



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 2019 (“Q2 2019”) IN RESPECT OF THE FINANCIAL YEAR ENDING 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 period of the immediately preceding financial period

	The Group					
	Q2 2019	Q2 2018	%	H1 2019	H1 2018	%
	RMB'000	RMB'000	Change	RMB'000	RMB'000	Change
Revenue	240	17,000	(99)	3,775	30,240	(88)
Cost of sales	(323)	(7,824)	(96)	(2,271)	(14,535)	(84)
Gross profit/(loss)	(82)	9,176	N/M	1,504	15,705	(90)
Share of gain/(loss) of joint ventures	(11)	(47)	(77)	(14)	(53)	(74)
Selling and distribution expenses	(11)	(988)	(99)	(50)	(3,301)	(98)
General and administrative expenses	(5,442)	(3,962)	37	(9,219)	(7,862)	17
Other income	238	507	(53)	304	708	(57)
Other expenses	55	(32)	(272)	(47)	(33)	42
Finance income	7	137	(95)	32	188	(83)
Profit/(loss) before tax	(5,246)	4,792	N/M	(7,490)	5,352	N/M
Income tax credit/(expense)	71	(2,445)	N/M	(375)	(3,769)	(90)
Net Profit/(loss) for the period	(5,175)	2,347	N/M	(7,865)	1,583	N/M

“Q2 2018” and “Q2 2019” denotes the second quarter or the three-month period ended 30 June 2018 and 30 June 2019 respectively

“H1 2018” and “H1 2019” denotes the six-month period ended 30 June 2018 and 30 June 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					
	Q2 2019	Q2 2018	%	H1 2019	H1 2018	%
	RMB'000	RMB'000	Change	RMB'000	RMB'000	Change
Profit/(loss) before tax has been arrived at after charging/(crediting):						
Depreciation of property, plant and equipment	545	359	52	1,090	780	(40)
Foreign currency exchange (gain)/loss	(55)	(85)	(35)	34	(6)	N/M
Amortization of land use rights	-	1	(100)	1	2	(50)
Loss on disposal of property, plant and equipment	-	25	(100)	13	26	(50)
Interest income	(7)	(137)	(95)	(32)	(188)	(83)

“Q2 2018” and “Q2 2019” denotes the second quarter or the three-month period ended 30 June 2018 and 30 June 2019 respectively

“H1 2018” and “H1 2019” denotes the six- month period ended 30 June 2018 and 30 June 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 2018 and 30 June 2019

	The Group		The Company	
	30 Jun 2019 RMB'000	31 Dec 2018 RMB'000	30 Jun 2019 RMB'000	31 Dec 2018 RMB'000
Non-current assets				
Property, plant and equipment	3,259	4,364	9	10
Land use rights	46	47	-	-
Investments in subsidiaries	-	-	128,200	128,200
Financial assets, at fair value through other comprehensive income ("FVOCI")	78,108	78,108	78,108	78,108
Deferred tax assets	1,147	1,147	-	-
	82,560	83,666	206,317	206,318
Current assets				
Completed properties for sale	15,131	17,402	-	-
Prepayments and other receivables	12,420	13,031	-	-
Amounts due from subsidiaries (non-trade)	-	-	69	-
Amounts due from related parties (non-trade)	-	-	-	-
Amounts due from joint ventures (non-trade)	2,635	2,645	-	-
Income tax recoverable	69	69	-	-
Pledged bank deposits	1,138	1,857	-	-
Financial assets at fair value through profit or loss ("FVPL")	18,000	16,200	-	-
Cash and cash equivalents	22,685	25,824	2,514	4,284
	72,078	77,028	2,583	4,284
Current liabilities				
Trade payables	2,769	2,872	-	-
Sales deposits	152	1,973	-	-
Accruals and other payables	19,184	18,107	386	1,134
Amount due to subsidiaries (non-trade)	-	-	125,074	124,065
Amounts due to related parties (non-trade)	-	520	-	520
Amounts due to joint ventures (non-trade)	4,578	1,434	-	-
Amounts due to joint venture partner (non-trade)	11	11	-	-
Income tax payables	37,800	37,768	-	-
	64,494	62,685	125,460	125,719
Net current assets/(liabilities)	7,584	14,343	(122,877)	(121,435)
Net assets	90,144	98,009	83,440	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	7,677	7,677	7,677	7,677
Accumulated losses	(464,637)	(456,772)	(422,310)	(420,867)
Total equity	90,144	98,009	83,440	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 period 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 2018 and 30 June 2019.

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

	The Group			
	Q2 2019	Q2 2018	H1 2019	H1 2018
	RMB'000	RMB'000	RMB'000	RMB'000
OPERATING ACTIVITIES				
Profit/(Loss) before tax	(5,246)	4,792	(7,490)	5,352
Adjustments for:				
Depreciation of property, plant and equipment	545	359	1,090	780
Foreign currency exchange (gain)/loss	(55)	85	34	6
Amortization of land use rights	1	1	1	1
Loss on disposal of property, plant and equipment	-	25	13	26
Share of loss of joint ventures	11	-	14	-
Fair value gain on financial assets at fair value through profit or loss - derivative financial instruments	-	-	-	(2)
Interest income	(7)	(137)	(32)	(188)
Operating cash flows before movements in working capital	(4,752)	5,125	(6,370)	5,975
Completed properties for sale	323	7,824	2,271	14,536
Prepayments and other receivables	(13)	(2,314)	611	(2,782)
Increase in pledged bank deposits	8	951	719	1,682
Trade payables	-	(1,248)	(103)	(2,467)
Amounts due to related parties (non-trade)	(520)	-	(520)	-
Sales and rental deposits	142	(10,188)	(1,821)	(12,620)
Accruals and other payables	2,346	(158)	1,043	(369)
Cash used in operations	(2,466)	(8)	(4,170)	3,954
Income tax paid	-	(1,980)	(343)	(3,526)
NET CASH GENERATED/USED IN OPERATING ACTIVITIES	(2,466)	(1,988)	(4,513)	428
INVESTING ACTIVITIES				
Proceeds from disposal of property, plant and equipment	-	-	2	-
Investment in Structured notes	3,300	(3,570)	(1,800)	9,350
Amount advances to Joint Venture companies	131	(64)	3,140	(579)
Interest received	7	137	32	188
NET CASH GENERATED/(USED) IN INVESTING ACTIVITIES	3,438	(3,497)	1,374	8,959
FINANCING ACTIVITIES				
Amount received from related parties	-	-	-	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	-	-	-	-
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	972	(5,485)	(3,139)	9,387
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	21,713	30,547	25,824	15,675
CASH AND CASH EQUIVALENTS AT END OF PERIOD	22,685	25,062	22,685	25,062

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 financial period ended 30 June 2018 and 30 June 2019

Total comprehensive loss for the period attributable to:

	The Group			
	Q2 2019	Q2 2018	H1 2019	H1 2018
	RMB'000	RMB'000	RMB'000	RMB'000
Profit/(loss) from operations	5,175	2,347	7,865	1,583
Other comprehensive expense for the period	-	-	-	-
Total comprehensive expense for the period	5,175	2,347	7,865	1,583

	The Group			
	Q2 2019	Q2 2018	H1 2019	H1 2018
	RMB'000	RMB'000	RMB'000	RMB'000
Owners of the Company	5,175	2,347	7,865	1,583
Minority interests	-	-	-	-
	5,175	2,347	7,865	1,583

Total comprehensive expense for the period attributable to:

	The Company			
	Q2 2019	Q2 2018	H1 2019	H1 2018
	RMB'000	RMB'000	RMB'000	RMB'000
Loss for the period	(763)	(1,037)	(1,442)	(1,651)
Other comprehensive expense for the period	-	-	-	-
Total comprehensive expense for the period	(763)	(1,037)	(1,442)	(1,651)

	The Company			
	Q2 2019	Q2 2018	H1 2019	H1 2018
	RMB'000	RMB'000	RMB'000	RMB'000
Owners of the Company	(763)	(1,037)	(1,442)	(1,651)
Minority interests	-	-	-	-
	(763)	(1,037)	(1,442)	(1,651)

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 30 June 2018 and 30 June 2019

The Group								
	Share capital	Share premium	Capital reserve	Distributable reserve	Fair value reserve	Treasury shares	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 01 Jan 2019	5,897	224,594	49,031	267,600	7,677	(18)	(456,772)	98,009
Total comprehensive loss for the period	-	-	-	-	-	-	(2,690)	(2,690)
Balance as at 31.Mar 2019	5,897	224,594	49,031	267,600	7,677	(18)	(459,462)	95,319
Total comprehensive loss for the period	-	-	-	-	-	-	(5,176)	(5,176)
Balance as at 30 Jun 2019	5,897	224,594	49,031	267,600	7,677	(18)	(464,637)	90,144

The Group								
	Share capital	Share premium	Capital reserve	Distributable reserve	Fair value reserve	Treasury shares	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 01 Jan 2018	5,897	224,594	49,031	267,600	18,591	(18)	(455,854)	109,841
Total comprehensive loss for the period	-	-	-	-	-	-	(764)	(764)
Balance as at 31.Mar 2018	5,897	224,594	49,031	267,600	18,591	(18)	(456,618)	109,077
Total comprehensive profit for the period	-	-	-	-	-	-	2,347	2,347
Balance as at 30 Jun 2018	5,897	224,594	49,031	267,600	18,591	(18)	(454,271)	111,424

The Company							
	Share capital	Share premium	Distributable reserve	Fair value reserve	Treasury shares	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 01 Jan 2019	5,897	224,594	267,600	7,677	(18)	(420,867)	84,883
Total comprehensive loss for the period	-	-	-	-	-	(680)	(680)
Balance as at 31 Mar 2019	5,897	224,594	267,600	7,677	(18)	(421,547)	84,203
Total comprehensive loss for the period	-	-	-	-	-	(763)	(763)
Balance as at 30 Jun 2019	5,897	224,594	267,600	7,677	(18)	(422,310)	83,440

The Company							
	Share capital	Share premium	Distributable reserve	Fair value reserve	Treasury shares	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 01 Jan 2018	5,897	224,594	267,600	18,591	(18)	(416,344)	100,320
Total comprehensive loss for the period	-	-	-	-	-	(614)	(614)
Balance as at 31 Mar 2018	5,897	224,594	267,600	18,591	(18)	(416,958)	99,706
Total comprehensive loss for the period	-	-	-	-	-	(1,037)	(1,037)
Balance as at 30 Jun 2018	5,897	224,594	267,600	18,591	(18)	(417,995)	98,669

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 2018 and the financial period ended 30 June 2019.

Employee Share Option Scheme

No share options were issued for the year ended 31 December 2018 and financial period ended 30 June 2019 and there was no ordinary share that may be issued upon the exercise of any share option outstanding as at 31 December 2018 and 30 June 2019.

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 Dec 2018 and 30 Jun 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 Dec 2018 and 30 Jun 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.

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 2018 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).

	The Group			
	Q2 2019 RMB'000	Q2 2018 RMB'000	H1 2019 RMB'000	H1 2018 RMB'000
Profit/(loss) attributable to owners of the Company	(5,175)	2,347	(7,865)	1,583
Basic (Singapore cents) ⁽¹⁾	(0.71)	0.3	(1.08)	0.2
Diluted (Singapore cents) ⁽¹⁾	(0.71)	0.3	(1.08)	0.2

Note:

(1) Calculated based on the average exchange rate of S\$1: RMB5.00 for Q2 2019 (Q2 2018: S\$1: RMB4.84); of S\$1:RMB4.98 for H1 2019 (H1 2018: S\$1: RMB4.78) and the issued ordinary shares of 146,688,500 (excluding treasury shares) for Q2 2018 and Q2 2019. The Company has no dilutive potential ordinary shares in Q2 2018 and Q2 2019.

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 2019 RMB'000	31 December 2018 RMB'000	30 June 2019 RMB'000	31 December 2018 RMB'000
Net asset value (excluding non-controlling interests) as at end of financial period/year	90,144	98,009	83,440	84,883
Net asset value per ordinary share as at the end of financial period/year (Singapore cents) ⁽¹⁾	12.10 cents	13.36 cents	11.20 cents	11.57 cents

Note:

(1) Calculated based on the exchange rate of S\$1: RMB5.08 as at 30 June 2019 (S\$1: RMB5.00 as at 31 December 2018) and 146,688,500 ordinary shares (excluding treasury shares) as at 31 December 2018 and 30 June 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 Q2 2019 (relative to that for Q2 2018)

Turnover

The overall turnover, generated mainly from the sales of developed properties, decreased from RMB17.0 million in Q2 2018 to RMB240,000 in Q2 2019 and from RMB30.2 million in H1 2018 to RMB3.8 million in H1 2019. The decrease was principally attributed to fewer completed units being handed over to buyers in Q2 2019 (relative to Q2 2018) and in H1 2019 (relative to H1 2018) in respect of 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 on 26 April 2019 entered into a bought deal with an independent third party to offload these Balanced Units at an mutually agreed reduced total price which had been fully paid in cash as at the date of this announcement by the said third party (the "Sale Consideration"); the Sale Consideration was derived based on mutually agreed reduced sale price of each of the Balanced Units (relative to the prevailing market prices) (the "Agreed Unit Sale Price") and sales would be recognised by the Group as and when any of these Balanced Units is sold during the period from 26 April 2019 to 26 July 2020 to an end buyer but only in respect of an amount equivalent to the Agreed Unit Sale Price (regardless of the actual sale price paid by the end buyer for the Balanced Unit concerned) and any

Balanced Unit which remains unsold as at 26 April 2020 shall be deemed to be sold to the said third party at prices equivalent to the respective Agreed Unit Sale Prices (the “Bought Deal Arrangement”).

Gross profit

Consequence to the Bought Deal Arrangement, the gross profit of the Group reduced from RMB15.7 million in H1 2018 to RMB1.5 million in H1 2019, while registering a gross loss of RMB82,000 for Q2 2019 against a gross profit of RMB9.2 million in Q2 2018.

Share of losses of joint ventures

The Group’s share of loss of joint ventures decreased by RMB36,000 from RMB47,000 in Q2 2018 to RMB11,000 in Q2 2019. The decrease was attributed mainly to lower operating expenses incurred by Tian Cheng Holdings Limited (天晟控股有限公司) (the “Joint Venture”).

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 RMB11,000 in Q2 2019 from RMB988,000 in Q2 2018.

General and administrative expenses

Our general and administrative expenses increased from RMB4.0 million in Q2 2018 to RMB5.4 million in Q2 2019 and from RMB7.9 million in H1 2018 to RMB9.2 million in H1 2019 chiefly as a result of increased rental expense following the leased of additional office space in Q3 2018 as well as increased staff strength and salary adjustments as the Group makes preparation to reorganize its business activities (including but not limited to the Restructuring (as herein after defined)).

Other income

Our other income relates mainly to interest income derived from short-term financial products investments purchased from local PRC banks. Following the redemption of some of these short-term investments in Q2 2018, our other income reduced from RMB507,000 in Q2 2018 to RMB238,000 in Q2 2019 and from RMB708,000 in H1 2018 to RMB304,000 in H1 2019.

Other expenses

Albeit our other expenses reversed from a debit of RMB32,000 in Q2 2018 to a credit of RMB55,000 in Q2 2019, our other expenses increased from RMB33,000 in H1 2018 to RMB47,000 in H1 2019 primarily as a result of exchange losses.

Finance income

Our finance income decreased from RMB137,000 in Q2 2018 to RMB7,000 in Q2 2019 and from RMB188,000 in H1 2018 to RMB32,000 in H1 2019 principally as a result of lower interest earned from bank deposits.

Loss before tax

Consequence to the above, we registered a loss before tax of RMB5.2 million in Q2 2019 *vis-à-vis* a profit before tax of RMB4.8 million in Q2 2018.

Income tax credit

The tax credit in Q2 2019 relates mainly to the loss on the sale of the Project’s developed properties.

Net income/loss attributable to owners of the Company

Accordingly, the net loss attributable to the shareholders of the Company was RMB5.2 million for Q2 2019 compared to a net profit of RMB2.3 million for Q2 2018.

(b) Review of statements of financial position of the Group as at 30 June 2019 (relative to that as at 31 December 2018)

Non-current assets

Our non-current assets decreased by RMB1.1 million from RMB83.7 million as at 31 December 2018 to RMB82.6 million as at 30 June 2019. The decrease was principally due to the depreciation of property, plant and equipment.

Current assets

The decrease in completed properties for sale by RMB2.3 million was due principally to the delivery of completed units of the Project to the buyers concerned.

The increase in financial assets at FVPL was attributed to more short-term investment deposits placed with the local PRC banks since 31 December 2018.

The decrease in prepayments and other receivables by RMB611,000 was due principally to the recognition of prepaid office rental (which is to be expensed off as and when the rental is incurred) as well as payments received in respect of some of the other receivables.

Taken as a whole, our current assets decreased by RMB5 million from RMB77 million as at 31 December 2018 to RMB72 million as at 30 June 2019.

Current liabilities

Our trade payable decreased by RMB103,000 from RMB2.9 million as at 31 December 2018 to RMB2.8 million as at 30 June 2019 due principally to payments made to suppliers and contractors.

Our accruals and other payables increased by RMB1.1 million from RMB18.1 million as at 31 December 2018 to RMB19.2 million as at 30 June 2019 due principally to additional expenses incurred.

The decrease in amounts due to related parties was due to repayment made to interest-free loans previously provided to the Group by a company controlled by a controlling shareholder of the Company.

The amounts due to/due from joint ventures concern the Joint Venture. While the amounts due from the Joint Venture remained at RMB2.6 million as at 30 June 2019, the amount due to the Joint Venture increased by RMB3.1 million from RMB1.4 million as at 31 December 2018 to RMB4.5 million as at 30 June 2019 chiefly as a result of an advance which the Group received from the Joint Venture following the disposal of one of the two mines of the Joint Venture in December 2018 (as announced by the Company on 6 December 2018).

Taken as a whole, our current liabilities increased by RMB1.8 million from RMB62.7million as at 31 December 2018 as compared to RMB64.5 million as at 30 June 2019.

As a result of the above:

- (1) the working capital position of the Group reduced from RMB14.3 million as at 31 December 2018 to RMB7.6 million as at 30 June 2019;
- (2) the net cash flow of the Group used in operations increased from RMB2.0 million in Q2 2018 to RMB2.5 million in Q2 2019; and
- (3) the net asset value of the Group decreased from RMB98.0 million as at 31 December 2018 to RMB90.1 million as at 30 June 2019, with the net asset value per ordinary share of the Company decreased from 13.36 Singapore cents per share as at 31 December 2018 to 12.10 Singapore cents per share as at 30 June 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.

On 5 June 2019, the Company announced that pursuant to Listing Rule 1311(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), the Company has, since 6 June 2019, been placed on the watch-list due to the Minimum Trading Price Entry Criteria of the SGX-ST. The Company must take active steps to meet the requirements of Listing Rule 1313(2) of the SGX within 36 months from 6 June 2019, failing which SGX-ST may either delist the Company, or suspend trading of the Company's shares with a view to delisting the Company (the "Rule 1313(2) Watch List Compliance").

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"), due to the protracted and arduous

regulatory process, many factors relating to the Proposed Acquisition had changed and necessitated the relevant sales and purchase agreement to be re-visited. The Company is presently working diligently with the Seller to see to how best to structure a deal to accommodate the Proposed Acquisition with modifications based on certain revised terms and conditions (the "Restructuring"). The Restructuring shall also aim to meet the Rule 1313(2) Watch List Compliance. Appropriate announcement will be made by the Company as and when there is any material development concerning the Restructuring

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 2019.

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 period 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

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 period ended 30 June 2019 to be false or misleading in any material aspect.

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.

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

01 August 2019