



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 2018 (“FY2018”)

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		
	FY2018	FY2017	%
	RMB'000	RMB'000	Change
Revenue	35,006	25,986	35
Cost of sales	(17,628)	(16,055)	10
Gross profit	17,378	9,931	75
Share of losses of joint ventures	(853)	(64)	1233
Selling and distribution expenses	(2,188)	(1,429)	53
General and administrative expenses	(19,521)	(24,305)	(20)
Other income	7,371	688	971
Other expenses	(57)	(797)	(93)
Finance income	44	2,241	(98)
Profit/(Loss) before tax	2,174	(13,735)	N/M
Income tax expense	(5,163)	(2,280)	126
Loss for the year	(2,989)	(16,015)	(81)

“FY2017” and “FY2018” denotes the full year or the twelve-month financial period ended 31 December 2017 and 31 December 2018 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		
	FY2018 RMB'000	FY2017 RMB'000	% Change
Loss from operations before tax has been arrived at after charging/(crediting):			
Amortisation of land use rights	2	3	(33)
Depreciation of property, plant and equipment	1,849	2,130	(13)
Loss/(Gain) on disposal of property, plant and equipment	26	(43)	N/M
Property, plant and equipment written off	-	38	(100)
Gain on disposal of a subsidiary	-	(379)	(100)
Foreign exchange (gain)/loss, net	(73)	377	N/M
Interest income	(44)	(320)	(86)
Impairment loss on amounts due from joint ventures	-	159	(100)
Impairment loss on amounts due from related parties	24	-	N/M
Impairment loss on completed properties for sale	282	650	(57)
Write-back of impairment on completed properties for sale	(1,022)	(586)	74
Financial assets at FVPL – fair value gain	(1,558)	-	N/M
Accretion of interest income on other investment	-	(1,921)	100
Bad-debts written off	-	200	(100)
Bad-debts recovered	(2,589)	-	N/M
Other payable written off	(2,411)	-	N/M

“FY2017” and “FY2018” denotes the full year or the twelve-month financial period ended 31 December 2017 and 31 December 2018 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 2017 and 31 December 2018

	The Group		The Company	
	31 Dec 2018 RMB'000	31 Dec 2017 RMB'000	31 Dec 2018 RMB'000	31 Dec 2017 RMB'000
Non-current assets				
Property, plant and equipment	4,364	3,648	10	1
Land use rights	47	49	-	-
Investments in subsidiaries	-	-	128,200	128,200
Financial assets, at FVOCI	78,108	-	78,108	-
Available-for-sale, financial asset	-	70,431	-	70,431
Deferred tax assets	1,620	1,789	-	-
	84,139	75,917	206,318	198,632
Current assets				
Completed properties for sale	38,264	59,353	-	-
Prepayments and other receivables	13,031	4,112	-	-
Amounts due from subsidiaries (non-trade)	-	-	-	35,594
Amounts due from related parties (non-trade)	-	471	-	471
Amounts due from joint ventures (non-trade)	2,645	3,606	-	-
Income tax recoverable	69	69	-	-
Pledged bank deposits	1,857	5,308	-	-
Financial assets, at FVPL	16,200	-	-	-
Available-for-sale, financial product	-	31,050	-	-
Cash and cash equivalents	25,824	15,675	4,284	317
	97,890	119,644	4,284	36,382
Current liabilities				
Trade payables	2,872	11,564	-	-
Sales and rental deposits	31,494	43,870	-	-
Accruals and other payables	16,264	10,466	1,134	670
Amounts due to subsidiaries (non-trade)	-	-	124,065	151,624
Amounts due to related parties (non-trade)	520	520	520	520
Amounts due to joint ventures (non-trade)	1,434	2,669	-	-
Amounts due to joint venture partner (non-trade)	11	11	-	-
Income tax payables	35,876	37,120	-	-
	88,471	106,220	125,719	152,814
Net current assets/(liabilities)	9,419	13,424	(121,435)	(116,432)
Net assets	93,558	89,341	84,883	82,200
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	-
Accumulated losses	(461,223)	(457,763)	(420,867)	(415,873)
Total equity	93,558	89,341	84,883	82,200

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

There is no borrowing or debt security as at 31 December 2017 and 31 December 2018.

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	
	FY2018	FY2017
	RMB'000	RMB'000
OPERATING ACTIVITIES		
Profit/(Loss) before tax:	2,174	(13,735)
Adjustments for:		
Amortisation of land use rights	2	3
Depreciation of property, plant and equipment	1,849	2,130
Loss/(Gain) on disposal of property, plant and equipment	26	(43)
Property, plant and equipment written off	-	38
Gain on disposal of a subsidiary	-	(379)
Share of losses of joint ventures	853	64
Exchange difference	147	238
Interest income	(44)	(320)
Impairment loss on amounts due from joint ventures	-	159
Impairment loss on amounts due from related parties	24	-
Impairment loss on completed properties for sales	282	650
Write-back of impairment on completed properties for sale	(1,022)	(586)
Financial assets at FVPL – fair value gain	(1,558)	-
Accretion of interest income on other investment	-	(1,921)
Bad debts written off	-	200
	<hr/>	<hr/>
Operating income/(loss) before working capital changes	2,733	(13,502)
Completed properties for sale	21,829	7,564
Other receivables, deposits and prepayments	1,028	3,090
Pledged bank deposit	3,451	918
Trade payables	(8,692)	5,041
Sales and rental deposits	(12,376)	7,663
Accruals and other payables	5,708	2,426
Cash generated from operations	13,681	13,200
Tax paid	(6,237)	-
	<hr/>	<hr/>
NET CASH GENERATED FROM OPERATING ACTIVITIES	7,444	13,200
INVESTING ACTIVITIES		
(Advances to)/Repayment from joint ventures	(1,127)	354
Interest received	44	320
Disposal/(Purchase) of financial product	16,408	(31,050)
Proceeds from disposal of a subsidiary	-	1,000
Proceeds from disposal of property, plant and equipment	-	51
Purchase of property, plant and equipment	(2,591)	(2,412)
Deposit paid to purchase of office building	(10,000)	-
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NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	2,734	(31,737)

	The Group	
	FY2018	FY2017
	RMB'000	RMB'000
Net increase / (decrease) in cash and cash equivalents	10,178	(18,537)
Cash and cash equivalents at beginning of the year	15,675	34,407
Exchange difference on cash and cash equivalents	(29)	(195)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	25,824	15,675

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 2017 and 2018

Total comprehensive loss for the year attributable to:

	The Group	
	FY2018	FY2017
	RMB'000	RMB'000
Loss for the year	(2,989)	(16,015)
Other comprehensive loss for the year		
Equity investment at FVOCI (see para 5 below)		
- Net changes in fair value	(10,914)	-
Total comprehensive loss for the year	(13,903)	(16,015)

	The Group	
	FY2018	FY2017
	RMB'000	RMB'000
Equity holder of the Company	(13,903)	(16,015)
Non-controlling interests	-	-
	(13,903)	(16,015)

Total comprehensive loss for the year attributable to:

	The Company	
	FY2018	FY2017
	RMB'000	RMB'000
Loss for the year	(4,523)	(30,136)
Other comprehensive loss for the year		
Equity investment at FVOCI (see para 5 below)		
- Net changes in fair value	(10,914)	-
Total comprehensive loss for the year	(15,437)	(30,136)

	The Company	
	FY2018	FY2017
	RMB'000	RMB'000
Equity holder of the Company	(15,437)	(30,136)
Non-controlling interests	-	-
	(15,437)	(30,136)

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 2017 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 1.1.2018	5,897	224,594	49,031	267,600	(18)	-	(457,763)	89,341
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	(458,234)	107,461
Loss for the year	-	-	-	-	-	-	(2,989)	(2,989)
Other comprehensive loss	-	-	-	-	-	(10,914)	-	(10,914)
Balance as at 31.12.2018	5,897	224,594	49,031	267,600	(18)	7,677	(461,223)	93,558

	The Group							
	Issued capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Distributable reserve RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Total Equity RMB'000	
Balance as at 1.1.2017	5,897	224,594	49,031	267,600	(18)	(441,748)	105,356	
Total comprehensive loss for the year	-	-	-	-	-	(16,015)	(16,015)	
Balance as at 31.12.2017	5,897	224,594	49,031	267,600	(18)	(457,763)	89,341	

	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	-	-	-	(10,914)	-	-	(10,914)	
Balance as at 31.12.2018	5,897	224,594	267,600	7,677	(18)	(420,867)	84,883	

	The Company						
	Issued Capital RMB'000	Share premium RMB'000	Distributable Reserve RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Total equity RMB'000	
Balance as at 1.1.2017	5,897	224,594	267,600	(18)	(385,737)	112,336	
Total comprehensive loss for the year	-	-	-	-	(30,136)	(30,136)	
Balance as at 31.12.2017	5,897	224,594	267,600	(18)	(415,873)	82,200	

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 2017 and the financial year ended 31 December 2018.

Employee Share Option Scheme

No share options were issued for the year ended 31 December 2017 and year ended 31 December 2018 and there was no ordinary share that may be issued upon the exercise of any share option outstanding as at 31 December 2017 and 31 December 2018.

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 31.12.2017 and 31.12.2018 (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 31.12.2017 and 31.12.2018: 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.

On 1 January 2018, 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 have been made as required, 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 Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years, except as disclosed in Section 5.

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.

On 1 January 2018, The Group has adopted IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers (the “new IFRSs”) and the impact arising from the adoption is described below:

Adoption of IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a single comprehensive model in accounting for revenue arising from contracts with customers, and will supersede the revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations.

The core principle of IFRS 15 is that the Group should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customers.

Generally, there is no significant impact on the Group as the revenue is recognised when the properties have been completed and delivered to the buyers. Deposit and installments received from the customers prior to this stage are included in current liabilities.

Adoption of IFRS 9 Financial instruments

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, at the following categories:

- Amortised costs
- Fair value through profit or loss (“FVPL”)
- Fair value through Other Comprehensive Income (“FVOCI”) – Debt investments
- FVOCI – Equity investments

(A) Classification and measurement of financial assets

IFRS 9 eliminates the previous categories of financial assets, namely loans and receivables (L&R), held-to-maturity (HTM) financial assets and available-for-sale (AFS) financial assets. As allowed by IFRS 9, the Group adopts the classification and measurement categories on 1 January 2018 based on facts and circumstances existed at the date for the determination of the business model, and does not restate comparative information for prior periods. Difference in carrying amounts of financial assets resulting from adoption of IFRS 9 are adjusted to retained earnings and reserve as at 1 January 2018.

The Group previously classifies certain unquoted equity investments at AFS which is measured at cost as the fair value cannot be reliably measured. Upon adoption of IFRS 9, at 1 January 2018, the Group elects to designate those investments at FVOCI (Equity) as it represents long-term strategic investments. The Group recognise the differences in carrying amount in fair value reserve on 1 January 2018.

The Group previously classified certain of such equity investment that were not held for trading as AFS financial assets. Upon adoption of IFRS 9, the Group mandatorily measures those investments at FVPL. Any balance in fair value reserve as at 1 January 2018 was transferred to retained earnings.

(B) Impairment of financial assets

The “incurred loss” model in IAS 39 was replaced by the “Expected Credit Losses (ECL)” model in IFRS 9, which applies to financial assets measured at amortised costs, FVOCI (debt investment), contract assets and intragroup financial guarantee contracts. Impairment loss for trade receivables and contract assets are provided using simplified approach at the life time ECL. For assets within the scope of IFRS 9 impairment model, impairment losses are generally expected to be provided at a higher amount and earlier than what was provided using IAS 39.

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	
	FY2018 RMB'000	FY2017 RMB'000
Loss after tax attributable to shareholders of the Company	(2,989)	(16,015)
Basic (Singapore cents) ⁽¹⁾	(0.41) cents	(2.22) cents
Diluted (Singapore cents) ⁽¹⁾	(0.41) cents	(2.22) cents

Note:

- (1) Calculated based on the average exchange rates S\$1:RMB4.99 for FY2018; (S\$1:RMB4.91 for FY2017) and based on the issued ordinary shares of 146,688,500 Consolidated Shares (excluding 11,500 treasury shares) for FY2017 and FY2018. No new shares were issued in FY2017 and FY2018. The Company has no dilutive potential ordinary shares in FY2017 and FY2018.

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 2018 RMB'000	31 December 2017 RMB'000	31 December 2018 RMB'000	31 December 2017 RMB'000
Net asset value (excluding non-controlling interests) as at end of financial year	93,558	89,341	84,883	82,200
Net asset value per ordinary share as at the end of financial year (Singapore cents) ⁽¹⁾	12.73 cents	12.48 cents	11.55 cents	11.48 cents

Note:

- (1) Calculated based on exchange rate of S\$1: RMB5.01 as at 31 December 2018 (as at 31 December 2017: S\$1: RMB4.88) and 146,688,500 Consolidated shares (excluding 11,500 treasury shares) as at 31 December 2017 and 31 December 2018.

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 FY2018 (relative to that for FY2017)

Revenue

Our overall turnover, generated mainly from the sales of developed properties, increased by RMB9.0 million from RMB26.0 million in FY2017 to RMB35.0 million in FY2018. The increase was principally attributed to more completed units of high value properties being delivered to the buyers concerned in FY2018 (relative to FY2017) in respect of the Xinxiang Sunny Town Project (新乡阳光新城项目).

Gross profit

In line with the higher revenue attained in FY2018, the Group registered a higher gross profit of RMB17.4 million in FY2018 compared to that of RMB9.9 million in FY2017. A higher gross profit margin of 50% was also attained by the Group in FY2018 compared to that of 38% in FY2017, chiefly as a result of more completed units of higher value properties being delivered to the buyers concerned in FY2018.

Selling and distribution expenses and general and administrative expenses

Our selling and distribution expenses increased by RMB 759,000 (53%) from RMB 1.4 million in FY2017 to RMB 2.2 million in FY2018 chiefly as a result of higher marketing and sales commission expenses paid to promote the sales of remaining completed properties. Our general and administrative expenses decreased by RMB 4.8 million (20%) from RMB 24.3 million in FY2017 to RMB 19.5 million in FY2018 chiefly as a result of our enhanced cost savings measures carried out in FY2018.

Other income

Our other income increased by RMB 6.7 million from RMB 688,000 in FY2017 to RMB 7.4 million in FY2018. The increase was attributed mainly to: (i) bad debts written back amounting to RMB 2.6 million; (ii) written off of other payables (following the legal suit won against a supplier of the Group) amounting to RMB 2.4 million; and (iii) fair value gain on the financial products measured at fair value through profit or loss amounting to RMB 1.6 million in FY2018.

Other Expenses

Our other expenses decreased from RMB 797,000 in FY2017 to RMB 57,000 in FY2018. In FY2017, our other expenses relate mainly to: (i) foreign exchange loss; (ii) written-off of irrecoverable rental deposit; and (iii) impairment loss on amount due from joint ventures which amounted to RMB 377,000, RMB 200,000 and RMB 159,000 respectively. In FY2018, our other expenses relate mainly to the loss on disposal of property, plant and equipment of RMB 26,000.

Share of losses of joint ventures

The Group's share of losses of joint ventures increased by RMB789,000 from RMB64,000 in FY2017 to RMB853,000 in FY2018. The increase was attributed mainly to operating expenses incurred by the Company's 50% equity interest in Tian Cheng Holdings Limited (天晟控股有限公司) as a result of a one-off environment restoration costs and loss on disposal of its mining entities.

Finance income

Our finance income decreased by RMB 2.2 million or 98% from RMB 2.24 million in FY2017 to RMB 44,000 in FY2018.

Our finance income attained in FY2017 was principally attributed to the amortisation of unwinding discount of the long-term other investment in respect of an investment made in FY2015 in an integrated property project, Yi Feng Holiday Plaza Project (懿丰假日广场项目) (the "Yi Feng Project") which amounted to RMB1.9 million; the Yi Feng Project had since April 2017 been disposed.

Our finance income attained in FY2018 was principally attributed to the interest earned on the placement of the short-term investment deposits placed with the local PRC banks.

(Profit)/Loss before tax

Consequence to the above, we reversed from a loss before tax of RMB13.7 million in FY2017 to a profit before tax of RMB2.17 million in FY2018.

Income tax expense

We registered an income tax expense of RMB5.2 million in FY2018 as compared to RMB2.3 million in FY2017. The income tax expense for FY2018 was principally attributed to income tax on sales of completed properties.

Total comprehensive loss attributable to shareholders of the Company

Accordingly, the net loss attributable to the shareholders of the Company decreased from RMB16.0 million in FY2017 to RMB13.9 million in FY2018.

(b) Review of statements of financial position of the Group as at 31 December 2018 (relative to that as at 31 December 2017)

Non-current assets

Our non-current assets increased by RMB 8.2 million from RMB 75.9 million as at 31 December 2017 to RMB 84.1 million as at 31 December 2018. The increase was principally attributed to the fair value gain of RMB 7.68 million in the investment of an effective equity interest of 16.06% in an iron ore mine project situated in Thabazimbi, Limpopo Province, South Africa (the "Thabazimbi Project") made during Q2 2017. In compliance with IFRS 9 – Financial Instruments, the investment in the Thabazimbi Project was classified as "Financial assets at FVOCI" since 1 January 2018 (as stated in para 5 above) at management's election, which is irrevocable and represents a long term strategic investment.

Current assets

The decrease in completed properties for sale by RMB 21.1 million or 36% was due principally to the delivery of completed units to buyers concerned.

The increase in prepayments and other receivables by RMB 8.92 million or 217% were due principally to a substantial down payment of RMB10 million paid to 郑州紫荆科技园实业发展有限公司 for the purchase of a new office premise in 郑州高新技术产业开发区(which shall in due course replace the existing office premises).

The decrease in pledged bank deposits by RMB 3.5 million or 65% 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; pledged bank deposits will be released to the Group upon the issuance of the relevant property ownership certificates to the buyers concerned.

The increase in cash and cash equivalents by RMB 10.1 million or 65% was principally attributed to the disposal of short-term financial products purchased from local PRC banks during the year, which was recorded as "Available-for-sale – financial products" as at 31 December 2017 and reclassified as "Financial asset, at FVPL" (as stated in para 5 above) as at 31 December 2018.

Taken as a whole, our current assets decreased by RMB 21.7 million or 18% from RMB 119.6 million as at 31 December 2017 to RMB 97.9 million as at 31 December 2018.

Current liabilities

The decrease in trade payable by RMB 8.7 million or 75% from RMB 11.5 million as at 31 December 2017 to RMB 2.9 million as at 31 December 2018 was principally resulted from a reversal of over-accrued for construction costs of RMB 4.2 million as management expects no further construction to be incurred.

Our sales and rental deposits decreased by RMB 12.4 million or 28% from RMB 43.9 million as at 31 December 2017 to RMB 31.5 million as at 31 December 2018 due principally to realisation of deposits collected as sales of our remaining completed property units following the delivery of the said units to the customers concerned.

Taken as a whole, our current liabilities were decreased by RMB 17.7 million or 17% from RMB 106.2 million as at 31 December 2017 to RMB 88.5 million as at 31 December 2018.

Consequence to the above, our net cash generated from operating activities decreased from RMB 13.2 million in FY2017 to RMB 7.4 million in FY2018.

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"), discussions between the Company and the Seller are still ongoing as certain diligence matters in relation to the Target Company's existing operations remain outstanding. Accordingly, a longer than expected time is required to complete the Proposed Acquisition. 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 has been declared or recommended for FY2018.

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	Commercial and residential property development			Other operation*	Total
	Mining				
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
2018					
Segment revenue from external customers	-	35,006	-	-	35,006
Segment (loss)/gain, representing loss before tax	(854)	17,107	(14,079)		2,174
Tax expenses					(5,163)
Loss for the year					(2,989)

Group	Commercial and residential property development			Other operation*	Total
	Mining				
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
2017					
Segment revenue from external customers	-	25,986	-	-	25,986
Segment (loss)/gain, representing loss before tax	(223)	7,269	(20,781)		(13,735)
Tax expenses					(2,280)
Loss for the year					(16,015)

*The 'Other operation' segment, being the investment holding arm of the various entities not 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		
	FY2018 RMB'000	FY2017 RMB'000	% Change
(i) Sales from continued operations reported for:			
First half year ended 30 June	30,240	5,367	463
Second half year ended 31 December	4,766	20,619	(77)
	35,006	25,986	35

	The Group		
	FY2018 RMB'000	FY2017 RMB'000	% Change
(ii) Profit/(loss) after tax deducting non-controlling interests reported for:			
First half year ended 30 June	1,583	(11,343)	N/M
Second half year ended 31 December	(4,572)	(4,672)	(2)
	(2,989)	(16,015)	81

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:-

	FY2018 RMB'000	FY2017 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

27 February 2019