



CHINA MINING INTERNATIONAL LIMITED

中矿国际有限公司

Registered in Cayman Islands

Company Registration No. CT-140095

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 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

	The Group		
	FY2014	FY2013	%
	RMB'000	RMB'000	Change
		Restated*	
Impairment loss on:			
Investment in joint ventures	(58,113)	-	N/M
General and administrative expenses	(29,100)	(10,527)	176
Other (expenses)/income	(1,064)	3,593	N/M
Finance income, net	1	1	-
Loss before tax	(88,276)	(6,933)	N/M
Income tax credit/(expenses)	8,331	(927)	N/M
Loss from continuing operations	(79,945)	(7,860)	N/M
Loss from discontinued operations (net of tax)	(32,783)	(121,826)	(73)
Loss for the year, representing total comprehensive loss for the year	(112,728)	(129,686)	(13)

“FY2013” and “FY2014” denotes the full year or the twelve-month financial period ended 31 December 2013 and 31 December 2014 respectively.

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

“N/M” denotes “Not meaningful”.

*The restatement for FY2013 arose due to the need for comparative figures to FY2014, which, in compliance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, necessitates a reclassification of certain operations of the Group that constitute part of the considerations in satisfying the payment for the reverse takeover transaction as announced by the Company on 11 July 2013 and 1 April 2014 and 31 December 2014 (the “Proposed RTO”).

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

	The Group		
	FY2014	FY2013	%
	RMB'000	RMB'000	Change
		(Restated)	
Loss from continuing operations before tax has been arrived at after charging/(crediting):			
Depreciation of property, plant and equipment	422	184	129
Net foreign currency exchange loss / (gain)	1,064	(3,593)	N/M
Interest income	(1)	(1)	-

	The Group		
	FY2014	FY2013	%
	RMB'000	RMB'000	Change
		(Restated)	
Loss from discontinued operations before tax has been arrived at after charging/(crediting):			
Allowance for doubtful other receivables	-	27,068	N/M
Depreciation of property, plant and equipment	1,427	1,143	25
Net foreign currency exchange (gain) / loss	(656)	3,709	N/M
Amortization of land use rights	2	2	-
Written off on property, plant and equipment	126	-	N/M
Loss on disposal of property, plant and equipment	31	-	N/M
Net (gain)/loss on financial assets at fair value through profit or loss	(4,127)	10,457	N/M
Write-back of impairment loss on completed properties for sale	-	(186)	N/M
Write-back of impairment loss on property under development for sale	-	(303)	N/M
Interest expenses	-	1,905	N/M
Interest income	(5,457)	(4,811)	13

"FY2013" and "FY2014" denotes the full year or the twelve-month financial period ended 31 December 2013 and 31 December 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 31 December 2014

	The Group		The Company	
	31 December 2014 RMB'000	31 December 2013 RMB'000	31 December 2014 RMB'000	31 December 2013 RMB'000
Non-current assets				
Property, plant and equipment	1,564	5,928	751	947
Land use rights	-	58	-	-
Investments in subsidiaries	-	-	206,601	352,212
Equity accounted investment in joint ventures	16,500	84,000	-	-
	18,064	89,986	207,352	353,159
Current assets				
Completed properties for sale	-	120,709	-	-
Prepayments and other receivables	575	78,980	575	613
Amounts due from subsidiaries (non-trade)	-	-	1,393	1,299
Amounts due from related parties (non-trade)	441	327	441	327
Amounts due from joint ventures (non-trade)	-	3,699	-	-
Amounts due from joint ventures partner (non-trade)	-	25,000	-	-
Income tax recoverable	-	69	-	-
Available for sales financial asset	-	7,000	-	-
Pledged bank deposits	-	9,121	-	-
Cash and cash equivalents	2,337	206,934	2,282	5,916
Assets of disposal group classified as held for sale	283,074	-	-	-
	286,427	451,839	4,691	8,155
Current liabilities				
Trade payables	-	27,505	-	-
Sales and rental deposits	-	57,753	-	-
Accruals and other payables	4,363	19,151	4,363	3,898
Amount due to subsidiaries (non-trade)	-	-	3,135	1
Amounts due to related parties (non-trade)	27,214	6,033	27,214	5,683
Amounts due to joint ventures (non-trade)	-	687	-	-
Amounts due to joint venture partner (non-trade)	-	11	-	-
Income tax payables	-	44,997	-	-
Liabilities of disposal group classified as held for sale	103,146	-	-	-
	134,723	156,137	34,712	9,582
Net current assets/(liabilities)	151,704	295,702	(30,021)	(1,427)
	169,768	385,688	177,331	351,732
Capital and reserves				
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	362,461	267,600	362,461
Accumulated losses	(377,336)	(264,608)	(320,742)	(241,202)
Total equity	169,768	377,357	177,331	351,732
Non-current liabilities				
Deferred tax liabilities	-	8,331	-	-
	-	8,331	-	-
	169,768	385,688	177,331	351,732

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 31 December 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.

	The Group	
	FY2014	FY2013
	RMB'000	RMB'000
		(Restated)
OPERATING ACTIVITIES		
Loss before tax:		
Continued operations	(88,276)	(6,933)
Discontinued operations	(32,599)	(113,848)
Adjustments for:		
Amortisation of land use rights	2	2
Depreciation of property, plant and equipment	1,849	1,327
Foreign currency exchange gain	408	(26)
Impairment loss on investment in joint venture	66,899	70,814
Impairment loss on completed properties for sales	2,559	-
Interest expenses	-	1,905
Interest income	(5,458)	(4,812)
Loss on disposal of property, plant and equipment	31	-
Share of losses of joint ventures	601	436
Write-back of impairment loss on completed properties for sale	-	(186)
Write-back of impairment loss on property under development for sale	-	(303)
Written off on property, plant and equipment	126	-
Fair value (gain)/loss on financial assets at fair value through profit or loss	(4,127)	10,457
Operating cash flows before movements in working capital	(57,985)	(41,167)
Completed properties for sale	28,669	38,699
Properties under development for sale	-	47,617
Prepayments and other receivables	68,828	35,959
Pledged bank deposits	381	(1,729)
Trade payables	(19,660)	2,411
Sales and rental deposits	(16,580)	(28,421)
Accruals and other payables	(4,309)	(35,310)
Cash (used in)/generated from operations	(656)	18,059
Income tax paid	(4,413)	(15,003)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(5,069)	3,056

	The Group	
	FY2014	FY2013
	RMB'000	RMB'000
		(Restated)
INVESTING ACTIVITIES		
Advances to joint venture	(1,192)	(1,733)
Amount due to joint venture partner	25,000	(25,000)
Interest received	4,121	4,812
Proceeds from disposal of available-for-sales financial assets	-	26,898
Proceeds from disposal of property, plant and equipment	10	-
Proceeds from financial assets at fair value through profit or loss	77,896	-
Proceeds from disposal of available for sale financial assets	7,000	-
Purchase of financial assets at fair value through profit or loss	(73,769)	-
Purchase of available for sale financial assets	-	(7,000)
Purchase of property, plant and equipment	(4,603)	(4,011)
Disposal of associates	-	40,000
NET CASH GENERATED FROM INVESTING ACTIVITIES	34,463	33,966
FINANCING ACTIVITIES		
Amount received from related parties	21,181	6,033
(Advance to)/repayment from related parties	(114)	1,128
Repayment of margin facility	-	(19,192)
Interest paid	-	(1,905)
Dividend paid	(94,861)	-
NET CASH (USED IN FINANCING ACTIVITIES)	(73,794)	(13,936)
(Decrease)/Increase in cash and cash equivalents	(44,400)	23,086
Exchange difference on cash and cash equivalents	(200)	(142)
Cash and cash equivalents at beginning of year	206,934	183,990
CASH AND CASH EQUIVALENTS AT END OF YEAR	162,334	206,934

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 year.

Unaudited consolidated statements of comprehensive income of the Group and the Company for the year ended 31 December 2014 and 2013

Total comprehensive expense for the year attributable to:

	The Group	
	FY2014	FY2013
	RMB'000	RMB'000
		(Restated)
Loss from continuing operations	(79,945)	(7,860)
Loss from discontinued operations	(32,783)	(121,826)
Other comprehensive loss for the year	-	-
Total comprehensive loss for the year	(112,728)	(129,686)

	The Group	
	FY2014	FY2013
	RMB'000	RMB'000
Equity holder of the Company	(112,728)	(129,686)
Non-controlling interests	-	-
Total comprehensive loss for the year	(112,728)	(129,686)

Total comprehensive expense for the year attributable to:

	The Company	
	FY2014	FY2013
	RMB'000	RMB'000
Loss for the year	(79,540)	(342,956)
Other comprehensive loss for the year	-	-
Total comprehensive loss for the year	<u>(79,540)</u>	<u>(342,956)</u>

	The Company	
	FY2014	FY2013
	RMB'000	RMB'000
Equity holder of the Company	(79,540)	(342,956)
Non-controlling interests	-	-
	<u>(79,540)</u>	<u>(342,956)</u>

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

Unaudited consolidated statement of changes in equity of the Group for the year ended 31 December 2013 and 31 December 2014

The Group

	Share capital	Share premium	Capital reserve	Distributable reserve	Treasury shares	Accumulated losses	Attributable to owners of the Company
	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
Distribution of dividend	-	-	-	(94,861)	-	-	(94,861)
Total comprehensive loss for the year	-	-	-	-	-	(112,728)	(112,728)
Balance as at 31.12.2014	5,897	224,594	49,031	267,600	(18)	(377,336)	169,768

The Group

	Share capital	Share premium	Capital reserve	Distributable reserve	Treasury shares	Accumulated losses	Attributable to owners of the Company
	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
Reduction of par value from S\$0.0625 per share to S\$0.001 per share	(362,461)	-	-	362,461	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	(129,686)	(129,686)
Balance as at 31.12.2013	5,897	224,594	49,031	362,461	(18)	(264,608)	377,357

The Company

	Share capital	Share premium	Distributable Reserve	Treasury shares	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2014	5,897	224,594	362,461	(18)	(241,202)	351,732
Distribution of dividend	-	-	(94,861)	-	-	(94,861)
Total comprehensive loss for the year	-	-	-	-	(79,540)	(79,540)
Balance as at 31.12.2014	5,897	224,594	267,600	(18)	(320,742)	177,331

The Company

	Share capital	Share premium	Distributable Reserve	Treasury shares	Retained earnings/ (Accumulated losses)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2013	368,358	224,594	-	(18)	101,754	694,688
Reduction of par value from S\$0.0625 per share to S\$0.001 per share	(362,461)	-	362,461	-	-	-
Total comprehensive loss for the year	-	-	-	-	(342,956)	(342,956)
Balance as at 31.12.2013	5,897	224,594	362,461	(18)	(241,202)	351,732

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 31 December 2014.

Employee Share Option Scheme

No share options were issued for the year ended 31 December 2013 and 31 December 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 31 December 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 31.12.2014 (excluding treasury shares) 1,173,508,000

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

	Group and Company	
	Number of ordinary shares	RMB'000
Treasury shares at 1.1.2014	92,000	18
Share buy-back during the period	-	-
Treasury shares at 31.12.2014	92,000	18

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).

	The Group	
	FY2014 RMB'000	FY2013 RMB'000
Total comprehensive loss for the year	<u>(112,728)</u>	<u>(129,686)</u>
Basic (Singapore cents) ⁽¹⁾	<u>(1.98) cents⁽²⁾</u>	<u>(2.24) cents⁽²⁾</u>
Diluted (Singapore cents) ⁽¹⁾	<u>(1.98) cents⁽³⁾</u>	<u>(2.24) cents⁽³⁾</u>

Notes:

- (1) Calculated based on the average exchange rate in FY2014 at S\$1: RMB4.84 (FY2013 at S\$1: RMB4.94).
- (2) Based on the issued ordinary shares of 1,173,508,000 (excluding treasury shares) for FY2013 and FY2014.
- (3) The Company has no dilutive potential ordinary shares in FY2013 and FY2014.

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.

	The Group		The Company	
	31 December 2014 RMB'000	31 December 2013 RMB'000	31 December 2014 RMB'000	31 December 2013 RMB'000
Net asset value (excluding non-controlling interests) as at end of financial year	<u>169,768</u>	<u>377,357</u>	<u>177,331</u>	<u>351,732</u>
Net asset value per ordinary share as at the end of financial year (Singapore cents) ⁽¹⁾	<u>3.12 cents</u>	<u>6.69 cents</u>	<u>3.26 cents</u>	<u>6.23 cents</u>

Note:

- (1) Calculated based on exchange rate of S\$1: RMB4.64 as at 31 December 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 31 December 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 FY2014 (relative to that for FY2013)

Impairment losses on investment in joint ventures

The impairment losses on investment in joint venture of RMB58.1 million in FY2014 were in relation to the Company's 50% equity interest in Tian Cheng Holdings Limited (天晟控股有限公司) ("Tian Cheng"), which, through its wholly-owned subsidiaries, namely Zhengzhou Bidi Trading Co., Ltd (郑州必砥商贸有限公司) ("Zhengzhou Bidi") and Zhengzhou Mai Yong Trading Co., Ltd (郑州迈永商贸有限公司) ("Zhengzhou Mai Yong") (collectively, the "Tian Cheng Group"), wholly-owned the exploration rights to an iron ore mine located in the Xinjiang Province of the PRC and 99.9%-owned the exploration rights to another iron ore mine located in the Henan Province of the PRC (collectively, the "Mining Joint Ventures") (the "Impairment of Joint Ventures").

The impairment was recognised after the internal restructuring of the Tian Cheng Group which Nice Rhythms Limited ("Nice Rhythms") (a wholly-owned subsidiary of the Company) acquired 50% of the equity interest of Tian Cheng from Elegant Jade Enterprises Limited ("Elegant Jade") (also a wholly-owned subsidiary of the Company) with effect from 31 December 2014 (the "Effective Date") (the "Purchaser Restructuring Exercise") as announced by the Company on 14 January 2015.

The impairment, derived based on the valuation report issued by an independent Hong Kong-based valuation company, Roma Appraisals Limited, (The "Roma Valuation Report") was due principally to the significant decline in the price of iron ore, where the trailing 1-year average and 2-year average prices of iron ore were about RMB767 and RMB863 per ton respectively as at 31 December 2014 compared to such relevant prices of about RMB960 per ton and RMB967 per ton respectively as at 31 December 2013. 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 FY2014.

General and administrative expenses

Our general and administrative expenses increased by RMB18.6 million or over 1-fold from RMB10.5 million in FY2013 to RMB29.1 million in FY2014, due principally to the professional fee incurred by the Company for the payment of some professional fees in connection with the Proposed RTO.

Other expenses/income

We registered other expenses of RMB1.1 million in FY2014 *vis-à-vis* an other income of RMB3.6 million in FY2013, due principally to the exchange losses arise from the currency fluctuation in Chinese Renminbi against the Singapore dollar.

Loss from continuing operations before tax

Consequence to the above, the Group's loss from continuing operations before tax increased by RMB81.3 million from RMB6.9 million in FY2013 to RMB88.3 million in FY2014.

Income tax (credit)/expenses

We registered an income tax credit of RMB8.3 million in FY2014 *vis-à-vis* an income tax expenses of RMB927,000 in FY2013.

The income tax expenses recorded in FY2013 was principally attributed to the deferred tax expense in connection to undistributed profits of subsidiaries.

The income tax credit recorded in FY2014 was principally attributed to the write-back of deferred taxation of RMB8.3 million subsequent to the operation of the Elegant Jade Group (defined below) is classified as assets/liabilities held for sales in the balance sheets and discontinued operations in the income statements.

Loss from continuing operations

Accordingly, the loss from continuing operations of the Company widened by RMB72.1 million or over 9-fold from RMB7.9 million for FY2013 to RMB79.9 million for FY2014.

Loss from discontinued operations

The discontinued operations were attributed to the Company's wholly-owned subsidiary, Elegant Jade Enterprises Limited ("Elegant Jade") (美基企业有限公司). Elegant Jade presently owns various subsidiaries consisting of Xinxiang Huilong Real Estate Co. Ltd (新乡辉龙置业有限公司), Henan Sunshine Elegant Jade Real Estate Co., Ltd (河南阳光美基置业有限公司), Henan Zhong Neng Mining Co., Ltd (河南中能矿业有限公司), Beijing Zhong Neng Huifeng Mining and Trading Co., Ltd (北京中能汇丰矿业贸易有限公司), Zhengzhou Elegant Jade Changqi Investment Co., Ltd (郑州美基昌奇投资有限公司), Whitewood Property Corporation (辉活房地产有限公司) and Zhengzhou Shenderun Mining Co., Ltd (郑州盛德润矿业有限公司), (collectively, the "Elegant Jade Group") with underlying operating assets comprising mainly the completed real estate property assets of the completed Xinxiang Sunny Town Project (新乡阳光新城项目) located at Xinxiang New District, Western District of Xinxiang, Henan Province, the PRC.

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

The Proposed RTO is still in progress and the parties to the Proposed RTO are considering the possibility of revisiting the terms of the sale and purchase agreement, which may include, but not limited to, the portfolio of Exploration and Mining Projects that will form part of the target group as announced by the Company on 26 January 2015.

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

The breakdown of the loss from discontinued operations for FY2014 were as follows. The consolidated profit and loss statement of the Group for FY2013 had been retrospectively adjusted and restated.

	Note	The Group		
		FY2014 RMB'000	FY2013 RMB'000 (Restated)	% Change
Revenue	A	34,075	134,409	(75)
Cost of sales		(28,669)	(110,894)	(74)
Gross profit	B	5,406	23,515	(77)
Impairment loss on:				
Completed properties for sale	C	(2,559)	-	N/M
Investment in joint ventures	D	(8,785)	(70,814)	(88)
Write back on impairment on:				
Completed properties for sale		-	186	N/M
Properties under development for sale		-	303	N/M
Selling and distribution expenses	E	(3,132)	(2,522)	24
General and administrative expenses	F	(33,207)	(53,148)	(38)
Other income	G	4,783	70	N/M
Other expenses	H	(241)	(14,228)	(98)
Share of losses of joint ventures	I	(601)	(436)	38
Finance income, net	J	5,737	3,226	78
Loss from discontinued operations	K	(32,599)	(113,848)	(71)
Income tax expenses	L	(184)	(7,978)	(98)
Loss from discontinued operations (net of tax)	M	(32,783)	(121,826)	(73)

The cash flow attributed to discontinued operations was as follows:

	FY2014	FY2013
	RMB'000	RMB'000
		(Restated)
Operating activities	24,113	6,781
Investing activities	34,363	37,031
Financing activities	(99,408)	(25,923)
Net cash (outflow)/inflow	(40,932)	17,889

(A) Turnover

Our overall turnover, generated mainly from the sales of developed properties, decreased by RMB100.3 million from RMB134.4 million in FY2013 to RMB34.1 million in FY2014. 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 FY2014 relative to FY2013.

(B) Gross profit

The Group registered a lower gross profit of RMB5.4 million in FY2014 compared to that of RMB23.5 million in FY2013 and at a lower gross profit margin of about 16% in FY2014 compared to that of about 17% in FY2013, due principally to increased labour and construction material costs.

(C) Impairment loss on completed properties for sale

The impairment losses on completed properties for sale of RMB2.6 million were attributed principally to the impairment of the basement storage rooms in respect of the the Xinxiang Sunny Town Project (新乡阳光新城项目) due to slow sales of these units.

(D) Impairment loss on investment in joint ventures

The impairment losses on investment in joint venture of RMB8.8 million in FY2014 were in relation to the Mining Joint Ventures and was recognised before the Purchaser Restructuring Exercise as announced by the Company on 14 January 2015 and based on the Roma Valuation Report dated 30 June 2014.

(E) Selling and distribution expenses

Our selling and distribution expenses increased by RMB610,000 or 24% from RMB2.5 million in FY2013 to RMB3.1 million in FY2014, 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.

(F) General and administrative expenses

In line with our decrease in business operations and sales, our general and administrative expenses decreased by RMB19.9 million or 38% from RMB53.1 million in FY2013 to RMB33.2 million in FY2014. The depreciation of property, plant and equipment increased by RMB284,000 from RMB1.2 million in FY2013 to RMB1.4 million in FY2014 was due principally to the leasehold improvement incurred in FY2014 on staff offices located in Beijing.

(G) Other income

Our other income increased by RMB4.7 million from RMB70,000 in FY2013 to RMB4.8 million in FY2014.

Our other income attained in FY2013 relates principally to interest income earned on a term deposit placed with a bank while our other income attained in FY2014 relates principally to net income on mark-to-market gained from our investments in quoted securities in FY2014 (the "FY2014 Quoted Investments") and the exchange gain attained in FY2014. The FY2014 Quoted Investments had been fully divested as announced by the Company on 17 October 2014.

(H) Other expenses

Our other expenses decreased by RMB14.0 million or 98% from RMB14.2 million in FY2013 to RMB241,000 in FY2014.

Other expenses recognized in FY2013 was due primarily to the net loss on mark-to-market of and disposal loss of the Group's investment in a quoted security listed on the Shenzhen Stock Exchange (the "FY2013 Quoted Investment") (as announced by the Company on 13 January 2012 for the making of the Quoted Investment and on 28 December 2013 for the disposal of the Quoted Investment).

Other expense recognized in FY2014 mainly comprised the write-off of certain property, plant and equipment in FY2014.

(I) Share of losses of joint ventures

The Group's share of loss of joint ventures increased by RMB165,000 or 38% from RMB436,000 in FY2013 to RMB601,000 in FY2014. The increase was attributed mainly to increased operating expenses incurred by the Company's 50% equity interest in Tian Cheng, particularly in respect of the 2 iron ore mines held through its 2 Mining Joint Ventures, which have yet to commence production.

(J) Finance income

Our finance income increased by RMB2.5 million or 78% from RMB3.2 million in FY2013 to RMB5.7 million in FY2014.

Our finance income attained in FY2013 and FY2014 were attributed principally to treasury bond and bank interest earned during the respective financial year.

(K) Loss from discontinued operations and before tax

Consequence to the above, the Group's loss from discontinued operations before tax decreased by RMB81.2 million from RMB113.8 million in FY2013 to RMB32.6 million in FY2014.

(L) Income tax expense

In line with reduced sales of developed properties, our income tax expenses decreased by RMB7.8 million or 98% from RMB8.0 million in FY2013 to RMB184,000 in FY2014.

(M) Net loss attributable to owners of the Company

Accordingly, the net loss from discontinued operation attributable to the owners of the Company reduced from RMB121.8 million for FY2013 to RMB32.8 million for FY2014.

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

Non-current assets

Our non-current assets decreased by RMB71.9 million or 80% from RMB90.0 million as at 31 December 2013 to RMB18.1 million as at 31 December 2014, due principally to impairment losses on investment in the Joint Ventures as explained above, coupled with the decrease in property, plant and equipment by RMB4.4 million or 74% from RMB5.9 million as at 31 December 2013 to RMB1.6 million as at 31 December 2014, related to the Elegant Jade Group and were reclassified from 'non-current asset' as at 31 December 2013 to 'assets classified as held for sale' in the current asset as at 31 December 2014 in connection to the Proposed RTO.

Current assets

The decreases in completed properties for sale decreased by RMB120.7 million, prepayments and other receivables by 78.4 million, amounts due from joint ventures by RMB3.7 million, income tax recoverable by RMB69,000, pledged bank deposits by RMB9.1 million and cash and cash equivalent by RMB204.6 million were all related to the Elegant Jade Group and were reclassified to 'assets classified as held for sale' in connection to the Proposed RTO. .

The amount due from joint venture partner had been fully collected.

The increase in amount due from related parties of RMB114,000 or 35% was due principally to payments made on behalf by the Company.

The financial assets available for sales as at 31 December 2013 comprised fixed yield short term investments made over periods of not more than 2 weeks; the said investments were fully redeemed above cost in January 2014.

Assets classified as held for sale were related to the Elegant Jade Group in connection to the Proposed RTO which principally comprise property, plant and equipment of RMB7.1 million, completed properties for sale of RMB89.5 million, prepayment and other receivable of RMB11.0 million, amount due from joint venture of RMB6.8 million, pledged bank deposits of RMB8.7 million and cash and cash equivalent of RMB160.0 million. Before the completion of the Proposed RTO, the remaining unsold properties units in the completed properties for sale will still continue to generate revenue for the Group and the cash and cash equivalent will still be used for the daily operations and working capital needs of the Group.

Taken as a whole, our current assets decreased by RMB165.4 million or 37% from RMB451.8 million as at 31 December 2013 to RMB286.4 million as at 31 December 2014.

Current liabilities

The decreases in the trade payables by RMB27.5 million, sales and rental deposits by RMB57.8 million, accruals and other payables by RMB14.8 million, amounts due to joint ventures by RMB687,000, amounts due to joint venture partner by RMB11,000, income tax payables by RMB45.0 million were related to the Elegant Jade Group, were all related to the Elegant Jade Group and were reclassified to 'liabilities classified as held for sale' in connection to the Proposed RTO.

The increase in amounts due to related parties by RMB21.2 million was attributed principally to the payment of some professional fees by related parties on behalf of the Company in connection with the Proposed RTO.

Liabilities classified as held for sale was related to the Elegant Jade Group in connection to the Proposed RTO which principally comprise of the trade payables of RMB7.8 million, accruals and other payables of RMB10.8 million, income tax payables of RMB40.8 million, sales and rental deposits of RMB41.2 million.

Taken as a whole, our current liabilities decreased by RMB21.4 million or 14% from RMB156.1 million as at 31 December 2013 to RMB134.7 million as at 31 December 2014.

Consequence to the above, we registered a net cash used in operating activities of RMB5.1 million in FY2014 vis-à-vis a net cash generated from operating activities of RMB3.1 million in FY2013.

Distributable reserve

The distributable reserve decreased by RMB94.9 million or 26% from RMB362.5 million as at 31 December 2013 to RMB267.6 million as at 31 December 2014 due principally to the distribution of interim dividend made by the Company on 18 November 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 31 December 2014:

Property and address	Description	Tenure	Est gross floor area (sqm)	Book value (RMB million)
Xinxiang Sunny Town Project (新乡阳光新城项目)	Mainly comprise of 213 Residential units and 102 commercial units	Up to 70 years expiring in 2076	53,299	89.5

With regard to the Proposed RTO, pre-clearance of certain issues is on-going with the Singapore Exchange Securities Trading Limited ("SGX-ST"). Appropriate announcement will be made by the Company as and when there is any significant development concerning the Proposed RTO. Shareholders are to note that the on-going pre-clearance being sought by the Company from the SGX-ST is not to be taken as an indicator of SGX-ST's clearance of the Proposed RTO.

As the completion of the Proposed RTO is still subject to the fulfillment of many precedent conditions, there can be no assurance of its completion 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 and refrain from taking any action in relation to their securities which may be prejudicial to their interests.

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

Not applicable

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

Nil.

(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).

Not applicable

(d) The date the dividend is payable.

Not applicable

(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.

Not applicable.

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.

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
	-	-

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

14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results).

Not Applicable

15. 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.

2014	Discontinued Operations RMB '000	Continuing Operations (Mining) RMB'000	Total RMB '000
Segment Revenue	34,075	-	34,075
Segment loss	(32,599)	(58,113)	(90,712)
Corporate administrative costs and directors' salaries			(29,100)
Other expenses			(1,064)
Finance income			1
Loss before tax			(120,875)
Income tax credit			8,147
Loss for the year			(112,728)

2013	Discontinued Operations RMB '000	Continuing Operations (Mining) RMB'000	Total RMB '000
Segment Revenue	134,409	-	134,409
Segment loss	(113,849)	-	(113,849)
Corporate administrative costs and directors' salaries			(10,526)
Other income			3,593
Finance income			1
Loss before tax			(120,781)
Income tax expenses			(8,905)
Loss for the year			(129,686)

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

No

17. A breakdown of sales

	The Group		% Change
	FY2014 RMB'000	FY2013 RMB'000	
(i) Sales from discontinued operations reported for:			
First half year ended 30 June	23,317	84,753	(72)
Second half year ended 31 December	10,758	49,656	(78)
	<u>34,075</u>	<u>134,409</u>	(75)

	The Group		% Change
	FY2014 RMB'000	FY2013 RMB'000	
(ii) Operating loss after tax deducting non-controlling interests reported for:			
First half year ended 30 June	(20,031)	(22,591)	(11)
Second half year ended 31 December	(92,697)	(107,095)	(13)
	<u>(112,728)</u>	<u>(129,686)</u>	(13)

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

	FY2014 RMB'000	FY2013 RMB'000
Ordinary Share:		
Final dividend	<u>Nil</u>	<u>Nil</u>
Interim dividend	<u>94,861</u>	<u>Nil</u>

19. 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.

BY ORDER OF THE BOARD

Mr Li Bin
CEO and Executive Director

Dong Ling Ling
Executive Director

18 February 2015