



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 2019 (“FY2019”)

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		
	FY2019 RMB'000	FY2018 RMB'000	% Change
Revenue	5,030	41,597	(88)
Cost of sales	(3,659)	(20,696)	(82)
Gross profit	1,371	20,901	(93)
Share of losses of joint ventures	(35)	(853)	(96)
Selling and distribution expenses	(45)	(2,188)	(98)
General and administrative expenses	(23,378)	(19,554)	20
Reversal of/(impairment of financial assets) - net	1,809	(24)	N/M
Other income	1,676	6,887	(76)
Other expenses	(4,977)	(33)	N/M
Finance income	382	44	768
Finance expense	(140)	-	100
(Loss)/Profit before tax	(23,337)	5,180	N/M
Income tax credit/(expense)	312	(6,098)	N/M
Loss for the year	(23,025)	(918)	N/M

“FY2018” and “FY2019” denotes the full year or the twelve-month financial period ended 31 December 2018 and 31 December 2019 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		
	FY2019 RMB'000	FY2018 RMB'000	%
			Change
Loss from operations before tax has been arrived at after charging/(crediting):			
Amortisation of land use rights	2	2	-
Depreciation of property, plant and equipment	2,099	1,849	14
Depreciation of right-of-use assets	810	-	100
(Gain)/loss on disposal of property, plant and equipment	(280)	26	N/M
Gain on disposal of a joint venture	(500)	-	100
Foreign exchange loss/(gain), net	8	(73)	N/M
Interest income	(382)	(44)	768
Interest expense	140	-	100
Impairment loss on amounts due from related parties	8	24	(67)
Impairment loss on completed properties for sale	3,534	932	279
Impairment loss on property, plant and equipment	1,689	-	100
Impairment loss on right-of-use assets	1,240	-	100
Write-back of impairment on completed properties for sale	(1,494)	(1,188)	26
Financial assets at Fair Value Through Profit and Loss ("FVPL") – fair value gain	(647)	(1,558)	(58)
Reversal of allowance for impairment of other receivables	-	(2,589)	(100)
Reversal of allowance for impairment of amounts due from joint ventures	(1,817)	-	100
Accruals and other payable written off	(247)	(2,411)	(90)

"FY2018" and "FY2019" denotes the full year or the twelve-month financial period ended 31 December 2018 and 31 December 2019 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 2019 and 31 December 2018

	The Group		The Company	
	31 Dec 2019 RMB'000	31 Dec 2018 RMB'000	31 Dec 2019 RMB'000	31 Dec 2018 RMB'000
Non-current assets				
Property, plant and equipment	1,141	4,364	8	10
Land use rights	45	47	-	-
Investments in subsidiaries	-	-	121,275	128,200
Financial assets, at Fair Value Through Other Comprehensive Income ("FVOCI")	70,332	78,108	70,332	78,108
Deferred tax assets	1,302	1,147	-	-
	72,820	83,666	191,615	206,318
Current assets				
Completed properties for sale	11,704	17,402	-	-
Prepayments and other receivables	12,313	13,031	115	-
Amounts due from joint ventures (non-trade)	-	2,645	-	-
Income tax recoverable	69	69	-	-
Pledged bank deposits	1,133	1,857	-	-
Financial assets, at FVPL	2,740	16,200	-	-
Cash and cash equivalents	29,159	25,824	920	4,284
	57,118	77,028	1,035	4,284
Current liabilities				
Trade payables	2,544	2,872	-	-
Contract liabilities	57	1,973	-	-
Accruals and other payables	21,575	18,107	499	1,134
Lease liabilities	827	-	-	-
Amounts due to subsidiaries (non-trade)	-	-	124,943	124,065
Amounts due to related parties (non-trade)	-	520	-	520
Amounts due to joint ventures (non-trade)	-	1,434	-	-
Amounts due to joint venture partner (non-trade)	-	11	-	-
Income tax payables	37,268	37,768	-	-
	62,271	62,685	125,442	125,719
Net current (liabilities)/assets	(5,153)	14,343	(124,407)	(121,435)
Non current liabilities				
Lease liabilities	459	-	-	-
	459	-	-	-
Net assets	67,208	98,009	67,208	84,883
Capital and reserves				
Issued capital	5,897	5,897	5,897	5,897
Share premium	224,594	224,594	224,594	224,594
Treasury shares	(18)	(18)	(18)	(18)
Capital reserve	49,031	49,031	-	-
Distributable reserve	267,600	267,600	267,600	267,600
Fair value reserve	(99)	7,677	(99)	7,677
Accumulated losses	(479,797)	(456,772)	(430,766)	(420,867)
Total equity	67,208	98,009	67,208	84,883

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:

The Group had no borrowing or debt security as at 31 December 2018. Its current and non-current lease liabilities were RMB827,000 and RMB459,000 respectively as at 31 December 2019. These lease liabilities arose as a result of the adoption of the new accounting standard IFRS 16 - Leases in FY2019. Please refer to Section 5 below for more details about the adoption of IFRS 16.

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	
	FY2019	FY2018
	RMB'000	RMB'000
OPERATING ACTIVITIES		
(Loss)/Profit before tax:	(23,337)	5,180
Adjustments for:		
Amortisation of land use rights	2	2
Depreciation of property, plant and equipment	2,099	1,849
Depreciation of right-of-use assets	810	-
Gain on disposal of a joint venture	(500)	-
Exchange difference	69	147
Impairment loss/(write-back of impairment) on completed properties for sale, net	2,040	(256)
Impairment loss on property, plant and equipment	1,689	-
Impairment loss on right-of-use assets	1,240	-
Impairment loss on amounts due from related parties	8	24
Reversal of impairment loss on amounts due from joint ventures	(1,817)	-
Interest income	(382)	(44)
Interest expense	140	-
(Gain)/Loss on disposal of property, plant and equipment	(280)	26
Share of losses of joint ventures	35	853
Fair value gain on financial assets, at FVPL	(647)	(1,558)
	(18,831)	6,223
Operating (loss)/income before working capital changes		
Completed properties for sale	3,658	24,897
Other receivables, deposits and prepayments	254	1,028
Pledged bank deposit	724	3,451
Trade payables	(328)	(8,692)
Contract liabilities	(1,916)	(18,967)
Payment to related parties	(520)	-
Accruals and other payables	3,462	5,741
Cash generated from operations	(13,497)	13,681
Income tax paid	(343)	(6,237)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(13,840)	7,444
INVESTING ACTIVITIES		
Advance to joint ventures	(82)	(1,127)
Repayment from joint ventures	3,218	-
Repayment to joint ventures partners	(154)	-
Interest received	382	44
Addition of financial assets, at FVPL	(146,200)	(271,820)
Redemption of financial assets, at FVPL	160,307	288,228
Purchase of property, plant and equipment	(641)	(2,591)
Proceeds from disposal of property, plant and equipment	356	-
Proceeds from disposal of joint venture	500	-
Payment made to purchase office premise	-	(10,000)
NET CASH GENEREATED FROM INVESTING ACTIVITIES	17,686	2,734

	The Group	
	FY2019 RMB'000	FY2018 RMB'000
FINANCING ACTIVITIES		
Repayment of interest	(140)	-
Repayment of lease liabilities	(301)	-
NET CASH USED IN FINANCING ACTIVITIES	(441)	-
Net increase in cash and cash equivalents	3,405	10,178
Cash and cash equivalents at beginning of the year	25,824	15,675
Exchange difference on cash and cash equivalents	(70)	(29)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	29,159	25,824

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 2018 and 2019

Total comprehensive loss for the year attributable to:

	The Group	
	FY2019 RMB'000	FY2018 RMB'000
Loss for the year	(23,025)	(918)
Other comprehensive loss for the year		-
Equity investment at FVOCI		
- Net changes in fair value	(7,776)	(10,914)
Total comprehensive loss for the year	(30,801)	(11,832)

	The Group	
	FY2019 RMB'000	FY2018 RMB'000
Equity holder of the Company	(30,801)	(11,832)
Non-controlling interests	-	-
Total comprehensive loss for the year attributable to:	(30,801)	(11,832)

	The Company	
	FY2019 RMB'000	FY2018 RMB'000
Loss for the year	(9,899)	(4,523)
Other comprehensive loss for the year		
Equity investment at FVOCI		
- Net changes in fair value	(7,776)	(10,914)
Total comprehensive loss for the year	(17,675)	(15,437)

	The Company	
	FY2019 RMB'000	FY2018 RMB'000
Equity holder of the Company	(17,675)	(15,437)
Non-controlling interests	-	-
Total comprehensive loss for the year attributable to:	(17,675)	(15,437)

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 2019 and 31 December 2018

	The Group							
	Issued capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Distributable reserve RMB'000	Treasury shares RMB'000	Fair value reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
Balance as at 1.1.2019	5,897	224,594	49,031	267,600	(18)	7,677	(456,772)	98,009
Loss for the year	-	-	-	-	-	-	(23,025)	(23,025)
Other comprehensive loss, Net change in fair value	-	-	-	-	-	(7,776)	-	(7,776)
Balance as at 31.12.2019	5,897	224,594	49,031	267,600	(18)	(99)	(479,797)	67,208

	The Group							
	Issued capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Distributable reserve RMB'000	Treasury shares RMB'000	Fair value reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
Balance as at 1.1.2018	5,897	224,594	49,031	267,600	(18)	-	(457,763)	89,341
Impact of adopting IFRS 15	-	-	-	-	-	-	2,380	2,380
Impact of adopting IFRS 9	-	-	-	-	-	18,591	(471)	18,120
Balance as at 1.1.2018 (Restated)	5,897	224,594	49,031	267,600	(18)	18,591	(455,854)	109,841
Loss for the year	-	-	-	-	-	-	(918)	(918)
Other comprehensive loss, Net change in fair value	-	-	-	-	-	(10,914)	-	(10,914)
Balance as at 31.12.2018	5,897	224,594	49,031	267,600	(18)	7,677	(456,772)	98,009

	The Company						
	Issued Capital RMB'000	Share premium RMB'000	Distributable Reserve RMB'000	Fair value reserve RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Total equity RMB'000
Balance as at 1.1.2019	5,897	224,594	267,600	7,677	(18)	(420,867)	84,883
Loss for the year	-	-	-	-	-	(9,899)	(9,899)
Other comprehensive loss, Net change in fair value	-	-	-	(7,776)	-	-	(7,776)
Balance as at 31.12.2019	5,897	224,594	267,600	(99)	(18)	(430,766)	67,208

	The Company						
	Issued Capital RMB'000	Share premium RMB'000	Distributable Reserve RMB'000	Fair value reserve RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Total equity RMB'000
Balance as at 1.1.2018	5,897	224,594	267,600	-	(18)	(415,873)	82,200
Impact of adopting IFRS 9	-	-	-	18,591	-	(471)	18,120
Balance as at 1.1.2018 (Restated)	5,897	224,594	267,600	18,591	(18)	(416,344)	100,320
Loss for the year	-	-	-	-	-	(4,523)	(4,523)
Other comprehensive loss, Net changes in fair value	-	-	-	(10,914)	-	-	(10,914)
Balance as at 31.12.2018	5,897	224,594	267,600	7,677	(18)	(420,867)	84,883

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 FY2018 and FY2019.

Employee Share Option Scheme

No share options were issued for FY2018 and FY2019. Neither was there any ordinary share issued as a result of the exercise of any outstanding share option in FY2018 and FY2019.

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 31.12.2018 and 31.12.2019 (excluding treasury shares) 146,688,500

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.

Total number of treasury shares as at 31.12.2018 and 31.12.2019: 11,500

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.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (a) updates on the efforts taken to resolve each outstanding audit issue (b) confirmation from the board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

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

During FY2019, the Group adopted the new or amended IFRS and Interpretations of IFRS ("IFRIC") that are mandatory for application from that date. Changes to the Group's accounting policies had been made, in accordance with the transitional provisions in the respective IFRS and IFRIC. The adoption of these new or amended IFRS and IFRIC did not result in substantial changes to the Group's and the Company's accounting policies, and save as disclosed in Section 5 below, had not resulted in any material effect on the amounts reported for the current or prior financial years.

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.

During FY2019, the Group had adopted IFRS 16 - Leases and the impact arising from the adoption is described below:

IFRS 16 supersedes IAS 17 - Leases ("IAS 17"), IFRIC 4 - Determining whether an Arrangement contains a Lease, SIC-15 - Operating Leases-Incentives and SIC-27 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires lessees to account for all leases under a single on-balance sheet model. Lessor accounting under IFRS 16 is substantially unchanged under IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. To ease the transition to IFRS 16, the Group applied a practical expedient at the date of initial application of IFRS 16 whereby it elected not to apply the requirements of IFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ended within 12 months from the date of initial application of IFRS 16, i.e. where the lease term ended on or before 31 December 2019.

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).

	The Group	
	FY2019 RMB'000	FY2018 RMB'000
Loss after tax attributable to shareholders of the Company	<u>(23,025)</u>	<u>(918)</u>
Basic (Singapore cents) ⁽¹⁾	<u>(3.10) cents</u>	<u>(0.13) cents</u>
Diluted (Singapore cents) ⁽¹⁾	<u>(3.10) cents</u>	<u>(0.13) cents</u>

Note:

- (1) Calculated based on the average exchange rates S\$1:RMB5.06 for FY2019 and S\$1:RMB4.99 for FY2018 and the 146,688,500 issued shares (excluding 11,500 treasury shares) (the "Consolidated Shares") for FY2018 and FY2019. No new shares were issued in FY2018 and FY2019. Neither were there any dilutive securities outstanding in FY2018 and FY2019.

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	
	31 December 2019 RMB'000	31 December 2018 RMB'000	31 December 2019 RMB'000	31 December 2018 RMB'000
Net asset value (excluding non-controlling interests) as at end of financial year	<u>67,208</u>	<u>98,009</u>	<u>67,208</u>	<u>84,883</u>
Net asset value per ordinary share as at the end of financial year (Singapore cents) ⁽¹⁾	<u>8.86 cents</u>	<u>13.33 cents</u>	<u>8.86 cents</u>	<u>11.55 cents</u>

Note:

- (1) Calculated based on the exchange rates of S\$1: RMB5.17 as at 31 December 2019 and S\$1: RMB5.01 as at 31 December 2018 and the 146,688,500 Consolidated Shares as at 31 December 2018 and 31 December 2019.

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 FY2019 (relative to that for FY2018)

Revenue

The overall turnover, generated mainly from the sales of developed properties, decreased from RMB41.6 million in FY2018 to RMB5.0 million in FY2019. The decrease was principally attributed to fewer completed units being handed over to buyers in FY2019 for the Xinxiang Sunny Town Project (新乡阳光新城项目) (the "Project").

With a view to clear the balanced units of the Project, which are located at corners or relatively not so ideal sites of the Project and/or are relatively not so ideal in their laid out (the "Balanced Units"), the Group had entered into a bought deal arrangement with an independent third party to sell these Balanced Units at a mutually agreed reduced total price, derived based on reduced sale price of each of the Balanced Units, relative to the prevailing market prices. Sales would be recognised by the Group as and when any of these Balanced Units is sold to an end buyer through the independent third party or the Company's wholly-owned subsidiary Xinxiang Huilong Real Estate Co Ltd (新乡辉龙置业有限公司) (the "Bought Deal Arrangement").

Gross profit

Consequence to the Bought Deal Arrangement, the gross profit of the Group was reduced from RMB20.9 million in FY2018 to RMB1.4 million in FY2019.

Share of losses of joint ventures

The Group's share of losses of joint ventures decreased by RMB818,000 from RMB853,000 in FY2018 to RMB35,000 in FY2019. The decrease was attributed mainly to lesser operating expenses incurred by the Company's 50% equity interest in Tian Cheng Holdings Limited (天晟控股有限公司) in FY2019 coupled with the latter's one-off environment restoration costs incurred in FY2018. Tian Chen Holdings Limited was disposed towards the end of FY2019 (as announced by the Company on 20 December 2019).

Selling and distribution expenses

Consequence to the Bought Deal Arrangement which led to reduced sales promotion activities for the Project, our selling and distribution expenses reduced to RMB45,000 in FY2019 from RMB2.2 million in FY2018.

General and administrative expenses

Our general and administrative expenses increased from RMB19.6 million in FY2018 to RM23.4 million in FY2019, chiefly as a result of increased depreciation expense following the leased of additional office space in 3Q2018 as well as increased staff strength and salary adjustments as the Group made preparation to reorganize its business activities.

Other income

The decrease in other income was mainly attributed to the FY2018's one-off other income resulting from the writing off of other payables of RMB2.4 million (following the legal suit won against a supplier of the Group) and fair value gain on financial products of RMB1.6 million, notwithstanding the partial offset of RMB0.5 million resulting from the disposal of Tian Chen Holdings Limited in FY2019.

Other Expenses

Our other expenses in FY2019 comprised mainly impairment losses on property, plant and equipment and right-of-use assets of RMB2.9 million and completed properties for sale of RMB2.0 million.

Finance income

Our finance income in FY2018 was principally attributed to the interest earned on deposits placed with the local PRC banks. Our finance income for FY2019 was mainly attributed to the interest earned on a short term interest bearing advance made to our joint venture partner during 2H2019 with the same being fully repaid in 4Q2019.

(Loss)/Profit before tax

Consequence to the above, we incurred a loss before tax of RMB23.3 million in FY2019 compared to a profit before tax of RMB5.2 million in FY2018.

Income tax expense

We registered an income tax expense of RMB6.1 million in FY2018 following the profit before income tax position attained by the Group in FY2018 and an income tax credit of RMB0.3 million in FY2019 following the loss before income tax position sustained by the Group in FY2019.

Total comprehensive loss attributable to shareholders of the Group

The net loss attributable to the shareholders of the Group increased from RMB11.8 million in FY2018 to RMB30.8 million in FY2019, chiefly as a result of the net loss of the Group for FY2019 coupled by the fair value loss in respect of the Group's investment in an African mining company.

(b) Review of statements of financial position of the Group as at 31 December 2019 (relative to that as at 31 December 2018)

Non-current assets

The decrease in property, plant and equipment of RMB3.2 million was mainly due to depreciation of RMB2.9 million and impairment of property, plant and equipment and right-of-use assets of RMB2.9 million, offset by additions of property, plant and equipment of RMB0.6 million and the reinstalment for the right-of-use assets of RMB2.0 million following the adoption of IFRS 16 - Leases.

The decrease in financial assets, at FVOCI was attributed mainly to the fair value loss in respect of the Group's investment in an African mining company.

Current assets

The decrease in completed properties for sale by RMB5.7 million was due principally to the delivery of completed units to the buyers concerned.

The decrease in prepayments and other receivables by RMB0.7 million was due principally to the reclassification of rental prepayments to right-of-use assets during the financial year following the adoption of IFRS 16 - Leases.

The decrease in amounts due from joint ventures (non-trade) of RMB2.6 million, decrease in amounts due to joint ventures (non-trade) of RMB1.4 million and amounts due to related parties (non-trade) of RMB0.5 million were chiefly due to the settlement of payments between the relevant parties.

The decrease in pledged bank deposits by RMB0.7 million was mainly attributed to a decrease in deposits placed with local banks to facilitate the procurement of housing loans by buyers of the Group's properties; these 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 financial assets at FVPL was mainly due to the redemption of short-term investment deposits placed with the local PRC banks in 2019.

Taken as a whole, our current assets decreased by RMB19.9 million from RMB77.0 million as at 31 December 2018 to RMB57.1 million as at 31 December 2019.

Current liabilities

Our trade payable decreased by RMB0.3 million from RMB2.9 million as at 31 December 2018 to RMB2.5 million as at 31 December 2019 due principally to payments made to the relevant suppliers and contractors.

The decrease of contract liabilities (sales deposits) of RMB1.9 million was mainly attributed to fewer completed units of the Project remaining on hand as at 31 December 2019.

The increase in accruals and other payables was attributed principally to the Bought Deal Arrangement. Such other payables will be booked as income as and when the relevant completed unit pursuant to the Bought Deal Arrangement is delivered to the end customer concerned.

Taken as a whole, our current liabilities were decreased by RMB0.4 million from RMB62.7 million as at 31 December 2018 to RMB62.3 million as at 31 December 2019.

Non-current liabilities

The increase in both current and non-current lease liabilities were attributed mainly due to the adoption of IFRS 16 - Leases.

As a result of the above:

- (1) the working capital position of the Group reversed from a positive RMB14.3 million as at 31 December 2018 to a negative RMB5.2 million as at 31 December 2019;
- (2) the net cash flow of the Group used in operations in FY2019 was RMB13.8 million, while its net cash generated in FY2018 was RMB7.4 million;
- (3) the net asset value of the Group decreased from RMB98.0 million as at 31 December 2018 to RMB67.2 million as at 31 December 2019, with the net asset value per ordinary share of the Company decreased from 13.33 Singapore cents per share as at 31 December 2018 to 8.86 Singapore cents per share as at 31 December 2019.

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.

With regard to the Company's proposed acquisition of 63.11% of the registered capital of Henan Zhongnong Huasheng Agricultural Science and Technology Co. Ltd. (河南中农华盛农业科技有限公司) (the "Target Company") from Zhongnong Huasheng (Beijing) Agricultural Development Investment Co., Ltd. (中农华盛(北京)农业发展投资有限公司) (the "Seller"), a company controlled by the Chairman of the Company (the "Proposed Acquisition"), while discussions and negotiations between the Company and the Seller are still ongoing, the Proposed Acquisition is expected to be further delayed and may be complicated by the current severe CoViD-19 outbreak in China. We will keep the shareholders of the Company updated on the progress of the Proposed Acquisition.

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 year (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 had been declared or recommended for FY2019 in view of the loss making position of the Group for FY2019.

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
Nil	Nil	Nil

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

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 ⁽¹⁾	Total
	RMB '000	RMB '000	RMB '000	RMB '000
2019				
Segment revenue from external customers	-	5,030	-	5,030
Segment (loss)/gain, representing loss before tax	(35)	(1,793)	(21,509)	(23,337)
Tax credit				312
Loss for the year				(23,025)

Group	Mining	Commercial and residential property development	Other operation ⁽¹⁾	Total
	RMB '000	RMB '000	RMB '000	RMB '000
2018				
Segment revenue from external customers	-	41,597	-	41,597
Segment (loss)/gain, representing loss before tax	(853)	20,113	(14,080)	5,180
Tax expenses				(6,098)
Loss for the year				(918)

Note:

(1) The 'Other operation' segment, being the investment holding arm of the various entities of the Group not falling within the 'Mining' and 'Commercial and Residential Property Development' segments of the Group, includes the unallocated corporate functions and restructuring activities and treasury investment activities of the Group.

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
	FY2019 RMB'000	FY2018 RMB'000	
(i) Sales from continued operations reported for:			
First half year ended 30 June	3,775	30,240	(88)
Second half year ended 31 December	1,255	11,357	(89)
	<u>5,030</u>	<u>41,597</u>	(88)

	The Group		% Change
	FY2019 RMB'000	FY2018 RMB'000	
(ii) Profit/(loss) after tax deducting non-controlling interests reported for:			
First half year ended 30 June	(7,865)	1,583	N/M
Second half year ended 31 December	(15,160)	(2,501)	(506)
	<u>(23,025)</u>	<u>(918)</u>	N/M

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:-

	FY2019 RMB'000	FY2018 RMB'000
Ordinary Share:		
Final dividend	<u>Nil</u>	<u>Nil</u>
Interim dividend	<u>Nil</u>	<u>Nil</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.

Signed for and on behalf of the Board of Directors

BY ORDER OF THE BOARD

Mr Li Bin
CEO and Director

Ms Dong Lingling
Director

28 February 2019