on other investment	(548)	-
Loss on disposal of property, plant and equipment	-	31
Share of losses of joint ventures	484	601
Write-back of allowance on doubtful other receivables	(15,030)	-
Written off on property, plant and equipment	-	126
Fair value gain on financial assets at fair value through profit or loss	-	(4,127)
Fair value gain on derivative financial instruments	(3,606)	-
Operating cash flows before movements in working capital	(33,152)	(57,985)
Completed properties for sale	(1,109)	28,669
Prepayments and other receivables	18,086	68,828
Pledged bank deposits	1,432	381
Trade payables	790	(19,660)
Sales and rental deposits	(1,287)	(16,580)
Accruals and other payables	(4,262)	(4,309)
Cash used in operations	(19,502)	(656)
Income tax paid	(569)	(4,413)
NET CASH USED IN OPERATING ACTIVITIES	(20,071)	(5,069)
INVESTING ACTIVITIES		
Advances to joint venture	(3,866)	(3,062)
Repayment from joint venture	1,400	1,870
Amount due to joint venture partner	-	25,000
Advances to related parties	-	(184)
Interest received	1,415	4,121
Other investment	(65,000)	-
Proceeds from disposal of property, plant and equipment	70	10
Proceeds from financial assets at fair value through profit or loss	-	77,896
Proceeds from disposal of available for sale financial assets	-	7,000
Purchase of financial assets at fair value through profit or loss	-	(73,769)
Purchase of property, plant and equipment	(880)	(4,603)
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(66,861)	34,279

	The Group	
	FY2015	FY2014
	RMB'000	RMB'000
		(Restated)
FINANCING ACTIVITIES		
Repayment to related parties	(35,066)	(1,825)
Advances from related parties	8,372	23,076
Dividend paid	-	(94,861)
NET CASH USED IN FINANCING ACTIVITIES	(26,694)	(73,610)
Decrease in cash and cash equivalents	(113,626)	(44,400)
Exchange difference on cash and cash equivalents	742	(200)
Cash and cash equivalents at beginning of year	162,334	206,934
CASH AND CASH EQUIVALENTS AT END OF YEAR	49,450	162,334

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 year.

Unaudited consolidated statements of comprehensive income of the Group and the Company for the year ended 31 December 2015 and 2014

Total comprehensive expense for the year attributable to:

	The Group	
	FY2015	FY2014
	RMB'000	RMB'000
		(Restated)
Loss for the year	(37,393)	(112,728)
Other comprehensive loss for the year	-	-
Total comprehensive loss for the year	(37,393)	(112,728)

	The Group	
	FY2015	FY2014
	RMB'000	RMB'000
Equity holder of the Company	(37,393)	(112,728)
Non-controlling interests	-	-
Total comprehensive loss for the year	(37,393)	(112,728)

Total comprehensive expense for the year attributable to:

	The Company	
	FY2015	FY2014
	RMB'000	RMB'000
Loss for the year	(22,385)	(79,540)
Other comprehensive loss for the year	-	-
Total comprehensive loss for the year	(22,385)	(79,540)

	The Company	
	FY2015	FY2014
	RMB'000	RMB'000
Equity holder of the Company	(22,385)	(79,540)
Non-controlling interests	-	-
Total comprehensive loss for the year	(22,385)	(79,540)

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 year ended 31 December 2014 and 31 December 2015

The Group

	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Distributable reserve RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance as at 1.1.2015 (restated)	5,897	224,594	49,031	267,600	(18)	(387,771)	159,333
Total comprehensive loss for the year	-	-	-	-	-	(37,393)	(37,393)
Balance as at 31.12.2015	5,897	224,594	49,031	267,600	(18)	(425,164)	121,940

The Group

	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Distributable reserve RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance as at 1.1.2014 (restated)	5,897	224,594	49,031	362,461	(18)	(275,043)	366,922
Distribution of dividend	-	-	-	(94,861)	-	-	(94,861)
Total comprehensive loss for the year	-	-	-	-	-	(112,728)	(112,728)
Balance as at 31.12.2014 (restated)	5,897	224,594	49,031	267,600	(18)	(387,771)	159,333

The Company

	Share capital RMB'000	Share premium RMB'000	Distributable Reserve RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance as at 1.1.2015	5,897	224,594	267,600	(18)	(320,742)	177,331
Total comprehensive loss for the year	-	-	-	-	(22,385)	(22,385)
Balance as at 31.12.2015	5,897	224,594	267,600	(18)	(343,127)	154,946

The Company

	Share capital RMB'000	Share premium RMB'000	Distributable Reserve RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance as at 1.1.2014	5,897	224,594	362,461	(18)	(241,202)	351,732
Distribution of dividend	-	-	(94,861)	-	-	(94,861)
Total comprehensive loss for the year	-	-	-	-	(79,540)	(79,540)
Balance as at 31.12.2014	5,897	224,594	267,600	(18)	(320,742)	177,331

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

Save for the Share Consolidation (as defined below), there was no movement in the Company's share capital during the financial year ended 31 December 2014 and 31 December 2015.

Employee Share Option Scheme

No share options were issued for the year ended 31 December 2014 and 31 December 2015 and there was no ordinary share that may be issued upon the exercise of any share option outstanding as at 31 December 2014 and 31 December 2015.

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.

On 21 September 2015, the Company consolidated every eight (8) existing ordinary shares of par value S\$0.001 each in the share capital of the Company (the "Existing Shares") into one (1) ordinary share of par value S\$0.008 in the share capital of the Company (the "Consolidated Shares") (the "Share Consolidation").

Prior to the Share Consolidation, the Company had an issued and paid-up share capital of RMB5,897,000, comprising 1,173,600,000 Existing Shares (including 92,000 treasury shares). Following the Share Consolidation and as at the date of this announcement, the Company has an issued and paid-up share capital of RMB5,897,000, comprising 146,700,000 Consolidated Shares (including 11,500 treasury shares).

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.

Prior to the Share Consolidation, the Company had 92,000 treasury shares. Following the Share Consolidation and as at the date of this announcement, the Company has 11,500 treasury shares.

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 2014 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>	
	<u>FY2015</u> <u>RMB'000</u>	<u>FY2014</u> <u>RMB'000</u> (Restated) ⁽²⁾
Total comprehensive loss for the year	<u>(37,393)</u>	<u>(112,728)</u>
Basic (Singapore cents) ⁽¹⁾	<u>(5.61) cents</u>	<u>(15.88) cents</u>
Diluted (Singapore cents) ⁽¹⁾	<u>(5.61) cents</u>	<u>(15.88) cents</u>

Notes:

- (1) Calculated based on the average exchange rates S\$1:RMB4.54 for FY2015; (S\$1:RMB4.84 for FY2014) and based on the issued ordinary shares of 146,688,500 Consolidated Shares (excluding 11,500 treasury shares) for FY2014 and FY 2015. No new shares were issued in FY2014 and FY2015. The Company has no dilutive potential ordinary shares in FY2014 and FY2015.
- (2) The restatement for FY2014 arose due to the need for comparative figures to FY2015, which, in compliance with IAS 1 – Presentation of Financial Statements, necessitates a re-calculation based on the issued ordinary shares of 146,688,500 Consolidated Shares (excluding 11,500 treasury shares).

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.

	<u>The Group</u>		<u>The Company</u>	
	<u>31 December</u> <u>2015</u> <u>RMB'000</u>	<u>31 December</u> <u>2014</u> <u>RMB'000</u> (restated) ⁽²⁾	<u>31 December</u> <u>2015</u> <u>RMB'000</u>	<u>31 December</u> <u>2014</u> <u>RMB'000</u> (Restated) ⁽²⁾
Net asset value (excluding non-controlling interests) as at end of financial year	<u>121,940</u>	<u>159,333</u>	<u>154,946</u>	<u>177,331</u>
Net asset value per ordinary share as at the end of financial year (Singapore cents) ⁽¹⁾	<u>18.11 cents</u>	<u>23.41 cents</u>	<u>23.01 cents</u>	<u>26.05 cents</u>

Notes:

- (1) Calculated based on the exchange rates of S\$1: RMB4.59 as at 31 December 2015 (S\$1: RMB4.64 as at 31 December 2014), and based on 146,688,500 Consolidated Shares (excluding 11,500 treasury shares) as at 31 Decemeber 2014 and 31 December 2015.
- (2) The restatement for FY2014 arose due to the need for comparative figures to FY2015, which, in compliance with IAS 1 – Presentation of Financial Statements, necessitates a re-calculation based on the issued ordinary shares of 146,688,500 Consolidated Shares (excluding 11,500 treasury shares).

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 FY2015 (relative to that for FY2014)

Turnover

Our overall turnover, generated mainly from the sales of developed properties, decreased by RMB16.9 million from RMB34.1 million in FY2014 to RMB17.1 million in FY2015. The decrease was principally attributed to the the Xinxiang Sunny Town Project (新乡阳光新城项目), which saw fewer completed units being delivered to the buyers in FY2015 relative to FY2014.

Gross profit

Though the Group registered a lower gross profit of RMB3.9 million in FY2015 compared to that of RMB5.4 million in FY2014, it grossed a higher gross profit margin of about 23% in FY2015 compared to that of about 16% in FY2014. The increased gross profit margin was attributed primarily to the increase in average selling price for the property units sold in FY2015 compared to the units sold in FY2014, in part due the fact that the units sold in FY2015 comprised more villa-type of residential units which generally command higher gross profit margins relative to those apartment units sold in FY2014.

Selling and distribution expenses and general and administrative expenses

In line with our decreased business activities and coupled with our cost-control efforts, our selling and distribution expenses decreased by RMB2.1 million or 66% from RMB3.1 million in FY2014 to RMB1.1 million in FY2015 while our general and administrative expenses decreased by RMB18.3 million or 29% from RMB62.3 million in FY2014 to RMB44.1 million in FY2015.

Other income

Our other income increased by RMB20.8 million from RMB4.1 million in FY2014 to RMB24.9 million in FY2015.

Our other income attained in FY2014 relates principally to mark-to-market gain from our investment in quoted securities in FY2014 (the "Quoted Investments"). The Quoted Investments had been fully divested as announced by the Company on 17 October 2014.

Our other income attained in FY2015 relates principally to (i) the write back of allowance on doubtful other receivables of RMB15.0 million in relation to a full write-off of RMB27.1 million made in FY2013 against the remaining receivable balance on the sale of a piece of land located in Xinxiang (the "Xinxiang Land") as announced by the Company on 12 May 2014. The Company had since partially collected RMB15.0 million of the said receivable in FY2015, and will endeavor to recover the remaining balance from the purchaser of the Xinxiang Land; (ii) the fair value gain of RMB3.6 million on derivative financial instruments in respect of a new investment of RMB65.0 million made in an integrated property project, Yi Feng Holiday Plaza Project (懿丰假日广场项目) (the "Yi Feng Project"), located at Henan Province Zhu Ma Dian City Zhu Ping County (河南省驻马店遂平县), for a share of profit of 10% thereof (the "Fair Value Gain"). The Fair Value Gain was derived based on the discounted cash flow stream of the Yi Feng Project; and (iii) the exchange gain of RMB6.2 million arise from the currency fluctuation in Chinese Renminbi against the US dollar.

Other Expenses

Our other expenses decreased by RMB47.6million from RMB70.1 million in FY2014 to RMB22.5 million in FY2015. Our other expenses recognised in in FY2014 and FY2015 relate principally to the impairment loss on completed properties for sales and impairment loss on investment in joint ventures

The impairment loss on completed properties for sale of RMB2.6 million and RMB6.4 million in FY2014 and FY2015 respectively was attributed principally to impairment on the net book values of the basement storage rooms and completed properties in respect of the the Xinxiang Sunny Town Project (新乡阳光新城项目) chiefly as a result of sluggish sales of these units.

The impairment loss on investment in joint venture of RMB66.9 million and RMB16.0 million in FY2014 and FY2015 respectively (collectively, the "JV Impairment") was in relation to the Company's 50% equity interest in Tian Cheng Holdings Limited (天晟控股有限公司) ("Tian Cheng"), which, through its wholly-owned subsidiaries, namely Zhengzhou Bidi Trading Co., Ltd (郑州必砥商贸有限公司) ("Zhengzhou Bidi") and Zhengzhou Mai Yong Trading Co., Ltd (郑州迈永商贸有限公司) ("Zhengzhou Mai Yong"), wholly-owned the exploration rights to an iron ore mine located in the Xinjiang Province of the PRC and 99.9%-owned the exploration rights to another iron ore mine located in the Henan Province of the PRC (collectively, the "Mining Joint Ventures") (the "Impairment in Joint Ventures") (the "Iron Mines").

The JV Impairment, derived based on the valuation report issued by an independent Hong Kong-based valuation company, Roma Appraisals Limited, was due principally to the significant decline in the price of iron ore, where the trailing 2-year average price was about RMB675 per ton as at 31 December 2015 compared to that of about RMB863 per ton as at 31 December 2014. The decrease in iron ore price was largely a result of the continuing decrease in market demand for iron ore amidst the slow-down of the PRC economy in FY2015.

Share of losses of joint ventures

The Group's share of losses of joint ventures decreased by RMB117,000 or 19% from RMB601,000 in FY2014 to RMB484,000 in FY2015. The decrease was attributed mainly to decreased operating expenses incurred by the Company's 50% equity interest in Tian Cheng, particularly in respect of the 2 iron ore mines held through its 2 Mining Joint Ventures which have yet to commence production.

Finance income

Our finance income decreased by RMB3.8 million or 66% from RMB5.7 million in FY2014 to RMB1.9 million in FY2015.

Our finance income attained in FY2014 was attributed to interest earned on treasury bond and bank deposits while those attained in FY2015 was attributed mainly to interest earned on structured cash deposits pertains to principal-protected short-term investment deposits with local PRC banks.

Income tax (expenses)/credit

We registered an income tax expenses of RMB89,000 in FY2015 *vis-à-vis* an income tax credit of RMB8.1 million in FY2014.

The income tax credit for FY2014 was principally attributed to a write-back in deferred income tax by a subsidiary of the Group against the expectation of the due completion of the Proposed RTO.

The income tax expense for FY2015 was principally attributed to the income tax of the sales of the completed properties.

Net loss attributable to owners of the Company

Accordingly, the net loss attributable to the owners of the Company was reduced from RMB112.7 million in FY2014 to RMB37.4 million in FY2015.

(b) Review of statements of financial position of the Group as at 31 December 2015 (relative to that as at 31 December 2014)

Non-current assets

Our non-current assets more than doubled by RMB50.9 million from RMB25.2 million as at 31 December 2014 to RMB76.1 million as at 31 December 2015. The increase was due principally to the investment (including the Fair Value Gain) in the Yi Feng Project, despite the Impairment in Joint Ventures. In compliance with IAS 39 – Financial Instruments: Recognition and Measurement, the investment in the Yi Feng Project was recognized as other investments and derivative financial instruments.

Current assets

The decrease in prepayments and other receivables by RMB3.1 million or 27% were due principally to collections received.

The decrease in pledged bank deposits by RMB1.4 million or 16% was mainly attributed to the decrease in deposits placed with local banks to facilitate the procurement of housing loans by buyers of the Group's properties; pledged bank deposits will be released to the Group upon the issuance of the relevant property ownership certificates to the buyers concerned.

The decrease in cash and bank balances by RMB112.9 million or 69% was due principally to the investment in the Yi Feng Project and repayments made during FY2015. Following the investment made in the Yi Feng Project, the net placement proceeds of S\$12,290,000 (equivalent to about RMB62,801,900), raised from the issuance of 195.6 million new ordinary shares for S\$0.063 each (the "Placement") as announced the Company on 30 September 2011, 31 October 2011, 8 November 2011 and 17 November 2011, were fully utilized as at 31 December 2015.

The increase in amount due from joint ventures of RMB1.9 million or 28% was due principally to advances made to the mining joint ventures in support of their operational needs.

Taken as a whole, our current assets decreased by RMB120.8 million or 45% from RMB268.9 million as at 31 December 2014 to RMB148.1 million as at 31 December 2015.

Current liabilities

The decrease in accruals and other payables (by RMB4.3 million or 28%), the amounts due to related parties (by RMB26.7 million or 98%) and the amounts due to joint ventures (by RMB591,000 or 23%) were due principally to repayments made by the Group.

The increase in trade payables by RMB790,000 or 10% was attributed principally to payments made over a longer period of time.

Taken as a whole, our current liabilities decreased by RMB32.5 million or 24% from RMB134.7 million as at 31 December 2014 to RMB102.2 million as at 31 December 2015.

Consequence to the above, we registered a net cash used in operating activities of RMB20.1 million in FY2015 compared to RMB5.1 million in FY2014.

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 at the date of this announcement, the Group's ongoing property development business comprises the following:

The Group's completed properties for sale as at 31 December 2015:

Property and address	Description	Tenure	Est GFA (sqm)	Book value (RMB million)
Xinxiang Sunny Town Project (新乡阳光新城项目)	Comprise 176 Residential units and 91 commercial units	Up to 70 years expiring in 2076	46,277	73.7

On the property development front, the property markets in China, particular of the non-first tier cities, are showing some signs of improvement as the Chinese government gradually loosens some of the austerity measures and credit tightening initiatives it introduced a few years ago to curb property speculation. Consequence to which, the investment in the Yi Feng Project, as part of the ordinary course of business of the Group, was made to take advantage of the window of opportunities.

Due to faltering demand, sliding commodity prices and the global oil glut, the current two Iron Mines held by the Company will continue to be kept as reserves till the macro-economic environment improves.

With regards to the Proposed RTO, the internal restructuring by China Minerals Energy Ltd has resulted in the parties to the Proposed RTO requiring further time to work out possible revised terms, which may include, but not limited to, the portfolio of the exploration and mining projects that will form part of the group of companies to be acquired by the Company pursuant to the Proposed RTO. Appropriate announcement concerning the Proposed RTO will be made as and when there is any significant development.

As the completion of the Proposed RTO is still subject to the fulfillment of many precedent conditions, there can be no assurance of its completion or, if it were to be eventually completed, as to the length of time required to do so. Hence, Shareholders are advised to exercise caution when dealing in the securities of the Company and refrain from taking any action in relation to their securities which may be prejudicial to their interests.

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

Not applicable

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

Nil.

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

Nil.

(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).

Not applicable

(d) The date the dividend is payable.

Not applicable

(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.

Not applicable.

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

Not applicable.

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 confirmation pursuant to Rule 705(5). (Not required for announcement on full year results).

Not Applicable

15. 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 720(1)

The Company has procured the said undertakings from all its directors and executive officers.

16. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Group	Mining	Commercial and residential property development	Other operation	Total
	RMB '000	RMB '000	RMB '000	RMB '000
2015				
Segment revenue from external customers	-	17,138	-	17,138
Segment (loss)/gain, representing (loss)/gain before tax	(16,500)	7,414	(28,218)	(37,304)
Tax expenses				(89)
Loss for the year				<u>(37,393)</u>

Group	Mining	Commercial and residential property development	Other operation	Total
	RMB '000	RMB '000	RMB '000	RMB '000
2014 (Restated)				
Segment revenue from external customers	-	34,075	-	34,075
Segment loss, representing loss before tax	(67,500)	(4,225)	(49,150)	(120,875)
Tax credit				8,147
Loss for the year				<u>(112,728)</u>

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

No

18. A breakdown of sales

	The Group		% Change
	FY2015 RMB'000	FY2014 RMB'000	
Operating loss after tax deducting non-controlling interests reported for:			
First half year ended 30 June	(10,826)	(20,031)	(46)
Second half year ended 31 December	(26,567)	(92,697)	(71)
	<u>(37,393)</u>	<u>(112,728)</u>	(67)

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	FY2015 RMB'000	FY2014 RMB'000
Ordinary Share:		
Final dividend	<u>Nil</u>	<u>Nil</u>
Interim dividend	<u>Nil</u>	<u>94,861</u>

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the SGX-ST, the Company confirms that, to the best of its knowledge and belief, none of the persons occupying managerial positions in the Company or its principal subsidiary is a relative of a Director, the Chief Executive Officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Mr Li Bin
CEO and Executive Director
29 February 2016

Dong Ling Ling
Executive Director