



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 FIRST QUARTER ENDED 31 MARCH 2018
("Q1 2018") IN RESPECT OF THE FINANCIAL YEAR ENDING 31 DECEMBER 2018 ("FY2018")**

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 period of the immediately preceding financial period

	The Group		
	Q1 2018	Q1 2017	%
	RMB'000	RMB'000	Change
Revenue	13,240	267	4,859
Cost of sales	(6,711)	(256)	2,521
Gross profit	6,529	11	59,255
Selling and distribution expenses	(2,313)	(18)	12,750
General and administrative expenses	(3,901)	(4,251)	(8)
Other income	-	7	N/M
Other expenses	(23)	(123)	(81)
Share of losses of joint ventures	(6)	(22)	(73)
Finance Income	274	33	730
(Gain)/loss before tax	560	(4,363)	N/M
Income tax expenses/(credit)	(1,324)	57	N/M
Loss for the year	(764)	(4,306)	(82)

"Q1 2017" and "Q1 2018" denotes the 3 financial months of financial period ended 31 March 2017 and 31 March 2018 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

	The Group		
	Q1 2018	Q1 2017	%
	RMB'000	RMB'000	Change
Loss before tax has been arrived at after charging/(crediting):			
Depreciation of property, plant and equipment	420	474	(11)
Net foreign currency exchange loss	40	124	(68)
Amortization of land use rights	1	1	-
Interest income	(274)	(9)	2,944

“Q1 2017” and “Q1 2018” denotes the 3 financial months of financial period ended 31 March 2017 and 31 March 2018 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 2017 and 31 March 2018

	The Group		The Company	
	31 Mar 2018 RMB'000	31 Dec 2017 RMB'000	31 Mar 2018 RMB'000	31 Dec 2017 RMB'000
Non-current assets				
Property, plant and equipment	3,227	3,648	1	1
Land use rights	48	49	-	-
Investments in subsidiaries	-	-	128,200	128,200
Other investment	70,431	70,431	70,431	70,431
Deferred tax assets	1,789	1,789	-	-
	<u>75,495</u>	<u>75,917</u>	<u>198,632</u>	<u>198,632</u>
Current assets				
Completed properties for sale	52,641	59,353	-	-
Prepayments and other receivables	4,580	4,112	-	-
Amounts due from subsidiaries (non-trade)	-	-	35,458	35,594
Amounts due from related parties (non-trade)	453	471	453	471
Amounts due from joint ventures (non-trade)	4,251	3,606	-	-
Income tax recoverable	69	69	-	-
Pledged bank deposits	4,577	5,308	-	-
Available-for-sale financial assets	18,130	31,050	-	-
Cash and cash equivalents	30,547	15,675	202	317
	<u>115,248</u>	<u>119,644</u>	<u>36,113</u>	<u>36,382</u>
Current liabilities				
Trade payables	10,345	11,564	-	-
Sales and rental deposits	41,438	43,870	-	-
Accruals and other payables	10,277	10,466	322	670
Amount due to subsidiaries (non-trade)	-	-	152,317	151,624
Amounts due to related parties (non-trade)	520	520	520	520
Amounts due to joint ventures (non-trade)	2,677	2,669	-	-
Amounts due to joint venture partner (non-trade)	11	11	-	-
Income tax payables	36,898	37,120	-	-
	<u>102,166</u>	<u>106,220</u>	<u>153,159</u>	<u>152,814</u>
Net current assets/(liabilities)	<u>13,082</u>	<u>13,424</u>	<u>(117,046)</u>	<u>(116,432)</u>
Net assets	<u>88,577</u>	<u>89,341</u>	<u>81,586</u>	<u>82,200</u>
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	267,600	267,600	267,600
Accumulated losses	(458,527)	(457,763)	(416,487)	(415,873)
Total equity	<u>88,577</u>	<u>89,341</u>	<u>81,586</u>	<u>82,200</u>

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 year:

There is no borrowing or debt security as at 31 December 2017 and 31 March 2018.

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

	The Group	
	Q1 2018	Q1 2017
	RMB'000	RMB'000
OPERATING ACTIVITIES		
Profit/(loss) before tax	560	(4,363)
Adjustments for:		
Amortisation of land use rights	1	1
Depreciation of property, plant and equipment	420	474
Loss on disposal of property, plant and equipment	1	-
Foreign currency exchange loss	40	124
Interest income	(274)	(9)
Share of results of joint venture	6	22
Operating gain/(loss)before working capital changes	<u>754</u>	<u>(3,751)</u>
Completed properties for sale	6,712	257
Prepayments and other receivables	(468)	33
Pledged Deposits	731	51
Trade payables	(1,219)	(980)
Sales and rental deposits	(2,432)	(269)
Accruals and other payables	(211)	(1,406)
Cash generated from operations	<u>3,867</u>	<u>(6,065)</u>
Income tax paid	<u>(1,546)</u>	<u>-</u>
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	<u>2,321</u>	<u>(6,065)</u>
INVESTING ACTIVITIES		
Repayment to joint venture	(643)	-
Advances from joint venture, net	-	603
Interest received	274	9
Investment in structured notes	12,920	-
Purchase of property, plant and equipment	-	(131)
NET CASH GENERATED FROM INVESTING ACTIVITIES	<u>12,551</u>	<u>481</u>
FINANCING ACTIVITIES		
Amounts received from related parties	-	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	14,872	(5,584)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>15,675</u>	<u>34,407</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>30,547</u>	<u>28,823</u>

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

Unaudited consolidated statements of comprehensive income of the Group and the Company for the three months period ended 31 March 2017 and 31 March 2018

Total comprehensive loss for the period attributable to:

	The Group	
	Q1 2018	Q1 2017
	RMB'000	RMB'000
Loss for the period	(764)	(4,306)
Other comprehensive loss for the period	-	-
Total comprehensive loss for the period	<u>(764)</u>	<u>(4,306)</u>

	The Group	
	Q1 2018	Q1 2017
	RMB'000	RMB'000
Equity holder of the Company	(764)	(4,306)
Non-controlling interests	-	-
	<u>(764)</u>	<u>(4,306)</u>

Total comprehensive loss for the period attributable to:

	The Company	
	Q1 2018	Q1 2017
	RMB'000	RMB'000
Loss for the period	(614)	(911)
Other comprehensive loss for the period	-	-
Total comprehensive loss for the period	<u>(614)</u>	<u>(911)</u>

	The Company	
	Q1 2018	Q1 2017
	RMB'000	RMB'000
Equity holder of the Company	(614)	(911)
Non-controlling interests	-	-
	<u>(614)</u>	<u>(911)</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 period of the immediately preceding financial period.

Unaudited consolidated statement of changes in equity of the Group for the three months period ended 31 March 2017 and 31 March 2018

	The Group						
	Issued capital	Share premium	Capital reserve	Distributable reserve	Treasury shares	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2018	5,897	224,594	49,031	267,600	(18)	(457,763)	89,341
Total comprehensive loss for the period	-	-	-	-	-	(764)	(764)
Balance as at 31.3.2018	5,897	224,594	49,031	267,600	(18)	(458,527)	88,577

	The Group						
	Share capital	Share premium	Capital reserve	Distributable reserve	Treasury shares	Accumulated losses	Total Equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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

	The Company						
	Issued Capital	Share premium	Distributable Reserve	Treasury shares	Accumulated losses	Total equity	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance as at 1.1.2018	5,897	224,594	267,600	(18)	(415,873)	82,200	
Total comprehensive loss for the period	-	-	-	-	(614)	(614)	
Balance as at 31.3.2018	5,897	224,594	267,600	(18)	(416,487)	81,586	

	The Company						
	Share capital	Share premium	Distributable Reserve	Treasury shares	Accumulated losses	Total Equity	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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	

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 2017 and the financial period ended 31 March 2018.

Employee Share Option Scheme

No share options were issued for the year ended 31 December 2017 and period ended 31 March 2018 and there was no ordinary share that may be issued upon the exercise of any share option outstanding as at 31 December 2017 and 31 March 2018.

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

Total number of issued ordinary shares as at 31.12.2017 and 31.3.2018 (excluding treasury shares): 146,688,500

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

Total number of treasury shares as at 31.12.2017 and 31.3.2018: 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 2017 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 period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends (a) Based on the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	<u>The Group</u>	
	<u>Q1 2018</u>	<u>Q1 2017</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Loss attributable to owners of the Company	<u>(764)</u>	<u>(4,306)</u>
Basic (Singapore cents) ⁽¹⁾	<u>(0.11) cents</u>	<u>(0.60) cents</u>
Diluted (Singapore cents) ⁽¹⁾	<u>(0.11) cents</u>	<u>(0.60) cents</u>

Note:

(1) Calculated based on the average exchange rate in Q1 2018 at S\$1: RMB4.80 (Q1 2017 at S\$1: RMB4.90). Based on the issued ordinary shares of 146,688,500 (excluding treasury shares) for Q1 2017 and Q1 2018. The Company has no dilutive potential ordinary shares in Q1 2017 and Q1 2018.

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.

	<u>The Group</u>		<u>The Company</u>	
	<u>31 March</u>	<u>31 December</u>	<u>31 March</u>	<u>31 December</u>
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Net asset value (excluding non-controlling interests) as at end of financial period/year	<u>88,577</u>	<u>89,341</u>	<u>81,586</u>	<u>82,200</u>
Net asset value per ordinary share as at the end of financial period/year (Singapore cents) ⁽¹⁾	<u>12.58 cents</u>	<u>12.48 cents</u>	<u>11.59cents</u>	<u>11.48 cents</u>

Note:

(1) Calculated based on exchange rate of S\$1: RMB4.80 as at 31 March 2018 (S\$1: RMB4.88 as at 31 December 2017) and 146,688,500 ordinary shares (excluding treasury shares) as at 31 December 2017 and 31 March 2018.

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 Q1 2018 (relative to that for Q1 2017)

Revenue

Our overall turnover, generated mainly from the sales of developed properties, increased by RMB13.0 million from RMB267,000 in Q1 2017 to RMB13.2 million in Q1 2018. The increase was principally attributed to more completed units being delivered to the buyers concerned in Q1 2018 (relative to Q1 2017) in respect of the Xinxiang Sunny Town Project (新乡阳光新城项目).

Gross profit

In line with the higher revenue attained in Q1 2018, the Group registered a higher gross profit of RMB6.5 million in Q1 2018 compared to that of RMB11,000 in Q1 2017. A higher gross profit margin of 49% was also attained by the Group in Q1 2018 compared to that of 4% in Q1 2017, chiefly as a result of the cost containment efforts of the Group and more completed units of higher value being delivered to the buyers concerned in Q1 2017.

Selling and distribution expenses

Our selling and distribution expenses increased by RMB2.3 million from RMB18,000 in Q1 2017 to RMB2.3 million in Q1 2018. The increase was due principally to increased commission payable to sales representatives with a view to incentivize them to speed-up the sales of our remaining completed property units at the Xinxiang Sunny Town Project (新乡阳光新城项目).

General and administrative expenses

In line with our decreased business activities and coupled with our concerted cost-control efforts, our general and administrative expenses decreased by RMB350,000 or 8% from RMB4.3 million in Q1 2017 to RMB3.9 million in Q1 2018.

Other Expenses

Our other expenses decreased by RMB100,000 or 81% from RMB123,000 in Q1 2017 to RMB23,000 in Q1 2018.

The other expenses recognized in Q1 2017 and Q1 2018 were due principally to exchange losses resulting from weakened Renminbi against Singapore dollar and US dollar.

Share of losses of joint ventures

The Group's share of losses of joint ventures decreased by RMB16,000 or 73% from RMB22,000 in Q1 2017 to RMB6,000 in Q1 2018. The decrease was attributed mainly to decreased operating expenses incurred by the Company's 50% equity interest in Tian Cheng Holdings Limited (天晟控股有限公司), particularly in respect of the 2 iron ore mines held through its 2 mining joint ventures which have yet to commence production.

Finance income

Our finance income increased by RMB241,000 or over 7-fold from RMB33,000 in Q1 2017 to RMB274,000 in Q1 2018.

Our finance income attained in Q1 2017 and Q1 2018 was principally attributed to interest earned on the placement of the short-term investment deposits placed with local PRC banks.

Loss before tax

Consequence to the above, we registered a loss before tax of RMB4.4 million in Q1 2017 *vis-à-vis* an gain before tax of RMB560,000 in Q1 2018.

Income tax expense/(credit)

We registered an income tax credit of RMB57,000 in Q1 2017 *vis-à-vis* an income tax expense of RMB1.3 million in Q1 2018.

The income tax credit for Q1 2017 was principally attributed to write-back of over accrued income tax.

The income tax expense for Q1 2018 was principally attributed to income tax on sales of completed properties.

Net loss attributable to owners of the Company

Accordingly, the net loss attributable to the shareholders of the Company narrowed from RMB4.3 million in Q1 2017 to RMB764,000 in Q1 2018.

(b) Review of statements of financial position of the Group as at 31 March 2018 (relative to that as at 31 December 2017)

Current assets

The decrease in completed properties for sale by RMB6.7 million or 11% was due principally to the delivery of completed units to the buyers concerned.

The decrease in available-for-sales in respect to the short-term investment deposits placed with local PRC banks (the "Deposits") was due principally to the maturity of these Deposits which thereafter had had the money there from returned to the Company's bank accounts.

The decrease in pledged bank deposits by RMB731,000 or 14% was mainly attributed to a 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 increase in prepayments and other receivables by RMB468,000 or 11% were due principally of repayment to suppliers .

The increase in amount due from joint ventures by RMB645,000 or 18% was due principally to advances made to the mining joint ventures in support of their operational needs.

The increase in cash and bank balances by RMB14.9 million or 95% was principally attributed to the maturity of the Deposits and sales of completed property units during the period.

Taken as a whole, our current assets decreased by RMB4.4 million or 4% from RMB119.6 million as at 31 December 2017 to RMB115.2 million as at 31 March 2018.

Current liabilities

Our trade payable decreased by RMB1.2 million or 11% from RMB11.6 million as at 31 December 2017 to RMB10.3 million as at 31 March 2018 due principally to repayments made to suppliers and contractors during the period.

Our sales and rental deposits decreased by RMB2.4 million or 6% from RMB43.9 million as at 31 December 2017 to RMB41.4 million as at 31 March 2018 due principally to the recognition of sales deposits as revenue upon the delivery of the completed property units to the buyers concerned.

Taken as a whole, our current liabilities decreased by RMB4.1 million or 4% from RMB106.2 million as at 31 December 2017 to RMB102.2 million as at 31 March 2018.

Consequence to the above, we registered a net cash generated from operating activities of RMB2.3 million in Q1 2018 compared to net cash used in operating activities of RMB6.1 million in Q1 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.

As regards the reverse takeover transaction as first announced by the Company on 11 July 2013 and periodically thereafter on its progress, the latest being made on 30 June 2017 (the "Proposed RTO"), the relevant parties still await for certain technical reports to be completed in order that they may work out possible revised terms to the transaction, 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.

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 year (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 Q1 2018.

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

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

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

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

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 31 March 2018 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

Ms Dong Ling Ling
Director

10 May 2018