



**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 FULL YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (“FY2016”)**

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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**

	The Group		
	FY2016 RMB'000	FY2015 RMB'000	% Change
Revenue	<b>16,445</b>	17,138	(4)
Cost of sales	<b>(12,598)</b>	(13,242)	(5)
Gross profit	<b>3,847</b>	3,896	(1)
Selling and distribution expenses	<b>(2,645)</b>	(1,050)	152
General and administrative expenses	<b>(25,950)</b>	(44,054)	(41)
Other income	<b>12,788</b>	24,892	(49)
Other expenses	<b>(8,526)</b>	(28,087)	(70)
Share of losses of joint ventures	<b>(78)</b>	(484)	(84)
Finance income	<b>7,311</b>	1,963	272
Loss before tax	<b>(13,253)</b>	(42,924)	(69)
Income tax credit / (expense)	<b>2,289</b>	(89)	N/M
Loss for the year	<b>(10,964)</b>	(43,013)	(75)

“FY2015” and “FY2016” denotes the full year or the twelve-month financial period ended 31 December 2015 and 31 December 2016 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>FY2016</b>	FY2015	%
	<b>RMB'000</b>	RMB'000	Change
Loss from operations before tax has been arrived at after charging/(crediting):			
Depreciation of property, plant and equipment	<b>2,354</b>	2,567	(8)
Foreign exchange gain, net	<b>(1,290)</b>	(6,249)	(79)
Amortisation of land use rights	<b>2</b>	2	0
Loss on disposal of property, plant and equipment	<b>160</b>	-	N/M
Gain on disposal of a subsidiary	<b>(5,571)</b>	-	N/M
Write-back of allowance on impairment of other receivables	-	(15,030)	N/M
Fair value loss / (gain) on derivative financial instruments	<b>7,722</b>	(3,606)	N/M
Impairment loss on completed properties for sale	-	6,451	N/M
Impairment loss on investment in joint ventures	-	16,016	N/M
Impairment loss on amount due from joint ventures	<b>387</b>	5,620	(93)
Accretion of interest income on other investment	<b>(7,078)</b>	(548)	1,192
Interest income	<b>(233)</b>	(1,415)	(84)
Write-back of impairment on completed properties for sales	<b>(5,876)</b>	-	N/M

*"FY2015" and "FY2016" denotes the full year or the twelve-month financial period ended 31 December 2015 and 31 December 2016 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 2015 and 31 December 2016**

	<b>The Group</b>		<b>The Company</b>	
	<b>31 Dec 2016 RMB'000</b>	<b>31 Dec 2015 RMB'000</b>	<b>31 Dec 2016 RMB'000</b>	<b>31 Dec 2015 RMB'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	4,446	6,863	2	304
Land use rights	52	54	-	-
Investments in subsidiaries	-	-	152,351	190,101
Other investment	-	49,840	-	-
Financial assets at fair value through profit or loss	-	19,314	-	-
Deferred tax assets	1,789	-	-	-
	<b>6,287</b>	<b>76,071</b>	<b>152,353</b>	<b>190,405</b>
<b>Current assets</b>				
Other investment	56,918	-	-	-
Financial assets at fair value through profit or loss	11,592	-	-	-
Completed properties for sale	66,981	73,704	-	-
Prepayments and other receivables	8,047	8,433	-	572
Amounts due from subsidiaries (non-trade)	-	-	26,752	30,925
Amounts due from related parties (non-trade)	500	468	500	468
Amounts due from joint ventures (non-trade)	3,392	3,016	-	-
Income tax recoverable	69	69	-	-
Pledged bank deposits	6,226	7,308	-	-
Cash and cash equivalents	34,407	49,450	14,985	14,715
	<b>188,132</b>	<b>142,448</b>	<b>42,237</b>	<b>46,680</b>
<b>Current liabilities</b>				
Trade payables	6,523	8,635	-	-
Sales and rental deposits	36,207	39,886	-	-
Accruals and other payables	9,084	10,893	834	1,005
Amount due to subsidiaries (non-trade)	-	-	80,900	80,614
Amounts due to related parties (non-trade)	520	520	520	520
Amounts due to joint ventures (non-trade)	1,878	1,966	-	-
Amounts due to joint venture partner (non-trade)	11	11	-	-
Income tax payables	34,840	40,288	-	-
	<b>89,063</b>	<b>102,199</b>	<b>82,254</b>	<b>82,139</b>
<b>Net current assets/(liabilities)</b>	<b>99,069</b>	<b>40,249</b>	<b>(40,017)</b>	<b>(35,459)</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	-	-	-	-
	<b>105,356</b>	<b>116,320</b>	<b>112,336</b>	<b>154,946</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	(441,748)	(430,784)	(385,737)	(343,127)
Total equity	<b>105,356</b>	<b>116,320</b>	<b>112,336</b>	<b>154,946</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 2015 and 31 December 2016.

**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>FY2016</b>	<b>FY2015</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>OPERATING ACTIVITIES</b>		
<b>Loss before tax:</b>	<b>(13,253)</b>	(42,924)
Adjustments for:		
Amortisation of land use rights	2	2
Depreciation of property, plant and equipment	2,354	2,567
Exchange difference	(1,269)	(5,693)
Impairment loss on investment in joint ventures	-	16,016
Impairment loss on completed properties for sales	-	6,451
Impairment loss on amount due from joint ventures	387	5,620
Interest income	(233)	(1,415)
Accretion of interest income on other investment	(7,078)	(548)
Loss on disposal of property, plant and equipment	160	-
Gain on disposal of a subsidiary	(5,571)	-
Share of losses of joint ventures	78	484
Write-back of impairment on completed properties for sale	(5,876)	-
Write-back of allowance on impairment of other receivables	-	(15,030)
Fair value loss / (gain) on financial assets at fair value through profit or loss - derivative financial instruments	7,722	(3,606)
Operating loss before working capital changes	<b>(22,577)</b>	(38,076)
Completed properties for sale	12,599	(1,109)
Other receivables, deposits and prepayments	386	16,750
Pledged bank deposit	1,082	1,432
Trade payables	(2,112)	790
Sales and rental deposits	(3,679)	(1,287)
Accruals and other payables	(1,173)	(4,262)
Cash used in operations	<b>(15,474)</b>	(25,762)
Income tax paid	<b>(38)</b>	(569)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(15,512)</b>	(26,331)
<b>INVESTING ACTIVITIES</b>		
Advances to joint ventures	(929)	(3,866)
Repayment from joint ventures	-	1,400
Interest received	233	2,751
Other investment	-	(65,000)
Proceeds from disposal of a subsidiary	10	-
Proceeds from disposal of property, plant and equipment	3	70
Purchase of property, plant and equipment	(100)	(880)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(783)</b>	(65,525)

	<b>The Group</b>	
	<b>FY2016</b>	<b>FY2015</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>FINANCING ACTIVITIES</b>		
Repayment to related parties	-	(35,066)
Advances from related parties	-	8,372
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>-</b>	<b>(26,694)</b>
Net decrease in cash and cash equivalents	<b>(16,295)</b>	(118,550)
Exchange difference on cash and cash equivalents	<b>1,252</b>	5,666
Cash and cash equivalents at beginning of year	<b>49,450</b>	162,334
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>34,407</b>	49,450

**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 year ended 31 December 2016 and 2015**

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

	<b>The Group</b>	
	<b>FY2016</b>	<b>FY2015</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Loss for the year	<b>(10,964)</b>	(43,013)
Other comprehensive loss for the year	-	-
<b>Total comprehensive loss for the year</b>	<b>(10,964)</b>	<b>(43,013)</b>

	<b>The Group</b>	
	<b>FY2016</b>	<b>FY2015</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Equity holder of the Company	<b>(10,964)</b>	(43,013)
Non-controlling interests	-	-
<b>Total comprehensive (loss)/income for the period attributable to:</b>	<b>(10,964)</b>	<b>(43,013)</b>

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

	<b>The Company</b>	
	<b>FY2016</b>	<b>FY2015</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Loss for the year	<b>(42,610)</b>	(22,385)
Other comprehensive loss for the year	-	-
<b>Total comprehensive loss for the year</b>	<b>(42,610)</b>	<b>(22,385)</b>

	<b>The Company</b>	
	<b>FY2016</b>	<b>FY2015</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Equity holder of the Company	<b>(42,610)</b>	(22,385)
Non-controlling interests	-	-
<b>Total comprehensive (loss)/income for the period attributable to:</b>	<b>(42,610)</b>	<b>(22,385)</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 31 December 2015 and 31 December 2016**

**The Group**

	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Distributable reserve RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance as at 1.1.2016	5,897	224,594	49,031	267,600	(18)	(430,784)	116,320
Total comprehensive loss for the year	-	-	-	-	-	(10,964)	(10,964)
<b>Balance as at 31.12.2016</b>	<b>5,897</b>	<b>224,594</b>	<b>49,031</b>	<b>267,600</b>	<b>(18)</b>	<b>(441,748)</b>	<b>105,356</b>

**The Group**

	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Distributable reserve RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance as at 1.1.2015	5,897	224,594	49,031	267,600	(18)	(387,771)	159,333
Total comprehensive loss for the year	-	-	-	-	-	(43,013)	(43,013)
<b>Balance as at 31.12.2015</b>	<b>5,897</b>	<b>224,594</b>	<b>49,031</b>	<b>267,600</b>	<b>(18)</b>	<b>(430,784)</b>	<b>116,320</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 1.1.2016	5,897	224,594	267,600	(18)	(343,127)	154,946
Total comprehensive loss for the year	-	-	-	-	(42,610)	(42,610)
<b>Balance as at 31.12.2016</b>	<b>5,897</b>	<b>224,594</b>	<b>267,600</b>	<b>(18)</b>	<b>(385,737)</b>	<b>112,336</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 1.1.2015	5,897	224,594	267,600	(18)	(320,742)	177,331
Total comprehensive loss for the year	-	-	-	-	(22,385)	(22,385)
<b>Balance as at 31.12.2015</b>	<b>5,897</b>	<b>224,594</b>	<b>267,600</b>	<b>(18)</b>	<b>(343,127)</b>	<b>154,946</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 2015 and the financial year ended 31 December 2016.

Employee Share Option Scheme

No share options were issued for the year ended 31 December 2015 and year ended 31 December 2016 and there was no ordinary share that may be issued upon the exercise of any share option outstanding as at 31 December 2015 and 31 December 2016.

**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 31.12.2016 and 31.12.2015 (excluding treasury shares): 146,688,500

**1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current year reported on.**

Total number of treasury shares as at 31.12.2016 and 31.12.2015: 11,500

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

The figures have not been audited or reviewed by the auditors.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied.**

The same accounting policies and methods of computation adopted by the Group in respect of the audited financial statements for the financial year ended 31 December 2015 have been consistently applied by the Group for the financial period presented.

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

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

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

	<u>The Group</u>	
	<u>FY2016</u> <u>RMB'000</u>	<u>FY2015</u> <u>RMB'000</u>
Total comprehensive loss for the year	<u>(10,964)</u>	<u>(43,013)</u>
Basic (Singapore cents) <sup>(1)</sup>	<u>(1.55) cents</u>	<u>(6.46) cents</u>
Diluted (Singapore cents) <sup>(1)</sup>	<u>(1.55) cents</u>	<u>(6.46) cents</u>

**Notes:**

(1) Calculated based on the average exchange rates S\$1:RMB4.81 for FY2016; (S\$1:RMB4.54 for FY2015) and based on the issued ordinary shares of 146,688,500 Consolidated Shares (excluding 11,500 treasury shares) for FY2015 and FY2016. No new shares were issued in FY2015 and FY2016. The Company has no dilutive potential ordinary shares in FY2015 and FY2016.

**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 December</u> <u>2016</u> <u>RMB'000</u>	<u>31 December</u> <u>2015</u> <u>RMB'000</u>	<u>31 December</u> <u>2016</u> <u>RMB'000</u>	<u>31 December</u> <u>2015</u> <u>RMB'000</u>
Net asset value (excluding non-controlling interests) as at end of financial year	<u>105,356</u>	<u>116,320</u>	<u>112,336</u>	<u>154,946</u>
Net asset value per ordinary share as at the end of financial year (Singapore cents) <sup>(1)</sup>	<u>14.96 cents</u>	<u>17.28 cents</u>	<u>15.95 cents</u>	<u>23.01 cents</u>

**Note:**

(1) Calculated based on exchange rate of S\$1: RMB4.80 as at 31 December 2016 (as at 31 December 2015: S\$1: RMB4.59) and 146,688,500 ordinary shares (excluding treasury shares) as at 31 December 2015 and 31 December 2016.

**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 FY2016 (relative to that for FY2015)**

**Turnover**

Our overall turnover, generated mainly from the sales of developed properties, decreased by RMB693,000 from RMB17.1 million in FY2015 to RMB16.4 million in FY2016. The decrease was principally attributed to fewer completed units being delivered to the buyers in FY2016 relative to FY2015 in respect of the Xinxiang Sunny Town Project (新乡阳光新城项目).

**Gross profit**

The Group registered a lower gross profit of RMB3.8 million in FY2016 compared to that of RMB3.9 million in FY2015 at maintained gross profit margin of about 23%.



### **Selling and distribution expenses**

Our selling and distribution expenses increased by RMB1.6 million from RMB1.0 million in FY2015 to RMB2.6 million in FY2016 due principally to stepped-up marketing efforts in selling the remaining completed property units for the Xinxiang Sunny Town Project (新乡阳光新城项目).

### **General and administrative expenses**

In line with our decreased business activities and coupled with our concerted cost-control efforts, our general and administrative expenses decreased by RMB18.1 million or 41% from RMB44.0 million in FY2015 to RMB25.9 million in FY2016.

### **Other income**

Our other income decreased by RMB12.1 million from RMB24.9 million in FY2015 to RMB12.8 million in FY2016.

Our other income attained in FY2016 relates principally to: (i) a foreign exchange gain of RMB1.3 million resulting from the currency fluctuation of RMB against US\$; (ii) a gain of RMB5.6 million in connection with the disposal of Whitewood Corporation Limited by the Group to an unrelated party; and (iii) a write back on impairment of RMB5.9 million was due principally to the improved sales of the completed commercial property units in FY2016.

### **Other Expenses**

Our other expenses decreased by RMB19.6 million from RMB28.1 million in FY2015 to RMB8.5 million in FY2016.

Our other expenses for FY2016 relate principally to (i) an impairment loss of RMB387,000 on an amount due from a joint venture; (ii) office restoration expenses of RMB207,000; (iii) a loss on disposal of property, plant and equipment of RMB158,000; and (iv) fair value loss on derivative financial instruments of RMB7.7 million in respect of the investment of RMB65.0 million made during FY2015 in an integrated property project, Yi Feng Holiday Plaza Project (懿丰假日广场项目), located at Henan Province Zhu Ma Dian City Zhu Ping County (河南省驻马店遂平县), for a share of profit of 10% thereof (the "Yi Feng Project").

### **Share of losses of joint ventures**

The Group's share of losses of joint ventures decreased by RMB406,000 or 84% from RMB484,000 in FY2015 to RMB78,000 in FY2016. The decrease was attributed mainly to decreased operating expenses incurred by the Company's 50% equity interest in Tian Cheng Holdings Limited (天晟控股有限公司), particularly in respect of the 2 iron ore mines held through its 2 Mining Joint Ventures which have yet to commence production.

### **Finance income**

Our finance income increased by RMB5.3 million or over 2-fold from RMB2.0 million in FY2015 to RMB7.3 million in FY2016.

Our finance income attained in FY2015 was attributed mainly to interest earned on structured cash deposits pertains to principal-protected short-term investment deposits with local PRC banks while those attained in FY2016 was attributed principally to the amortization of unwinding discount of the long-term other investment in respect of the Yi Feng Project.

### **Loss before tax**

Consequence to the above, loss before tax decreased by RMB29.6 million from RMB42.9 million in FY2015 to RMB13.3 million in FY2016.

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

We registered an income tax credit of RMB2.3 million in FY2016 *vis-à-vis* an income tax expense of RMB89,000 in FY2015.

The income tax expense for FY2015 was principally attributed to income tax on sales of completed properties.

The income tax credit for FY2016 was principally attributed to deferred tax in respect of impairment loss on completed properties for sale (the "Deferred Tax Credit").

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

Accordingly, the net loss attributable to the owners of the Company was reduced from RMB43.0 million in FY2015 to RMB11.0 million in FY2016.

**(b) Review of statements of financial position of the Group as at 31 December 2016 (relative to that as at 31 December 2015)**

**Non-current assets**

Our non-current assets decreased by RMB69.8 million or 92% from RMB76.1 million as at 31 December 2015 to RMB6.3 million as at 31 December 2016. Albeit a deferred tax asset registered as at 31 December 2016 brought about as a result of the Deferred Tax Credit, the decrease in non-current assets was attributed principally to the balance of other investments and derivative financial instruments in connection to the Yi Feng Project being reclassified as “current asset” as the investment is expected to be realised at end of FY2017 based on the investment agreement (the “Asset Reclassification”).

**Current assets**

The increase in amounts due from joint ventures by RMB376,000 or 12% was due principally to advances made to the mining joint ventures in support of their operational needs.

The other investment and financial assets at fair value through profit or loss had been reclassified from ‘non-current asset’ as at 31 December 2015 to ‘current asset’ as at 31 December 2016 due to the Asset Reclassification.

The decrease in completed properties for sale by RMB6.7 million or 9% was due principally to the delivery of completed units to buyers concerned.

The decrease in pledged bank deposits by RMB1.1 million or 15% was mainly attributed to the decrease in deposits placed with local banks to facilitate the procurement of housing loans by buyers of the Group’s properties; pledged bank deposits will be released to the Group upon the issuance of the relevant property ownership certificates to the buyers concerned.

The decrease in cash and bank balances by RMB15.0 million or 30% was principally attributed to payments made in connection with daily operational expenses.

Taken as a whole, our current assets increased by RMB45.7 million or 32% from RMB142.4 million as at 31 December 2015 to RMB188.1 million as at 31 December 2016.

**Current liabilities**

The decrease in the trade payables by RMB2.1 million or 24% from RMB8.6 million as at 31 December 2015 to RMB6.5 million as at 31 December 2016 and the decreases in accruals and other payables by RMB1.8 million or 17% from RMB10.9 million as at 31 December 2015 to RMB9.1 million as at 31 December 2016 were due principally to repayments made by the Group.

Our sales and rental deposits decreased by RMB3.7 million or 9%, due principally to the recognition of sales deposits as revenue upon the delivery of the completed property units to the buyers concerned.

The income tax payables decreased by RMB5.4 million or 13%, due principally to the disposal of a subsidiary during the year.

Taken as a whole, our current liabilities were decreased by RMB13.1 million or 13% from RMB102.2 million as at 31 December 2015 to RMB89.1 million as at 31 December 2016.

Consequence to the above, we registered a net cash used in operating activities of RMB26.3 million in FY2015 compared to RMB15.5 million in FY2016.

**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 31 December 2016:**

<b>Property and address</b>	<b>Description</b>	<b>Tenure</b>	<b>Est GFA (sqm)</b>	<b>Book value (RMB million)</b>
Xinxiang Sunny Town Project (新乡阳光新城项目)	Comprise 145 Residential units and 77 commercial units	Up to 70 years expiring in 2076	39,382	74.1

With regard to the reverse takeover transaction as first announced by the Company on 11 July 2013 and periodically thereafter on its progress, the latest being made on 30 June 2016 (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") have entered into a supplementary agreement in extending the long-stop date for the completion of the Proposed RTO from 30 June 2016 to 30 June 2017 (the "Supplemental Agreement"). The relevant parties currently still await for certain technical reports to be completed in order that they may work out possible revised terms to the Supplemental Agreement, which may include, but not limited to, the portfolio of the exploration and mining projects that will form part of the group of companies to be acquired by the Company pursuant to the Proposed RTO. Appropriate announcement concerning the Proposed RTO will be made as and when there is any significant development.

As regards the proposed acquisition of the Thabazimbi Project as announced by the Company on 25 April 2016 (the "Proposed Acquisition"), we expect the appointed professionals to finalize the necessary independent qualified persons' technical reports and valuation report soon. The Company will keep the shareholders of the Company updated accordingly once the relevant reports are made available to it.

*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 FY2016.

**13. If the group has obtained general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Name of the interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	RMB'000	RMB'000
Nil	Nil	Nil

The Company does not have any general mandate from its shareholders concerning interested party transaction.

**14. Negative assurance on interim financial statements pursuant to Rule 705(4) of the Listing Manual**

Not Applicable.

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company has procured the said undertakings from all its directors and executive officers.

**16. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Group	Mining	Commercial and residential property development	Other operation	Total
	RMB '000	RMB '000	RMB '000	RMB '000
<b>2016</b>				
Segment revenue from external customers	-	16,445	-	16,445
Segment (loss)/gain, representing loss before tax	(465)	4,251	(17,039)	(13,253)
Tax credit				2,289
Loss for the year				(10,964)

Group	Mining	Commercial and residential property development	Other operation	Total
	RMB '000	RMB '000	RMB '000	RMB '000
<b>2015</b>				
Segment revenue from external customers	-	17,138	-	17,138
Segment (loss)/gain, representing loss before tax	(22,120)	7,414	(28,218)	(42,924)
Tax expenses				(89)
Loss for the year				(43,013)

**17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

No

**18. A breakdown of sales**

	The Group		% Change
	FY2016 RMB'000	FY2015 RMB'000	
(i) Sales from continued operations reported for:			
First half year ended 30 June	<b>6,384</b>	12,424	(49)
Second half year ended 31 December	<b>10,061</b>	4,714	113
	<b>16,445</b>	<b>17,138</b>	(4)

	The Group		% Change
	FY2016 RMB'000	FY2015 RMB'000	
(ii) Operating loss after tax deducting non-controlling interests reported for:			
First half year ended 30 June	<b>(6,871)</b>	(10,826)	(37)
Second half year ended 31 December	<b>(4,093)</b>	(32,187)	(87)
	<b>(10,964)</b>	<b>(43,013)</b>	(74)

**19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-**

	FY2016 RMB'000	FY2015 RMB'000
Ordinary Share:		
Final dividend	<b>Nil</b>	<b>Nil</b>
Interim dividend	<b>Nil</b>	<b>Nil</b>

**20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual of the SGX-ST, the Company confirms that, to the best of its knowledge and belief, none of the persons occupying managerial positions in the Company or its principal subsidiary is a relative of a Director, the Chief Executive Officer or substantial shareholder of the Company.

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**

28 February 2017