



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 FIRST QUARTER ENDED 31 MARCH 2017
("Q1 2017") IN RESPECT OF THE FINANCIAL YEAR ENDING 31 DECEMBER 2017 ("FY2017")**

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		
	Q1 2017	Q1 2016	%
	RMB'000	RMB'000	Change
Revenue	267	3,529	(92)
Cost of sales	(256)	(2,542)	(90)
Gross profit	11	987	(99)
Selling and distribution expenses	(18)	(114)	(84)
General and administrative expenses	(4,251)	(5,646)	(25)
Other income	40	1,095	(96)
Other expenses	(123)	(101)	22
Share of losses of joint ventures	(22)	(27)	(19)
Finance Income	-	1,769	N/M
Loss before tax	(4,363)	(2,037)	114
Income tax expenses	57	(149)	N/M
Loss for the year	(4,306)	(2,186)	97

"Q1 2016" and "Q1 2017" denotes the 3 financial months of financial period ended 31 March 2016 and 31 March 2017 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		
	Q1 2017	Q1 2016	%
	RMB'000	RMB'000	Change
Loss before tax has been arrived at after charging/(crediting):			
Depreciation of property, plant and equipment	474	650	(27)
Net foreign currency exchange loss	124	89	35
Amortization of land use rights	1	1	-
Accretion of interest on other investment	-	(1,769)	N/M
Fair value gain on financial assets at fair value through profit or loss - derivative financial instruments	-	(966)	N/M
Interest income	(9)	(50)	(82)

“Q1 2016” and “Q1 2017” denotes the 3 financial months of financial period ended 31 March 2016 and 31 March 2017 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 2016 and 31 March 2017

	The Group		The Company	
	31 Mar 2017 RMB'000	31 Dec 2016 RMB'000	31 Mar 2017 RMB'000	31 Dec 2016 RMB'000
Non-current assets				
Property, plant and equipment	4,103	4,446	1	2
Land use rights	51	52	-	-
Investments in subsidiaries	-	-	152,351	152,351
Deferred tax assets	1,789	1,789	-	-
	5,943	6,287	152,352	152,353
Current assets				
Other investment	56,918	56,918	-	-
Financial assets at fair value through profit or loss	11,592	11,592	-	-
Completed properties for sale	66,724	66,981	-	-
Prepayments and other receivables	8,014	8,047	-	-
Amounts due from subsidiaries (non-trade)	-	-	25,181	26,752
Amounts due from related parties (non-trade)	497	500	497	500
Amounts due from joint ventures (non-trade)	3,566	3,392	-	-
Income tax recoverable	69	69	-	-
Pledged bank deposits	6,175	6,226	-	-
Cash and cash equivalents	28,823	34,407	15,310	14,985
	182,378	188,132	40,988	42,237
Current liabilities				
Trade payables	5,543	6,523	-	-
Sales and rental deposits	35,938	36,207	-	-
Accruals and other payables	7,799	9,084	423	834
Amount due to subsidiaries (non-trade)	-	-	80,972	80,900
Amounts due to related parties (non-trade)	520	520	520	520
Amounts due to joint ventures (non-trade)	2,677	1,878	-	-
Amounts due to joint venture partner (non-trade)	11	11	-	-
Income tax payables	34,783	34,840	-	-
	87,271	89,063	81,915	82,254
Net current assets/(liabilities)	95,107	99,069	(40,927)	(40,017)
Non-current liabilities				
Deferred tax liabilities	-	-	-	-
	101,050	105,356	111,425	112,336
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
Accumulated losses	(446,054)	(441,748)	(386,648)	(385,737)
Total equity	101,050	105,356	111,425	112,336

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 2016 and 31 March 2017.

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	
	Q1 2017	Q1 2016
	RMB'000	RMB'000
OPERATING ACTIVITIES		
Loss before tax	(4,363)	(2,037)
Adjustments for:		
Amortisation of land use rights	1	1
Depreciation of property, plant and equipment	474	650
Written off of property, plant and equipment	-	10
Accretion of interest on other investment	-	(1,769)
Fair value gain on financial assets at fair value through profit or loss		
- derivative financial instruments	-	(966)
Foreign currency exchange loss	124	89
Interest income	(9)	(50)
Share of results of joint venture	22	27
Operating loss before working capital changes	<u>(3,751)</u>	<u>(4,045)</u>
Completed properties for sale	257	2,542
Prepayments and other receivables	33	553
Pledged Deposits	51	402
Trade payables	(980)	(1,339)
Sales and rental deposits	(269)	(1,804)
Accruals and other payables	(1,406)	(843)
Cash generated from operations	<u>(6,065)</u>	<u>(4,534)</u>
Income tax paid	-	(38)
NET CASH USED IN OPERATING ACTIVITIES	<u>(6,065)</u>	<u>(4,572)</u>
INVESTING ACTIVITIES		
Repayment to joint venture	-	(56)
Advances from joint venture, net	603	-
Interest received	9	50
Purchase of property, plant and equipment	(131)	(12)
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	<u>481</u>	<u>(18)</u>
FINANCING ACTIVITIES		
Amounts received from related parties	-	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(5,584)	(4,590)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>34,407</u>	<u>49,450</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>28,823</u>	<u>44,860</u>

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 three months period ended 31 March 2016 and 31 March 2017

Total comprehensive loss for the year attributable to:

	<u>The Group</u>	
	Q1 2017	Q1 2016
	RMB'000	RMB'000
Loss from operations	(4,306)	(2,186)
Other comprehensive income for the period	-	-
Total comprehensive expense for the period	<u>(4,306)</u>	<u>(2,186)</u>

	<u>The Group</u>	
	Q1 2017	Q1 2016
	RMB'000	RMB'000
Equity holders of the Company	(4,306)	(2,186)
Non-controlling interests	-	-
	<u>(4,306)</u>	<u>(2,186)</u>

Total comprehensive loss for the year attributable to:

	<u>The Company</u>	
	Q1 2017	Q1 2016
	RMB'000	RMB'000
Loss for the period	(911)	(1,178)
Other comprehensive expense for the period	-	-
Total comprehensive expense for the period	<u>(911)</u>	<u>(1,178)</u>

	<u>The Company</u>	
	Q1 2017	Q1 2016
	RMB'000	RMB'000
Owners of the Company	(911)	(1,178)
Non-controlling interests	-	-
	<u>(911)</u>	<u>(1,178)</u>

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 period ended 31 March 2016 and 31 March 2017

	The Group						
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Distributable reserve RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance as at 1.1.2017	5,897	224,594	49,031	267,600	(18)	(441,748)	105,356
Total comprehensive loss for the year	-	-	-	-	-	(4,306)	(4,306)
Balance as at 31.3.2017	5,897	224,594	49,031	267,600	(18)	(446,054)	101,050

	The Group						
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Distributable reserve RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance as at 1.1.2016	5,897	224,594	49,031	267,600	(18)	(430,784)	116,320
Total comprehensive loss for the year	-	-	-	-	-	(2,186)	(2,186)
Balance as at 31.3.2016	5,897	224,594	49,031	267,600	(18)	(432,970)	114,134

	The Company					
	Share capital RMB'000	Share premium RMB'000	Distributable Reserve RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance as at 1.1.2017	5,897	224,594	267,600	(18)	(385,737)	112,336
Total comprehensive loss for the year	-	-	-	-	(911)	(911)
Balance as at 31.3.2017	5,897	224,594	267,600	(18)	(386,648)	111,425

	The Company					
	Share capital RMB'000	Share premium RMB'000	Distributable Reserve RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance as at 1.1.2016	5,897	224,594	267,600	(18)	(343,127)	154,946
Total comprehensive loss for the year	-	-	-	-	(1,178)	(1,178)
Balance as at 31.3.2016	5,897	224,594	267,600	(18)	(344,305)	153,768

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 2016 and three months period ended 31 March 2017.

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 31.3.2017 and 31.12.2016 (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 31.3.2017 and 31.12.2016 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 2016 have been consistently applied by the Group for the financial period presented.

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

There are no changes in the accounting policies and methods of computation, including any required by an accounting standard.

6. Earnings per ordinary share of the group for the current year reported on and the corresponding year of the immediately preceding financial year, after deducting any provision for preference dividends (a) Based on the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	<u>The Group</u>	
	<u>Q1 2017</u> RMB'000	<u>Q1 2016</u> RMB'000
Loss attributable to owners of the Company	(4,306)	(2,186)
Basic (Singapore cents) ⁽¹⁾	(0.60) cents	(0.32) cents
Diluted (Singapore cents) ⁽¹⁾	(0.60) cents	(0.32) cents

Notes:

(1) Calculated based on the average exchange rate in Q1 2017 at S\$1: RMB4.90 (Q1 2016: S\$1: RMB4.68). Based on the issued ordinary shares of 146,688,500 (excluding treasury shares) for Q1 2016 and Q1 2017. The Company has no dilutive potential ordinary shares in Q1 2016 and Q1 2017.

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

	<u>The Group</u>		<u>The Company</u>	
	<u>31 March</u> <u>2017</u> RMB'000	<u>31 December</u> <u>2016</u> RMB'000	<u>31 March</u> <u>2017</u> RMB'000	<u>31 December</u> <u>2016</u> RMB'000
Net asset value (excluding non-controlling interests) as at end of financial year	101,050	105,356	111,425	112,336
Net asset value per ordinary share as at the end of financial year (Singapore cents) ⁽¹⁾	13.94 cents	14.96 cents	15.38 cents	15.95 cents

Note:

(1) Calculated based on exchange rate of S\$1: RMB4.94 as at 31 March 2017 (as at 31 December 2016: S\$1: RMB4.80) and 146,688,500 ordinary shares (excluding treasury shares).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial year reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial year reported on.

(a) Review of consolidated statement of comprehensive income of the Group for Q1 2017 (relative to that for Q1 2016)

Turnover

The overall turnover, generated mainly from the sales of developed properties, decreased by RMB3.3 million from RMB3.5 million in Q1 2016 to RMB267,000 in Q1 2017. The decrease was principally attributed to fewer completed units being delivered to the buyers in Q1 2017 relative to Q1 2016 in respect of the Xinxiang Sunny Town Project (新乡阳光新城项目) (the "Xinxiang Project").

Gross profit

The Group registered a lower gross profit of RMB11,000 in Q1 2017 compared to that of RMB987,000 in Q1 2016 with a significant reduction in our gross profit margin from 28% in Q1 2016 to 4% in Q1 2017. The decreased gross profit margin was attributed primarily to the sales of relatively low yielding units.

Selling and distribution expenses / general and administrative expenses

In line with decreased business activities and coupled with our cost-control efforts, our selling and distribution expenses decreased by RMB96,000 or 84% from RMB114,000 in Q1 2016 to RMB18,000 in Q1 2017 and our general and administrative expenses decreased by RMB1.4 million or 25% from RMB5.6 million in Q1 2016 to RMB4.2 million in Q1 2017.

Other income

Our other income decreased by RMB1.1 million or 96% from RMB1.1 million in Q1 2016 to RMB40,000 in Q1 2017.

Our other income attained in Q1 2016 relates principally to the fair value gain of RMB966,000 on derivative financial instruments in respect of an investment of RMB65.0 million made during FY2015 in an integrated property project, Yi Feng Holiday Plaza Project (懿丰假日广场项目) (the “Yi Feng Project”), located at Henan Province Zhu Ma Dian City Zhu Ping County (河南省驻马店遂平县), for a share of profit of 10% thereof (the “Fair Value Gain”). The Fair Value Gain was derived based on the discounted cash flow stream of the Yi Feng Project.

Our other income attained in Q1 2017 relates principally to interest income earned on a term deposit placed with a bank.

Other expenses

Our other expenses increased by RMB22,000 from RMB101,000 in Q1 2016 to RMB123,000 in Q1 2017.

The other expense recognized in Q1 2016 and Q1 2017 were due principally to exchange losses resulting from weakened Renminbi against Singapore dollar and US dollar.

Share of losses of joint ventures

The Group's share of loss of joint ventures decreased by RMB5,000 or 19% from RMB27,000 in Q1 2016 to RMB22,000 in Q1 2017. The decrease was attributed mainly to decreased operating expenses incurred by Tian Cheng Holdings Limited (“天晟控股有限公司”), particularly in respect of the two iron ore mines it owned which have yet to commence production (the “Joint Venture”).

Loss before tax

Consequence to the above, the Group's loss before tax increased by RMB2.3 million from RMB2.0 million in Q1 2016 to RMB4.4 million in Q1 2017.

Income tax expense

The Group registered an income tax credit of RMB57,000 Q1 2017 *vis-à-vis* an income tax expense of RMB149,000 in Q1 2016.

The income tax expense for Q1 2016 was principally attributed to income tax on sales of completed properties.

The income tax credit for Q1 2017 was principally attributed to write-back of over accrued income tax.

Net loss attributable to owners of the Company

Accordingly, the net loss attributable to the owners of the Company increased from RMB2.2 million in Q1 2016 to RMB4.3 million for Q1 2017.

(b) Review of statements of financial position of the Group as at 31 March 2017 (relative to that as at 31 December 2016)

Current assets

The decrease in cash and bank balances by RMB5.6 million or 16% was principally attributed to payments made in connection with daily operational expenses.

Taken as a whole, our current assets decreased by RMB5.8 million or 3% from RMB188.1 million as at 31 December 2016 to RMB182.4 million as at 31 March 2017.

Current liabilities

The decreases in the trade payables by RMB980,000 or 15% from 6.5 million as at 31 December 2016 to RMB5.5 million as at 31 March 2017 and accruals and other payables by RMB1.3 million or 14% from RMB9.1 million as at 31 December 2016 to RMB7.8 million as at 31 March 2017 were due principally to repayments made by the Group.

The increase in the amount due to the joint ventures by RMB799,000 or 43% from RMB1.9 million as at 31 December 2016 to RMB2.7 million as at 31 March 2017 was in connection with the expenses paid by the Joint Venture on behalf of the Group in Q1 2017.

Taken as a whole, our current liabilities were decreased by RMB1.8 million or 2% from RMB89.1 million as at 31 December 2016 to RMB87.3 million as at 31 March 2017.

Consequence to the above, our cash used in operating activities increased to RMB6.1 million in Q1 2017 from RMB4.6 million in Q1 2016.

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 reverse takeover transaction as first announced by the Company on 11 July 2013 and periodically thereafter on its progress, the latest being made on 28 February 2017 (the "Proposed RTO"), the ongoing internal restructuring by the proposed target company, China Minerals Energy Ltd, has resulted in the parties to the Proposed RTO, while awaiting for certain technical reports to be completed, requiring further time to work out possible revised terms to the supplemental agreement, which may include, but not limited to, the portfolio of the exploration and mining projects that will form part of the group of companies to be acquired by the Company pursuant to the Proposed RTO. Appropriate announcement concerning the Proposed RTO will be made as and when there is any significant development.

As regards the investment in the Thabazimbi Project, in connection with a prospecting right granted by the relevant South African authority for a duration of 5 years from 4 February 2015 in respect of iron mineral, as first announced by the Company on 25 April 2016 and on 17 April 2017 of its completion (the "Mining Investment"), the Company, through Aero Wind Properties (Pty) Limited ("AWP"), presently holds an effective interest of 16.06% in the Mining Investment.

Notwithstanding the ongoing Proposed RTO, the Company is continually exploring all business opportunities to enhance shareholder value, including the acquisition of shareholding interests in companies holding rights to mineral assets, such as through the Mining Investment. The Mining Investment represents an opportunity for the Company to, together with the Proposed RTO, consolidate its business in the exploration, mining and trading of mineral resources, which in turn will potentially provide it with a regular stream of revenue. In addition, it is anticipated that the Mining Investment will have the potential to increase the value of the Company.

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 Q1 2016 and Q1 2017.

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

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 three-month period ended 31 March 2017 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
15 May 2017

Ms Dong Lingling
Director