

SINCAP GROUP LIMITED

(Incorporated in the Republic of Singapore)
Co. Reg. No.201005161G

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

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.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE (“HY”) 2015

1(a)(i) A statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

(RMB'000)	<u>Group</u>		% Change Increase/ (Decrease)
	Unaudited HY2015	Unaudited HY2014	
Revenue	355,603	381,542	(6.8)
Cost of sales	(337,225)	(367,812)	(8.3)
Gross profit	18,378	13,730	33.9
<u>Other items of income</u>			
Interest income	1,079	28	NM
Other gains	169	231	(26.8)
<u>Other items of expenses</u>			
Distribution costs	(1,923)	(1,283)	49.9
Administrative expenses	(11,975)	(9,548)	25.4
Finance costs	(1,229)	(144)	753.5
Other losses	(1,105)	(121)	813.2
Profit before income tax	3,394	2,893	17.3
Income tax expense	(2,783)	(1,667)	66.9
Profit, net of tax	611	1,226	(50.2)
Other comprehensive loss for the financial period, net of tax	(3,166)	-	NM
Total comprehensive (loss) / income	(2,555)	1,226	NM
Profit attributable to owners of the parent, net of tax	609	1,203	(49.4)
Profit attributable to non-controlling interests, net of tax	2	23	(91.3)
Profit, net of tax	611	1,226	50.2
Total comprehensive (loss) / income attributable to owners of the parent	(2,557)	1,203	NM
Total comprehensive income attributable to non-controlling interests	2	23	(91.3)
Total comprehensive (loss)/ income	(2,555)	1,226	NM

NM denotes not meaningful

1(a)(ii) Profit, net of tax, is arrived at after (charging)/crediting the following:

(RMB'000)	<u>Group</u>		% Change Increase/ (Decrease)
	Unaudited HY2015	Unaudited HY2014	
Depreciation and amortisation	(1,892)	(2,166)	(12.6)
Finance costs - interest on borrowings	(1,229)	(144)	753.5
Foreign exchange gain	94	205	(54.2)
Foreign exchange loss	(46)	-	NM
Gain on disposal of plant and equipment	73	-	NM
Sundry income	2	26	(92.0)
Under-provision of tax in respect of prior year	-	(21)	NM
Allowance for doubtful debt	(1,000)	-	NM

1(b)(i) A statement 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

(RMB'000)	<u>Group</u>		<u>Company</u>	
	Unaudited 30.06.2015	Audited 31.12.2014	Unaudited 30.06.2015	Audited 31.12.2014
ASSETS				
<u>Non-current assets</u>				
Property, plant and equipment	27,009	29,156	1,204	1,647
Intangible assets	9,330	9,401	-	-
Deferred tax assets	1,063	1,063	-	-
Other financial asset	23,334	-	-	-
Other assets	407	420	-	-
Investment in subsidiary	-	-	63,474	63,474
Total non-current assets	61,143	40,040	64,678	65,121
<u>Current assets</u>				
Development property	52,194	53,450	-	-
Inventories	2,736	5,599	-	-
Trade and other receivables	27,746	17,355	8,396	8,281
Other assets	13,043	15,448	34	46
Cash and cash equivalents	10,189	18,623	62	490
Total current assets	105,908	110,475	8,492	8,817
Total assets	167,051	150,515	73,170	73,938
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share capital	87,934	86,925	87,934	86,925
Retained earnings /(Accumulated losses)	3,684	3,075	(23,410)	(18,618)
Statutory reserve	15,281	15,281	-	-
Foreign exchange translation reserve	(10,824)	(7,658)	-	-
Equity, attributable to owners of the parents	96,075	97,623	64,524	68,307
Non-controlling interests	788	786	-	-
Total equity	96,863	98,409	64,524	68,307
<u>Non-current liabilities</u>				
Deferred tax liabilities	307	307	-	-
Other financial liabilities	11,879	12,247	1,177	1,423
Total non-current liabilities	12,186	12,554	1,177	1,423
<u>Current liabilities</u>				
Provision for safety expenses	-	576	-	-
Provision for tax	4,445	1,951	45	31
Trade and other payables	14,542	21,948	2,337	1,288
Other financial liabilities	35,747	8,128	5,087	2,889
Other liabilities	3,268	6,949	-	-
Total current liabilities	58,002	39,552	7,469	4,208
Total liabilities	70,188	52,106	8,646	5,631
Total equity and liabilities	167,051	150,515	73,170	73,938

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 30.06.2015	Audited 31.12.2014
Payable in one year or less, or on demand		
Secured		
Obligation under finance leases (a)	155	237
Term loan (b)	25,421	-
Unsecured		
Term loans	4,932	2,652
Amount owing to shareholder	5,239	5,239
	35,747	8,128
Payable after one year		
Secured - obligation under finance leases (a)	1,177	1,423
Unsecured - Amount owing to shareholder	10,702	10,824
	11,879	12,247
TOTAL	47,626	20,375

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) The term loan is secured by a legal mortgage over the development property owned by SCL Murray Pty Ltd (a wholly owned subsidiary of the Group), details of which are announced on 21 May 2015.

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 HY2015	Unaudited HY2014
<u>Cash flows from operating activities</u>		
Profit before tax	3,394	2,893
Adjustments for:		
Interest income	(1,079)	(28)
Interest expense	1,229	144
Depreciation of property, plant and equipment	1,808	2,081
Amortisation of other intangible assets and land use rights	84	85
Allowance for doubtful debt	1,000	-
Share-based payment (Sincap performance share plan)	1,009	-
Net effect of exchange rate changes in consolidating foreign operations	376	-
Operating cash flows before changes in working capital	7,821	5,175
Development property	(2,286)	-
Inventories	2,863	(1,545)
Trade and other receivables	(11,391)	(6,890)
Other assets	2,405	(19,126)
Trade and other payables	(7,376)	6,190
Other liabilities	(3,681)	16,996
Net cash flows from operations before tax	(11,645)	800
Income tax paid	(289)	(591)
Net cash flows (used in) / from operating activities	(11,934)	209
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(57)	(48)
Purchase of intangible assets	-	(92)
Proceeds from disposal of plant and equipment	396	-
Interest received	1,079	28
Net cash flows from / (used in) investing activities	1,418	(112)
<u>Cash flows from financing activities</u>		
Interest paid	(1,229)	(144)
Finance lease repayment	(328)	(119)
Proceeds from term loans	27,701	-
Other financial asset	(23,334)	-
Repayment of advances to related parties	(606)	(678)
Repayment of related party loan	(122)	(113)
Proceeds from issuance of new shares, net of issuance expenses	-	59,171
Net cash flows from financing activities	2,082	58,117
Net increase in cash and cash equivalents	(8,434)	58,214
Cash and cash equivalents, beginning balance	18,623	25,417
Cash and cash equivalents, ending balance (see note below)	10,189	83,631

Cash and cash equivalents, ending balance, comprise the following:

(RMB'000)	<u>Group</u>	
	Unaudited 30.06.2015	Unaudited 30.06.2014
Bank and cash balances	10,189	83,631
Cash restricted in use	-	-
Cash and cash equivalents, ending balance	10,189	83,631

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	<u>Total</u> <u>Equity</u>	<u>Attributable</u> <u>to Parent</u> <u>Sub-Total</u>	<u>Share</u> <u>Capital</u>	<u>Retained</u> <u>Earnings</u>	<u>Statutory</u> <u>Reserve</u>	<u>Foreign</u> <u>Exchange</u> <u>Translation</u> <u>Reserve</u>	<u>Non-Controlling</u> <u>Interests</u>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
HY2015							
Opening Balance at 1 January 2015	98,409	97,623	86,925	3,075	15,281	(7,658)	786
Movement in Equity:							
Issuance of ordinary shares (Performance Shares)	1,009	1,009	1,009	-	-	-	-
Total comprehensive loss for the period	(2,555)	(2,557)	-	609	-	(3,166)	2
Closing Balance at 30.06.2015	96,863	96,075	87,934	3,684	15,281	(10,824)	788
HY2014							
Opening Balance at 1 January 2014	47,280	46,542	27,754	4,631	14,157	-	738
Movement in Equity:							
Issuance of ordinary shares (Placement)	61,059	61,059	61,059	-	-	-	-
Share issue expenses (Placement)	(1,888)	(1,888)	(1,888)	-	-	-	-
Total comprehensive Income for the period	1,226	1,203	-	1,203	-	-	23
Closing Balance at 30.06.2014	107,677	106,916	86,925	5,834	14,157	-	761

Company	<u>Total</u> <u>Equity</u>	<u>Share</u> <u>Capital</u>	<u>Retained</u> <u>Earnings</u>
	RMB'000	RMB'000	RMB'000
HY2015			
Opening Balance at 1 January 2015	68,307	86,925	(18,618)
Issuance of ordinary shares (performance shares)	1,009	1,009	-
Total Comprehensive Income for the Period	(4,792)	-	(4,792)
Closing Balance at 30.06.2015	64,524	87,934	(23,410)
HY2014			
Opening Balance at 1 January 2014	17,287	27,754	(10,467)
Issuance of ordinary shares (Placement)	61,059	61,059	-
Share issue expenses (Placement)	(1,888)	(1,888)	-
Total Comprehensive Income for the Period	(2,883)	-	(2,883)
Closing Balance at 30.6.2014	73,575	86,925	(13,350)

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 2014	351,000,000	17,448,124	86,924,663
Issuance of new shares pursuant to the Sincap Performance Share Plan	3,604,000	223,448	1,008,795
As at 30 June 2015	354,604,000	17,671,572	87,933,458

There were no outstanding convertibles as at 30 June 2015 and 30 June 2014.
The Company did not hold any treasury shares as at 30 June 2015 and 30 June 2014.

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>	
	30.06.2015	31.12.2014
Number of ordinary shares in issue	354,604,000	351,000,000

The Company did not hold any treasury shares as at 30 June 2015 and 30 June 2014.

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 2015, there were no changes in the accounting policies and methods of computation adopted in financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 31 December 2014. 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 item 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

	<u>Group</u>	
	Unaudited HY2015	Unaudited HY2014
Earnings per share ("EPS") (RMB cents)		
on weighted average number of ordinary shares	0.2	0.7
on fully diluted basis	0.2	0.7
Net profit attributable to shareholders (RMB'000)		
on basic EPS	609	1,203
on diluted EPS	609	1,203
Weighted average number of ordinary shares in issue		
for basic EPS	353,210,188 ⁽¹⁾	180,348,066
for diluted EPS	353,210,188 ⁽¹⁾	180,348,066

Note:

- (1) The Company issued and allotted 3,604,000 ordinary shares pursuant to the Sincap Performance Share Plan on 12 March 2015. With the issue of the 3,604,000 shares, the issued and paid-up share capital of the Company was increased from 351,000,000 shares to 354,604,000 shares.

The Company had no dilutive equity instruments as at 30 June 2015 and 30 June 2014.

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

	<u>Group</u>		<u>Company</u>	
	Unaudited 30.06.2015	Audited 31.12.2014	Unaudited 30.06.2015	Audited 31.12.2014
Net asset value per ordinary share based on existing issued share capital as at the end of period (RMB cents)	27.09	27.81	18.20	19.46
Net asset value as at the end of the period (RMB'000)	96,075	97,623	64,524	68,307
Number of ordinary shares in issue at the end of the period	354,604,000	351,000,000	354,604,000	351,000,000

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 STATEMENTS OF COMPREHENSIVE INCOME

Revenue

The Group's revenue decreased by RMB25.9 million or 6.8%, from RMB381.5 million in HY2014 to RMB355.6 million in HY2015. This was due to a decrease in revenue from the sale of alumina of RMB22.4 million and a decrease in revenue from sale of gypsum of RMB3.5 million.

Revenue from sale of alumina decreased by RMB22.4 million or 6.2%, from RMB361.5 million in HY2014 to RMB339.1 million in HY2015. The decrease was attributable to a decrease in sales volume of 26,031 tonnes or 15.1% from 172,101 tonnes in HY2014 to 146,070 tonnes in HY2015, partly offset by an increase in average selling price of RMB220 per tonne or 10.5%, from approximately RMB2,101 per tonne in HY2014 to approximately RMB2,321 per tonne in HY2015.

Revenue from the sale of gypsum decreased by RMB3.5 million or 17.5%, from RMB20.0 million in HY2014 to RMB16.5 million in HY2015. The decrease was attributable to a decrease in average selling price of RMB9 per tonne or 9.6%, from approximately RMB96 per tonne in HY2014 to RMB87 per tonne in HY2015 and a decrease in sales volume of gypsum of 18,100 tonnes or 8.7%, from 208,116 tonnes in HY2014 to approximately 190,016 tonnes in HY2015. The decrease in average selling price and the overall sales volume of gypsum was mainly attributable to the reduced demand for gypsum in view of the PRC authorities' implementation of new cooling measures on China's domestic property market.

Gross profit and gross profit margin

The Group's gross profit increased by RMB4.6 million or 33.9%, from RMB13.7 million in HY2014 to RMB18.4 million in HY2015. This was mainly attributable to the increase of RMB7.2 million in gross profit from the sale of alumina, partly offset by the decrease of RMB 2.4 million in gross profit from the sale of gypsum.

The Group's overall gross profit margin increased from 3.6% in HY2014 to 5.2% in HY2015, mainly attributable to the increase in gross profit margin for sales of alumina, partly offset by the decrease in gross profit margin for sales of gypsum.

Gross profit margin from sale of alumina increased from 1.8% in HY2014 to 4.1% in HY2015, mainly attributable to the new pricing structure with suppliers and customers, which was favourable to the Group based on the market condition in HY2015.

Gross profit margin from the sale of gypsum decreased from 35.2% in HY2014 to 28.1% in HY2015. This was contributed by the lower average selling price of gypsum in HY2015 while the unit cost of all gypsum products remained relatively stable in HY2015.

Other items of income

The Group's interest income increased by RMB1.0 million, mainly arising from the interest income on a term loan of AUD4.7 million lent by SCL Murray Pty Ltd to Richardson 1 Pty Ltd in March 2015, as announced on 21 May 2015. Other gains in HY2015 has increased when compared to HY2014 mainly due to gains realised from the disposal of plant and equipment, partially offset by a decrease in sundry income.

Other items of expenses

Distribution costs increased by RMB0.6 million or 49.9%, from RMB1.3 million in HY2014 to RMB1.9 million in HY2015 mainly due to an increase in distribution costs of RMB0.7 million in relation to the alumina trading business, the increase of which was primarily due to the increased labour costs notwithstanding the lower sales of alumina, partly offset by a decrease of RMB0.1 million in relation to the gypsum business, which is in line with the lower sales of gypsum.

Administrative expenses increased by RMB2.5 million or 25.5%, from RMB9.5 million in HY2014 to RMB12.0 million in HY2015. This was mainly due to (i) an increase of RMB1.9 million in relation to professional fees incurred by the Company in connection with its corporate actions, *inter alia*, the proposed acquisition of LTN Land Pte. Ltd. and Orion Energy Resources Pte. Ltd.; (ii) an increase of RMB0.4 million in relation to the alumina trading business mainly due to increasing labour costs; (iii) an increase of RMB0.5 million in relation to the Australia subsidiaries which were only incorporated in July 2014 mainly for the purpose of labour costs, rental and accounting fees, partly offset by a decrease of RMB0.3 million in relation to Sincap Australia Pte. Ltd. due to the non-recurring professional expense incurred in HY2014.

Finance costs increased by RMB1.1 million, from RMB0.1 million in HY2014 to RMB1.2 million in HY2015, mainly due to interest expenses for a new term loan of AUD5.1 million borrowed by SCL Murray Pty Ltd in March 2015, as announced on 21 May 2015.

Other losses increased by RMB1.0 million, from RMB0.1 million in HY2014 to RMB1.1 million in HY2015, mainly due to the allowance for doubtful debt of RMB1.0 million in HY2015 arising from the misappropriation of funds in the Group's Chinese subsidiary, Luneng Taishan Mining Co., Ltd, as announced by the Company on 28 July 2015.

Income tax

The Group incurred income tax expenses of RMB2.8 million in HY2015 as compared to RMB1.7 million in HY2014, mainly due to higher profits generated from its operating subsidiaries in the PRC.

Other comprehensive loss

The Group incurred other comprehensive loss of RMB3.2 million in HY2015 mainly due to foreign exchange translation reserves arising from its newly incorporated subsidiaries in Australia (incorporated in July 2014) which are denominated in Australian dollar, as compared to the reporting currency of the Group which is in RMB. The exchange rate of Australian dollar against RMB depreciated from AUD1:RMB5.08 as at 31 December 2014 to AUD1:RMB4.76 as at 30 June 2015.

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

The Group recorded positive working capital of RMB47.9 million as at 30 June 2015, as compared to RMB70.9 million as at 31 December 2014.

The Group's equity decreased by RMB1.5 million, from RMB98.4 million as at 31 December 2014 to RMB96.9 million as at 30 June 2015. The decrease was mainly due to total comprehensive loss of RMB2.6 million incurred in HY2015, partly offset by an increase of RMB1.0 million in share capital from issuance of new ordinary shares on 12 March 2015 pursuant to the Sincap Performance Share Plan.

Non-current assets

Non-current assets increased by RMB21.1 million, from RMB40.0 million as at 31 December 2014 to RMB61.1 million as at 30 June 2015. This was mainly due to an increase of RMB23.3 million in other financial asset as a term loan of AUD4.7 million lent by SCL Murray Pty Ltd to Richardson 1 Pty Ltd in March 2015 (as announced on 21 May 2015), was partly offset by a decrease of RMB2.2 million in property, plant and equipment mainly as a result of depreciation charge.

Current assets

Current assets decreased by RMB4.6 million from RMB110.5 million as at 31 December 2014 to RMB105.9 million as at 30 June 2015. Development property decreased by RMB1.3 million mainly as a result of weakening AUD against reporting currency of RMB. Inventories decreased by RMB2.9 million, from RMB5.6 million as at 31 December 2014 to RMB2.7 million as at 30 June 2015 due to lower production of gypsum. Trade and other receivables increased by RMB10.4 million, from RMB17.3 million as at 31 December 2014 to RMB27.7 million as at 30 June 2015, mainly due to a slower collection. Other assets decreased by RMB2.4 million, from RMB15.4 million as at 31 December 2014 to RMB13.0 million as at 30 June 2015 as a result of lower deposits placed with suppliers.

Non-current liabilities

Non-current liabilities decreased by RMB0.4 million, from RMB12.6 million as at 31 December 2014 to RMB12.2 million as at 30 June 2015. Other financial liabilities decreased by RMB0.4 million, from RMB12.2 million as at 31 December 2014 to RMB11.8 million as at 30 June 2015, mainly due to repayment of RMB0.1 million of related party loan and finance lease repayment of RMB0.3 million in HY2015.

Current liabilities

Current liabilities increased by RMB18.5 million, from RMB39.5 million as at 31 December 2014 to RMB58.0 million as at 30 June 2015. The increase was mainly due to (i) an increase of RMB27.6 million in other financial liabilities mainly as a result of a term loan of AUD5.1 million being borrowed by SCL Murray Pty Ltd in March 2015 (as announced on 21 May 2015), (ii) an increase of RMB2.5 million in provision for tax as a result of higher income tax expenses, partly offset by (i) a decrease of RMB0.6 million in provision for safety expenses, (ii) a decrease of RMB7.4 million in trade and other payables, and (iii) a decrease of RMB3.6 million in other liabilities as a result of lower deposits placed by customer with the Group.

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

In HY2015, the Group generated net cash from operating activities before changes in working capital of RMB7.8 million. Net cash used in working capital was RMB19.4 million. This was mainly due to (i) a decrease of RMB2.9 million in inventories, (ii) an increase of RMB11.4 million in trade and other receivables, (iii) a decrease of RMB2.4 million in other assets, (iv) a decrease of RMB7.4 million in trade and other payables, (v) a decrease of RMB3.6 million in other liabilities, and (vi) an increase of RMB2.3 million in development property. The Group paid income tax of RMB0.3 million. This resulted in net cash used in operating activities of RMB11.9 million.

In HY2015, the Group generated net cash from investing activities of RMB1.4 million, mainly due to proceeds from disposal of plant and equipment of RMB0.4 million and interest received of RMB1.0 million from SCL Murray Pty Ltd's term loan to an external party.

In HY2015, the Group generated net cash from financing activities of RMB2.1 million, mainly due to the proceeds from term loans of RMB27.7 million, partly offset by (i) granting of a term loan of AUD4.7 million to Richardson 1 Pty Ltd, (ii) payment of interest of RMB1.2 million, (iii) finance leases repayments of RMB0.3 million, (iv) repayment of advances to related parties of RMB0.6 million, and (v) repayment of related party loan of RMB0.1 million.

As a result of the above, cash and cash equivalents stood at RMB10.2 million as at 30 June 2015.

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 HY2015 set out in this announcement are in line with the profit warning announcement released by the Company on 11 August 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 alumina trading and gypsum businesses will continue to be influenced by the soft commodities trading market in the PRC arising from a slowdown in the domestic construction industry. As such, the Group has been actively searching for new business opportunities.

The Company had announced on 31 July 2015 (following an announcement on 2 July 2015) that it has entered into a sale and purchase agreement to acquire 51% of the issued and paid-up capital of Orion Energy Resources Pte. Ltd. (the "**Target Company**") (the "**Proposed Acquisition**"). The Proposed Acquisition is in line with the Company's overall growth strategy to expand and establish growing revenues under its business of mineral and resources trading. The Board is of the view that the Proposed Acquisition is in the interests of the Company and the Shareholders as the Proposed Acquisition will provide the

Company with the opportunity to leverage on the Target Company's resources, including its network of customers, suppliers and business contracts. The Company will make necessary announcements on SGXNet as and when there is further development on the Proposed Acquisition.

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 interim dividend has been declared or recommended for HY2015.

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 shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	HY2015	HY2015
	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 Director and Chief Executive Officer of the Company) ⁽¹⁾	83	-

Note:

(1) Ng Hong Whee had ceased to be a director of the Company with effect from 7 July 2015.

14. Confirmation of the Board

We, Chu Ming Kin and Wee Liang Hiam, being 2 directors of the Company, do hereby confirm on behalf of the board of directors ("**Board**") of the Company that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the six months ended 30 June 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Chu Ming Kin
*Executive Chairman and
Chief Executive Officer*

Wee Liang Hiam
Lead Independent Director

14 August 2015