

**CHINA MINING INTERNATIONAL LIMITED**

中矿国际有限公司

Registered in Cayman Islands

Company Registration No. CT-140095

**UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 (“Q3 2014”) IN RESPECT OF THE FINANCIAL YEAR ENDING 31 DECEMBER 2014 (“FY2014”)****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 2014</b>	Q3 2013	%	<b>9M 2014</b>	9M 2013	%
	<b>RMB'000</b>	RMB'000	Change	<b>RMB'000</b>	RMB'000	Change
Revenue	<b>7,547</b>	24,936	(70)	<b>30,863</b>	109,689	(72)
Cost of sales	<b>(5,823)</b>	(17,972)	(68)	<b>(23,319)</b>	(93,333)	(75)
Gross profit	<b>1,724</b>	6,964	(75)	<b>7,544</b>	16,356	(54)
Other operating income/(expense)	<b>6,183</b>	2,503	147	<b>(1,327)</b>	2,757	N/M
Fair value loss on financial assets	-	(1,018)	N/M	-	(10,655)	N/M
Share of losses of joint venture	<b>(198)</b>	(144)	38	<b>(413)</b>	(272)	52
General and administrative expenses	<b>(22,273)</b>	(7,697)	189	<b>(38,331)</b>	(21,761)	76
Selling and distribution expenses	<b>(1,420)</b>	(577)	146	<b>(2,284)</b>	(1,739)	31
Finance (loss)/income	-	(322)	N/M	-	(1,686)	N/M
Loss before tax	<b>(15,984)</b>	(291)	5,393	<b>(34,811)</b>	(17,000)	105
Income tax credit/(expense)	<b>12</b>	(1,783)	N/M	<b>(1,192)</b>	(7,665)	(84)
Net loss for the period	<b>(15,972)</b>	(2,074)	670	<b>(36,003)</b>	(24,665)	46

“Q3 2013” and “Q3 2014” denotes the third quarter or the three-month period ended 30 September 2013 and 30 September 2014 respectively

“9M 2013” and “9M 2014” denotes the nine-month period ended 30 September 2013 and 30 September 2014 respectively

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

“N/M” denotes “Not meaningful”

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

	<b>The Group</b>					
	<b>Q3 2014</b>	Q3 2013	%	<b>9M 2014</b>	9M 2013	%
	<b>RMB'000</b>	RMB'000	Change	<b>RMB'000</b>	RMB'000	Change
Loss before tax has been arrived at after charging/(crediting):						
Depreciation of property, plant and equipment	<b>397</b>	331	20	<b>1,122</b>	973	15
Impairment loss on investment in joint venture	-	-	-	<b>8,785</b>	-	N/M
Foreign currency exchange gain	<b>25</b>	(4)	N/M	<b>(2)</b>	70	N/M
Amortization of land use rights	-	1	N/M	<b>2</b>	2	-
Loss on disposal of property, plant and equipment	<b>12</b>	-	N/M	<b>156</b>	-	N/M
(Gain)/loss on financial assets at fair value through profit or loss	<b>(6,318)</b>	1,018	N/M	<b>(6,318)</b>	10,656	N/M
Interest expense	-	321	N/M	-	1,686	N/M
Interest income	<b>(40)</b>	(2,499)	(98)	<b>(1,740)</b>	(2,922)	(40)

*“Q3 2013” and “Q3 2014” denotes the third quarter or the three-month period ended 30 September 2013 and 30 September 2014 respectively*

*“9M 2013” and “9M 2014” denotes the nine- month period ended 30 September 2013 and 30 September 2014 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 2013 and 30 September 2014**

	<b>The Group</b>		<b>The Company</b>	
	<b>30 September 2014 RMB'000</b>	<b>31 December 2013 RMB'000</b>	<b>30 September 2014 RMB'000</b>	<b>31 December 2013 RMB'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	7,881	5,928	800	947
Land use rights	56	58	-	-
Investments in subsidiaries	-	-	352,212	352,212
Equity accounted investment in joint ventures	74,802	84,000	-	-
	<b>82,739</b>	<b>89,986</b>	<b>353,012</b>	<b>353,159</b>
<b>Current assets</b>				
Completed properties for sale	97,390	120,709	-	-
Prepayments and other receivables	36,887	78,980	599	613
Amounts due from subsidiaries (non-trade)	-	-	1,356	1,299
Amounts due from related parties (non-trade)	329	327	329	327
Amounts due from joint ventures (non-trade)	5,636	3,699	-	-
Amounts due from joint ventures partner (non-trade)	-	25,000	-	-
Income tax recoverable	69	69	-	-
Financial assets at fair value through profit or loss	64,851	-	-	-
Available for sales financial asset	-	7,000	-	-
Pledged bank deposits	8,717	9,121	-	-
Cash and cash equivalents	178,039	206,934	1,765	5,916
	<b>391,918</b>	<b>451,839</b>	<b>4,049</b>	<b>8,155</b>
<b>Current liabilities</b>				
Trade payables	11,392	27,505	-	-
Sales and rental deposits	40,388	57,753	-	-
Accruals and other payables	10,006	19,151	391	3,898
Amount due to subsidiaries (non-trade)	-	-	2,225	1
Amounts due to related parties (non-trade)	19,787	6,033	19,717	5,683
Amounts due to joint ventures (non-trade)	1,488	687	-	-
Amounts due to joint venture partner (non-trade)	11	11	-	-
Income tax payables	41,907	44,997	-	-
	<b>124,979</b>	<b>156,137</b>	<b>22,333</b>	<b>9,582</b>
<b>Net current assets/(liabilities)</b>	<b>266,939</b>	<b>295,702</b>	<b>(18,284)</b>	<b>(1,427)</b>
	<b>349,678</b>	<b>385,688</b>	<b>334,728</b>	<b>351,732</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	362,461	362,461	362,461	362,461
Accumulated losses	(300,611)	(264,608)	(258,206)	(241,202)
Total equity	<b>341,354</b>	<b>377,357</b>	<b>334,728</b>	<b>351,732</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	8,324	8,331	-	-
	<b>8,324</b>	<b>8,331</b>	<b>-</b>	<b>-</b>
	<b>349,678</b>	<b>385,688</b>	<b>334,728</b>	<b>351,732</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 2013 and 30 September 2014.

**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 2014</b> <b>RMB'000</b>	<b>Q3 2013</b> <b>RMB'000</b>	<b>9M 2014</b> <b>RMB'000</b>	<b>9M 2013</b> <b>RMB'000</b>
<b>OPERATING ACTIVITIES</b>				
Loss before tax	(15,984)	(291)	(34,811)	(17,000)
Adjustments for:				
Depreciation of property, plant and equipment	397	331	1,122	973
Impairment loss on investment in joint venture	-	-	8,785	-
Foreign currency exchange gain	25	(4)	(2)	70
Amortization of land use rights	-	1	2	2
Loss on disposal of property, plant and equipment	12	-	156	-
Share of loss of joint ventures	198	144	413	272
Interest income	(40)	(2,499)	(1,740)	(2,922)
Interest expenses	-	321	-	1,686
(Gain)/loss on financial assets at fair value through profit or loss	(6,318)	1,018	(6,318)	10,656
Operating cash flows before movements in working capital	<u>(21,710)</u>	<u>(979)</u>	<u>(32,393)</u>	<u>(6,263)</u>
Completed properties for sale	5,823	17,612	23,319	57,996
Properties under development for sale	-	(1,123)	-	(3,986)
Prepayments and other receivables	3,005	3,763	42,599	22,656
Trade payables	(5,165)	(10,245)	(16,093)	2,545
Sales and rental deposits	(3,521)	(8,794)	(17,365)	(20,068)
Accruals and other payables	(3,657)	(1,062)	(9,687)	(12,245)
Cash used in operations	<u>(25,225)</u>	<u>(828)</u>	<u>(9,620)</u>	<u>40,635</u>
Income tax paid	(147)	(618)	(4,286)	(13,889)
<b>NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	<u>(25,372)</u>	<u>(1,446)</u>	<u>(13,906)</u>	<u>26,746</u>
<b>INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(3,133)	(81)	(3,217)	(1,697)
Increase in pledged bank deposits	640	2,499	404	(1,554)
Investment in quoted security	-	(759)	-	-
Amount (advances to)/received from Joint Venture companies	(1,864)	(162)	(1,136)	(822)
Divided income	-	-	-	321
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	12,798
Proceed from disposal of property, plant and equipment	-	3,037	1	-
Interest received	40	-	1,740	2,922
<b>NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES</b>	<u>(62,850)</u>	<u>4,534</u>	<u>(53,741)</u>	<u>11,968</u>
<b>FINANCING ACTIVITIES</b>				
Repayment of margin facility	-	(2,340)	-	(9,622)
Amount received from Joint Venture partner	-	-	25,000	-
Amount received from/(repaid to) related parties	10,731	-	13,752	1,455
Interest paid	-	(321)	-	(4,854)
<b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<u>10,731</u>	<u>(2,661)</u>	<u>38,752</u>	<u>(13,021)</u>
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(77,491)</b>	<b>427</b>	<b>(28,895)</b>	<b>25,693</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>255,530</u>	<u>209,256</u>	<u>206,934</u>	<u>183,990</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>178,039</u>	<u>209,683</u>	<u>178,039</u>	<u>209,683</u>

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

**Unaudited consolidated statements of comprehensive income of the Group and the Company for the three months period ended 30 September 2014 and 2013**

**Total comprehensive expense for the period attributable to:**

	<b>The Group</b>			
	<b>Q3 2014</b> RMB'000	Q3 2013 RMB'000	<b>9M 2014</b> RMB'000	9M 2013 RMB'000
Loss for the period	(15,972)	(2,074)	(36,003)	(24,665)
Other comprehensive expense for the period	-	-	-	-
<b>Total comprehensive expense for the period</b>	<b>(15,972)</b>	<b>(2,074)</b>	<b>(36,003)</b>	<b>(24,665)</b>

	<b>The Group</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	(15,972)	(2,074)	(36,003)	(24,665)
Minority interests	-	-	-	-
	<b>(15,972)</b>	<b>(2,074)</b>	<b>(36,003)</b>	<b>(24,665)</b>

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

	<b>The Company</b>			
	<b>Q3 2014</b> RMB'000	Q3 2013 RMB'000	<b>9M 2014</b> RMB'000	9M 2013 RMB'000
Loss for the period	(11,273)	(861)	(17,004)	(678)
Other comprehensive expense for the period	-	-	-	-
<b>Total comprehensive expense for the period</b>	<b>(11,273)</b>	<b>(861)</b>	<b>(17,004)</b>	<b>(678)</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	(11,273)	(861)	(17,004)	(678)
Minority interests	-	-	-	-
	<b>(11,273)</b>	<b>(861)</b>	<b>(17,004)</b>	<b>(678)</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 three months period ended 30 September 2014 and 2013**

	<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>
Total comprehensive loss for the year	-	-	-	-	-	(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 year	-	-	-	-	-	(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 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 1.1.2013	368,358	224,594	49,031	-	(18)	(134,922)	507,043	-	507,043
Comprehensive loss for the period	-	-	-	-	-	(13,330)	(13,330)	-	(13,330)
Balance as at 31.3.2013	368,358	224,594	49,031	-	(18)	(148,252)	493,713	-	493,713
Comprehensive loss for the period	-	-	-	-	-	(9,261)	(9,261)	-	(9,261)
Balance as at 30.6.2013	368,358	224,594	49,031	-	(18)	(157,513)	484,452	-	484,452
Comprehensive loss for the period	-	-	-	-	-	(2,074)	(2,074)	-	(2,074)
<b>Balance as at 30.9.2013</b>	<b>368,358</b>	<b>224,594</b>	<b>49,031</b>	<b>-</b>	<b>(18)</b>	<b>(159,587)</b>	<b>482,378</b>	<b>-</b>	<b>482,378</b>

The Company						
	Share capital RMB'000	Share premium RMB'000	Distributable reserve RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance as at 1.1.2014	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)
<b>Balance as at 30.9.2014</b>	<b>5,897</b>	<b>224,594</b>	<b>362,461</b>	<b>(18)</b>	<b>(258,206)</b>	<b>(334,728)</b>

The Company						
	Share capital RMB'000	Share premium RMB'000	Distributable Reserve RMB'000	Treasury Shares RMB'000	Retained earnings RMB'000	Total RMB'000
Balance as at 1.1.2013	368,358	224,594	-	(18)	101,754	694,688
Comprehensive expense for the period	-	-	-	-	(610)	(610)
Balance as at 31.3.2013	368,358	224,594	-	(18)	101,144	694,078
Comprehensive income for the period	-	-	-	-	793	793
Balance as at 30.6.2013	368,358	224,594	-	(18)	101,937	694,871
Comprehensive expense for the period	-	-	-	-	(861)	(861)
<b>Balance as at 30.9.2013</b>	<b>368,358</b>	<b>224,594</b>	<b>-</b>	<b>(18)</b>	<b>101,076</b>	<b>694,010</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 2013 and three months period ended 30 September 2014.

#### Employee Share Option Scheme

No share options were issued for the year ended 31 December 2013 and period ended 30 September 2014 and there was no ordinary share that may be issued upon the exercise of any share option outstanding as at 31 December 2013 and 30 September 2014.

**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 1.1.2014 and 30.9.2014 (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.**

	<u>Group and Company</u>	
	Number of ordinary shares	RMB'000
Treasury shares at 1.1.2014	92,000	18
Share buy-back during the period	-	-
<b>Treasury shares at 30.9.2014</b>	<b>92,000</b>	<b>18</b>

**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 2013 have been consistently applied by the Group for the financial period presented.

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

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

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

	<u>The Group</u>			
	Q3 2014 RMB'000	Q3 2013 RMB'000	9M 2014 RMB'000	9M 2013 RMB'000
<b>Loss attributable to owners of the Company</b>	<b>(15,972)</b>	(2,074)	<b>(36,003)</b>	(24,665)
Basic (Singapore cents) <sup>(1)</sup>	<b>(0.28)<sup>(2)</sup></b>	(0.04) <sup>(2)</sup>	<b>(0.63)<sup>(2)</sup></b>	(0.42) <sup>(2)</sup>
Diluted (Singapore cents) <sup>(1)</sup>	<b>(0.28)<sup>(3)</sup></b>	(0.04) <sup>(3)</sup>	<b>(0.63)<sup>(3)</sup></b>	(0.42) <sup>(3)</sup>

**Notes:**

- (1) Calculated based on the average exchange rate in Q3 2014: S\$1: RMB4.90 (Q3 2013: S\$1: RMB4.87); 9M 2014: S\$1: RMB4.88 (9M 2013: S\$1: RMB4.96)
- (2) Based on the issued ordinary shares of 1,173,508,000 (excluding treasury shares) for the period ended 30 September 2013 and 2014. No new shares were issued in Q3 2013 and Q3 2014.
- (3) The Company has no dilutive potential ordinary shares in Q3 2013 and Q3 2014.



**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>30 September 2014</u> RMB'000	31 December 2013 RMB'000	<u>30 September 2014</u> RMB'000	31 December 2013 RMB'000
Net asset value (excluding non-controlling interests) as at end of financial period and year	<u>341,354</u>	<u>377,357</u>	<u>334,728</u>	<u>351,732</u>
Net asset value per ordinary share as at the end of financial period and year (Singapore cents) <sup>(1)</sup>	<u>6.02 cents</u>	<u>6.69 cents</u>	<u>5.91 cents</u>	<u>6.23 cents</u>

**Note:**

(1) Calculated based on exchange rate of S\$1: RMB4.83 as at 30 September 2014 (as at 31 December 2013: S\$1: RMB4.81) and 1,173,508,000 ordinary shares (excluding treasury shares) as at 31 December 2013 and 30 September 2014.

**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 2014 (relative to that for Q3 2013)**

**Turnover**

Our overall turnover, generated mainly from the sales of developed properties, decreased by RMB17.4 million from RMB24.9 million in Q3 2013 to RMB7.5 million in Q3 2014. 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 Q3 2014 relative to Q3 2013.

**Gross profit**

The Group registered a lower gross profit of RMB1.7 million in Q3 2014 compared to that of RMB7.0 million in Q3 2013 and at a lower gross profit margin of about 23% in Q3 2014 compared to that of about 28% in Q3 2013, due principally to increased labour and construction material costs.

**Other income**

Our other income more than doubled by RMB3.7 million from RMB2.5 million in Q3 2013 to RMB6.2 million in Q3 2014.

Our other income attained in Q3 2013 relates principally to interest income earned on a term deposit placed with a bank while our other income 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.

**Fair value loss on financial assets**

The fair value losses registered in Q3 2013 were in respect of the Quoted Investments computed based on their respective closing share prices as at 30 September 2013 relative to their initial investment costs.

**Share of losses of joint ventures**

The Group's share of loss of joint ventures increased by RMB54,000 or 38% from RMB144,000 in Q3 2013 to RMB198,000 in Q3 2014. The increase was attributed mainly to increased operating expenses incurred by the Company's 50% equity interest in Tian Cheng Holdings Limited (天晟控股有限公司) ("Tian Cheng"), particularly in respect of the 2 iron ore mines (the "Iron Ore Mines") (held through its 2 subsidiaries (collectively, the "Joint Ventures")), which have yet to commence production.

### **General and administrative expenses**

Our general and administrative expenses more than doubled by RMB14.6 million from RMB7.7 million in Q3 2013 to RMB22.3 million in Q3 2014, attributed mainly to the professional fees incurred for the on-going preparation of the reverse takeover transaction as announced on 11 July 2013 and 1 April 2014 (the "Proposed RTO").

### **Selling and Distribution expenses**

Our selling and distribution expenses more than doubled by RMB843,000 from RMB577,000 in Q3 2013 to RMB1.42 million in Q3 2014, due principally to the renovation of a show room in respect of the the Xinxiang Sunny Town Project (新乡阳光新城项目) with a view to promote sales for the remaining unsold residential and commercial units.

### **Finance loss**

Our finance loss incurred in Q3 2013 was attributed principally to the margin financing for the Quoted Investments.

### **Loss before tax**

Consequence to the above, the Group extends its loss before tax by RMB15.7 million from RMB291,000 in Q3 2013 to RMB16.0 million in Q3 2014.

### **Income tax credit/(expense)**

We registered an income tax credit of RMB12,000 in Q3 2014 *vis-à-vis* a tax expenses of RMB1.8 million in Q3 2013, attributed principally to a write-back in income tax provision in Q3 2014 by a subsidiary of the Group.

### **Net loss attributable to owners of the Company**

Accordingly, the loss attributable to the owners of the Company increased to RMB16.0 million in Q3 2014 from RMB2.1 million in Q3 2013.

### **(b) Review of statements of financial position of the Group as at 30 September 2014 (relative to that as at 31 December 2013)**

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

Our non-current assets decreased by RMB7.2 million or 8.0% from RMB90.0 million as at 31 December 2013 to RMB82.7 million as at 30 September 2014, due principally to impairment losses on investment in the Joint Ventures, attributed particularly to the Iron Ore Mines. The impairment, derived based on the valuation report issued by an independent Hong Kong-based valuation company, Roma Appraisals Limited, was due principally to the continuing decline in the price of iron ore. The decreased iron ore prices were due primarily to the continuing decrease in market demand for iron ore amidst the slow-down of the PRC economy in Q2 2014.

#### **Current assets**

Our completed properties for sale decreased by RMB23.3 million or 19.3%, due mainly to the delivery of completed units to buyers.

The decreases in prepayments and other receivables by RMB42.1 million or 53% were due principally to payments collected by the Group.

The amount due from joint venture partner was fully collected as at 30 September 2013.

The available for sales financial asset as at 31 December 2013 comprised fixed yield short-term investments which were disposed in Q1 2014.

The increase in amount due from joint ventures of RMB1.9 million or 52% was due principally to advances made to the mining joint ventures in support of their operational needs.

The financial assets at fair value through profit or loss relate to the Quoted Investments.

The decrease in cash and bank balances by RMB28.9 million or 14% was due principally to the Quoted Investments.

Taken as a whole, our current assets decreased by RMB60.0 million or 13% from RMB451.8 million as at 31 December 2013 to RMB391.9 million as at 30 September 2014.

#### **Current liabilities**

Our sales and rental deposits collectively decreased by RMB17.4 million or 30%, due principally to the recognition of sales

deposits as revenue upon the delivery of the completed property units to the buyers concerned.

The decreases in trade payables by RMB16.1 million or 59%, accruals and other payables by RMB9.1 million or 48%; and income tax payables by RMB3.1 million or 7% were due principally to repayments made by the Group.

The increase in amounts due to related parties by RMB13.8 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.

The more than double increase in amounts due to the Joint Ventures by RMB801,000 from RMB687,000 as at 31 December 2013 to RMB1.5 million as at 30 September 2014 was in relation to expenses paid by the Joint Ventures on behalf of the Company.

Taken as a whole, our current liabilities decreased by RMB31.2 million or 20% from RMB156.1 million as at 31 December 2013 to RMB125.0 million as at 30 September 2014.

Consequence to the above, our net cash used in operating activities increased from RMB1.4 million in Q3 2013 to 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.**

As at the date of this announcement, the Group's ongoing property development business comprises the following:

### **The Group's completed properties for sale as at 30 September 2014:**

<b>Property and address</b>	<b>Description</b>	<b>Tenure</b>	<b>Est gross floor area (sqm)</b>	<b>Book value (RMB million)</b>
Xinxiang Sunny Town Project (新乡阳光新城项目)	Mainly comprise of 225 Residential units and 100 commercial units	Up to 70 years expiring in 2076	55,012	97.4

With regard to the Proposed RTO, preparation for the necessary submission documents to the SGX-ST is still underway, as the handful of mines to be acquired are of several different types of minerals located in 3 different continents and hence necessitate a massive volume of due diligence works to be carried out.

Appropriate announcement will be made by the Company as and when there is any significant development concerning the Proposed RTO.

*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**

An interim special dividend, payable in S\$, of Singapore Cents 1.7 in respect of financial year ending 31 December 2014 for a total of approximately S\$19.95 million (the "Special Dividend") (calculated based on the issued shares of 1,173,508,000, excluding treasury shares, as at the date of this announcement).

For further details, please refer to the separate announcement of even date made by the Company concerning the Special Dividend.

**(b)(i) Amount per share (cents)**

Singapore Cents 1.7 per ordinary share of the Company.

**(b)(ii) Previous corresponding period (cents)**

Nil.

**(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).**

While the Special Dividend will be declared out of the Distributable Reserve, which attracts no tax in the Cayman Islands where the Company was incorporated, the Special Dividend, as a general indication, is expected to be taxable in the hands of non-individual Shareholders with a presence in Singapore at the prevailing corporate tax rate of Singapore. With regard to corporate Shareholders which do not have a presence in Singapore or individual Shareholders, as their individual circumstances vary, they are advised to consult their respective professional advisers as to their respective tax provisions or tax implications in respect of the Special Dividend to be received by them in Singapore or otherwise. The Company takes no responsibility for the taxation liabilities of Shareholders or for the correctness or accuracy of any information as to taxation liability set out in this announcement.

**(d) The date the dividend is payable.**

The Special Dividend will be paid on Tuesday, 18 November 2014.

**(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.**

The Share Transfer Books and Register of Members of the Company will be closed from 10 November 2014 after 5.00 p.m. to 10 November 2014 for the purpose of determining members' entitlement to the Special Dividend.

Duly stamped and completed transfers received by the Company's Share Registrar, KCK CorpServe Pte. Ltd., of 333 North Bridge Road, #08-00, KH KEA Building, Singapore 188721 up to 5.00 p.m. on 10 November 2014 will be registered to determine the shareholders' entitlement to the Special Dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares of the Company as at 5.00 p.m. on 10 November 2014 will be entitled to the Special Dividend.

**12. If no dividend has been declared / recommended, a statement to that effect.**

Not applicable.

**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>
	-	-

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 nine-month period ended 30 September 2014 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

**Ms Dong Lingling**  
Director

31 October 2014