



**CHINA MINING INTERNATIONAL LIMITED**

中矿国际有限公司

Registered in Cayman Islands

Company Registration No. CT-140095

**AUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (“Q3 2015”) IN RESPECT OF THE FINANCIAL YEAR ENDING 31 DECEMBER 2015 (“FY2015”)**

**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**

	<b>The Group</b>					
	<b>Q3 2015</b>	Q3 2014	%	<b>9M 2015</b>	9M 2014	%
	<b>RMB'000</b>	RMB'000	Change	<b>RMB'000</b>	RMB'000	Change
		(Restated)*			(Restated)*	
General and administrative expenses	<b>(1,917)</b>	(11,329)	(83)	<b>(9,194)</b>	(17,238)	(47)
Other income/(expenses)	<b>4,956</b>	(24)	N/M	<b>4,859</b>	(2)	N/M
Share of losses of joint ventures	<b>(132)</b>	(198)	(33)	<b>(304)</b>	(413)	(26)
Gain/(loss) before tax	<b>2,907</b>	(11,551)	N/M	<b>(4,639)</b>	(17,653)	(74)
Income tax expense	-	-	-	-	-	-
Gain/(loss) from continuing operations	<b>2,907</b>	(11,551)	N/M	<b>(4,639)</b>	(17,653)	(74)
Loss from discontinued operations (net of tax)	<b>(1,286)</b>	(4,421)	(71)	<b>(4,566)</b>	(18,350)	(75)
Gain/(loss) for the period, representing total comprehensive loss for the period	<b>1,621</b>	(15,972)	N/M	<b>(9,205)</b>	(36,003)	(74)

“Q3 2014” and “Q3 2015” denotes the third quarter or the three-month period ended 30 September 2014 and 30 September 2015 respectively

“9M 2014” and “9M 2015” denotes the nine-month period ended 30 September 2014 and 30 September 2015 respectively

“% Change” denotes increase/(decrease) in the relevant profit or loss item as compared with the comparative figure

“N/M” denotes “Not meaningful”

\*The restatement for Q3 2014 and 9M 2014 arose due to the need for comparative figures to Q3 2015 and 9M 2015 respectively, which, in compliance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, necessitates a reclassification of certain operations of the Group that constitute part of the considerations in satisfying the payment for the reverse takeover transaction as announced by the Company on 11 July 2013, 1 April 2014, 31 December 2014, 25 February 2015 and 30 June 2015 (the “Proposed RTO”).

**1.(a)(ii) The accompanying notes to the unaudited financial statements form an integral part of the financial statements**

	<b>The Group</b>					
	<b>Q3 2015</b>	Q3 2014	%	<b>9M 2015</b>	9M 2014	%
	<b>RMB'000</b>	RMB'000	Change	<b>RMB'000</b>	RMB'000	Change
Gain(loss) before tax has been arrived at after charging/(crediting):						
Depreciation of property, plant and equipment	<b>106</b>	397	(73)	<b>317</b>	1,122	(72)
Foreign currency exchange (gain)/loss	<b>(5,250)</b>	25	N/M	<b>(5,078)</b>	(2)	N/M
Amortization of land use rights	-	-	N/M	<b>2</b>	2	N/M
Loss on disposal of property, plant and equipment	-	12	N/M	-	156	N/M
Write back on allowance on doubtful other receivables	<b>(5,000)</b>	-	N/M	<b>(14,000)</b>	-	N/M
Interest income	<b>(13)</b>	(40)	(67)	<b>(1,389)</b>	(1,740)	20

*“Q3 2014” and “Q3 2015” denotes the third quarter or the three-month period ended 30 September 2014 and 30 September 2015 respectively*

*“9M 2014” and “9M 2015” denotes the nine- month period ended 30 September 2014 and 30 September 2015 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 2014 and 30 September 2015**

	<b>The Group</b>		<b>The Company</b>	
	<b>30 September 2015 RMB'000</b>	<b>31 December 2014 RMB'000</b>	<b>30 September 2015 RMB'000</b>	<b>31 December 2014 RMB'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	1,247	1,564	604	751
Investments in subsidiaries	-	-	206,601	206,601
Equity accounted investment in joint ventures	16,196	16,500	-	-
	<u>17,443</u>	<u>18,064</u>	<u>207,205</u>	<u>207,352</u>
<b>Current assets</b>				
Prepayments and other receivables	562	575	562	575
Amounts due from subsidiaries (non-trade)	-	-	1,461	1,393
Amounts due from related parties (non-trade)	457	441	457	441
Cash and cash equivalents	137,887	2,337	137,834	2,282
Assets of disposal group classified as held for sale	129,739	283,074	-	-
	<u>268,645</u>	<u>286,427</u>	<u>140,314</u>	<u>4,691</u>
<b>Current liabilities</b>				
Accruals and other payables	385	4,363	384	4,363
Amount due to subsidiaries (non-trade)	-	-	148,389	3,135
Amounts due to related parties (non-trade)	25,502	27,214	25,502	27,214
Liabilities of disposal group classified as held for sale	99,638	103,146	-	-
	<u>125,525</u>	<u>134,723</u>	<u>174,275</u>	<u>34,712</u>
<b>Net current assets/(liabilities)</b>	<u>143,120</u>	<u>151,704</u>	<u>(33,961)</u>	<u>(30,021)</u>
	<u>160,563</u>	<u>169,768</u>	<u>173,244</u>	<u>177,331</u>
<b>Capital and reserves</b>				
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	(386,541)	(377,336)	(324,829)	(320,742)
Total equity	<u>160,563</u>	<u>169,768</u>	<u>173,244</u>	<u>177,331</u>
	<u>160,563</u>	<u>169,768</u>	<u>173,244</u>	<u>177,331</u>

**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 2014 and 30 September 2015.

**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.**

	<b>The Group</b>			
	<b>Q3 2015</b>	<b>Q3 2014</b>	<b>9M 2015</b>	<b>9M 2014</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>OPERATING ACTIVITIES</b>				
Income/(loss) before tax				
<b>Continued operations</b>	<b>2,907</b>	(11,551)	<b>(4,639)</b>	(17,653)
<b>Discontinued operations</b>	<b>(1,464)</b>	(4,434)	<b>(4,208)</b>	(17,158)
Adjustments for:				
Depreciation of property, plant and equipment	<b>106</b>	397	<b>317</b>	1,122
Impairment loss on investment in joint venture	-	-	-	8,785
Foreign currency exchange (gain)/loss	<b>(5,250)</b>	25	<b>(5,078)</b>	(2)
Amortization of land use rights	-	-	<b>2</b>	2
Loss on disposal of property, plant and equipment	-	12	-	156
Share of loss of joint ventures	<b>132</b>	198	<b>304</b>	413
Interest income	<b>(13)</b>	(40)	<b>(1,389)</b>	(1,740)
Write back of allowance for doubtful other receivables	<b>(5,000)</b>	-	<b>(14,000)</b>	-
Gain on financial assets at fair value through profit or loss	-	(6,318)	-	(6,318)
Operating cash flows before movements in working capital	<b>(8,582)</b>	(21,711)	<b>(28,692)</b>	(32,393)
Completed properties for sale	<b>2,425</b>	5,823	<b>11,529</b>	23,319
Properties under development for sale	<b>(1,600)</b>	-	<b>(9,600)</b>	-
Prepayments and other receivables	<b>5,790</b>	3,005	<b>18,470</b>	42,599
Trade payables	<b>(1,457)</b>	(5,165)	<b>(1,701)</b>	(16,093)
Sales and rental deposits	<b>2,127</b>	(3,521)	<b>(729)</b>	(17,365)
Accruals and other payables	<b>5,246</b>	(3,656)	<b>(923)</b>	(9,687)
Cash generated from/(used in) operations	<b>3,949</b>	(25,225)	<b>(11,646)</b>	(9,620)
Income tax paid	<b>(185)</b>	(147)	<b>(510)</b>	(4,286)
<b>NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>3,764</b>	(25,372)	<b>(12,156)</b>	(13,906)
<b>INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	<b>(24)</b>	(3,133)	<b>(27)</b>	(3,217)
Increase in pledged bank deposits	<b>224</b>	640	<b>1,206</b>	404
Amount advances to Joint Venture companies	<b>(731)</b>	(1,864)	<b>(1,583)</b>	(1,136)
Purchase of financial assets at fair value through profit or loss	-	(58,533)	-	(58,533)
Proceed from disposal of financial assets at fair value through profit or loss	-	-	-	7,000
Proceed from disposal of property, plant and equipment	-	-	-	1
Interest received	<b>13</b>	40	<b>1,389</b>	1,740
<b>NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES</b>	<b>(518)</b>	(62,850)	<b>985</b>	(53,741)
<b>FINANCING ACTIVITIES</b>				
Amount received from Joint Venture partner	-	-	-	25,000
Amount (repaid to)/received from related parties	<b>(9,623)</b>	10,731	<b>(1,728)</b>	13,752
<b>NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES</b>	<b>(9,623)</b>	10,731	<b>(1,728)</b>	38,752
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(6,377)</b>	(77,491)	<b>(12,899)</b>	(28,895)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>155,812</b>	255,530	<b>162,334</b>	206,934
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>149,435</b>	178,039	<b>149,435</b>	178,039

**1.(d) A statements of comprehensive income (for the issuer and group), together with a comparative statement for the corresponding year of the immediately preceding financial period.**

**Unaudited consolidated statements of comprehensive income of the Group and the Company for the financial period ended 30 September 2014 and 30 September 2015**

**Total comprehensive income/(expense) for the period attributable to:**

	<b>The Group</b>			
	<b>Q3 2015</b> RMB'000	Q3 2014 RMB'000	<b>9M 2015</b> RMB'000	9M 2014 RMB'000
Income/(loss) from continued operations for the period	2,907	(11,551)	(4,639)	(17,653)
Loss from discontinued operations for the period	(1,286)	(4,421)	(4,566)	(18,350)
Other comprehensive expense for the period	-	-	-	-
<b>Total comprehensive income/(expense) for the period</b>	<b>1,621</b>	<b>(15,972)</b>	<b>(9,205)</b>	<b>(36,003)</b>

	<b>The Group</b>			
	<b>Q3 2015</b> RMB'000	Q3 2014 RMB'000	<b>9M 2015</b> RMB'000	9M 2014 RMB'000
Owners of the Company	1,621	(15,972)	(9,205)	(36,003)
Minority interests	-	-	-	-
	<b>1,621</b>	<b>(15,972)</b>	<b>(9,205)</b>	<b>(36,003)</b>

**Total comprehensive income/(expense) for the period attributable to:**

	<b>The Company</b>			
	<b>Q3 2015</b> RMB'000	Q3 2014 RMB'000	<b>9M 2015</b> RMB'000	9M 2014 RMB'000
Income/(loss) for the period	3,104	(11,273)	(4,087)	(17,004)
Other comprehensive expense for the period	-	-	-	-
<b>Total comprehensive income/(expense) for the period</b>	<b>3,104</b>	<b>(11,273)</b>	<b>(4,087)</b>	<b>(17,004)</b>

	<b>The Company</b>			
	<b>Q3 2014</b> RMB'000	Q3 2013 RMB'000	<b>9M 2014</b> RMB'000	9M 2013 RMB'000
Owners of the Company	3,104	(11,273)	(4,087)	(17,004)
Minority interests	-	-	-	-
	<b>3,104</b>	<b>(11,273)</b>	<b>(4,087)</b>	<b>(17,004)</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding year of the immediately preceding financial year.**

**Unaudited consolidated statement of changes in equity of the Group for the year ended 30 September 2014 and 30 September 2015**

	<b>The Group</b>								
	Share capital	Share premium	Capital reserve	Distributable reserve	Treasury shares	Accumulated losses	Attributable to owners of the Company	Non controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2015	5,897	224,594	49,031	267,600	(18)	(377,336)	169,768	-	169,768
Total comprehensive loss for the period	-	-	-	-	-	(6,452)	(6,452)	-	(6,452)
Balance as at 31.3.2015	5,897	224,594	49,031	267,600	(18)	(383,788)	163,316	-	163,316
Total comprehensive loss for the period	-	-	-	-	-	(4,374)	(4,374)	-	(4,374)
Balance as at 30.6.2015	5,897	224,594	49,031	267,600	(18)	(388,162)	158,942	-	158,942
Total comprehensive income for the period	-	-	-	-	-	1,621	1,621	-	11,621
<b>Balance as at 30.9.2015</b>	<b>5,897</b>	<b>224,594</b>	<b>49,031</b>	<b>267,600</b>	<b>(18)</b>	<b>(386,541)</b>	<b>160,563</b>	<b>-</b>	<b>160,563</b>

	<b>The Group</b>								
	Share capital	Share premium	Capital reserve	Distributable reserve	Treasury shares	Accumulated losses	Attributable to owners of the Company	Non controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2014	5,897	224,594	49,031	362,461	(18)	(264,608)	377,357	-	377,357
Total comprehensive loss for the period	-	-	-	-	-	(2,165)	(2,165)	-	(2,165)
<b>Balance as at 31.3.2014</b>	<b>5,897</b>	<b>224,594</b>	<b>49,031</b>	<b>362,461</b>	<b>(18)</b>	<b>(266,773)</b>	<b>375,192</b>	<b>-</b>	<b>375,192</b>
Total comprehensive loss for the period	-	-	-	-	-	(17,866)	(17,866)	-	(17,866)
Balance as at 30.6.2014	5,897	224,594	49,031	362,461	(18)	(284,639)	357,326	-	357,326
Total comprehensive loss for the period	-	-	-	-	-	(15,972)	(15,972)	-	(15,972)
<b>Balance as at 30.9.2014</b>	<b>5,897</b>	<b>224,594</b>	<b>49,031</b>	<b>362,461</b>	<b>(18)</b>	<b>(300,611)</b>	<b>341,354</b>	<b>-</b>	<b>341,354</b>

	<b>The Company</b>					
	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 1.1.2015	5,897	224,594	267,600	(18)	(320,742)	177,331
Total comprehensive loss for the period	-	-	-	-	(1,452)	(1,452)
Balance as at 31.3.2015	5,897	224,594	267,600	(18)	(322,194)	175,879
Total comprehensive loss for the period	-	-	-	-	(5,739)	(5,739)
Balance as at 30.6.2015	5,897	224,594	267,600	(18)	(327,933)	170,140
Total comprehensive income for the period	-	-	-	-	3,104	3,104
<b>Balance as at 30.9.2015</b>	<b>5,897</b>	<b>224,594</b>	<b>267,500</b>	<b>(18)</b>	<b>(324,829)</b>	<b>173,244</b>

	<b>The Company</b>					
	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 1.1.2014	5,897	224,594	362,461	(18)	(241,202)	351,732
Total comprehensive loss for the period	-	-	-	-	(1,600)	(1,600)
Balance as at 31.3.2014	5,897	224,594	362,461	(18)	(242,802)	350,132
Total comprehensive loss for the period	-	-	-	-	(4,131)	(4,131)
Balance as at 30.6.2014	5,897	224,594	362,461	(18)	(246,933)	346,001
Total comprehensive loss for the period	-	-	-	-	(11,273)	(11,273)
Balance as at 30.9.2014	5,897	224,594	362,461	(18)	(258,206)	(334,728)

**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 2014 and three months period ended 30 September 2015.

#### Employee Share Option Scheme

No share options were issued for the year ended 31 December 2014 and period ended 30 September 2015 and there was no ordinary share that may be issued upon the exercise of any share option outstanding as at 31 December 2014 and 30 September 2015.

**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.**

On 21 September 2015, the Company consolidated every eight (8) existing ordinary shares of par value S\$0.001 each in the share capital of the Company (the "Existing Shares") into one (1) ordinary share of par value S\$0.008 in the share capital of the Company (the "Consolidated Shares") (the "Share Consolidation").

Prior to the Share Consolidation, the Company had an issued and paid-up share capital of RMB5,897,000, comprising 1,173,600,000 Existing Shares (including 92,000 treasury shares). Following the Share Consolidation, the Company has an issued and paid-up share capital of RMB5,897,000, comprising not more than 146,700,000 Consolidated Shares (including 11,500 treasury shares).

**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.**

Prior to the Share Consolidation, the Company had 92,000 treasury shares. Following the Share Consolidation, the Company has 11,500 treasury shares.

**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 2014 have been consistently applied by the Group for the financial year 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).**

	<b>The Group</b>			
	<b>Q3 2015</b> <b>RMB'000</b>	Q3 2014 RMB'000	<b>9M 2015</b> <b>RMB'000</b>	9M 2014 RMB'000
<b>Income/(loss) attributable to owners of the Company</b>	<b>1,621</b>	(15,972)	<b>(9,205)</b>	(36,003)
Basic (Singapore cents) <sup>(1)</sup>	<b>0.24</b>	(0.28)	<b>(1.38)</b>	(0.63)
Diluted (Singapore cents) <sup>(1)</sup>	<b>0.24</b>	(0.28)	<b>(1.38)</b>	(0.63)

**Note:**

(1) Calculated based on the average exchange rates S\$1:RMB4.51 for Q3 2015; S\$1:RMB4.90 for Q3 2014; S\$1:RMB4.54 for 9M 2015; and S\$1:RMB4.88 for 9M 2014, and based on the issued ordinary shares of 1,173,508,000 Existing Shares (excluding 92,000 treasury shares) for the period ended 30 September 2014 and 146,688,500 Consolidated Shares (excluding 11,500 treasury shares) for the period ended 30 September 2015. No new shares were issued in Q3 2014 and Q3 2015. The Company has no dilutive potential ordinary shares in Q3 2014 and Q3 2015.



**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.**

	<b>The Group</b>		<b>The Company</b>	
	<b>30 September 2015</b> RMB'000	31 December 2014 RMB'000	<b>30 September 2015</b> RMB'000	31 December 2014 RMB'000
Net asset value (excluding non-controlling interests) as at end of financial year	<b>160,563</b>	169,768	<b>173,244</b>	177,331
Net asset value per ordinary share as at the end of financial year (Singapore cents) <sup>(1)</sup>	<b>24.16 cents</b>	3.12 cents	<b>26.07 cents</b>	3.26 cents

**Note:**

(1) Calculated based on the exchange rates of S\$1: RMB4.53 as at 30 September 2015 and S\$1: RMB4.64 as at 31 December 2014, and based on 1,173,508,000 Existing Shares (excluding 92,000 treasury shares) as at 31 December 2014 and 146,688,500 Consolidated Shares (excluding 11,500 treasury shares) as at 30 September 2015.

**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 Q3 2015 (relative to that for Q3 2014)**

**General and administrative expenses**

Our general and administrative expenses in respect of our continuing operations decreased by RMB9.4 million or 83% from RMB11.3 million in Q3 2014 to RMB1.9 million in Q3 2015. The decrease was in part due to the higher general and administrative expenses incurred in Q3 2014 relative to Q3 2015 principally as a result of professional fees incurred in connection with the Proposed RTO and in part due to the cost control measures implemented in Q3 2015.

**Other income/(expenses)**

We registered an other income of RMB4.9 million in Q3 2015 *vis-à-vis* other expenses of RMB24,000 in Q3 2014, due principally to the fluctuating foreign exchange differences of RMB against US dollars.

**Share of losses of joint ventures**

The Group's share of loss of joint ventures decreased by RMB66,000 or 33.3% from RMB198,000 in Q3 2014 to RMB132,000 in Q3 2015. 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").

**Gain/(loss) from continuing operations before tax**

Consequence to the above, the Group attained a gain from continuing operations of RMB2.9 million in Q3 2015 *vis-à-vis* a loss from continuing operations of RMB11.6 million in Q3 2014.

**Loss from discontinued operations**

Pursuant to the Proposed RTO, the consideration for the acquisition of the target group is intended to be satisfied through a combination of payment modes, including but not limited to the disposal of the Elegant Jade Group (as defined below) to Guide True Limited, a wholly-owned subsidiary of China Focus Limited, which is in turn held as to 100% by Mr Guo Yinghui (a Director and Controlling Shareholder of the Company) and his spouse, Ms Feng Li.

The discontinued operations, consequence to the Proposed RTO, relate to those of the Elegant Jade Group, which comprised the Company's wholly-owned subsidiary, Elegant Jade Enterprises Limited ("Elegant Jade") (美基企业有限公司), and in turn the subsidiaries owned by Elegant Jade, consisting of Xinxiang Huilong Real Estate Co. Ltd (新乡辉龙置业有限公司), Henan Sunshine Elegant Jade Real Estate Co., Ltd (河南阳光美基置业有限公司), Henan Zhong Neng Mining Co., Ltd (河南中能矿业有限公司), Beijing Zhong Neng Huifeng Mining and Trading Co., Ltd (北京中能汇丰矿业贸易有限公

司), Zhengzhou Elegant Jade Changqi Investment Co., Ltd (郑州美基昌奇投资有限公司), Whitewood Property Corporation (辉活房地产有限公司) and Zhengzhou Shenderun Mining Co., Ltd (郑州盛德润矿业有限公司), with the underlying operating assets of the Elegant Jade Group comprised mainly the completed real estate property assets of the Xinxiang Sunny Town Project (新乡阳光新城项目) located at Xinxiang New District, Western District of Xinxiang, Henan Province, the PRC.

The Proposed RTO is still in progress and the parties to the Proposed RTO are considering the possibility of revisiting the terms of the relevant sale and purchase agreement, which may include, but not limited to, the portfolio of exploration and mining projects that will form part of the target group as announced by the Company on 26 January 2015. The long stop date for the relevant sale and purchase agreement has been further extended to 30 June 2016 as announced by the Company on 30 June 2015.

Consequence to the above and in compliance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, all assets, liabilities and income statements related to be discontinued operations of the Elegant Jade Group were classified as assets/liabilities held for sales in the balance sheets and discontinued operations in the income statements.

The breakdowns of the loss from discontinued operations of the Elegant Jade Group for Q3 2015 *vis-a-vis* Q3 2014 are as follows (with the comparative consolidated profit and loss statement of the Elegant Jade Group for Q3 2014 having been retrospectively adjusted and restated):

	Note	The Group		
		Q3 2015 RMB'000	Q3 2014 RMB'000 (Restated)*	% Change
Revenue	A	2,783	7,547	(63)
Cost of sales		(2,425)	(5,823)	(58)
Gross profit	B	358	1,723	(79)
Selling and distribution expenses		(177)	(1,420)	(88)
General and administrative expenses	C	(6,956)	(10,944)	(36)
Write back of allowance on doubtful other receivables	D	5,000	-	N/M
Other income	E	311	6,207	(95)
Loss from discontinued operations	F	(1,464)	(4,434)	(67)
Income tax credit	G	178	13	1,265
Loss from discontinued operations (net of tax)	H	(1,286)	(4,421)	(71)

“Q3 2014” and “Q3 2015” denotes the 3 financial months of financial period ended 30 September 2014 and 30 September 2015 respectively

“% Change” denotes increase/(decrease) in the relevant profit or loss item as compared with the comparative figure

“N/M” denotes “Not meaningful”

\*The restatement for Q3 2014 arose due to the need for comparative figures to Q3 2015, which, in compliance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, necessitates a reclassification of certain operations of the Group that constitute part of the considerations in satisfying the payment for the Proposed RTO.

#### (A) Turnover

The overall turnover attributed to the discontinued operations of the Group, generated mainly from the sales of developed properties, decreased by RMB4.8 million from RMB7.5 million in Q3 2014 to RMB2.8 million in Q3 2015. The decrease was principally attributed to the the Xinxiang Sunny Town Project (新乡阳光新城项目), which had fewer completed units being sold in Q3 2015 compared to Q3 2014.

#### (B) Gross profit

Principally as a result of lower turnover, the discontinued operations of the Group registered a lower gross profit of RMB358,000 in Q3 2015 compared to that of RMB1.7 million in Q3 2014. The discontinued operations of the Group also recorded a lower gross profit margin of 13% in Q3 2015 compared to that of 23% in Q3 2014 due principally to higher material and labour costs.

#### (C) General and administrative expenses

The general and administrative expenses of the discontinued operations of the Group decreased by RMB4.0 million or 36%

from RMB10.9 million in Q3 2014 to RMB7.0 million in Q3 2015, due principally to decreased entertainment expenses incurred in connection with the Proposed RTO coupled with the cost control measures implemented in Q3 2015.

#### **(D) Write back of allowance on doubtful other receivables**

The write back of allowance on doubtful other receivables was in relation to a full write-off of RMB27.1 million made in FY2013 against the remaining receivable balance on the sales of a piece of land located in Xinxiang (the "Xinxiang Land") as announced by the Company on 12 May 2014. The Company had since partially collected RMB9.0 million of the said receivable in Q2 2015 and RMB5.0 million of the said receivable in Q3 2015, and will endeavour to recover the remaining balance from the purchaser of the Xinxiang Land.

#### **(E) Other income**

The Group attained other income from discontinued operations of RMB311,000 in Q3 2015 and RMB6.2 million in Q3 2014.

The other income of the discontinued operations of the Group attained in Q3 2015 relates principally to the exchange gain from the fluctuation of exchange difference between RMB and US dollars.

Our other income of the discontinued operations of the Group attained in Q3 2014 relates principally to investment gain earned from the divestment in all our quoted securities (the "Quoted Investments") as announced on 14 October 2014.

#### **(F) Loss from discontinued operations and before tax**

Consequence to the above, the Group recognised loss from discontinued operations before tax of RMB1.5 million in Q3 2015 and RMB4.4 million in Q3 2014.

#### **(G) Income tax credit**

We registered an income tax credit of RMB178,000 in Q3 2015 and RMB13,000 in Q3 2014, attributed principally to a write-back in income tax provision by a subsidiary of the Group..

#### **(H) Net loss attributable to owners of the Company**

Accordingly, the Group recognised net loss from discontinued operations of RMB1.3 million in Q3 2015 and RMB4.4 million in Q3 2014.

#### **(b) Review of statements of financial position of the Group as at 30 September 2015 (relative to that as at 31 December 2014)**

##### **Non-current assets**

Our non-current assets, comprised mainly investments in the Joint Venture, property, plant and equipment of the subsidiaries of the Group, decreased by RMB621,000 or 3.4% from RMB18.1 million as at 31 December 2014 to RMB17.4 million as at 30 September 2015.

##### **Current assets**

Cash and cash equivalent increased by RMB135.6 million from RMB2.3 million as at 31 December 2014 to RMB137.9 million as at 30 September 2015. The increase was due principally to the transfer of cash from the Elegant Jade Group (being the disposed group contemplated under the Proposed RTO and captured under the "Assets of disposal group classified as held for sale" account) to the "cash and cash equivalent" account of the ultimate holding company, the Company, in order to better reflect the cash position of the continued operations of the Group.

Assets classified as held for sale relate principally to that of the Elegant Jade Group (being the disposed group contemplated under the Proposed RTO), and they comprised mainly property, plant and equipment of RMB7.1 million, completed properties held for sale of RMB78.0 million, property under development of RMB9.6 million, prepayment and other receivable of RMB6.5 million, amount due from joint venture of RMB8.1 million, pledged bank deposits of RMB7.5 million as well as a reduced cash and cash equivalent of RMB11.5 million for reason as explained above. Prior to the eventual completion of the Proposed RTO, the remaining unsold units in the completed properties held for sale will still continue to generate revenue for the Group.

Taken as a whole, our current assets decreased by RMB17.8 million or 6.2% from RMB286.4 million as at 31 December 2014 to RMB268.6 million as at 30 September 2015.

##### **Current liabilities**

The decreases in the accruals and other payables by RMB4.0 million or 91.2% from RMB4.4 million as at 31 December 2014 to RMB385,000 as at 30 September 2015, and the decreases in amounts due to related parties by RMB1.7 million or

6.3% from RMB27.2 million as at 31 December 2014 to RMB25.5 million as at 30 September 2015, were due principally to repayments made by the Group.

Liabilities classified as held for sale relate principally to the Elegant Jade Group (being the disposed group contemplated under the Proposed RTO), and they comprised mainly trade payables of RMB6.1 million, accruals and other payables of RMB8.8 million, due to related parties of RMB2.3 million, income tax payables of RMB42.0 million as well as sales and rental deposits of RMB40.4 million.

Taken as a whole, our current liabilities decreased by RMB9.2 million or 6.8% from RMB134.7 million as at 31 December 2014 to RMB125.5 million as at 30 September 2015.

Consequence to the above, the Group attained net cash generated from operating activities of RMB3.8million in Q3 2015 *vis-à-vis* net cash used in operating activities of RMB25.4 million in Q3 2014.

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

Nil

#### **10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting year and the next 12 months.**

On the real estate front, the property markets in China, particular in the non-first tier cities, are showing some signs of improvement as the Chinese government gradually loosens some of the austerity measures and credit tightening initiatives it introduced a few years ago in curbing property speculation.

As for the Proposed RTO, the internal restructuring by China Minerals Energy Ltd has consequently resulted in the parties to the Proposed RTO requiring further time in working out possible revised terms to the Amended and Restated SPA, 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.

*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 Q3 2015.

**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.**

<b>Name of the interested person</b>	<b>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)</b>	<b>Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
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 30 September 2015 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 is in the process of procuring 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  
13 November 2015

**Ms Dong Lingling**  
Director