

**CHINA MINING INTERNATIONAL LIMITED**

中矿国际有限公司

Registered in Cayman Islands

Company Registration No. CT-140095

UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 (“Q3 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 financial period of the immediately preceding financial period

	The Group					
	Q3 2018 RMB'000	Q3 2017 RMB'000	% Change	9M 2018 RMB'000	9M 2017 RMB'000	% Change
Revenue	2,011	9,269	(78)	32,251	14,637	120
Cost of sales	(1,246)	(5,304)	(77)	(15,781)	(9,539)	65
Gross profit	765	3,965		16,470	5,098	
Other income/(expenses), net	425	98	334	1,099	(1,116)	N/M
Share of losses of joint venture	(7)	(20)	(65)	(59)	(57)	4
General and administrative expenses	(5,251)	(6,539)	(20)	(13,114)	(17,448)	(25)
Selling and distribution expenses	(1,342)	(81)	1557	(4,643)	(121)	3737
Finance income/(expenses), net	(153)	-	N/M	35	-	N/M
Loss before tax	(5,563)	(2,577)	116	(211)	(13,644)	(99)
Income tax refund/(expense)	201	(1,147)	N/M	(3,568)	(1,423)	151
Net loss for the period	(5,362)	(3,724)	44	(3,779)	(15,067)	(75)

“Q3 2017” and “Q3 2018” denotes the third quarter or the three-month period ended 30 September 2017 and 30 September 2018 respectively

“9M 2017” and “9M 2018” denotes the nine-month period ended 30 September 2017 and 30 September 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					
	Q3 2017	Q3 2017	%	9M 2017	9M 2017	%
	RMB'000	RMB'000	Change	RMB'000	RMB'000	Change
Loss before tax has been arrived at after charging/(crediting):						
Depreciation of property, plant and equipment	500	369	36	1,280	1,959	(35)
Foreign currency exchange (gain)/loss	(53)	47	N/M	(117)	360	N/M
Amortization of land use rights	1	-	1	3	2	50
(Gain)/loss on disposal of property, plant and equipment	-	(42)	N/M	26	992	(97)
Interest income	153	(37)	N/M	(35)	(53)	(34)

“Q3 2017” and “Q3 2018” denotes the third quarter or the three-month period ended 30 September 2017 and 30 September 2018 respectively

“9M 2017” and “9M 2018” denotes the nine-month period ended 30 September 2017 and 30 September 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 30 September 2018

	The Group		The Company	
	30 Sep 2018 RMB'000	31 Dec 2017 RMB'000	30 Sep 2018 RMB'000	31 Dec 2017 RMB'000
Non-current assets				
Property, plant and equipment	4,714	3,648	11	1
Land use rights	47	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	-	-
	76,981	75,917	198,642	198,632
Current assets				
Other investment	-	-	-	-
Financial assets at fair value through profit or loss	-	-	-	-
Completed properties for sale	43,572	59,353	-	-
Prepayments and other receivables	6,046	4,112	60	-
Amounts due from subsidiaries (non-trade)	-	-	35,544	35,594
Amounts due from related parties (non-trade)	496	471	496	471
Amounts due from joint ventures (non-trade)	4,434	3,606	-	-
Income tax recoverable	69	69	-	-
Pledged bank deposits	1,985	5,308	-	-
Other current asset	21,100	31,050	-	-
Cash and cash equivalents	30,678	15,675	981	317
	108,380	119,644	37,081	36,382
Current liabilities				
Trade payables	7,145	11,564	-	-
Sales and rental deposits	33,297	43,870	-	-
Accruals and other payables	19,617	10,466	383	670
Amount due to subsidiaries (non-trade)	-	-	155,572	151,624
Amounts due to related parties (non-trade)	520	520	520	520
Amounts due to joint ventures (non-trade)	2,668	2,669	-	-
Amounts due to joint venture partner (non-trade)	11	11	-	-
Income tax payables	36,540	37,120	-	-
	99,799	106,220	156,475	152,814
Net current assets/(liabilities)	85,562	89,341	79,248	82,200
Non-current liabilities				
Deferred tax liabilities	-	-	-	-
	-	-	-	-
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	(461,542)	(457,763)	(418,825)	(415,873)
Total equity	85,562	89,341	79,248	82,200

1.(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial period:

There is no borrowing or debt security as at 31 December 2017 and 30 September 2018.

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

	The Group			
	Q3 2018 RMB'000	Q3 2017 RMB'000	9M 2018 RMB'000	9M 2017 RMB'000
OPERATING ACTIVITIES				
Loss before tax	(5,563)	(2,577)	(211)	(13,644)
Adjustments for:				
Depreciation of property, plant and equipment	500	369	1,280	1,959
Foreign currency exchange loss/(gain)	(53)	47	(117)	360
Amortization of land use rights	1	-	2	2
(Gain)/loss on disposal of property, plant and equipment	-	(42)	26	992
Share of loss of joint ventures	47	20	73	57
Interest income	(153)	(37)	35	(53)
Bad debts written off	-	-	-	-
Operating cash flows before movements in working capital	<u>(5,221)</u>	<u>(2,220)</u>	<u>1,088</u>	<u>(10,327)</u>
Completed properties for sale	1,245	5,304	15,781	9,539
Prepayments and other receivables	678	1,810	(2,104)	2,501
Trade payables	(1,952)	(205)	(4,419)	(3,271)
Sales and rental deposits	2,047	(685)	(10,573)	(222)
Increase in pledged bank deposits	1,641	251	3,323	301
Accruals and other payables	9,224	(350)	8,855	(1,447)
Cash generated from/(used in) operations	<u>7,662</u>	<u>3,905</u>	<u>11,951</u>	<u>(2,926)</u>
Income tax paid	(3,318)	-	(3,596)	-
NET CASH GENERATED FROM/(USED IN)				
OPERATING ACTIVITIES	<u>4,344</u>	<u>3,905</u>	<u>8,355</u>	<u>(2,926)</u>
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	-	(114)	(2,395)	(2,398)
Proceeds from disposal of property, plant and equipment	-	51	-	51
Amount advances to Joint Venture companies	519	(29)	(872)	543
Investment in structural deposits	600	-	9,950	-
Interest received	153	37	(35)	53
NET CASH USED IN INVESTING ACTIVITIES	<u>1,272</u>	<u>(55)</u>	<u>6,648</u>	<u>(1,751)</u>
FINANCING ACTIVITIES				
Amount (repaid to)/received from related parties	-	-	-	-
NET CASH USED IN FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	5,616	3,850	15,003	(4,677)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>25,062</u>	<u>25,880</u>	<u>15,675</u>	<u>34,40</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>30,678</u>	<u>29,730</u>	<u>30,678</u>	<u>29,730</u>

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

Unaudited consolidated statements of comprehensive income of the Group and the Company for the financial period ended 30 September 2017 and 30 September 2018

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

	The Group			
	Q3 2018 RMB'000	Q3 2017 RMB'000	9M 2018 RMB'000	9M 2017 RMB'000
Loss for the period	(5,362)	(3,724)	(3,779)	(15,067)
Other comprehensive expense for the period	-	-	-	-
Total comprehensive expense for the period	(5,362)	(3,724)	(3,779)	(15,067)

	The Group			
	Q3 2018 RMB'000	Q3 2017 RMB'000	9M 2018 RMB'000	9M 2017 RMB'000
Owners of the Company	(5,362)	(3,724)	(3,779)	(15,067)
Minority interests	-	-	-	-
Total comprehensive expense for the period	(5,362)	(3,724)	(3,779)	(15,067)

Total comprehensive expense for the period attributable to:

	The Company			
	Q3 2018 RMB'000	Q3 2017 RMB'000	9M 2018 RMB'000	9M 2017 RMB'000
Loss for the period	(1,302)	(1,089)	(2,953)	(3,103)
Other comprehensive expense for the period	-	-	-	-
Total comprehensive expense for the period	(1,302)	(1,089)	(2,953)	(3,103)

	The Company			
	Q3 2018 RMB'000	Q3 2017 RMB'000	9M 2018 RMB'000	9M 2017 RMB'000
Owners of the Company	(1,302)	(1,089)	(2,953)	(3,103)
Minority interests	-	-	-	-
Total comprehensive expense for the period	(1,302)	(1,089)	(2,953)	(3,103)

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

Unaudited consolidated statement of changes in equity of the Group for the financial period ended 30 September 2017 and 30 September 2018

	The Group						
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Distributable reserve RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance as at 1.1.2018	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
Total comprehensive profit for the period	-	-	-	-	-	2,347	2,347
Balance as at 31.6.2018	5,897	224,594	49,031	267,600	(18)	(456,180)	90,924
Total comprehensive loss for the period	-	-	-	-	-	(5,362)	(5,362)
Balance as at 30.9.2018	5,897	224,594	49,031	267,600	(18)	(461,542)	85,562

	The Group						
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Distributable reserve RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance as at 1.1.2017	5,897	224,594	49,031	267,600	(18)	(441,748)	105,356
Total comprehensive loss for the period	-	-	-	-	-	(4,306)	(4,306)
Balance as at 31.3.2017	5,897	224,594	49,031	267,600	(18)	(446,054)	101,050
Total comprehensive loss for the period	-	-	-	-	-	(7,037)	(7,037)
Balance as at 31.6.2017	5,897	224,594	49,031	267,600	(18)	(453,091)	94,013
Total comprehensive loss for the period	-	-	-	-	-	(3,724)	(3,724)
Balance as at 30.9.2017	5,897	224,594	49,031	267,600	(18)	(456,815)	90,289

	The Company					
	Share capital RMB'000	Share premium RMB'000	Distributable reserve RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance as at 1.1.2018	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
Total comprehensive profit for the period	-	-	-	-	(1,037)	(1,037)
Balance as at 30.6.2018	5,897	224,594	267,600	(18)	(417,522)	80,550
Total comprehensive loss for the period	-	-	-	-	(1,302)	(1,302)
Balance as at 30.9.2018	5,897	224,594	267,600	(18)	(418,824)	79,248

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

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous year reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding year of the immediately preceding financial year.

Issued capital

There was no movement in the Company's share capital during the financial year ended 31 December 2017 and the financial period ended 30 September 2018.

Employee Share Option Scheme

No share options were issued for the year ended 31 December 2017 and financial period ended 30 September 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 30 September 2018.

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

Total number of issued ordinary shares as at 30.9.2018 and 31.12.2017 (excluding treasury shares) 146,688,500

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

Total number of treasury shares as at 30.9.2018 and 31.12.2017 were 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 financial period reported on and the corresponding financial period of the immediately preceding financial period, after deducting any provision for preference dividends (a) Based on the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	The Group			
	Q3 2018	Q3 2017	9M 2018	9M 2017
	RMB'000	RMB'000	RMB'000	RMB'000
Loss attributable to owners of the Company	<u>(5,362)</u>	<u>(3,724)</u>	<u>(3,779)</u>	<u>(15,067)</u>
Basic (Singapore cents) ⁽¹⁾	<u>(0.73)</u>	<u>(0.52)</u>	<u>(0.51)</u>	<u>(2.09)</u>
Diluted (Singapore cents) ⁽¹⁾	<u>(0.73)</u>	<u>(0.52)</u>	<u>(0.51)</u>	<u>(2.09)</u>

Note:

(1) Calculated based on the average exchange rates S\$1:RMB5.02 for Q3 2018 (S\$1:RMB4.90 for Q3 2017); and S\$1:RMB5.01 for 9M 2018 (S\$1:RMB4.91 for 9M 2017). Based on the issued ordinary shares of 146,688,500 (excluding treasury shares) for Q3 2017 and Q3 2018. The Company has no dilutive potential ordinary shares in Q3 2017 and Q3 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.

	The Group		The Company	
	30 September 2017	31 December 2017	30 September 2018	31 December 2017
	RMB'000	RMB'000	RMB'000	RMB'000
Net asset value (excluding non-controlling interests) as at end of financial period/year	85,562	89,341	79,248	82,200
Net asset value per ordinary share as at the end of financial period/year (Singapore cents) ⁽¹⁾	11.62 cents	12.48 cents	10.76 Cents	11.48 cents

Note:

(1) Calculated based on exchange rate of S\$1: RMB5.02 as at 30 September 2018 (as at 31 December 2017: S\$1: RMB4.90) and 146,688,500 ordinary shares (excluding treasury shares) as at 31 December 2017 and 30 September 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 Q3 2018 (relative to that for Q3 2017)

Turnover

The overall turnover, generated mainly from the sales of developed properties, decreased by RMB7.3 million from RMB9.3 million in Q3 2017 to RMB2 million in Q3 2018. The decrease was principally attributed to fewer completed units being handed over to buyers in Q3 2018 (relative to Q3 2017) in respect of the Xinxiang Sunny Town Project (新乡阳光新城项目).

Gross profit

As a result of the reduced turnover, the Group registered a gross profit of RMB765,000 in Q3 2018 compared to that of RMB4 million in Q3 2017.

Other income

Our other income attained in Q3 2018 relates principally to interest income earned on a deposit which is callable at any time at our option (the "Recallable Deposit").

Share of losses of joint ventures

The Group's share of loss of joint ventures decreased by RMB13,000 or 65% from RMB20,000 in Q3 2017 to RMB7,000 in Q3 2018. The decrease was attributed mainly to lower 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 business activities coupled with our concerted cost-control efforts, our general and administrative expenses decreased by RMB1.3 million or 20% from RMB6.5 million in Q3 2017 to RMB5.2 million in Q3 2018.

Selling and distribution expenses

Our selling and distribution expenses increased by RMB1.3 million from RMB81,000 in Q3 2017 to RMB1.4 million in Q3 2018 chiefly as a result of various sales promotions in promoting the sales of the remaining units at Xinxiang Sunny Town Project (新乡阳光新城项目).

Finance expenses

Our finance expense of RMB153,000 incurred in Q3 2018 was attributed to a prior period adjustment in respect of the interest income attributed to the Recallable Deposit being reclassified from “as a contra to Finance Expenses” in Q1 2018 and Q2 2018 to “Other Income” in Q3 2018.

Loss before tax

Consequence to the above, the Group’s pre-tax loss increased from RMB2.5 million in Q3 2017 to RMB5.6 million in Q3 2018.

Income tax refund (expense)

We registered an income tax refund (comprising tax expenses relating to land appreciation tax and corporate income tax) of RMB201,000 in Q3 2018 as compared to a tax expense of RMB1.1 million in Q3 2017.

Net loss attributable to owners of the Company

Accordingly, the Group recognized a net loss attributable to the owners of the Company of RMB5.4 million in Q3 2018, an increase of RMB1.6 million from that of RMB3.8 million in Q3 2017.

(b) Review of statements of financial position of the Group as at 30 September 2018 (relative to that as at 31 December 2017)

Non-current assets

Our non-current assets increased by RMB1.1 million from RMB75.9 million as at 31 December 2017 to RMB77.0 million as at 30 September 2018. The increase was principally attributed to higher property, plant and equipment as at 30 September 2018 compared to 31 December 2017, brought about by the capitalization of renovation costs in respect of a newly leased office space at the Group’s Head Office in Zhengzhou, China.

Current assets

The decrease in completed properties for sale by RMB15.8 million or 27% was due principally to the handing over of completed units to buyers of Xinxiang Sunny Town.

The increase in prepayments and other receivables by RMB1.9 million or 47% were due principally to collections received from buyers of property units.

The increase in cash and bank balances by RMB15 million or 96% was mainly attributed to the Recallable Deposit, another current asset, being recalled by the Group in January 2018.

Taken as a whole, our current assets decreased by RMB11.3 million or 9% from RMB119.6 million as at 31 December 2017 to RMB108.4 million as at 30 September 2018.

Current liabilities

The decrease in the trade payables by RMB4.4 million or 38% from RMB11.5 million as at 31 December 2017 to RMB7.1 million as at 30 September 2018 was due principally to repayments made by the Group in Q3 2018. The increases in accruals and other payables by RMB9.2 million or 87% from RMB10.5 million as at 31 December 2017 to RMB19.6 million as at 30 September 2018 was principally due to accrual business expenses incurred in 3Q 2018 but had yet been paid by the Group.

The decrease in sales and rental deposits by RMB10.5 million from 43.9 million as at 31 December 2017 to RMB33.3 million as at 30 September 2018 was attributed principally to the completed units being delivered and recognised as revenue in 3Q 2018.

Taken as a whole, our current liabilities were decreased by RMB6.4 million or 6% from RMB106.2 million as at 31 December 2017 to RMB99.8 million as at 30 September 2018.

Consequence to the above, our cash generated for operating activities was RMB4.3 million in Q3 2018 as compared to cash generated from operating activities of RMB3.9 million in Q3 2017.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Nil

10. A commentary at the date of the announcement of the significant trends and competitive

conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting year and the next 12 months.

On 18 July 2018, the Company announced the expiry of the long-stop date of 30 June 2018 concerning the amended and restated conditional sale and purchase agreement governing the reverse-takeover transaction involving the injection of certain mines into the Group as first announced by the Company on 11 July 2013 and periodically thereafter (with the latest being on 30 June 2017) (the "Proposed RTO"). Following the expiry of the Proposed RTO on 30 June 2018, the Group, save for its shareholding interests in its exploration and mining assets and joint ventures, will no longer undertake any business activities related to the exploration, mining and trading (including mining consultancy) of mineral resources.

With an aim to seize the opportunity to participate in the growth prospects of the agricultural business in China, thereby availing long-term growth and sustaining returns to the Group, the Company had on 18 July 2018 announced that it seeks to diversify the existing core business of the Group to include a new agriculture business through the acquisition of 63.11% of the registered capital of Henan Zhongnong Huasheng Agricultural Science and Technology Co. Ltd. (河南中农华盛农业科技有限公司) from Zhongnong Huasheng (Beijing) Agricultural Development Investment Co., Ltd. (中农华盛(北京)农业发展投资有限公司), a company controlled by the Chairman of the Company (the Proposed Acquisition"). The Proposed Acquisition, which is subject to the approval of the non-interested shareholders of the Company (the Shareholders"), would result in a change in the risk profile of the Group once completed, and the consideration for which will be satisfied by the issuance and allotment of 143,076,923 new ordinary shares in the capital of the Company at an issue price of S\$0.26 per share.

Further details on the Proposed Acquisition will be set out in a circular to be circulated to the Shareholders in due course for approval.

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 Q3 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 period 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 30 September 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
12 November 2018

Ms Dong Lingling
Director