



**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 2017 (“Q3 2017”) IN RESPECT OF THE FINANCIAL YEAR ENDING 31 DECEMBER 2017 (“FY2017”)**

**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 financial period of the immediately preceding financial period**

	The Group					
	Q3 2017 RMB'000	Q3 2016 RMB'000	% Change	9M 2017 RMB'000	9M 2016 RMB'000	% Change
Revenue	9,269	9,349	(1)	14,637	15,734	(7)
Cost of sales	(5,304)	(7,283)	(27)	(9,539)	(12,033)	(21)
Gross profit	3,965	2,066	92	5,098	3,701	38
Other income/(expenses), net	98	1,153	(92)	(1,116)	3,281	N/M
Share of losses of joint venture	(20)	(22)	(9)	(57)	(72)	(21)
General and administrative expenses	(6,539)	(5,708)	15	(17,448)	(18,762)	(7)
Selling and distribution expenses	(81)	(1,240)	(93)	(121)	(2,304)	(95)
Finance income	-	1,769	N/M	-	5,308	N/M
Loss before tax	(2,577)	(1,982)	30	(13,644)	(8,848)	54
Income tax expense	(1,147)	(174)	559	(1,423)	(179)	695
Net loss for the period	(3,724)	(2,156)	73	(15,067)	(9,027)	67

“Q3 2016” and “Q3 2017” denotes the third quarter or the three-month period ended 30 September 2016 and 30 September 2017 respectively

“9M 2016” and “9M 2017” denotes the nine-month period ended 30 September 2016 and 30 September 2017 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 2017</b>	Q3 2016	%	<b>9M 2017</b>	9M 2016	%
	<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>369</b>	551	(33)	<b>1,959</b>	1,815	8
Foreign currency exchange (gain)/loss	<b>47</b>	(138)	N/M	<b>360</b>	(547)	N/M
Amortization of land use rights	-	-	-	<b>2</b>	2	-
(Gain)/loss on disposal of property, plant and equipment	<b>(42)</b>	4	N/M	<b>992</b>	159	524
Accretion of interest on other investment	-	(1,769)	N/M	-	(5,308)	N/M
Fair value gain on financial assets at fair value through profit or loss - derivative financial instruments	-	(966)	N/M	-	(2,898)	N/M
Interest income	<b>(37)</b>	(54)	(31)	<b>(53)</b>	(166)	(68)

*“Q3 2016” and “Q3 2017” denotes the third quarter or the three-month period ended 30 September 2016 and 30 September 2017 respectively*

*“9M 2016” and “9M 2017” denotes the nine-month period ended 30 September 2016 and 30 September 2017 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 2016 and 30 September 2017**

	<b>The Group</b>		<b>The Company</b>	
	<b>30 Sep 2017 RMB'000</b>	<b>31 Dec 2016 RMB'000</b>	<b>30 Sep 2017 RMB'000</b>	<b>31 Dec 2016 RMB'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	3,841	4,446	1	2
Land use rights	50	52	-	-
Investments in subsidiaries	-	-	152,351	152,351
Other investment	68,510	-	68,510	-
Deferred tax assets	1,789	1,789	-	-
	<b>74,190</b>	<b>6,287</b>	<b>220,862</b>	<b>152,353</b>
<b>Current assets</b>				
Other investment	-	56,918	-	-
Financial assets at fair value through profit or loss	-	11,592	-	-
Completed properties for sale	57,442	66,981	-	-
Prepayments and other receivables	5,546	8,047	-	-
Amounts due from subsidiaries (non-trade)	-	-	37,942	26,752
Amounts due from related parties (non-trade)	478	500	478	500
Amounts due from joint ventures (non-trade)	3,584	3,392	-	-
Income tax recoverable	69	69	-	-
Pledged bank deposits	5,925	6,226	-	-
Cash and cash equivalents	29,730	34,407	298	14,985
	<b>102,774</b>	<b>188,132</b>	<b>38,718</b>	<b>42,237</b>
<b>Current liabilities</b>				
Trade payables	3,252	6,523	-	-
Sales and rental deposits	35,985	36,207	-	-
Accruals and other payables	7,973	9,084	197	834
Amount due to subsidiaries (non-trade)	-	-	149,630	80,900
Amounts due to related parties (non-trade)	520	520	520	520
Amounts due to joint ventures (non-trade)	2,671	1,878	-	-
Amounts due to joint venture partner (non-trade)	11	11	-	-
Income tax payables	36,263	34,840	-	-
	<b>86,675</b>	<b>89,063</b>	<b>150,347</b>	<b>82,254</b>
<b>Net current assets/(liabilities)</b>	<b>16,099</b>	<b>99,069</b>	<b>(111,629)</b>	<b>(40,017)</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	-	-	-	-
	<b>90,289</b>	<b>105,356</b>	<b>109,233</b>	<b>112,336</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	(456,815)	(441,748)	(388,840)	(385,737)
Total equity	<b>90,289</b>	<b>105,356</b>	<b>109,233</b>	<b>112,336</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 period reported on with comparative figures as at the end of the immediately preceding financial period:**

There is no borrowing or debt security as at 31 December 2016 and 30 September 2017.

**1.(c) A statements of cash flow (for the group), together with a comparative statement for the corresponding financial period of the immediately preceding financial period.**

	<b>The Group</b>			
	<b>Q3 2017</b> <b>RMB'000</b>	Q3 2016 RMB'000	<b>9M 2017</b> <b>RMB'000</b>	9M 2016 RMB'000
<b>OPERATING ACTIVITIES</b>				
Loss before tax	<b>(2,577)</b>	(1,982)	<b>(13,644)</b>	(8,848)
Adjustments for:				
Depreciation of property, plant and equipment	<b>369</b>	551	<b>1,959</b>	1,815
Foreign currency exchange loss/(gain)	<b>47</b>	(138)	<b>360</b>	(547)
Amortization of land use rights	<b>-</b>	-	<b>2</b>	2
(Gain)/loss on disposal of property, plant and equipment	<b>(42)</b>	4	<b>992</b>	159
Share of loss of joint ventures	<b>20</b>	22	<b>57</b>	72
Interest income	<b>(37)</b>	(54)	<b>(53)</b>	(166)
Accretion of interest on other investment	<b>-</b>	(1,769)	<b>-</b>	(5,308)
Fair value gain on financial assets at fair value through profit or loss - derivative financial instruments	<b>-</b>	(966)	<b>-</b>	(2,898)
Operating cash flows before movements in working capital	<b>(2,220)</b>	(4,332)	<b>(10,327)</b>	(15,719)
Completed properties for sale	<b>5,304</b>	7,283	<b>9,539</b>	12,033
Prepayments and other receivables	<b>1,810</b>	647	<b>2,501</b>	3,295
Trade payables	<b>(205)</b>	(4)	<b>(3,271)</b>	(2,179)
Sales and rental deposits	<b>(685)</b>	(1,318)	<b>(222)</b>	(3,032)
Increase in pledged bank deposits	<b>251</b>	-	<b>301</b>	1,082
Accruals and other payables	<b>(350)</b>	(1,297)	<b>(1,447)</b>	(1,442)
Cash generated from/(used in) operations	<b>3,905</b>	979	<b>(2,926)</b>	(5,962)
Income tax paid	<b>-</b>	2	<b>-</b>	(36)
<b>NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>3,905</b>	981	<b>(2,926)</b>	(5,998)
<b>INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	<b>(114)</b>	-	<b>(2,398)</b>	(24)
Proceeds from disposal of property, plant and equipment	<b>51</b>	-	<b>51</b>	-
Amount advances to Joint Venture companies	<b>(29)</b>	(340)	<b>543</b>	(756)
Interest received	<b>37</b>	54	<b>53</b>	166
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(55)</b>	(286)	<b>(1,751)</b>	(614)
<b>FINANCING ACTIVITIES</b>				
Amount (repaid to)/received from related parties	<b>-</b>	-	<b>-</b>	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>-</b>	-	<b>-</b>	-
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,850</b>	695	<b>(4,677)</b>	(6,612)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>25,880</b>	42,143	<b>34,407</b>	49,450
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>29,730</b>	42,838	<b>29,730</b>	42,838

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

**Unaudited consolidated statements of comprehensive income of the Group and the Company for the financial period ended 30 September 2016 and 30 September 2017**

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

	<b>The Group</b>			
	<b>Q3 2017</b>	Q3 2016	<b>9M 2017</b>	9M 2016
	<b>RMB'000</b>	RMB'000	<b>RMB'000</b>	RMB'000
Loss for the period	<b>(3,724)</b>	(2,156)	<b>(15,067)</b>	(9,027)
Other comprehensive expense for the period	-	-	-	-
<b>Total comprehensive expense for the period</b>	<b>(3,724)</b>	<b>(2,156)</b>	<b>(15,067)</b>	<b>(9,027)</b>

	<b>The Group</b>			
	<b>Q3 2017</b>	Q3 2016	<b>9M 2017</b>	9M 2016
	<b>RMB'000</b>	RMB'000	<b>RMB'000</b>	RMB'000
Owners of the Company	<b>(3,724)</b>	(2,156)	<b>(15,067)</b>	(9,027)
Minority interests	-	-	-	-
	<b>(3,724)</b>	<b>(2,156)</b>	<b>(15,067)</b>	<b>(9,027)</b>

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

	<b>The Company</b>			
	<b>Q3 2017</b>	Q3 2016	<b>9M 2017</b>	9M 2016
	<b>RMB'000</b>	RMB'000	<b>RMB'000</b>	RMB'000
Loss for the period	<b>(1,089)</b>	(683)	<b>(3,103)</b>	(3,745)
Other comprehensive expense for the period	-	-	-	-
<b>Total comprehensive expense for the period</b>	<b>(1,089)</b>	<b>(683)</b>	<b>(3,103)</b>	<b>(3,745)</b>

	<b>The Company</b>			
	<b>Q3 2017</b>	Q3 2016	<b>9M 2017</b>	9M 2016
	<b>RMB'000</b>	RMB'000	<b>RMB'000</b>	RMB'000
Owners of the Company	<b>(1,089)</b>	(683)	<b>(3,103)</b>	(3,745)
Minority interests	-	-	-	-
	<b>(1,089)</b>	<b>(683)</b>	<b>(3,103)</b>	<b>(3,745)</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 financial period of the immediately preceding financial period.

**Unaudited consolidated statement of changes in equity of the Group for the financial period ended 30 September 2016 and 30 September 2017**

	<b>The Group</b>						
	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 1.1.2017	5,897	224,594	49,031	267,600	(18)	(441,748)	105,356
Total comprehensive loss for the period	-	-	-	-	-	(4,306)	(4,306)
Balance as at 31.3.2017	5,897	224,594	49,031	267,600	(18)	(446,054)	101,050
Total comprehensive loss for the period	-	-	-	-	-	(7,037)	(7,037)
Balance as at 31.6.2017	5,897	224,594	49,031	267,600	(18)	(453,091)	94,013
Total comprehensive loss for the period	-	-	-	-	-	(3,724)	(3,724)
<b>Balance as at 30.9.2017</b>	<b>5,897</b>	<b>224,594</b>	<b>49,031</b>	<b>267,600</b>	<b>(18)</b>	<b>(456,815)</b>	<b>90,289</b>

	<b>The Group</b>						
	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 period	-	-	-	-	-	(2,186)	(2,186)
Balance as at 31.3.2016	5,897	224,594	49,031	267,600	(18)	(432,970)	114,134
Total comprehensive loss for the period	-	-	-	-	-	(4,685)	(4,685)
Balance as at 30.6.2016	5,897	224,594	49,031	267,600	(18)	(437,655)	109,449
Total comprehensive loss for the period	-	-	-	-	-	(2,156)	(2,156)
<b>Balance as at 30.9.2016</b>	<b>5,897</b>	<b>224,594</b>	<b>49,031</b>	<b>267,600</b>	<b>(18)</b>	<b>(439,811)</b>	<b>107,293</b>

	<b>The Company</b>					
	Share capital RMB'000	Share premium RMB'000	Distributable reserve RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance as at 1.1.2017	5,897	224,594	267,600	(18)	(385,737)	112,336
Total comprehensive loss for the period	-	-	-	-	(911)	(911)
Balance as at 31.3.2017	5,897	224,594	267,600	(18)	(386,648)	111,425
Total comprehensive loss for the period	-	-	-	-	(1,103)	(1,103)
Balance as at 30.6.2017	5,897	224,594	267,600	(18)	(387,751)	110,322
Total comprehensive loss for the period	-	-	-	-	(1,089)	(1,089)
<b>Balance as at 30.9.2017</b>	<b>5,897</b>	<b>224,594</b>	<b>267,600</b>	<b>(18)</b>	<b>(388,840)</b>	<b>109,233</b>

	<b>The Company</b>					
	Share capital RMB'000	Share premium RMB'000	Distributable reserve RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance as at 1.1.2016	5,897	224,594	267,600	(18)	(343,127)	154,946
Total comprehensive loss for the period	-	-	-	-	(1,178)	(1,178)
Balance as at 31.3.2016	5,897	224,594	267,600	(18)	(344,305)	153,768
Total comprehensive loss for the period	-	-	-	-	(1,884)	(1,884)
Balance as at 30.6.2016	5,897	224,594	267,600	(18)	(346,189)	151,884
Total comprehensive loss for the period	-	-	-	-	(683)	(683)
<b>Balance as at 30.9.2016</b>	<b>5,897</b>	<b>224,594</b>	<b>267,600</b>	<b>(18)</b>	<b>(346,872)</b>	<b>151,201</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 period 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 2016 and the financial period ended 30 September 2017.

#### Employee Share Option Scheme

No share options were issued for the year ended 31 December 2016 and financial period ended 30 September 2017 and there was no ordinary share that may be issued upon the exercise of any share option outstanding as at 31 December 2016 and 30 September 2017.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Total number of issued ordinary shares as at 30.9.2017 and 31.12.2016 (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 financial period reported on.**

Total number of treasury shares as at 30.9.2017 and 31.12.2016 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 2016 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 financial period reported on and the corresponding financial period of the immediately preceding financial period, after deducting any provision for preference dividends (a) Based on the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustments made to the earnings).**

	<b>The Group</b>			
	<b>Q3 2017</b>	<b>Q3 2016</b>	<b>9M 2017</b>	<b>9M 2016</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Loss attributable to owners of the Company</b>	<b><u>(3,724)</u></b>	<b><u>(2,156)</u></b>	<b><u>(15,067)</u></b>	<b><u>(9,027)</u></b>
Basic (Singapore cents) <sup>(1)</sup>	<b><u>(0.52)</u></b>	<b><u>(0.30)</u></b>	<b><u>(2.09)</u></b>	<b><u>(1.28)</u></b>
Diluted (Singapore cents) <sup>(1)</sup>	<b><u>(0.52)</u></b>	<b><u>(0.30)</u></b>	<b><u>(2.09)</u></b>	<b><u>(1.28)</u></b>

**Note:**

(1) Calculated based on the average exchange rates S\$1:RMB4.90 for Q3 2017 (S\$1:RMB4.91 for Q3 2016); and S\$1:RMB4.91 for 9M 2017 (S\$1:RMB4.81 for 9M 2016). Based on the issued ordinary shares of 146,688,500 (excluding treasury shares) for Q3 2016 and Q3 2017. The Company has no dilutive potential ordinary shares in Q3 2016 and Q3 2017.



**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 period reported on; and (b) immediately preceding financial year.**

	<b>The Group</b>		<b>The Company</b>	
	<b>30 September 2017</b>	31 December 2016	<b>30 September 2017</b>	31 December 2016
	<b>RMB'000</b>	RMB'000	<b>RMB'000</b>	RMB'000
Net asset value (excluding non-controlling interests) as at end of financial period/year	<b>90,289</b>	105,356	<b>109,233</b>	112,336
Net asset value per ordinary share as at the end of financial period/year (Singapore cents) <sup>(1)</sup>	<b>12.59 cents</b>	14.96 cents	<b>15.23 Cents</b>	15.95 cents

**Note:**

(1) Calculated based on exchange rate of S\$1: RMB4.89 as at 30 September 2017 (as at 31 December 2016: S\$1: RMB4.80) and 146,688,500 ordinary shares (excluding treasury shares) as at 31 December 2016 and 30 September 2017.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**(a) Review of consolidated statement of comprehensive income of the Group for Q3 2017 (relative to that for Q3 2016)**

**Turnover**

Generated mainly from the sales of developed properties in respect of the Xinxiang Sunny Town Project (新乡阳光新城项目), the Group attained comparable revenues of RMB9.3 million in both Q3 2017 and Q3 2016.

**Gross profit**

The Group registered a higher gross profit of RMB4.0 million in Q3 2017 compared to that of RMB2.1 million in Q3 2016 and at a higher gross profit margin of 43% in Q3 2017 compared to that of 22% in Q3 2016 chiefly as a result of its cost containment efforts.

**Other income, net**

Our other income decreased by RMB1.1 million or 92% from RMB1.1 million in Q3 2016 to RMB98,000 in Q3 2017.

Our other income attained in Q3 2016 relates principally to: (i) a foreign exchange gain of RMB138,000 resulting from the currency fluctuation of RMB against Singapore dollar; and (ii) the fair value gain of RMB966,000 on derivative financial instruments in respect of an 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) (the "Yi Feng Project"), 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 "Fair Value Gain"); the Fair Value Gain was derived based on the discounted cash flow stream of the Yi Feng Project, which had since 17 April 2017 been disposed as part of the Group's purchase consideration for an effective equity interest of 16.06% in an iron ore mine project situated in Thabazimbi, Limpopo Province, South Africa (the "Thabazimbi Project") (the "Yi Feng Disposal").

Our other income attained in Q3 2017 relates principally to bank interest earned on cash deposit and an one-off gain on disposal of certain property, plant and equipment.

**General and administrative expenses**

Our general and administrative expenses increased by RMB831,000 or 15% from RMB5.7 million in Q3 2016 to RMB6.5 million in Q3 2017. The increase was attributed mainly to rental expense recognised in Q3 2017 in respect of a new office rented in Zhengzhou.

### **Selling and distribution expenses**

In line with our decreased business activities, our selling and distribution expenses decreased by RMB1.1 million from RMB1.2 million in Q3 2016 to RMB81,000 in Q3 2017.

### **Finance income**

Our finance income attained in Q3 2016 was attributed 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 increased from RMB2.0 million in Q3 2016 to RMB2.6 million in Q3 2017.

### **Income tax expense**

Our income tax expense increased by RMB973,000 or over 5-fold from RMB174,000 in Q3 2016 to RMB1.1 million in Q3 2017, due principally to the higher taxable income attained by one of our subsidiaries in Q3 2017.

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

Accordingly, the Group recognized a net loss attributable to the owners of the Company increased from RMB2.2 million in Q3 2016 to RMB3.7 million in Q3 2017.

### **(b) Review of statements of financial position of the Group as at 30 September 2017 (relative to that as at 31 December 2016)**

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

Our non-current assets increased by RMB67.9 million from RMB6.3 million as at 31 December 2016 to RMB74.2 million as at 30 September 2017. The increase was principally attributed to a new investment in the Thabazimbi Project during Q2 2017. In compliance with IAS 39 – Financial Instruments: Recognition and Measurement, the investment in the Thabazimbi Project was recognized as an “other investment” under the “non-current assets” category.

#### **Current assets**

The decrease in other investment and the financial assets at fair value through profit or loss by RMB56.9 million and RMB11.6 million respectively were mainly attributed to the Yi Feng Disposal.

The decrease in completed properties for sale by RMB9.5 million or 14% was due principally to the delivery of completed units to buyers concerned.

The decrease in prepayments and other receivables by RMB2.5 million or 31% were due principally to collections received.

The decrease in cash and bank balances by RMB4.7 million or 14% was principally attributed to payments made in connection with daily operational expenses and the renovation expenses incurred on the new Zhengzhou office.

Taken as a whole, our current assets decreased by RMB85.4 million or 45% from RMB188.1 million as at 31 December 2016 to RMB102.8 million as at 30 September 2017.

#### **Current liabilities**

The decrease in the trade payables by RMB3.3 million or 50% from RMB6.5 million as at 31 December 2016 to RMB3.2 million as at 30 September 2017 and the decreases in accruals and other payables by RMB1.1 million or 12% from RMB9.1 million as at 31 December 2016 to RMB8.0 million as at 30 September 2017 were due principally to repayments made by the Group.

Amount due to joint ventures increased by RMB793,000 or 42% from RMB1.9 million as at 31 December 2016 to RMB2.7 million as at 30 September 2017, due mainly to the advances made by the joint ventures on behalf for the Company.

Taken as a whole, our current liabilities were decreased by RMB2.4 million or 3% from RMB89.1 million as at 31 December 2016 to RMB86.7 million as at 30 September 2017.

Consequence to the above, our cash used for operating activities was RMB RMB981,000 in Q3 2016 in contrast to our cash generated from operating activities of RMB3.9 million in Q3 2017.

**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.**

With regard to the reverse takeover transaction as first announced by the Company on 11 July 2013 and periodically thereafter of its progress, the latest being on 30 June 2017 (the "Proposed RTO"), the relevant parties (to the amended and restated conditional sale and purchase agreement entered into on 31 December 2014 and supplemented on 30 June 2017 in extending the long-stop date for the completion of the Proposed RTO from 30 June 2017 to 30 June 2018 (the "Supplemented SPA")). The relevant parties still awaiting for certain technical reports to be completed in order that they may work out possible revised terms to the Supplemented SPA, which may include, but not limited to, the portfolio of the exploration and mining projects that will form part of the group of companies to be acquired by the Company pursuant to the Proposed RTO. Appropriate announcement concerning the Proposed RTO will be made as and when there is any significant development.

*While the relevant parties to the Proposed RTO are committed to use best commercial efforts to reach final agreement and in seeing the transaction through, Shareholders are to note that the Proposed RTO is not to be taken as a done deal or that parties will eventually come to an agreement to proceed with the Proposed RTO.*

*As the completion of the Proposed RTO is still subject to the fulfilment of many conditions precedent, there can be no assurance of the completion of the Proposed RTO or, if it were to be eventually completed, as to the length of time required to do so. Hence, Shareholders are advised to exercise caution when dealing in the securities of the Company. Shareholders are further advised to refrain from taking any action in relation to their securities which may be prejudicial to their interests, and to seek appropriate advice from their brokers, bankers, lawyers and other professional advisers.*

**11. If a decision regarding dividend has been made:**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No.

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

No.

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

No.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

No.

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

No.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

No.

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

No dividend has been declared or recommended for Q3 2017.

**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 period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</b>	<b>Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Nil	Nil	Nil

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

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

To the best of our knowledge and belief, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group and the Company for the three-month period ended 30 September 2017 to be false or misleading in any material aspect.

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

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

Signed for and on behalf of the Board of Directors

**BY ORDER OF THE BOARD**

**Mr Li Bin**  
**CEO and Director**  
8 November 2017

**Ms Dong Lingling**  
**Director**