



**CHINA MINING INTERNATIONAL LIMITED**

中矿国际有限公司

Registered in Cayman Islands

Company Registration No. CT-140095

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**UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015  
("Q1 2015") IN RESPECT OF THE FINANCIAL YEAR ENDING 31 DECEMBER 2015 ("FY2015")**

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**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>Q1 2015</b>	Q1 2014	%
	<b>RMB'000</b>	RMB'000	Change
		(Restated)*	
General and administrative expenses	<b>(1,482)</b>	(1,718)	(14)
Other (expenses)/income	<b>(40)</b>	58	N/M
Share of losses of joint ventures	<b>(65)</b>	(100)	(35)
Loss before tax	<b>(1,587)</b>	(1,760)	(10)
Income tax expenses	-	-	N/M
Loss from continuing operations	<b>(1,587)</b>	(1,760)	(10)
Loss from discontinued operations (net of tax)	<b>(4,865)</b>	(405)	1,101
Loss for the period, representing total comprehensive loss for the period	<b>(6,452)</b>	(2,165)	198

"Q1 2014" and "Q1 2015" denotes the 3 financial months of financial period ended 31 March 2014 and 31 March 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 Q1 2014 arose due to the need for comparative figures to Q1 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 reverse takeover transaction as announced by the Company on 11 July 2013 and 1 April 2014 and 31 December 2014 (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>Q1 2015</b>	Q1 2014	%
<b>RMB'000</b>	RMB'000	Change

Loss before tax has been arrived at after charging/(crediting):

Depreciation of property, plant and equipment	<b>579</b>	362	60
Net foreign currency exchange gain	<b>159</b>	(62)	N/M
Amortization of land use rights	<b>1</b>	1	N/M
Interest income	<b>(1,326)</b>	(1,489)	(11)

*“Q1 2014” and “Q1 2015” denotes the 3 financial months of financial period ended 31 March 2014 and 31 March 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 31 March 2015**

	<b>The Group</b>		<b>The Company</b>	
	<b>31 March 2015 RMB'000</b>	<b>31 December 2014 RMB'000</b>	<b>31 March 2015 RMB'000</b>	<b>31 December 2014 RMB'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	1,458	1,564	702	751
Investments in subsidiaries	-	-	206,601	206,601
Equity accounted investment in joint ventures	16,435	16,500	-	-
	<b>17,893</b>	<b>18,064</b>	<b>207,303</b>	<b>207,352</b>
<b>Current assets</b>				
Prepayments and other receivables	554	575	554	575
Amounts due from subsidiaries (non-trade)	-	-	1,400	1,393
Amounts due from related parties (non-trade)	443	441	443	441
Cash and cash equivalents	135	2,337	82	2,282
Assets of disposal group classified as held for sale	277,153	283,074	-	-
	<b>278,285</b>	<b>286,427</b>	<b>2,479</b>	<b>4,691</b>
<b>Current liabilities</b>				
Accruals and other payables	2,107	4,363	2,106	4,363
Amount due to subsidiaries (non-trade)	-	-	3,212	3,135
Amounts due to related parties (non-trade)	28,585	27,214	28,585	27,214
Liabilities of disposal group classified as held for sale	102,170	103,146	-	-
	<b>132,862</b>	<b>134,723</b>	<b>33,903</b>	<b>34,712</b>
<b>Net current assets/(liabilities)</b>	<b>145,423</b>	<b>151,704</b>	<b>(31,424)</b>	<b>(30,021)</b>
	<b>163,316</b>	<b>169,768</b>	<b>175,879</b>	<b>177,331</b>
<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	(383,788)	(377,336)	(322,194)	(320,742)
Total equity	<b>163,316</b>	<b>169,768</b>	<b>175,879</b>	<b>177,331</b>
	<b>163,316</b>	<b>169,768</b>	<b>175,879</b>	<b>177,331</b>

**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 31 March 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>Q1 2015</b>	<b>Q1 2014</b>
	<b>RMB'000</b>	<b>RMB'000</b> (Restated)
<b>OPERATING ACTIVITIES</b>		
<b>(Loss)/gain before tax</b>		
<b>Continued operations</b>	<b>(1,587)</b>	(1,760)
<b>Discontinued operations</b>	<b>(4,360)</b>	575
Adjustments for:		
Amortisation of land use rights	1	1
Depreciation of property, plant and equipment	579	362
Foreign currency exchange gain	159	(62)
Interest income	(1,326)	(1,489)
Share of results of joint venture	65	100
Operating loss before working capital changes	<b>(6,469)</b>	(2,273)
Completed properties for sale	5,220	10,989
Properties under development for sale	(3,500)	-
Prepayments and other receivables	2,474	39,425
Pledged Deposits	20	(28)
Trade payables	(658)	(9,713)
Sales and rental deposits	103	(12,514)
Accruals and other payables	(4,319)	(6,334)
Cash generated from operations	<b>(7,129)</b>	19,552
Income tax paid	<b>(188)</b>	(3,991)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>(7,317)</b>	15,561
<b>INVESTING ACTIVITIES</b>		
Payment from joint venture partner	-	25,000
Deposit for tender of a land	-	(250,000)
Advances from joint venture	-	477
Repayment to joint venture	(99)	-
Advances to joint venture	(150)	-
Advances to related parties	(2)	-
Proceed from disposal of financial assets	-	7,000
Interest received	1,326	1,489
Purchase of property, plant and equipment	-	(32)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>1,075</b>	(216,066)
<b>FINANCING ACTIVITIES</b>		
Amounts (paid to)/received from related parties	1,371	(61)
<b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>1,371</b>	(61)
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(4,871)</b>	(200,566)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>162,334</b>	206,934
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>157,463</b>	6,368

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 year ended 31 December 2014 and 31 March 2015

Total comprehensive loss for the year attributable to:

	<u>The Group</u>	
	<b>Q1 2015</b> <b>RMB'000</b>	Q1 2014 RMB'000 (Restated)
Loss from continued operations	(1,587)	(1,760)
Loss from discontinued operations	(4,865)	(405)
Other comprehensive income for the period	-	-
Total comprehensive expense for the period	<u>(6,452)</u>	<u>(2,165)</u>

	<u>The Group</u>	
	<b>Q1 2015</b> <b>RMB'000</b>	Q1 2014 RMB'000
Equity holders of the Company	(6,452)	(2,165)
Non-controlling interests	-	-
	<u>(6,452)</u>	<u>(2,165)</u>

Total comprehensive loss for the year attributable to:

	<u>The Company</u>	
	<b>Q1 2015</b> <b>RMB'000</b>	Q1 2014 RMB'000
Loss for the period	(1,452)	(1,600)
Other comprehensive expense for the period	-	-
Total comprehensive expense for the period	<u>(1,452)</u>	<u>(1,600)</u>

	<u>The Company</u>	
	<b>Q1 2015</b> <b>RMB'000</b>	Q1 2014 RMB'000
Owners of the Company	(1,452)	(1,600)
Non-controlling interests	-	-
	<u>(1,452)</u>	<u>(1,600)</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 year ended 31 December 2013 and 31 March 2014**

	<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 year	-	-	-	-	-	(6,452)	(6,452)	-	(6,452)
<b>Balance as at 31.3.2015</b>	<b>5,897</b>	<b>224,594</b>	<b>49,031</b>	<b>267,600</b>	<b>(18)</b>	<b>(383,788)</b>	<b>163,316</b>	<b>-</b>	<b>163,316</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 year	-	-	-	-	-	(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>

	<b>The Company</b>					
	Share capital	Share premium	distributable reserve	Treasury shares	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2015	5,897	224,594	267,600	(18)	(320,742)	177,331
Total comprehensive loss for the year	-	-	-	-	(1,452)	(1,452)
<b>Balance as at 31.3.2015</b>	<b>5,897</b>	<b>224,594</b>	<b>267,600</b>	<b>(18)</b>	<b>(322,194)</b>	<b>175,879</b>

	<b>The Company</b>					
	Share capital	Share premium	distributable reserve	Treasury shares	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2014	5,897	224,594	362,461	(18)	(241,202)	351,732
Total comprehensive loss for the year	-	-	-	-	(1,600)	(1,600)
<b>Balance as at 31.3.2014</b>	<b>5,897</b>	<b>224,594</b>	<b>362,461</b>	<b>(18)</b>	<b>(242,802)</b>	<b>350,132</b>

**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 31 March 2015.

Employee Share Option Scheme

No share options were issued for the year ended 31 December 2014 and period ended 31 March 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 31 March 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.**

Total number of issued ordinary shares as at 31.3.2015 and 31.12.2014 (excluding treasury shares) 1,173,508,000

**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 31.3.2015 and 31.12.2014 92,000

**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).

	<u>The Group</u>	
	<u>Q1 2015</u> RMB'000	<u>Q1 2014</u> RMB'000
<b>Loss attributable to owners of the Company</b>	<b>(6,452)</b>	<b>(2,165)</b>
Basic (Singapore cents) <sup>(1)</sup>	<b>(0.12) cents</b>	<b>(0.04) cents</b>
Diluted (Singapore cents) <sup>(1)</sup>	<b>(0.12) cents</b>	<b>(0.04) cents</b>

**Notes:**

(1) Calculated based on the average exchange rate in Q1 2015 at S\$1: RMB4.53 (Q1 2014: S\$1: RMB4.82). Based on the issued ordinary shares of 1,173,508,000 (excluding treasury shares) for Q1 2014 and Q1 2015. The Company has no dilutive potential ordinary shares in Q1 2014 and Q1 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.

	<u>The Group</u>		<u>The Company</u>	
	<u>31 March</u> <u>2015</u> RMB'000	<u>31 December</u> <u>2014</u> RMB'000	<u>31 March</u> <u>2015</u> RMB'000	<u>31 December</u> <u>2014</u> RMB'000
Net asset value (excluding non-controlling interests) as at end of financial year	<b>163,316</b>	169,768	<b>175,879</b>	177,331
Net asset value per ordinary share as at the end of financial year (Singapore cents) <sup>(1)</sup>	<b>3.11 cents</b>	3.12 cents	<b>3.35 cents</b>	3.26 cents

**Note:**

(1) Calculated based on exchange rate of S\$1: RMB4.48 as at 31 March 2015 (as at 31 December 2014: S\$1: RMB4.64) and 1,173,508,000 ordinary shares (excluding treasury shares) as at 31 December 2014 and 31 March 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 Q1 2014 (relative to that for Q1 2013)**

**General and administrative expenses**

Our general and administrative expenses in respect of our continuing operations decreased by RMB236,000 or 14% from RMB1.7 million in Q1 2014 to RMB1.5 million in Q1 2015, due mainly to decreased business activities.

**Other (expenses)/income**

We registered other expenses of RMB40,000 in Q1 2015 *vis-à-vis* other income of RMB58,000 in Q1 2014, due principally to exchange losses resulting from weakened Renminbi against Singapore dollar.

**Share of losses of joint ventures**

The Group's share of loss of joint ventures decreased by RMB35,000 or 35% from RMB100,000 in Q1 2014 to RMB65,000 in Q1 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").



## Loss from continuing operations before tax

Consequence to the above, the Group's loss from continuing operations before tax decreased by RMB173,000 from RMB1.8 million in Q1 2014 to RMB1.6 million in Q1 2015.

## 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.

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 breakdown of the loss from discontinued operations of the Group for Q1 2015 versus Q1 2014 were as follows (with the comparative consolidated profit and loss statement of the Group for Q1 2014 having been retrospectively adjusted and restated):

	Note	The Group		
		Q1 2015 RMB'000	Q1 2014 RMB'000 (Restated)*	% Change
Revenue	A	7,337	14,696	(50)
Cost of sales		(5,220)	(10,989)	(52)
Gross profit	B	2,117	3,707	(43)
Selling and distribution expenses	C	(98)	(321)	(69)
General and administrative expenses	D	(7,439)	(4,265)	74
Other income	E	1,326	1,493	(11)
Other expenses	F	(266)	(39)	582
(Loss)/gain from discontinued operations	G	(4,360)	575	N/M
Income tax expenses	H	(505)	(980)	(48)
Loss from discontinued operations (net of tax)	I	(4,865)	(405)	1,101

"Q1 2014" and "Q1 2015" denotes the 3 financial months of financial period ended 31 March 2014 and 31 March 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 Q1 2013 arose due to the need for comparative figures to Q1 2014, 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 RMB7.4 million from RMB14.7 million in Q1 2014 to RMB7.3 million in Q1 2015. The decrease was principally attributed to the the Xinxiang Sunny Town Project (新乡阳光新城项目), with fewer completed units being delivered to the buyers in Q1 2015 relative to Q1 2014.

#### **(B) Gross profit**

The discontinued operations of the Group registered a lower gross profit of RMB2.1 million in Q1 2015 compared to that of RMB3.7 million in Q1 2014 and at a higher gross profit margin of about 29% in Q1 2015 compared to that of about 25% in Q1 2014, due principally to decreased labour and construction material costs.

#### **(C) Selling and distribution expenses**

In line with decreased business activities, the selling and distribution expenses of the discontinued operations of the Group decreased by RMB223,000 or 69% from RMB321,000 in Q1 2014 to RMB98,000 in Q1 2015.

#### **(D) General and administrative expenses**

The general and administrative expenses of the discontinued operations of the Group increased by RMB3.2 million or 74% from RMB4.3 million in Q1 2014 to RMB7.4 million in Q1 2015, due principally to: (i) the expenses incurred by the Company in connection with the Proposed RTO; and (ii) the increase in depreciation of property, plant and equipment by RMB217,000 from RMB362,000 in Q1 2014 to RMB579,000 in Q1 2015 attributed principally to leasehold improvement incurred in late FY2014 following the setup of a staff office in Beijing.

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

The other income registered by the discontinued operations of the Group decreased by RMB167,000 from RMB1.5 million in Q1 2014 to RMB1.3 million in Q1 2015.

The other income of the discontinued operations of the Group attained in Q1 2015 relates principally to interest income earned on a term deposit placed with a bank while the other income attained in Q1 2014 relates principally to net income on mark-to-market gained from investments in quoted securities in FY2014 (the "FY2014 Quoted Investments"). The FY2014 Quoted Investments was fully divested as announced by the Company on 17 October 2014.

#### **(F) Other expenses**

The other expenses of the discontinued operations of the Group increased by RMB227,000 from RMB39,000 in Q1 2014 to RMB266,000 in Q1 2015.

The other expenses recognized in Q1 2014 were attributed principally to the payment of revenue related business taxes.

The other expense recognized in Q1 2015 were due principally to exchange losses resulting from weakened Renminbi against Singapore dollar, coupled with the payment of revenue related business taxes.

#### **(G) (Loss)/gain from discontinued operations and before tax**

Consequence to the above, the Group recognised loss from discontinued operations before tax of RMB4.4 million in Q1 2015 *vis-à-vis* a gain from discontinued operations before tax of RMB575,000 in Q1 2014.

#### **(H) Income tax expense**

In line with reduced sales of developed properties, the income tax expenses of the discontinued operations of the Group decreased by RMB475,000 or 48% from RMB980,000 in Q1 2014 to RMB505,000 in Q1 2015.

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

Accordingly, the net loss from discontinued operation attributable to the owners of the Company increased from RMB405,000 in Q1 2014 to RMB4.9 million for Q1 2015.

#### **(b) Review of statements of financial position of the Group as at 31 March 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 RMB171,000 or 1% from RMB18.1 million as at 31 December 2014 to RMB17.9 million as at 31 March 2015.

## Current assets

Assets classified as held for sale relate principally to that of the Elegant Jade Group pursuant to the Proposed RTO, and they comprised mainly property, plant and equipment of RMB6.6 million, completed properties held for sale of RMB84.3 million, prepayment and other receivable of RMB8.5 million, amount due from joint venture of RMB6.9 million, pledged bank deposits of RMB8.7 million as well as cash and cash equivalent of RMB157.3 million. Prior to the 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 and the cash and cash equivalent will still be used for the daily operations and working capital needs of the Group.

Taken as a whole, our current assets were decreased by RMB8.1 million or 3% from RMB286.4 million as at 31 December 2014 to RMB278.3 million as at 31 March 2015.

## Current liabilities

The decreases in the accruals and other payables by RMB2.3 million or 52% from RMB4.4 million as at 31 December 2014 to RMB2.1 million as at 31 March 2015 were due principally to repayments made by the Group.

The increase in amounts due to related parties by RMB1.4 million was attributed principally to the payment of some professional fees by related parties on behalf of the Company in connection with the Proposed RTO.

Liabilities classified as held for sale relate principally to the Elegant Jade Group pursuant to the Proposed RTO, and they comprised mainly trade payables of RMB7.0 million, accruals and other payables of RMB9.0 million, income tax payables of RMB42.4 million as well as sales and rental deposits of RMB41.3 million.

Taken as a whole, our current liabilities were decreased by RMB1.9 million or 1% from RMB134.7 million as at 31 December 2014 to RMB132.9 million as at 31 March 2015.

Consequence to the above, we registered a net cash used in operating activities of RMB7.3 million in Q1 2015 *vis-à-vis* a net cash generated from operating activities of RMB15.6 million in Q1 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.

Save for certain niche sectors and locations, the property market conditions in the PRC, in particular the non-first tier cities, generally remain challenging due to the lingering effects of the extensive austerity measures and credit tightening initiatives introduced by the Chinese government in curbing property speculation.

As for the mining business of the Group, without a broad based recovery in sight against the backdrop of a tepid global economy, made worst by the slowdown of the PRC economy, sentiments and demand for iron ores are expected to continue to be adversely impacted.

With regard to the Proposed RTO, the relevant parties to the amended and restated conditional sale and purchase agreement entered into on 31 December 2014 in respect of the Proposed RTO (the "Amended and Restated SPA") are in the midst of 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. The revision is to accommodate the views expressed by the Singapore Exchange Securities Trading Limited ("ST-SGX") following the Company's pre-clearance of issues relating to the Proposed RTO with the SGX-ST. 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 Q1 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 31 March 2015 to be false or misleading in any material aspect.

Signed for and on behalf of the Board of Directors

**BY ORDER OF THE BOARD**

**Mr Li Bin**  
CEO and Director  
14 May 2015

**Ms Dong Lingling**  
Director