



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 2015 (“Q2 2015”) IN RESPECT OF THE FINANCIAL YEAR ENDING 31 DECEMBER 2015 (“FY2015”)

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 2015	Q2 2014	%	H1 2015	H1 2014	%
	RMB'000	RMB'000	Change	RMB'000	RMB'000	Change
		(Restated)*			(Restated)*	
General and administrative expenses	(5,795)	(4,191)	38	(7,277)	(5,909)	23
Other (expenses)/income	(59)	(36)	64	(99)	22	N/M
Share of losses of joint ventures	(107)	(115)	(7)	(172)	(215)	(20)
Loss before tax	(5,961)	(4,342)	37	(7,548)	(6,102)	24
Income tax (expense)/credit	-	-	-	-	-	-
Loss from continuing operations	(5,961)	(4,342)	37	(7,548)	(6,102)	24
Gain/(loss) from discontinued operations (net of tax)	1,587	(13,524)	N/M	(3,278)	(13,929)	(76)
Loss for the period, representing total comprehensive loss for the period	(4,374)	(17,866)	(76)	(10,826)	(20,031)	(46)

“Q2 2014” and “Q2 2015” denotes the second quarter or the three-month period ended 30 June 2014 and 30 June 2015 respectively

“H1 2014” and “H1 2015” denotes the six-month period ended 30 June 2014 and 30 June 2015 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 Q2 2014 and H1 2014 arose due to the need for comparative figures to Q2 2015 and H1 2015 respectively, 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, 1 April 2014, 31 December 2014, 25 February 2015 and 30 June 2015 (the “Proposed RTO”).

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

	The Group					
	Q2 2015	Q2 2014	%	H1 2015	H1 2014	%
	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	105	363	(71)	211	725	(71)
Foreign currency exchange gain	13	35	(63)	172	27	537
Amortization of land use rights	1	1	-	2	2	-
Loss on disposal of property, plant and equipment	-	144	N/M	-	144	N/M
Write back on allowance on doubtful other receivables	9,000	-	N/M	9,000	-	N/M
Interest income	(50)	(211)	(76)	(1,376)	(1,700)	(19)

“Q2 2014” and “Q2 2015” denotes the second quarter or the three-month period ended 30 June 2014 and 30 June 2015 respectively

“H1 2014” and “H1 2015” denotes the six- month period ended 30 June 2014 and 30 June 2015 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 2014 and 30 June 2015

	The Group		The Company	
	30 June 2015 RMB'000	31 December 2014 RMB'000	30 June 2015 RMB'000	31 December 2014 RMB'000
Non-current assets				
Property, plant and equipment	1,353	1,564	653	751
Investments in subsidiaries	-	-	206,601	206,601
Equity accounted investment in joint ventures	16,327	16,500	-	-
	17,680	18,064	207,254	207,352
Current assets				
Prepayments and other receivables	565	575	565	575
Amounts due from subsidiaries (non-trade)	-	-	1,459	1,393
Amounts due from related parties (non-trade)	441	441	441	441
Cash and cash equivalents	142,752	2,337	142,698	2,282
Assets of disposal group classified as held for sale	131,033	283,074	-	-
	274,791	286,427	145,163	4,691
Current liabilities				
Accruals and other payables	420	4,363	420	4,363
Amount due to subsidiaries (non-trade)	-	-	146,750	3,135
Amounts due to related parties (non-trade)	35,109	27,214	35,107	27,214
Liabilities of disposal group classified as held for sale	98,000	103,146	-	-
	133,529	134,723	182,277	34,712
Net current assets/(liabilities)	141,262	151,704	(37,114)	(30,021)
	158,942	169,768	170,140	177,331
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	(388,162)	(377,336)	(327,933)	(320,742)
Total equity	158,942	169,768	170,140	177,331
	158,942	169,768	170,140	177,331

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 2014 and 30 June 2015.

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			
	Q2 2015 RMB'000	Q2 2014 RMB'000	H1 2015 RMB'000	H1 2014 RMB'000
OPERATING ACTIVITIES				
(Loss)/profit before tax				
Continued operations	(5,961)	(4,342)	(7,548)	(6,102)
Discontinued operations	1,617	(13,300)	(2,743)	(12,724)
Adjustments for:				
Depreciation of property, plant and equipment	105	363	211	725
Foreign currency exchange (gain)/loss	13	35	172	(27)
Amortization of land use rights	1	1	2	2
Loss on disposal of property, plant and equipment	-	144	-	144
Share of loss of joint ventures	107	115	172	215
Interest income	(50)	(211)	(1,376)	(1,700)
Write-back of allowance for doubtful other receivables	(9,000)	-	(9,000)	-
Impairment loss on investment in joint venture	-	8,785	-	8,785
Operating cash flows before movements in working capital	(13,168)	(8,410)	(20,110)	(10,682)
Completed properties for sale	3,884	6,507	9,104	17,496
Properties under development for sale	(4,500)	-	(8,000)	-
Prepayments and other receivables	10,206	169	12,680	39,594
Increase in pledged bank deposits	962	(208)	982	(236)
Trade payables	414	(1,215)	(244)	(10,928)
Sales and rental deposits	(2,959)	(1,400)	(2,856)	(13,845)
Accruals and other payables	(2,323)	374	(6,169)	(6,030)
Cash used in operations	(7,484)	(4,183)	(14,613)	15,369
Income tax paid	(137)	(148)	(325)	(4,139)
NET CASH USED IN OPERATING ACTIVITIES	(7,621)	(4,331)	(14,938)	11,230
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(3)	(52)	(3)	(84)
Amount (advances to)/received from Joint Venture companies	(603)	251	(852)	728
Amount due from Joint Venture partner	-	-	-	25,000
Refund on deposit on a land tender	-	250,000	-	-
Proceed from disposal of property, plant & equipment	-	1	-	1
Proceed from disposal of financial assets at fair value through profit or loss	-	-	-	7,000
Interest received	50	211	1,376	1,700
NET CASH (USED IN)/GENERATE FROM INVESTING ACTIVITIES	(556)	250,411	521	34,345
FINANCING ACTIVITIES				
Amount received from/(repaid to) related parties	6,526	3,082	7,895	3,021
Interest paid	-	-	-	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	6,526	3,082	7,895	3,021
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,651)	249,162	(6,522)	48,596
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	157,463	6,368	162,334	206,934
CASH AND CASH EQUIVALENTS AT END OF PERIOD	155,812	255,530	155,812	255,530

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 2014 and 30 June 2015

Total comprehensive loss for the year attributable to:

	The Group			
	Q2 2015 RMB'000	Q2 2014 RMB'000	H1 2015 RMB'000	H1 2014 RMB'000
Loss from continued operations	(5,961)	(4,342)	(7,548)	(6,102)
Profit/(loss) from discontinued operations	1,587	(13,524)	(3,278)	(13,929)
Other comprehensive expense for the period	-	-	-	-
Total comprehensive expense for the period	(4,374)	(17,866)	(10,826)	(20,031)

	The Group			
	Q2 2015 RMB'000	Q2 2014 RMB'000	H1 2015 RMB'000	H1 2014 RMB'000
Owners of the Company	(4,374)	(17,866)	(10,826)	(20,031)
Minority interests	-	-	-	-
Total comprehensive expense for the period	(4,374)	(17,866)	(10,826)	(20,031)

Total comprehensive expense for the period attributable to:

	The Company			
	Q2 2015 RMB'000	Q2 2014 RMB'000	H1 2015 RMB'000	H1 2014 RMB'000
Loss for the period	(5,739)	(4,131)	(7,191)	(5,731)
Other comprehensive expense for the period	-	-	-	-
Total comprehensive expense for the period	(5,739)	(4,131)	(7,191)	(5,731)

	The Company			
	Q2 2015 RMB'000	Q2 2014 RMB'000	H1 2015 RMB'000	H1 2014 RMB'000
Owners of the Company	(5,739)	(4,131)	(7,191)	(5,731)
Minority interests	-	-	-	-
Total comprehensive expense for the period	(5,739)	(4,131)	(7,191)	(5,731)

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 2014 and 30 June 2015

	The Group								
	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	5,897	224,594	49,031	267,600	(18)	(388,162)	158,942	-	158,942

	The Group								
	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 1.1.2014	5,897	224,594	49,031	362,461	(18)	(264,608)	377,357	-	377,357
Total comprehensive loss for the year	-	-	-	-	-	(2,165)	(2,165)	-	(2,165)
Balance as at 31.3.2014	5,897	224,594	49,031	362,461	(18)	(266,773)	375,192	-	375,192
Total comprehensive loss for the year	-	-	-	-	-	(17,866)	(17,866)	-	(17,866)
Balance as at 30.6.2014	5,897	224,594	49,031	362,461	(18)	(284,639)	357,326	-	357,326

	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 1.1.2015	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

	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
Total comprehensive loss for the period	-	-	-	-	(1,600)	(1,600)
Balance as at 31.3.2014	5,897	224,594	362,461	(18)	(242,802)	350,132
Total comprehensive loss for the period	-	-	-	-	(4,131)	(4,131)
Balance as at 30.6.2014	5,897	224,594	362,461	(18)	(246,933)	346,001

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 2014 and three months period ended 30 June 2015.

Employee Share Option Scheme

No share options were issued for the year ended 31 December 2014 and period ended 30 June 2015 and there was no ordinary share that may be issued upon the exercise of any share option outstanding as at 31 December 2014 and 30 June 2015.

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 30.6.2015 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.

Total number of treasury shares as at 30.6.2015 and 31.12.2014 92,000

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 2014 have been consistently applied by the Group for the financial year 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			
	Q2 2015 RMB'000	Q2 2014 RMB'000	H1 2015 RMB'000	H1 2014 RMB'000
Loss attributable to owners of the Company	(4,374)	(17,866)	(10,826)	(20,031)
Basic (Singapore cents) ⁽¹⁾	(0.08)	(0.31)	(0.20)	(0.35)
Diluted (Singapore cents) ⁽¹⁾	(0.08)	(0.31)	(0.20)	(0.35)

Notes:

- (1) Calculated based on the average exchange rate in Q2 2015 at S\$1: RMB4.59 (Q2 2014: S\$1: RMB4.92); H1 2015: S\$1:RMB4.56 (H1 2014: S\$1: RMB4.87). Based on the issued ordinary shares of 1,173,508,000 (excluding treasury shares) for Q2 2014 and Q2 2015. The Company has no dilutive potential ordinary shares in Q2 2014 and Q2 2015.

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	
	30 June 2015 RMB'000	31 December 2014 RMB'000	30 June 2015 RMB'000	31 December 2014 RMB'000
Net asset value (excluding non-controlling interests) as at end of financial year	158,942	169,768	170,140	177,331
Net asset value per ordinary share as at the end of financial year (Singapore cents) ⁽¹⁾	2.97 cents	3.12 cents	3.18 cents	3.26 cents

Note:

- (1) Calculated based on exchange rate of S\$1: RMB4.56 as at 30 June 2015 (as at 31 December 2014: S\$1: RMB4.64) and 1,173,508,000 ordinary shares (excluding treasury shares) as at 31 December 2014 and 30 June 2015.

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 2015 (relative to that for Q2 2014)

General and administrative expenses

Our general and administrative expenses in respect of our continuing operations increased by RMB1.6 million or 38% from RMB4.2 million in Q2 2014 to RMB5.8 million in Q2 2015, due principally to the professional fee incurred by the Company for the payment of some professionals in connection with the Proposed RTO.

Other expenses

Our other expenses in respect of continuing operations increased by RMB23,000 or 64% from RMB36,000 in Q2 2014 to RMB59,000 in Q2 2015, due principally to exchange losses resulting from the fluctuating exchange rate of RMB against Singapore dollar.

Share of losses of joint ventures

The Group's share of loss of joint ventures decreased by RMB8,000 or 7% from RMB115,000 in Q2 2014 to RMB107,000 in Q2 2015. 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").

Loss from continuing operations before tax

Consequence to the above, the Group's loss from continuing operations before tax increased by RMB1.6 million from RMB4.3 million in Q2 2014 to RMB6.0 million in Q2 2015.

Loss from discontinued operations

Pursuant to the Proposed RTO, the consideration for the acquisition of the target group is intended to be satisfied through a combination of payment modes, including but not limited to the disposal of the Elegant Jade Group (as defined below) 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 discontinued operations, consequence to the Proposed RTO, relate to those of the Elegant Jade Group, which comprised the Company's wholly-owned subsidiary, Elegant Jade Enterprises Limited ("Elegant Jade") (美基企业有限公司), and in turn the subsidiaries owned by Elegant Jade, 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), with the underlying operating assets of the Elegant Jade Group comprised mainly the completed real estate property assets of the 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.

The Proposed RTO is still in progress and the parties to the Proposed RTO are considering the possibility of revisiting the terms of the relevant 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. The long stop date for the relevant sale and purchase agreement has been further extended to 30 June 2016 as announced by the Company on 30 June 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 of the Group for Q2 2015 versus Q2 2014 were as follows (with the comparative consolidated profit and loss statement of the Group for Q2 2014 having been retrospectively adjusted and restated):

	Note	The Group		
		Q2 2015 RMB'000	Q2 2014 RMB'000 (Restated)*	% Change
Revenue	A	5,086	8,622	(41)
Cost of sales		(3,884)	(6,507)	(40)
Gross profit	B	1,202	2,115	(43)
Selling and distribution expenses		(529)	(543)	(3)
General and administrative expenses	C	(8,158)	(5,884)	39
Write back of allowance on doubtful other receivables	D	9,000	-	N/M
Impairment on investment in joint venture		-	(8,785)	N/M
Other income/(expenses)	E	102	(203)	N/M
Gain/(loss) from discontinued operations	F	1,617	(13,300)	N/M
Income tax expenses	G	(30)	(224)	(87)
Gain/(loss) from discontinued operations (net of tax)	H	1,587	(13,524)	N/M

"Q2 2014" and "Q2 2015" denotes the 3 financial months of financial period ended 30 June 2014 and 30 June 2015 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 Q2 2014 arose due to the need for comparative figures to Q2 2015, 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 Proposed RTO.

(A) Turnover

The overall turnover attributed to the discontinued operations of the Group, generated mainly from the sales of developed properties, decreased by RMB3.5 million from RMB8.6 million in Q2 2014 to RMB5.1 million in Q2 2015. 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 Q2 2015 relative to Q2 2014.

(B) Gross profit

The discontinued operations of the Group registered a lower gross profit of RMB1.2 million in Q2 2015 compared to that of RMB2.1 million in Q2 2014 and at a similar gross profit margin of about 24% in Q2 2015 and Q2 2014.

(C) General and administrative expenses

The general and administrative expenses of the discontinued operations of the Group increased by RMB2.3 million or 39% from RMB5.9 million in Q2 2014 to RMB8.2 million in Q2 2015, due principally to: (i) the increase in entertainment expenses incurred by the Company in connection with the Proposed RTO; and (ii) the increase in rental expenses following the setup of a staff office in Beijing in late 2014.

(D) Write back of allowance on doubtful other receivables

The write back of allowance on doubtful other receivables was in relation to a full write-off of RMB27.1 million made in FY2013 against the remaining receivable balance on the sales of a piece of land located in Xinxiang (the "Xinxiang Land") as announced by the Company on 12 May 2014. The Company has partially collected RMB9.0 million in Q2 2015 and endeavours to recover the remaining balance from the purchaser of the Xinxiang Land.

(E) Other income/(expense)

The Company attained other income from discontinued operations of RMB102,000 in Q2 2015 *vis-à-vis* other expenses from discontinued operations of RMB203,000 in Q2 2014.

The other income of the discontinued operations of the Group attained in Q2 2015 relates principally to interest income earned on a term deposit placed with a bank and exchange gain from the fluctuation of exchange difference between RMB and Singapore dollars.

The other expenses recognized in Q2 2014 were attributed principally to the payment of revenue related business taxes.

(F) Gain/(loss) from discontinued operations and before tax

Consequence to the above, the Group attained gain from discontinued operations before tax of RMB1.6 million in Q2 2015 *vis-à-vis* a loss from discontinued operations before tax of RMB13.3 million in Q2 2014.

(G) Income tax expense

In line with reduced sales of developed properties, the income tax expenses of the discontinued operations of the Group decreased by RMB194,000 or 87% from RMB224,000 in Q2 2014 to RMB30,000 in Q2 2015.

(H) Net gain/(loss) attributable to owners of the Company

Accordingly, the Group attained net gain from discontinued operations of RMB1.6 million in Q2 2015 *vis-à-vis* a net loss from discontinued operations of RMB13.5 million in Q2 2014.

(b) Review of statements of financial position of the Group as at 30 June 2015 (relative to that as at 31 December 2014)

Non-current assets

Our non-current assets, comprised mainly investments in the Joint Venture, property, plant and equipment of the subsidiaries of the Group, decreased by RMB384,000 or 2.1% from RMB18.1 million as at 31 December 2014 to RMB17.7 million as at 30 June 2015.

Current assets

Cash and cash equivalent increased by RMB140.4 million from RMB2.3 million as at 31 December 2014 to RMB142.8 million as at 30 June 2015. The increase was due principally to the transfer of cash from the Elegant Jade Group (being the disposed group contemplated under the Proposed RTO and captured under the "Assets of disposal group classified as held for sale" account) to the "cash and cash equivalent" account of the ultimate holding company, the Company, in order to better reflect the cash position of the continued operations of the Group.

Assets classified as held for sale relate principally to that of the Elegant Jade Group (being the disposed group contemplated under the Proposed RTO), and they comprised mainly property, plant and equipment of RMB7.1 million, completed properties held for sale of RMB80.4 million, property under development of RMB8.0 million, prepayment and other receivable of RMB7.2 million, amount due from joint venture of RMB7.4 million, pledged bank deposits of RMB7.8 million as well as a reduced cash and cash equivalent of RMB13.1 million for reason as explained above. Prior to the eventual completion of the Proposed RTO, the remaining unsold units in the completed properties held for sale will still continue to generate revenue for the Group.

Taken as a whole, our current assets decreased by RMB 11.6 million or 4.1% from RMB286.4 million as at 31 December 2014 to RMB274.8 million as at 30 June 2015.

Current liabilities

The decreases in the accruals and other payables by RMB3.9 million or 90.4% from RMB4.4 million as at 31 December 2014 to RMB420,000 as at 30 June 2015 were due principally to repayments made by the Group.

The increase in amounts due to related parties by RMB7.9 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 relate principally to the Elegant Jade Group (being the disposed group contemplated under the Proposed RTO), and they comprised mainly trade payables of RMB7.6 million, accruals and other payables of RMB8.7 million, due to related parties of RMB2.4 million, income tax payables of RMB41.0 million as well as sales and rental deposits of RMB38.3 million.

Taken as a whole, our current liabilities decreased by RMB1.2 million or 0.9% from RMB134.7 million as at 31 December 2014 to RMB133.5 million as at 30 June 2015.

Consequence to the above, the Group's net cash used in operating activities increased by RMB3.3 million or 76% from RMB4.3 million in Q2 2014 to 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.

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 2015 to 30 June 2016 as announced by the Company on 30 June 2015. 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. The revision is to accommodate the views expressed by the Singapore Exchange Securities Trading Limited ("ST-SGX") following the Company's pre-clearance of issues relating to the Proposed RTO with the SGX-ST. 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 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 2015.

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 30 June 2015 to be false or misleading in any material aspect.

Signed for and on behalf of the Board of Directors

BY ORDER OF THE BOARD

Mr Li Bin
CEO and Director
20 July 2015

Ms Dong Lingling
Director