



**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 SECOND QUARTER ENDED 30 JUNE 2016 (“Q2 2016”) IN RESPECT OF THE FINANCIAL YEAR ENDING 31 DECEMBER 2016 (“FY2016”)**

**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					
	Q2 2016 RMB'000	Q2 2015 RMB'000 (Restated)*	% Change	H1 2016 RMB'000	H1 2015 RMB'000 (Restated)*	% Change
Revenue	2,855	5,086	(44)	6,384	12,424	(49)
Cost of sales	<u>(2,207)</u>	<u>(3,884)</u>	(43)	<u>(4,749)</u>	<u>(9,104)</u>	(48)
Gross profit	648	1,202	(46)	1,635	3,320	(51)
Write back of allowance on doubtful other receivables	-	9,000	N/M	-	9,000	N/M
Other expenses	(392)	(13)	2,915	(405)	(320)	26
Other income	1,526	57	2,577	2,531	1,383	83
Share of losses of joint venture	(23)	(107)	(79)	(50)	(172)	(71)
General and administrative expenses	(7,408)	(14,902)	(50)	(13,054)	(23,822)	(45)
Selling and distribution expenses	(951)	(529)	80	(1,064)	(627)	70
Finance income	<u>1,769</u>	-	N/M	<u>3,539</u>	-	N/M
Loss before tax	(4,831)	(5,292)	(9)	(6,868)	(11,238)	(39)
Income tax credit/(expense)	<u>146</u>	<u>(29)</u>	N/M	<u>(3)</u>	<u>(535)</u>	(99)
Net loss for the period	<u>(4,685)</u>	<u>(5,321)</u>	(12)	<u>(6,871)</u>	<u>(11,773)</u>	(42)

\*The restatement for Q2 2015 and H1 2015 arose due to the need for comparative figures to Q2 2016 and H1 2016, which, in compliance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, necessitates the discontinued operations (as previously classified) to be reclassified as continuing operations as the reverse takeover transaction as announced by the Company on 11 July 2013 and 1 April 2014 and 31 December 2014 (the “Proposed RTO”) has yet to be completed within the contemplated time frame.

“Q2 2015” and “Q2 2016” denotes the second quarter or the three-month period ended 30 June 2015 and 30 June 2016 respectively

“H1 2015” and “H1 2016” denotes the six-month period ended 30 June 2015 and 30 June 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>Q2 2016</b> <b>RMB'000</b>	Q2 2015 RMB'000 (Restated)*	%	<b>H1 2016</b> <b>RMB'000</b>	H1 2015 RMB'000 (Restated)*	%
			Change			Change
Loss before tax has been arrived at after charging/(crediting):						
Depreciation of property, plant and equipment	<b>614</b>	1,053	(42)	<b>1,264</b>	1,158	9
Foreign currency exchange (gain)/loss	<b>(498)</b>	13	N/M	<b>(409)</b>	172	N/M
Amortization of land use rights	<b>1</b>	1	N/M	<b>2</b>	2	N/M
Loss on disposal of property, plant and equipment	<b>148</b>	-	N/M	<b>158</b>	-	N/M
Accretion of interest on other investment	<b>(1,770)</b>	-	N/M	<b>(3,539)</b>	-	N/M
Fair value gain on financial assets at fair value through profit or loss – derivative financial instruments	<b>(966)</b>	-	N/M	<b>(1,932)</b>	-	N/M
Write back on allowance on doubtful other receivables	-	(9,000)	N/M	-	(9,000)	N/M
Interest income	<b>(62)</b>	(50)	24	<b>(112)</b>	(1,376)	(92)

\*The restatement for Q2 2015 and H1 2015 arose due to the need for comparative figures to Q2 2016 and H1 2016, which, in compliance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, necessitates the discontinued operations (as previously classified) to be reclassified as continuing operations as the reverse takeover transaction as announced by the Company on 11 July 2013 and 1 April 2014 and 31 December 2014 (the "Proposed RTO") has yet to be completed within the contemplated time frame.

"Q2 2015" and "Q2 2016" denotes the second quarter or the three-month period ended 30 June 2015 and 30 June 2016 respectively

"H1 2015" and "H1 2016" denotes the six-month period ended 30 June 2015 and 30 June 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 30 June 2016**

	<b>The Group</b>		<b>The Company</b>	
	<b>30 Jun 2016 RMB'000</b>	<b>31 Dec 2015 RMB'000</b>	<b>30 Jun 2016 RMB'000</b>	<b>31 Dec 2015 RMB'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	5,465	6,863	7	304
Land use rights	52	54	-	-
Investments in subsidiaries	-	-	190,101	190,101
Other investment	53,379	49,840	-	-
Derivative financial instruments	21,246	19,314	-	-
Equity accounted investment in joint ventures	-	-	-	-
	<b>80,142</b>	<b>76,071</b>	<b>190,108</b>	<b>190,405</b>
<b>Current assets</b>				
Completed properties for sale	68,954	73,704	-	-
Prepayments and other receivables	5,785	8,433	-	572
Amounts due from subsidiaries (non-trade)	-	-	28,248	30,925
Amounts due from related parties (non-trade)	478	468	478	468
Amounts due from joint ventures (non-trade)	3,297	3,016	-	-
Income tax recoverable	69	69	-	-
Pledged bank deposits	6,226	7,308	-	-
Cash and cash equivalents	42,143	49,450	14,675	14,715
	<b>126,952</b>	<b>142,448</b>	<b>43,401</b>	<b>46,680</b>
<b>Current liabilities</b>				
Trade payables	6,492	8,635	-	-
Sales and rental deposits	38,172	39,886	-	-
Accruals and other payables	10,316	10,893	352	1,005
Amount due to subsidiaries (non-trade)	-	-	80,753	80,614
Amounts due to related parties (non-trade)	520	520	520	520
Amounts due to joint ventures (non-trade)	1,881	1,966	-	-
Amounts due to joint venture partner (non-trade)	11	11	-	-
Income tax payables	40,253	40,288	-	-
	<b>97,645</b>	<b>102,199</b>	<b>81,625</b>	<b>82,139</b>
<b>Net current assets/(liabilities)</b>	<b>29,307</b>	<b>40,249</b>	<b>(38,224)</b>	<b>(35,459)</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	-	-	-	-
	<b>109,449</b>	<b>116,320</b>	<b>151,884</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	(437,655)	(430,784)	(346,189)	(343,127)
Total equity	<b>109,449</b>	<b>116,320</b>	<b>151,884</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 30 June 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>Q2 2016</b> <b>RMB'000</b>	Q2 2015 RMB'000 (Restated)	<b>H1 2016</b> <b>RMB'000</b>	H1 2015 RMB'000 (Restated)
<b>OPERATING ACTIVITIES</b>				
Loss before tax	<b>(4,831)</b>	(5,292)	<b>(6,868)</b>	(11,238)
Adjustments for:				
Depreciation of property, plant and equipment	<b>614</b>	1,053	<b>1,264</b>	1,158
Foreign currency exchange (gain)/loss	<b>(498)</b>	13	<b>(409)</b>	172
Amortization of land use rights	<b>1</b>	1	<b>2</b>	2
Loss on disposal of property, plant and equipment	<b>148</b>	-	<b>158</b>	-
Share of loss of joint ventures	<b>23</b>	107	<b>50</b>	172
Accretion of interest on other investment	<b>(1,770)</b>	-	<b>(3,539)</b>	-
Fair value gain on financial assets at fair value through profit or loss - derivative financial instruments	<b>(966)</b>	-	<b>(1,932)</b>	-
Interest income	<b>(62)</b>	(50)	<b>(112)</b>	(1,376)
Write-back of allowance for doubtful other receivables	<b>-</b>	(9,000)	<b>-</b>	(9,000)
Operating cash flows before movements in working capital	<b>(7,341)</b>	(13,168)	<b>(11,386)</b>	(20,110)
Completed properties for sale	<b>2,208</b>	3,884	<b>4,750</b>	9,104
Properties under development for sale	<b>-</b>	(4,500)	<b>-</b>	(8,000)
Prepayments and other receivables	<b>2,095</b>	10,206	<b>2,648</b>	12,680
Increase in pledged bank deposits	<b>680</b>	962	<b>1,082</b>	982
Trade payables	<b>(804)</b>	414	<b>(2,143)</b>	(244)
Sales and rental deposits	<b>90</b>	(2,959)	<b>(1,714)</b>	(2,856)
Accruals and other payables	<b>665</b>	(2,323)	<b>(178)</b>	(6,169)
Cash used in operations	<b>(2,407)</b>	(7,484)	<b>(6,941)</b>	(14,613)
Income tax paid	<b>-</b>	(137)	<b>(38)</b>	(325)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(2,407)</b>	(7,621)	<b>(6,979)</b>	(14,938)
<b>INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	<b>(12)</b>	(3)	<b>(24)</b>	(3)
Amount advances to Joint Venture companies	<b>(360)</b>	(603)	<b>(416)</b>	(852)
Interest received	<b>62</b>	50	<b>112</b>	1,376
<b>NET CASH (USED IN)/GENERATE FROM INVESTING ACTIVITIES</b>	<b>(310)</b>	(556)	<b>(328)</b>	521
<b>FINANCING ACTIVITIES</b>				
Amount received from related parties	<b>-</b>	6,526	<b>-</b>	7,895
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>-</b>	6,526	<b>-</b>	7,895
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,717)</b>	(1,651)	<b>(7,307)</b>	(6,522)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>44,860</b>	157,463	<b>49,450</b>	162,334
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>42,143</b>	155,812	<b>42,143</b>	155,812

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

**Unaudited consolidated statements of comprehensive income of the Group and the Company for the financial period ended 30 June 2015 and 30 June 2016**

**Total comprehensive loss for the year attributable to:**

	<b>The Group</b>			
	<b>Q2 2016</b> RMB'000	Q2 2015 RMB'000	<b>H1 2016</b> RMB'000	H1 2015 RMB'000
Loss from operations	(4,685)	(5,321)	(6,871)	(11,773)
Other comprehensive expense for the period	-	-	-	-
<b>Total comprehensive expense for the period</b>	<b>(4,685)</b>	<b>(5,321)</b>	<b>(6,871)</b>	<b>(11,773)</b>

	<b>The Group</b>			
	<b>Q2 2016</b> RMB'000	Q2 2015 RMB'000	<b>H1 2016</b> RMB'000	H1 2015 RMB'000
Owners of the Company	(4,685)	(5,321)	(6,871)	(11,773)
Minority interests	-	-	-	-
	<b>(4,685)</b>	<b>(5,321)</b>	<b>(6,871)</b>	<b>(11,773)</b>

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

	<b>The Company</b>			
	<b>Q2 2016</b> RMB'000	Q2 2015 RMB'000	<b>H1 2016</b> RMB'000	H1 2015 RMB'000
Loss for the period	(1,884)	(5,739)	(3,062)	(7,191)
Other comprehensive expense for the period	-	-	-	-
<b>Total comprehensive expense for the period</b>	<b>(1,884)</b>	<b>(5,739)</b>	<b>(3,062)</b>	<b>(7,191)</b>

	<b>The Company</b>			
	<b>Q2 2016</b> RMB'000	Q2 2015 RMB'000	<b>H1 2016</b> RMB'000	H1 2015 RMB'000
Owners of the Company	(1,884)	(5,739)	(3,062)	(7,191)
Minority interests	-	-	-	-
	<b>(1,884)</b>	<b>(5,739)</b>	<b>(3,062)</b>	<b>(7,191)</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 30 June 2015 and 30 June 2016**

	<b>The Group</b>								
	Share capital	Share premium	Capital reserve	Distributable reserve	Treasury shares	Accumulated losses	Attributable to owners of the Company	Non controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2016	5,897	224,594	49,031	267,600	(18)	(430,784)	116,320	-	116,320
Total comprehensive loss for the year	-	-	-	-	-	(2,186)	(2,186)	-	(2,186)
Balance as at 31.3.2016	5,897	224,594	49,031	267,600	(18)	(432,970)	114,134	-	114,134
Total comprehensive loss for the year	-	-	-	-	-	(4,685)	(4,685)	-	(4,685)
Balance as at 30.6.2016	<b>5,897</b>	<b>224,594</b>	<b>49,031</b>	<b>267,600</b>	<b>(18)</b>	<b>(437,655)</b>	<b>109,449</b>	<b>-</b>	<b>109,449</b>

	<b>The Group</b>								
	Share capital	Share premium	Capital reserve	Distributable reserve	Treasury shares	Accumulated losses	Attributable to owners of the Company	Non controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2015	5,897	224,594	49,031	267,600	(18)	(377,336)	169,768	-	169,768
Total comprehensive loss for the year	-	-	-	-	-	(6,452)	(6,452)	-	(6,452)
Balance as at 31.3.2015	5,897	224,594	49,031	267,600	(18)	(383,788)	163,316	-	163,316
Total comprehensive loss for the year	-	-	-	-	-	(4,374)	(4,374)	-	(4,374)
Balance as at 30.6.2015	<b>5,897</b>	<b>224,594</b>	<b>49,031</b>	<b>267,600</b>	<b>(18)</b>	<b>(388,162)</b>	<b>158,942</b>	<b>-</b>	<b>158,942</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 year	-	-	-	-	(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 year	-	-	-	-	(1,884)	(1,884)
Balance as at 30.6.2016	5,897	224,594	267,600	(18)	(346,189)	151,884

	<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 1.1.2015	5,897	224,594	267,600	(18)	(320,742)	177,331
Total comprehensive loss for the year	-	-	-	-	(1,452)	(1,452)
Balance as at 31.3.2015	5,897	224,594	267,600	(18)	(322,194)	175,879
Total comprehensive loss for the year	-	-	-	-	(5,739)	(5,739)
Balance as at 30.6.2015	5,897	224,594	267,600	(18)	(327,933)	170,140

**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 period ended 30 June 2016.

Employee Share Option Scheme

No share options were issued for the year ended 31 December 2015 and period ended 30 June 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 30 June 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 30.6.2016 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 30.6.2016 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).**

	<b>The Group</b>			
	<b>Q2 2016</b> RMB'000	Q2 2015 RMB'000	<b>H1 2016</b> RMB'000	H1 2015 RMB'000
<b>Loss attributable to owners of the Company</b>	<b>(4,685)</b>	(5,321)	<b>(6,871)</b>	(11,773)
Basic (Singapore cents) <sup>(1)</sup>	<b>(0.66)</b>	(0.79)	<b>(0.98)</b>	(1.76)
Diluted (Singapore cents) <sup>(1)</sup>	<b>(0.66)</b>	(0.79)	<b>(0.98)</b>	(1.76)

**Notes:**

(1) Calculated based on the average exchange rate in Q2 2016 at S\$1: RMB4.83 (Q2 2015: S\$1: RMB4.59); H1 2016: S\$1:RMB4.76 (H1 2015: S\$1: RMB4.56). Based on the issued ordinary shares of 146,688,500 (excluding treasury shares) for Q2 2015 and Q2 2016. The Company has no dilutive potential ordinary shares in Q2 2015 and Q2 2016.

**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.**

	<b>The Group</b>		<b>The Company</b>	
	<b>30 June</b> <b>2016</b> RMB'000	31 December 2015 RMB'000	<b>30 June</b> <b>2016</b> RMB'000	31 December 2015 RMB'000
Net asset value (excluding non-controlling interests) as at end of financial year	<b>109,449</b>	116,320	<b>151,884</b>	154,946
Net asset value per ordinary share as at the end of financial year (Singapore cents) <sup>(1)</sup>	<b>15.16 cents</b>	17.28 cents	<b>21.05 cents</b>	23.01 cents

**Note:**

(1) Calculated based on exchange rate of S\$1: RMB4.92 as at 30 June 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 30 June 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 Q2 2016 (relative to that for Q2 2015)**

**Turnover**

The overall turnover, generated mainly from the sales of developed properties, decreased by RMB2.2 million from RMB5.1 million in Q2 2015 to RMB2.9 million in Q2 2016. The decrease was principally attributed to fewer completed units being delivered to the buyers in Q2 2016 relative to Q2 2015 in respect of the Xinxiang Sunny Town Project (新乡阳光新城项目).

**Gross profit**

As a result of reduced turnover, the Group registered a lower gross profit of RMB648,000 in Q2 2016 compared to that of RMB1.2 million in Q2 2015 but at comparable gross profit margin of about 23%.

**Other expenses**

Our other expenses increased by 3-fold from RMB13,000 in Q2 2015 to RMB392,000 in Q2 2016.

The other expense recognized in Q2 2015 were due principally to exchange losses resulting from weakened Renminbi against Singapore dollar. The other expense recognized in Q2 2016 were due principally to a loss recognized on disposal of a fixed asset.

**Other income**

Our other income increased by RMB1.5 million from RMB57,000 in Q2 2015 to RMB1.5 million in Q2 2016.

Our other income attained in Q2 2015 relates principally to interest income earned on a term deposit placed with a bank.

Our other income attained in Q2 2016 relates principally to (i) an exchange gain of RMB498,000 resulting from the currency fluctuation on Renminbi 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.

**Share of losses of joint ventures**

The Group's share of loss of joint ventures decreased by RMB84,000 or 79% from RMB107,000 in Q2 2015 to RMB23,000 in Q2 2016. The decrease was attributed mainly to decreased operating expenses incurred by Tian Cheng Holdings Limited ("天晟控股有限公司"), particularly in respect of the two iron ore mines it owned which have yet to commence production (the "Joint Venture").

**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 RMB7.5 million or 50% from RMB14.9 million in Q2 2015 to RMB7.4 million in Q2 2016.

**Selling and distribution expenses**

Our selling and distribution expenses increased by RMB422,000 or 80% from RMB529,000 in Q2 2015 to RMB951,000 in Q2 2016 due principally to stepped-up marketing efforts in selling the remaining completed property units.

**Finance income**

Our finance income attained in Q2 2016 was attributed to the amortization of unwinding discount of the long-term other investment in connection to the Yi Feng Project.

### **Loss before tax**

Consequence to the above, the Group's loss before tax decreased by RMB461,000 from RMB5.3 million in Q2 2015 to RMB4.8 million in Q2 2016.

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

We registered an income tax credit of RMB146,000 in Q2 2016 *vis-à-vis* an income tax expenses of RMB29,000 in Q2 2015.

The income tax expenses recorded in Q2 2015 was principally attributed to the operating income for Q2 2015.

The income tax credit recorded in Q2 2016 was principally attributed to an one-off write-back of over-accrued taxation in one of our wholly-owned subsidiaries.

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

Accordingly, the net loss attributable to the owners of the Company decreased from RMB5.3 million in Q2 2015 to RMB4.7 million in Q2 2016.

### **(b) Review of statements of financial position of the Group as at 30 June 2016 (relative to that as at 31 December 2015)**

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

Our non-current assets increased by RMB4.1 million from RMB76.1 million as at 31 December 2015 to RMB80.1 million as at 30 June 2016. The increase was due principally to the investment (including the Fair Value Gain) in the Yi Feng Project. In compliance with IAS 39 – Financial Instruments: Recognition and Measurement, the investment in the Yi Feng Project was recognized as other investments and derivative financial instruments.

#### **Current assets**

The decrease in completed properties for sale by RMB4.8 million or 6% was due principally to the delivery of completed units to buyers concerned.

The decrease in prepayments and other receivables by RMB2.6 million or 31% were due principally to collections received.

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 RMB7.3 million or 15% was principally attributed to working capital usage in meeting daily operation expenses.

Taken as a whole, our current assets decreased by RMB15.5 million or 11% from RMB142.4 million as at 31 December 2015 to RMB126.9 million as at 30 June 2016.

#### **Current liabilities**

The decrease in the trade payables by RMB2.1 million or 25% from RMB8.6 million as at 31 December 2015 to RMB6.5 million as at 30 June 2016 and the decreases in sales and rental deposits by RMB1.7 million or 4% from RMB40.0 million as at 31 December 2015 to RMB38.2 million as at 30 June 2016 were due principally to repayments made by the Group.

Taken as a whole, our current liabilities were decreased by RMB4.6 million or 4% from RMB102.2 million as at 31 December 2015 to RMB97.6 million as at 30 June 2016.

Consequence to the above, our cash used in operating activities was reduced to RMB2.4 million in Q2 2016 from RMB7.6 million in Q2 2015.

### **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 announced by the Company on 11 July 2013 and 1 April 2014 and 31 December 2014 (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 to extend the long stop date for completion from 30 June 2016 to 30 June 2017 as announced by the Company on 30 June 2016. The relevant parties currently await for certain technical reports to be completed in order that they may work out possible revised terms to the Amended and Restated SPA, which may include, but not limited to, the portfolio of the exploration and mining projects that will form part of the group of companies to be acquired by the Company pursuant to the Proposed RTO. 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 are currently still awaiting the appointed professionals to complete their respective works so as to make available the necessary independent qualified person's technical report and a valuation report. Given the substantial field work that need to be carried out, verified and analyzed, the technical due diligence process may take a while to complete and the Company will keep the shareholders of the Company updated progressively of any material development.

*Some of the statements in this release constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect our current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from our intentions, plans, expectations, assumptions and beliefs about the future, undue reliance must not be placed on these statements.*

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

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

No.

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

No.

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

No.

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

No.

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

No.

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

No.

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

No dividend has been declared or recommended for Q2 2016.

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

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

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

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

To the best of our knowledge and belief, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group and the Company for the three-month period ended 30 June 2016 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  
12 August 2016

**Ms Dong Lingling**  
Director