

SINCAP GROUP LIMITED

(Incorporated in the Republic of Singapore)

Co. Reg. No.201005161G

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

This announcement has been prepared by Sincap Group Limited (“Company”) and its contents have been reviewed by the Company’s sponsor, Canaccord Genuity Singapore Pte. Ltd. (“Sponsor”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Sponsor has not independently verified the contents of this announcement.

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PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER (“FY”) 2014

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 year

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(RMB'000)	<u>Group</u>		% Change Increase/ (Decrease)
	Unaudited FY2014	Audited FY2013	
Revenue	892,172	801,426	11.3
Cost of sales	(862,504)	(768,777)	12.2
Gross profit	29,668	32,649	(9.1)
<u>Other items of income</u>			
Interest income	98	182	(46.2)
Other credits	176	375	(53.1)
<u>Other items of expense</u>			
Distribution costs	(4,203)	(5,064)	(17.0)
Administrative expenses	(21,061)	(20,487)	2.8
Finance costs	(1,104)	(1,388)	(20.5)
Other charges	(338)	(1,793)	(81.1)
Profit before tax	3,236	4,474	(27.7)
Income tax expense	(3,620)	(4,436)	(18.4)
(Loss) / profit, net of tax	(384)	38	NM
Other comprehensive loss for the year, net of tax	(7,658) ⁽¹⁾	-	NM
Total comprehensive (loss)/ income	(8,042)	38	NM
Loss attributable to owners of the parent, net of tax	(432)	(47)	819.1
Profit attributable to non-controlling interests, net of tax	48	85	(43.5)
(Loss) / profit, net of tax	(384)	38	NM
Total comprehensive loss attributable to owners of the parent	(8,090)	(47)	NM
Total comprehensive income attributable to non-controlling interests	48	85	(43.5)
Total comprehensive (loss) / income	(8,042)	38	NM

NM: denotes not meaningful

Note: (1) Please refer to paragraph 8(a) for details on the “Other comprehensive loss” recorded in FY2014.

1(a)(ii) (Loss)/Profit, net of tax, is arrived at:

(RMB'000)	<u>Group</u>		% Change Increase/ (Decrease)
	Unaudited FY2014	Audited FY2013	
After (charging)/ crediting:			
Depreciation and amortisation	(4,320)	(5,142)	(16.0)
Finance costs - interest on borrowings	(1,104)	(1,388)	(20.5)
Foreign exchange loss	(305)	(1,743)	(82.5)
Underprovision of tax in respect of prior years	-	(76)	NM
Loss on disposal of plant and equipment	(33)	-	NM
Gain on disposal of investment properties	46	90	(48.9)
Sundry income	30	285	(89.5)
Write-off of prepayment and other receivables	-	(50)	NM
Reversal of write-off of other receivable	100	-	NM

1(b)(i) A statement 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

(RMB'000)	<u>Group</u>		<u>Company</u>	
	Unaudited 31.12.2014	Audited 31.12.2013	Unaudited 31.12.2014	Audited 31.12.2013
ASSETS				
<u>Non-current assets</u>				
Property, plant and equipment	29,156	31,650	1,647	1,953
Intangible assets	9,401	9,244	-	-
Deferred tax assets	1,063	947	-	-
Other assets	420	447	-	-
Investment in subsidiaries	-	-	63,474	5,000
Total non-current assets	<u>40,040</u>	<u>42,288</u>	<u>65,121</u>	<u>6,953</u>
<u>Current assets</u>				
Development property	53,450	-	-	-
Inventories	5,599	2,761	-	-
Trade and other receivables	17,355	21,365	8,281	5,951
Other assets	15,448	23,183	46	49
Cash and cash equivalents	18,623	25,417	490	8,594
Total current assets	<u>110,475</u>	<u>72,726</u>	<u>8,817</u>	<u>14,594</u>
Total assets	<u>150,515</u>	<u>115,014</u>	<u>73,938</u>	<u>21,547</u>
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share capital	86,925	27,754	86,925	27,754
Retained earnings / (accumulated losses)	3,075	4,631	(18,618)	(10,467)
Statutory reserve	15,281	14,157	-	-
Translation reserve	(7,658)	-	-	-
Equity, attributable to owners of the parents	<u>97,623</u>	<u>46,542</u>	<u>68,307</u>	<u>17,287</u>
Non-controlling interests	786	738	-	-
Total equity	<u>98,409</u>	<u>47,280</u>	<u>68,307</u>	<u>17,287</u>
<u>Non-current liabilities</u>				
Deferred tax liabilities	307	459	-	-
Other financial liabilities	12,247	16,903	1,423	1,693
Total non-current liabilities	<u>12,554</u>	<u>17,362</u>	<u>1,423</u>	<u>1,693</u>
<u>Current liabilities</u>				
Provision	576	1,020	-	-
Income tax payable	1,951	1,012	31	-
Trade and other payables	21,948	20,909	1,288	2,334
Other financial liabilities	8,128	425	2,889	233
Other liabilities	6,949	27,006	-	-
Total current liabilities	<u>39,552</u>	<u>50,372</u>	<u>4,208</u>	<u>2,567</u>
Total liabilities	<u>52,106</u>	<u>67,734</u>	<u>5,631</u>	<u>4,260</u>
Total equity and liabilities	<u>150,515</u>	<u>115,014</u>	<u>73,938</u>	<u>21,547</u>

1(b)(ii) In relation to the aggregate amount of the 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

(RMB'000)	<u>Group</u>	
	Unaudited 31.12.2014	Audited 31.12.2013
Payable in one year or less, or on demand		
Secured - Obligation under finance leases (a)	237	233
Unsecured		
Term loan	2,652	-
Related party loan (b)	-	192
Amount owing to shareholder	5,239	-
	8,128	425
Payable after one year		
Secured - obligation under finance leases (a)	1,423	1,693
Unsecured		
Related party loan (b)	-	15,210
Amount owing to shareholder (b)	10,824	-
	12,247	16,903
TOTAL	20,375	17,328

Details of any collateral

- a) The obligations under finance leases are secured by charges of the lessors (banks) over the leased assets of the Group.
- b) In accordance with Singapore Financial Reporting Standards ("FRS") 24 on Related Party Disclosures (SFRS 24), the related party loan as at 31 December 2013 was reclassified to amount owing to shareholder as at 31 December 2014 due to a reduction in the relevant lender's shareholding in the Company to below 15% (but above 5%), thereby rendering the lender to be classified as a shareholder of the Company and not a related party as at 31 December 2014.

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

(RMB'000)	<u>Group</u>	
	Unaudited FY2014	Audited FY2013
<u>Cash flows from operating activities</u>		
Profit before tax	3,236	4,474
Adjustments for:		
Interest income	(98)	(182)
Interest expense	1,104	1,388
Depreciation of property, plant and equipment	4,147	4,967
Loss on disposal of plant and equipment	33	-
Gain on disposal of investment property	(46)	(90)
Amortisation of other intangible assets and land use rights	173	175
Write-off of prepayment and other receivable	-	50
Net effect of exchange rate changes in consolidating foreign operations	(7,658)	-
Operating cash flows before changes in working capital	891	10,782
Development property	(53,144)	-
Inventories	(2,838)	386
Trade and other receivables	4,010	(6,200)
Other assets	7,735	6,969
Trade and other payables	1,503	7,254
Other liabilities	(20,057)	6,187
Net cash flows (used in) / from operations before tax	(61,900)	25,378
Income tax paid	(2,949)	(6,185)
Net cash flows (used in) / from operating activities	(64,849)	19,193
<u>Cash flows from investing activities</u>		
Purchase of plant and equipment	(1,734)	(1,948)
Purchase of intangible assets	(303)	(394)
Proceeds from disposal of investment property	94	4,400
Interest received	98	182
Net cash flows (used in) / from investing activities	(1,845)	2,240
<u>Cash flows from financing activities</u>		
Interest paid	(214)	(551)
Finance lease repayment	(266)	(236)
Repayment of advances to related parties	-	(5,651)
Repayment to shareholder	(908)	-
Advances received from related parties	-	2,621
Proceeds from term loan	7,039	-
Repayment of bank borrowings	-	(3,300)
Repayment of term loan	(4,693)	-
Repayment of related party loan	(229)	(213)
Proceeds from issuance of new shares, net of issuance expenses	59,171	-
Net cash flows from / (used in) financing activities	59,900	(7,330)
Net (decrease) / increase in cash and cash equivalents	(6,794)	14,103
Cash and cash equivalents, beginning balance	25,417	11,314
Cash and cash equivalents, ending balance (see note below)	18,623	25,417

Cash and cash equivalents comprise:

(RMB'000)	<u>Group</u>	
	Unaudited 31.12.2014	Audited 31.12.2013
Bank and cash balances	18,623	25,417
Cash restricted in use	-	-
Cash and cash equivalents, ending balance	18,623	25,417

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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group

(RMB'000)	Total equity	Attributable to parent	Share capital	Retained earnings	Statutory reserve	Translation reserve	Non-controlling interests
As at 1 January 2014	47,280	46,542	27,754	4,631	14,157	-	738
Movement in equity:							
Issue of new shares pursuant to the placement	61,059	61,059	61,059	-	-	-	-
Share issuance expenses	(1,888)	(1,888)	(1,888)	-	-	-	-
Total comprehensive loss for the year	(8,042)	(8,090)	-	(432)	-	(7,658)	48
Appropriation for the year	-	-	-	(1,124)	1,124	-	-
As at 31 December 2014	98,409	97,623	86,925	3,075	15,281	(7,658)	786
As at 1 January 2013	47,242	46,589	27,754	5,832	13,003	-	653
Movement in equity:							
Total comprehensive income for the year	38	(47)	-	(47)	-	-	85
Appropriation for the year	-	-	-	(1,154)	1,154	-	-
As at 31 December 2013	47,280	46,542	27,754	4,631	14,157	-	738

Company

(RMB'000)	Total equity	Share capital	Accumulated losses
As at 1 January 2014	17,287	27,754	(10,467)
Movement in equity:			
Issue of new shares pursuant to the placement	61,059	61,059	-
Share issuance expenses	(1,888)	(1,888)	-
Total comprehensive loss for the year	(8,151)	-	(8,151)
As at 31 December 2014	68,307	86,925	(18,618)
As at 1 January 2013	10,611	27,754	(17,143)
Movement in equity:			
Total comprehensive income for the year	6,676	-	6,676
As at 31 December 2013	17,287	27,754	(10,467)

1(d)(ii) Details of any changes in the company's share capital arising from rights issues, bonus shares, shares buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issues of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period 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 of the issuers, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

	Number of shares	Share capital (S\$)	Share capital (RMB)
As at 31 December 2013	175,500,000	5,542,962	27,753,879
Issuance of new shares pursuant to the placement on 26 June 2014	175,500,000	12,285,000	61,058,648
Share issuance expenses	-	(379,838)	(1,887,864)
As at 30 June 2014 and 31 December 2014	351,000,000	17,448,124	86,924,663

There were no outstanding convertibles as at 31 December 2014 (2013: Nil).

The Company did not hold any treasury shares as at 31 December 2014 (2013: Nil).

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

	<u>Company</u>	
	31.12.2014	31.12.2013
Number of ordinary shares in issue (excluding treasury shares)	351,000,000	175,500,000

The Company did not hold any treasury shares as at 31 December 2014 (2013: Nil).

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable as the Company does not have any treasury shares.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice

The figures have neither been audited nor reviewed by the Company's auditors.

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

Not applicable.

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

Other than the adoption of the new and revised Financial Reporting Standards (FRS) which came into effect for the accounting periods beginning on or after 1 January 2014, there were no changes in the accounting policies and methods of computation adopted in financial statements for the current financial year ended 31 December 2014 as compared to the most recent audited annual financial statements as at 31 December 2013. The adoption of the new FRS has no material impact on the financial statements of the Group.

5. If there are any changes in the accounting policies and methods of computation, including any required by the accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Please refer to paragraph 4 above.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year

	Unaudited FY2014	Group	Audited FY2013
Loss per share ("LPS") (RMB cents)			
on weighted average number of ordinary shares	(0.16)		(0.03)
on fully diluted basis	(0.16)		(0.03)
Net loss attributable to shareholders (RMB'000)			
on basic LPS	(432)		(47)
on diluted LPS	(432)		(47)
Weighted average number of ordinary shares in issue			
for basic LPS	266,375,342 ⁽¹⁾		175,500,000
for diluted LPS	266,375,342 ⁽¹⁾		175,500,000

Note:-

- (1) The Company issued and allotted 175,500,000 placement shares on 26 June 2014. With the issue of the 175,500,000 placement shares, the issued and paid-up share capital of the Company increased from 175,500,000 shares to 351,000,000 shares.

The Company has no dilutive equity instruments as at 31 December 2014 (2013: Nil).

7. Net asset value per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of: (a) current financial period reported on; and (b) immediate preceding financial year

	Group		Company	
	Unaudited 31.12.2014	Audited 31.12.2013	Unaudited 31.12.2014	Audited 31.12.2013
Net asset value per ordinary share based on existing issued share capital as at the end of year (RMB cents)	27.81	26.52	19.46	9.85
Net asset value as at the end of the year (RMB'000)	97,623	46,542	68,307	17,287
Number of ordinary shares in issue as at the end of the year	351,000,000	175,500,000	351,000,000	175,500,000

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 period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

8(a). REVIEW OF CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Revenue

The Group's revenue increased by RMB90.7 million or 11.3%, from RMB801.4 million in FY2013 to RMB892.2 million in FY2014. This was due to an increase in revenue from the sale of alumina of RMB97.6 million which was partially offset by a decrease in revenue from the sale of gypsum of RMB6.9 million.

Revenue from the sale of alumina increased by RMB97.6 million or 13.1%, from RMB747.4 million in FY2013 to RMB845.1 million in FY2014. The increase was attributable to (i) an increase in sales volume of 41,859 tonnes or 12.1%, from 346,868 tonnes in FY2013 to 388,727 tonnes in FY2014; and (ii) an increase in average selling price of RMB19 per tonne or 0.9%, from approximately RMB2,155 per tonne in FY2013 to approximately RMB2,174 per tonne in FY2014. The increase in sales volume of alumina was mainly attributable to sales of 66,566 tonnes to new customers in FY2014 as a result of more intensive marketing efforts, which was partially offset by a decrease in sales volume of 24,707 tonnes of alumina to existing customers.

There was no sale of coal in both FY2014 and FY2013, as the Group's coal trading business had remained inactive since FY2013, mainly due to a weaker coal trading domestic market in the People's Republic of China ("PRC").

Revenue from the sale of gypsum decreased by RMB6.9 million or 12.8%, from RMB54.0 million in FY2013 to RMB47.1 million in FY2014. The decrease was attributable to (i) a decrease in average selling price of RMB6 per tonne or 5.7%, from approximately RMB102 per tonne in FY2013 to approximately RMB96 per tonne in FY2014; and (ii) a decline in sales volume of gypsum of 40,097 tonnes or 7.6%, from 529,364 tonnes in FY2013 to 489,267 tonnes in FY2014. The decrease in average selling price and sales volume of gypsum was mainly attributable to reduced demand for gypsum in view of the PRC authorities' implementation of new cooling measures on the PRC's domestic property market as well as the general slowdown in the PRC's economy.

Gross profit and gross profit margin

The Group's gross profit decreased by RMB2.9 million or 9.1%, from RMB32.6 million in FY2013 to RMB29.7 million in FY2014. This was mainly attributable to a decrease in gross profit from the sale of gypsum of RMB5.2 million which was partially offset by an increase in gross profit from the sale of alumina of RMB2.4 million.

The Group's overall gross profit margin decreased from 4.1% in FY2013 to 3.3% in FY2014, mainly attributable to the decrease in gross profit margin for the sale of gypsum while gross profit margin for the sale of alumina remained comparable with those in FY2013.

Gross profit margin from the sale of alumina remained at 1.9% in FY2014 and FY2013.

Gross profit margin from the sale of gypsum decreased from 34.7% in FY2013 to 28.6% in FY2014. This was contributed by the lower average selling price of gypsum in FY2014, while the unit cost of gypsum remained relatively stable.

Other items of income

Other items of income decreased by RMB0.3 million or 50.8%, from RMB0.6 million in FY2013 to RMB0.3 million in FY2014, mainly attributable to a decrease in interest income and government grant of RMB0.2 million and RMB0.1 million respectively.

Other items of expense

Distribution costs decreased by RMB0.9 million or 17.0%, from RMB5.1 million in FY2013 to RMB4.2 million in FY2014, mainly due to a decrease of RMB1.0 million in relation to the gypsum business which was in line with the lower sales of gypsum, partially offset by an increase of RMB0.1 million in relation to the alumina trading business, which was in line with the higher sales of alumina.

Administrative expenses increased by RMB0.6 million or 2.8%, from RMB20.5 million in FY2013 to RMB21.1 million in FY2014. This was mainly due to an increase of RMB1.2 million in relation to the Company's administrative expenses as a result of more professional fees incurred for corporate actions and administrative expenses of RMB1.0 million for the newly incorporated subsidiaries in FY2014, which were partially offset by a decrease of RMB1.6 million in the administrative expenses of the Company's PRC subsidiaries as a result of the Group's continuing efforts to manage its operating expenses and improve operations efficiencies.

Finance costs decreased by RMB0.3 million or 20.5%, from RMB1.4 million in FY2013 to RMB1.1 million in FY2014, mainly due to full repayment of a term loan of RMB3.3 million in August 2013.

Other charges decreased by RMB1.5 million or 81.1%, from RMB1.8 million in FY2013 to RMB0.3 million in FY2014, mainly due to a decrease of RMB1.4 million in foreign exchange losses and a decrease of RMB0.1 million in reversal of write-off of other receivables.

Income tax expense

The Group incurred income tax expense of RMB3.6 million in FY2014 as compared to RMB4.4 million in FY2013, mainly due to lower withholding tax suffered by the Company and lower profits generated from its operating subsidiaries in the PRC.

Other comprehensive loss

The Group incurred other comprehensive loss of RMB7.7 million in FY2014 mainly due to foreign exchange translation reserves arising from its newly incorporated subsidiaries in Australia which are denominated in Australian dollar, as compared to the reporting currency of the Group which is in Renminbi. The exchange rate of Australian dollar against Renminbi depreciated from AUD1 : RMB5.76 at the time of incorporation of the subsidiaries to AUD1 : RMB5.08 as at 31 December 2014.

8(b). REVIEW OF THE STATEMENTS OF FINANCIAL POSITION

The Group recorded positive working capital of RMB70.9 million as at 31 December 2014, as compared to RMB22.4 million as at 31 December 2013. The Group's total equity increased by RMB51.1 million, from RMB47.3 million as at 31 December 2013 to RMB98.4 million as at 31 December 2014. The increase was mainly due to net proceeds of RMB59.2 million from the issuance of new ordinary shares on 26 June 2014 pursuant to a placement, partially offset by comprehensive loss of RMB8.1 million in FY2014.

Non-current assets

Non-current assets decreased by RMB2.3 million, from RMB42.3 million as at 31 December 2013 to RMB40.0 million as at 31 December 2014. This was mainly due to a decrease of RMB2.4 million in property, plant and equipment (which mainly resulted from depreciation charge of RMB4.1 million, partially offset by purchase of RMB1.7 million in FY2014), while other non-current assets remained comparable with those as at 31 December 2013.

Current assets

Current assets increased by RMB37.7 million, from RMB72.7 million as at 31 December 2013 to RMB110.4 million as at 31 December 2014, largely due to a new development property of RMB53.4 million as a result of the acquisition of a piece of land in FY2014. Inventories increased by RMB2.8 million, from RMB2.8 million as at 31 December 2013 to RMB5.6 million as at 31 December 2014, mainly due to goods-in-transit in relation to the alumina trading business as at 31 December 2014 which was nil as at 31 December 2013. Trade and other receivables decreased by RMB4.0 million, from RMB21.4 million as at 31 December 2013 to RMB17.4 million as at 31 December 2014, mainly due to lower sales of gypsum. Other assets decreased by RMB7.8 million, from RMB23.2 million as at

31 December 2013 to RMB15.4 million as at 31 December 2014 as a result of lower deposits placed with suppliers.

Non-current liabilities

Non-current liabilities decreased by RMB4.8 million, from RMB17.4 million as at 31 December 2013 to RMB12.6 million as at 31 December 2014. The decrease was mainly due to a RMB4.7 million decrease in other financial liabilities from RMB16.9 million as at 31 December 2013 to RMB12.2 million as at 31 December 2014, as a result of (i) repayment of RMB0.3 million of related party loan, (ii) repayment of RMB0.3 million of finance leases in FY2014, and (iii) a decrease of RMB14.0 million in amount owing to related party as a result of a reclassification of RMB9.0 million to amount owing to shareholder (non-current) and RMB5.0 million to amount owing to shareholder (current), which was partially offset by an increase of RMB9.9 million in amount owing to shareholder in relation to the reclassification of RMB9.0 million mentioned above and recognition of imputed interest of RMB0.9 million on the amount owing to shareholder in FY2014.

Current liabilities

Current liabilities decreased by RMB10.9 million, from RMB50.4 million as at 31 December 2013 to RMB39.5 million as at 31 December 2014. The decrease was mainly due to a decrease of RMB20.1 million in other liabilities as a result of lower deposits placed by customers with the Group and a decrease of RMB0.4 million in provision for safety expenses, partially offset by (i) an increase of RMB0.9 million in income tax payable, (ii) an increase of RMB1.0 million in trade and other payables, and (iii) an increase of RMB7.7 million in other financial liabilities as a result of the reclassification of RMB5.0 million of amount owing to shareholder from non-current liability to current liability as mentioned above and an increase of RMB2.7 million in term loan.

8(c). REVIEW OF THE STATEMENT OF CASH FLOWS

In FY2014, the Group generated net cash from operating activities before changes in working capital of RMB0.9 million. Net cash used in working capital was RMB62.8 million. This was mainly due to (i) an increase of RMB2.8 million in inventories, (ii) a decrease of RMB4.0 million in trade and other receivables, (iii) a decrease of RMB7.7 million in other assets, (iv) an increase of RMB1.5 million in trade and other payables, (v) a decrease of RMB20.1 million in other liabilities, and (vi) an increase of development property of RMB53.1 million. The Group paid income tax of RMB2.9 million. As a result of the above, net cash used in operating activities was RMB64.8 million in FY2014.

In FY2014, the Group used net cash in investing activities of RMB1.9 million, mainly due to purchase of plant and equipment of RMB1.7 million and purchase of intangible assets of RMB0.3 million, partially offset by proceeds of RMB0.1 million from disposal of investment property and interest received of RMB0.1 million.

In FY2014, the Group generated net cash from financing activities of RMB59.9 million, mainly due to net proceeds of RMB59.2 million from issuance of new ordinary shares on 26 June 2014 pursuant to a placement and proceeds of RMB7.0 million from term loan, partially offset by (i) payment of interest of RMB0.2 million, (ii) finance leases repayments of RMB0.3 million, (iii) repayment of advances to shareholder of RMB0.9 million, (iv) repayment of term loan of RMB4.7 million, and (v) repayment of related party loan of RMB0.2 million.

As a result of the above, the Group's cash and cash equivalents stood at RMB18.6 million as at 31 December 2014.

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

The unaudited financial results for the financial year ended 31 December 2014 set out in this announcement are in line with the profit warning released by the Company on 25 February 2015.

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 period and the next 12 months

The Group is of the view that its gypsum business as well as its alumina and coal trading businesses are expected to continue to be directly affected respectively by the cooling of property market and soft commodities trading market in the PRC, arising from a slowdown in the domestic economic environment and uncertainties in the global economy. As such, the Group has diversified its business into property development and property investment.

Subsequent to the shareholders' approval for the Group's business diversification on 25 June 2014, the Group has made its foray into the Australia property market with the acquisition of its first real estate property in Perth, Australia in July 2014. The Company has also announced its proposed acquisition of all of the issued shares of LTN Land Pte. Ltd. on 18 November 2014, and will be seeking shareholders' approval in an extraordinary general meeting to be convened in due course. The Group will continue to look for opportunities to expand and develop its property development and property investment business to add value to all stakeholders.

11. Dividend

(a) Current Financial Period Reported On Any dividend declared for the current financial period reported on?

Nil

(b) Corresponding Period of the Immediately Preceding Financial Year Any dividend declared for the corresponding period of the immediately preceding financial year?

Nil

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for FY2014.

13. Aggregate value of all Interested Person Transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual Section B: Rules of Catalyst

The Group has not obtained a general mandate from shareholders in respect of any interested person transactions.

	Aggregated value of all interested person transactions during the financial period under review (excluding transactions conducted under share holders' mandate pursuant to Rule 920)	Aggregated value of all interested person transactions conducted under share holders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	FY2014	FY2014
	RMB'000	RMB'000
Rental expenses incurred for lease of office premises owned by NHW Pte. Ltd. (which is owned by Ng Hong Whee, Executive Chairman and Chief Executive Officer of the Company)	87	-
Interest paid on loan extended by Wang Liming (spouse of Fu Hao) to the Group	50 ⁽¹⁾	-

Note:

- (1) Fu Hao had ceased to be an interested person with effect from 1 July 2014 as his shareholding in the Company declined below 15%, pursuant to the Company's placement completed in FY2014. The amount of approximately RMB50,000 represented the interest paid by the Group on loan extended by Wang Liming (spouse of Fu Hao) during the period which Fu Hao remained as an interested person, i.e. from 1 January 2014 to 30 June 2014.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. 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	Gypsum ore and powder	Alumina products	Coal products	Property development	Unallocated	Total
FY2014	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue by Segment	47,064	845,108	-	-	-	892,172
Total revenue	47,064	845,108	-	-	-	892,172
Recurring EBITA	8,879	9,437	(115)	(227)	-	17,974
Depreciation and amortisation	(3,932)	(67)	(16)	-	(305)	(4,320)
ORBIT	4,947	9,370	(131)	(227)	(305)	13,654
Interest income	55	35	-	-	8	98
Finance costs	(41)	-	-	-	(1,063)	(1,104)
Unallocated corporate expenses					(9,412)	(9,412)
Profit before income tax						3,236
Income tax expenses						(3,620)
Net profit attributable to shareholders						(384)
Assets and Reconciliation						
Total assets for reportable segment	58,626	27,965	106	53,584	-	140,281
Unallocated:						
Property, plant and equipment					1,647	1,647
Investment property						-
Deferred tax asset					1,063	1,063
Trade and other receivables					-	-
Other assets, current					46	46
Cash and cash equivalents					7,478	7,478
Total group assets	58,626	27,965	106	53,584	10,234	150,515
Liabilities and Reconciliation						
Total liabilities for reportable segment	12,502	13,740	7	1,168	-	27,417
Unallocated:						
Deferred tax liabilities					307	307
Income tax payables					1,951	1,951
Trade and other payables					2,056	2,056
Other financial liabilities					20,375	20,375
	12,502	13,740	7	1,168	24,689	52,106

Group	Gypsum ore and powder	Alumina products	Coal products	Unallocated	Total
FY2013	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue by segment	53,972	747,454	-	-	801,426
Total revenue	53,972	747,454	-	-	801,426
Recurring EBITDA	13,375	6,167	(931)	-	18,611
Depreciation and amortisation	(4,580)	(96)	(16)	(450)	(5,142)
ORBIT	8,795	6,071	(947)	(450)	13,469
Interest income	51	125	-	6	182
Financial costs	(194)	-	-	(1,194)	(1,388)
Unallocated corporate expenses:				(7,789)	(7,789)
Profit before income tax					4,474
Income tax expense					(4,436)
Net profit attributable to shareholders					38
Assets and Reconciliation					
Total assets for reportable segment	60,246	42,627	42	-	102,915
Unallocated:					
Property, plant and equipment				1,953	1,953
Deferred tax assets				947	947
Trade and other receivables				14	14
Other assets				49	49
Cash and cash equivalents				9,136	9,136
Total group assets					115,014
Liabilities and Reconciliation					
Total liabilities for reportable segment	14,310	31,721	7	-	46,038
Unallocated:					
Deferred tax liabilities				459	459
Income tax payables				1,012	1,012
Trade and other payables				2,897	2,897
Other financial liabilities				17,328	17,328
Total group liabilities					67,734

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

Please refer to review of financial performance as disclosed in paragraph 8 of this announcement.

16. A breakdown of sales

	Group		% increase/ (decrease)
	6 months ended 30 June 2014	6 months ended 30 June 2013	
	RMB'000	RMB'000	
(a) Revenue	381,542	399,488	(4.5)
(b) Operating profit / (loss) after tax before deducting minority interests	1,226	2,850	(57.0)

	Group		% increase/ (decrease)
	6 months ended 31 December 2014	6 months ended 31 December 2013	
	RMB'000	RMB'000	
(c) Revenue	510,630	401,938	27.0
(d) Operating loss after tax before deducting minority interests	(1,610)	(2,812)	(42.7)

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

- (a) Ordinary**
- (b) Preference**
- (c) Total**

Not applicable.

18. 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(10) in the format below.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Zhang Xiaogang	63	Uncle of Fu Hao	Assistant general manager of Sino-Lonther	Nil
Cui Ying	58	Uncle-in-law of Fu Hao	Director of Shandong Luneng Taishan Mining Co., Ltd. ("Luneng Taishan Mining") and general manager of Shandong Sincap International Trading Co., Ltd.	Nil
Fu Jingbo	42	Cousin of Fu Hao	Head of security for Luneng Taishan Mining	Nil
Wang Changji	32	Brother-in-law of Fu Hao	Assistant to general manager of Luneng Taishan Mining	Nil
Wang Xianming	34	Brother-in-law of Fu Hao	Assistant general manager of Sino-Lonther	Nil
Zong Zhigang	52	Brother-in-law of Fu Hao	Vice president of Beijing Raffles Investment Advisory Co., Ltd.	Nil

19. Use of proceeds from the Placement Issue

The net proceeds from the placement completed on 26 June 2014 (refer to note 1(d)(ii)) was approximately S\$11.8 million, which has been fully utilised as follows:

	Amount allocated- initial (S\$'000)	Amount allocated- revision (S\$'000)	Amount utilised (S\$'000)	Balance (S\$'000)
Use of net proceeds				
Proposed new business	10,669	11,854	11,854	-
General working capital for the Group	1,185	-	-	-
Total	<u>11,854</u>	<u>11,854</u>	<u>11,854</u>	<u>-</u>

BY ORDER OF THE BOARD

Ng Hong Whee
*Executive Chairman and
Chief Executive Officer*

Alex Yong
Lead Independent Director

27 February 2015