

**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 2013 (“Q3 2013”) IN RESPECT OF THE FINANCIAL YEAR ENDING 31 DECEMBER 2013 (“FY2013”)**

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					
	Q3 2013 RMB'000	Q3 2012 RMB'000	% Change	9M 2013 RMB'000	9M 2012 RMB'000	% Change
Revenue	24,936	12,204	104	109,689	71,307	54
Cost of sales	<u>(17,972)</u>	<u>(7,077)</u>	154	<u>(93,333)</u>	<u>(45,682)</u>	104
Gross profit	6,964	5,127	36	16,356	25,625	(36)
Other operating income/(expense)	2,503	(231)	N/M	2,757	2,192	26
Fair value loss on financial assets	(1,018)	(20,778)	(95)	(10,655)	(26,543)	(60)
Share of losses of associates	-	(923)	N/M	-	(3,515)	N/M
Share of losses of joint venture	(144)	(91)	58	(272)	(219)	24
General and administrative expenses	(7,697)	(4,541)	70	(21,761)	(22,851)	(5)
Selling and distribution expenses	(577)	(685)	(16)	(1,739)	(1,993)	(13)
Finance (loss)/income	<u>(322)</u>	1,659	N/M	<u>(1,686)</u>	4,665	N/M
Loss before tax	(291)	(20,463)	(99)	(17,000)	(22,639)	(25)
Income tax expense	<u>(1,783)</u>	<u>(1,022)</u>	74	<u>(7,665)</u>	<u>(6,224)</u>	23
Net loss for the period	<u><u>(2,074)</u></u>	<u><u>(21,485)</u></u>	(90)	<u><u>(24,665)</u></u>	<u><u>(28,863)</u></u>	(15)

“Q3 2012” and “Q3 2013” denotes the third quarter or the three-month period ended 30 September 2012 and 30 September 2013 respectively

“9M 2012” and “9M 2013” denotes the nine-month period ended 30 September 2012 and 30 September 2013 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>Q3 2013</b>	Q3 2012	%	<b>9M 2013</b>	9M 2012	%
	<b>RMB'000</b>	RMB'000	Change	<b>RMB'000</b>	RMB'000	Change
Loss before tax has been arrived at after charging/(crediting):						
Depreciation of property, plant and equipment	<b>331</b>	552	(40)	<b>973</b>	1,704	(43)
Foreign currency exchange gain	<b>(4)</b>	(77)	(95)	<b>70</b>	34	106
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	-	133	N/M	-	187	N/M
Interest expense	<b>321</b>	-	N/M	<b>1,686</b>	-	N/M
Interest income	<b>(2,499)</b>	(19)	13,053	<b>(2,922)</b>	(154)	1,797

*“Q3 2012” and “Q3 2013” denotes the third quarter or the three-month period ended 30 September 2012 and 30 September 2013 respectively*

*“9M 2012” and “9M 2013” denotes the nine- month period ended 30 September 2012 and 30 September 2013 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 2012 and 30 September 2013**

	The Group		The Company	
	30 September 2013 RMB'000	31 December 2012 RMB'000	30 September 2013 RMB'000	31 December 2012 RMB'000
<b>Non-current assets</b>				
Property, plant and equipment	5,268	4,139	-	-
Land use rights	58	60	-	-
Investments in subsidiaries	-	-	213,738	213,738
Equity accounted investment in joint ventures	154,978	155,250	-	-
	<b>160,304</b>	<b>159,449</b>	<b>213,738</b>	<b>213,738</b>
<b>Current assets</b>				
Completed properties for sale	101,226	159,222	-	-
Properties under development for sale	78,368	74,382	-	-
Prepayments and other receivables	104,826	87,871	578	-
Amounts due from subsidiaries	-	-	486,638	492,891
Amounts due from related parties	-	1,455	-	-
Amounts due from joint ventures	2,862	2,543	-	-
Income tax recoverable	69	69	-	-
Financial assets at fair value through profit or loss	13,901	37,355	-	-
Pledged bank deposits	8,946	7,392	-	-
Cash and cash equivalents	209,683	183,990	6,577	890
	<b>519,881</b>	<b>554,279</b>	<b>493,793</b>	<b>493,781</b>
Non-current asset held for sales	-	40,000	-	-
	<b>519,881</b>	<b>594,279</b>	<b>493,793</b>	<b>493,781</b>
<b>Current liabilities</b>				
Trade payables	27,638	25,094	-	-
Sales and rental deposits	66,106	86,174	-	-
Accruals and other payables	40,516	55,523	1,973	1,283
Amount due to subsidiaries	-	-	11,548	11,548
Amounts due to joint ventures	761	1,264	-	-
Amounts due to joint venture partner	11	11	-	-
Share-margin financial facility	9,571	19,192	-	-
Income tax payables	44,864	52,022	-	-
	<b>189,467</b>	<b>239,280</b>	<b>13,521</b>	<b>12,831</b>
<b>Net current assets</b>	<b>330,414</b>	<b>354,999</b>	<b>480,272</b>	<b>480,950</b>
	<b>490,718</b>	<b>514,448</b>	<b>694,010</b>	<b>694,688</b>
<b>Capital and reserves</b>				
Issued capital	368,358	368,358	368,358	368,358
Share premium	224,594	224,594	224,594	224,594
Treasury shares	(18)	(18)	(18)	(18)
Capital reserve	49,031	49,031	-	-
(Accumulated losses)/retained earnings	(159,587)	(134,922)	101,076	101,754
Equity attributable to owners of the Company	482,378	507,043	694,010	694,688
Non-controlling interests	-	-	-	-
Total equity	482,378	507,043	694,010	694,688
<b>Non-current liabilities</b>				
Deferred tax liabilities	8,340	7,405	-	-
	<b>8,340</b>	<b>7,405</b>	<b>-</b>	<b>-</b>
	<b>490,718</b>	<b>514,448</b>	<b>694,010</b>	<b>694,688</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 2012 and 30 September 2013.

**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>Q3 2013</b> <b>RMB'000</b>	Q3 2012 RMB'000	<b>9M 2013</b> <b>RMB'000</b>	9M 2012 RMB'000
<b>OPERATING ACTIVITIES</b>				
Loss before tax	(291)	(20,463)	(17,000)	(22,639)
Adjustments for:				
Depreciation of property, plant and equipment	331	552	973	1,704
Foreign currency exchange gain	(4)	(77)	70	34
Amortization of land use rights	1	1	2	2
Loss on disposal of property, plant and equipment	-	133	-	187
Share of loss of associates	-	923	-	3,515
Share of loss of joint ventures	144	91	272	219
Interest income	(2,499)	(19)	(2,922)	(154)
Interest expenses	321	-	1,686	-
Loss on financial assets at fair value through profit or loss	1,018	20,778	10,656	26,543
Amortization of discount on long-term receivables	-	(1,659)	-	(4,665)
Operating cash flows before movements in working capital	(979)	260	(6,263)	4,746
Completed properties for sale	17,612	7,065	57,996	32,436
Properties under development for sale	(1,123)	(14,758)	(3,986)	(19,514)
Trade receivables	-	-	-	399
Prepayments and other receivables	3,763	4,116	22,656	5,317
Trade payables	(10,245)	(392)	2,545	(12,313)
Sales and rental deposits	(8,794)	7,017	(20,068)	(17,636)
Accruals and other payables	(1,062)	(133)	(12,245)	(7,311)
Cash used in operations	(828)	3,175	40,635	(13,876)
Income tax paid	(618)	(770)	(13,889)	(5,507)
<b>NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	<b>(1,446)</b>	<b>2,405</b>	<b>26,746</b>	<b>(19,383)</b>
<b>INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(81)	(662)	(1,697)	(5,631)
Increase in pledged bank deposits	2,499	(562)	(1,554)	(1,390)
Investment in quoted security	(759)	(7,500)	-	(56,740)
Amount (advances to)/received from Joint Venture companies	(162)	-	(822)	-
Divided income	-	-	321	-
Receipts from realization of investment in quoted security	-	-	-	20,240
Receipts from maturity of structured deposits	-	-	-	16,000
Proceed from disposal of financial assets at fair value through profit or loss	-	-	12,798	-
Proceed from disposal of property, plant and equipment	3,037	422	-	422
Interest received	-	19	2,922	154
<b>NET CASH GENERATE FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>4,534</b>	<b>(8,283)</b>	<b>11,968</b>	<b>(26,945)</b>
<b>FINANCING ACTIVITIES</b>				
Repayment of margin facility	(2,340)	-	(9,622)	-
Amount repaid to Joint Venture partner	-	693	-	(4,887)
Amount received from Joint Venture Companies	-	(368)	-	(1,293)
Amount received from/(repaid to) related parties	-	329	1,455	878
Interest paid	(321)	-	(4,854)	-
<b>NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES</b>	<b>(2,661)</b>	<b>654</b>	<b>(13,021)</b>	<b>(5,302)</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>427</b>	<b>(5,224)</b>	<b>25,693</b>	<b>(51,630)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>209,256</b>	<b>54,159</b>	<b>183,990</b>	<b>100,565</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>209,683</b>	<b>48,935</b>	<b>209,683</b>	<b>48,935</b>

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 three months period ended 30 September 2013 and 2012

Total comprehensive expense for the period attributable to:

	<b>The Group</b>			
	<b>Q3 2013</b>	<b>Q3 2012</b>	<b>9M 2013</b>	9M 2012
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Loss for the period	(2,074)	(21,485)	(24,665)	(28,863)
Other comprehensive expense for the period	-	-	-	-
Total comprehensive expense for the period	<b>(2,074)</b>	<b>(21,485)</b>	<b>(24,665)</b>	<b>(28,863)</b>

	<b>The Group</b>			
	<b>Q3 2013</b>	Q3 2012	<b>9M 2013</b>	9M 2012
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Owners of the Company	(2,074)	(21,485)	(24,665)	(28,863)
Minority interests	-	-	-	-
	<b>(2,074)</b>	<b>(21,485)</b>	<b>(24,665)</b>	<b>(28,863)</b>

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

	<b>The Company</b>			
	<b>Q3 2013</b>	Q3 2012	<b>9M 2013</b>	9M 2012
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Loss for the period	(861)	(1,210)	(678)	(3,811)
Other comprehensive expense for the period	-	-	-	-
Total comprehensive expense for the period	<b>(861)</b>	<b>(1,210)</b>	<b>(678)</b>	<b>(3,811)</b>

	<b>The Company</b>			
	<b>Q3 2013</b>	Q3 2012	<b>9M 2013</b>	9M 2012
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Owners of the Company	(861)	(1,210)	(678)	(3,811)
Minority interests	-	-	-	-
	<b>(861)</b>	<b>(1,210)</b>	<b>(678)</b>	<b>(3,811)</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 three months period ended 30 September 2012 and 2013**

	<b>The Group</b>							
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Treasury Shares RMB'000	Accumulated losses RMB'000	Attributable to owners of the Company RMB'000	Non controlling interests RMB'000	Total RMB'000
Balance as at 1.1.2013	368,358	224,594	49,031	(18)	(134,922)	507,043	-	507,043
Comprehensive loss for the period	-	-	-	-	(13,330)	(13,330)	-	(13,330)
Balance as at 31.3.2013	368,358	224,594	49,031	(18)	(148,252)	493,713	-	493,713
Comprehensive loss for the period	-	-	-	-	(9,261)	(9,261)	-	(9,261)
Balance as at 30.6.2013	368,358	224,594	49,031	(18)	(157,513)	484,452	-	484,452
Comprehensive loss for the period	-	-	-	-	(2,074)	(2,074)	-	(2,074)
<b>Balance as at 30.6.2013</b>	<b>368,358</b>	<b>224,594</b>	<b>49,031</b>	<b>(18)</b>	<b>(159,587)</b>	<b>482,378</b>	<b>-</b>	<b>482,378</b>

	<b>The Group</b>							
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Treasury Shares RMB'000	Retained earnings RMB'000	Attributable to owners of the Company RMB'000	Non controlling interests RMB'000	Total RMB'000
Balance as at 1.1.2012	368,358	224,594	49,031	(18)	66,503	708,468	-	708,468
Comprehensive Income for the period	-	-	-	-	9,053	9,053	-	9,053
Balance as at 31.3.2012	368,358	224,594	49,031	(18)	75,556	717,521	-	717,521
Comprehensive expense for the period	-	-	-	-	(16,431)	(16,431)	-	(16,431)
Balance as at 30.6.2012	368,358	224,594	49,031	(18)	59,125	701,090	-	701,090
Comprehensive expense for the period	-	-	-	-	(21,485)	(21,485)	-	(21,485)
Balance as at 30.9.2012	368,358	224,594	49,031	(18)	37,640	679,605	-	679,605

	<b>The Company</b>				
	Share capital RMB'000	Share premium RMB'000	Treasury Shares RMB'000	Retained earnings RMB'000	Total RMB'000
Balance as at 1.1.2013	368,358	224,594	(18)	101,754	694,688
Comprehensive expense for the period	-	-	-	(610)	(610)
Balance as at 31.3.2013	368,358	224,594	(18)	101,144	694,078
Comprehensive income for the period	-	-	-	793	793
Balance as at 30.6.2013	368,358	224,594	(18)	101,937	694,871
Comprehensive expense for the period	-	-	-	(861)	(861)
<b>Balance as at 30.9.2013</b>	<b>368,358</b>	<b>224,594</b>	<b>(18)</b>	<b>101,076</b>	<b>694,010</b>

	<b>The Company</b>				
	Share capital RMB'000	Share premium RMB'000	Treasury Shares RMB'000	Retained earnings RMB'000	Total RMB'000
Balance as at 1.1.2012	368,358	224,594	(18)	107,063	699,997
Comprehensive expense for the period	-	-	-	(1,041)	(1,041)
Balance as at 31.3.2012	368,358	224,594	(18)	106,022	698,956
Comprehensive expense for the period	-	-	-	(1,560)	(1,560)
Balance as at 30.6.2012	368,358	224,594	(18)	104,462	697,396
Comprehensive expense for the period	-	-	-	(1,210)	(1,210)
Balance as at 30.9.2012	368,358	224,594	(18)	103,252	696,186

**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 2012 and three months period ended 30 September 2013.

Subsequent to the completion of the reorganization of the share capital of the Company as announced by the Company on 15 April 2013, as at the date of this announcement, the authorized share capital of the Company is S\$500,000,000 (equivalent to about RMB2,536,333,000) divided into 500,000,000,000 ordinary shares with a par value of S\$0.001 each, of which 1,173,600,000 shares (including treasury shares) with a par value of S\$0.001 each have been issued and fully paid up.

#### Employee Share Option Scheme

No share options were issued for the year ended 31 December 2012 and period ended 30 September 2013 and there was no ordinary share that may be issued upon the exercise of any share option outstanding as at 31 December 2012 and 30 September 2013.

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

Total number of issued ordinary shares as at 1.1.2013 and 30.9.2013 (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.**

	<b>Group and Company</b>	
	<b>Number of ordinary shares</b>	<b>RMB'000</b>
Treasury shares at 1.1.2013	92,000	18
Share buy-back during the period	-	-
<b>Treasury shares at 30.9.2013</b>	<b>92,000</b>	<b>18</b>

	<b>Group and Company</b>	
	<b>Number of ordinary shares</b>	<b>RMB'000</b>
Treasury shares at 1.1.2012	92,000	18
Share buy-back during the period	-	-
Treasury shares at 30.9.2012	92,000	18

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

The figures have not been audited or reviewed by the auditors.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied.**

The same accounting policies and methods of computation adopted by the Group in respect of the audited financial statements for the financial year ended 31 December 2012 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>Q3 2013 RMB'000</b>	<b>Q3 2012 RMB'000</b>	<b>9M 2013 RMB'000</b>	<b>9M 2012 RMB'000</b>
<b>Loss attributable to owners of the Company</b>	<b>(2,074)</b>	<b>(21,485)</b>	<b>(24,665)</b>	<b>(28,863)</b>
Basic (Singapore cents) <sup>(1)</sup>	<b>(0.04)<sup>(2)</sup></b>	<b>(0.36)<sup>(2)</sup></b>	<b>(0.42)<sup>(2)</sup></b>	<b>(0.49)<sup>(2)</sup></b>
Diluted (Singapore cents) <sup>(1)</sup>	<b>(0.04)<sup>(3)</sup></b>	<b>(0.36)<sup>(3)</sup></b>	<b>(0.42)<sup>(3)</sup></b>	<b>(0.49)<sup>(3)</sup></b>

**Notes:**

- (1) Calculated based on the average exchange rate in Q3 2013: S\$1: RMB4.87 (Q3 2012: S\$1: RMB5.19); 9M 2013: S\$1: RMB4.96 (9M 2012: S\$1: RMB5.04)
- (2) Based on the issued ordinary shares of 1,173,508,000 (excluding treasury shares) for the period ended 30 September 2012 and 2013. No new shares were issued in Q3 2012 and Q3 2013.
- (3) The Company has no dilutive potential ordinary shares in Q3 2012 and Q3 2013.



**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 September 2013</b> RMB'000	31 December 2012 RMB'000	<b>30 September 2013</b> RMB'000	31 December 2012 RMB'000
Net asset value (excluding non-controlling interests) as at end of financial period and year	<b>482,378</b>	507,043	<b>694,010</b>	694,688
Net asset value per ordinary share as at the end of financial period and year (Singapore cents) <sup>(1)</sup>	<b>8.37 cents</b>	8.39 cents	<b>12.04 cents</b>	11.49 cents

**Note:**

(1) Calculated based on exchange rate of S\$1: RMB4.91 as at 30 September 2013 (as at 31 December 2012: S\$1: RMB5.15) and 1,173,508,000 ordinary shares (excluding treasury shares) as at 31 December 2012 and 30 September 2013.

**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 Q3 2013 (relative to that for Q3 2012)**

**Turnover**

The Group's turnovers (net of sales tax) generated in Q3 2013 (*vis-à-vis* Q3 2012) and 9M 2013 (*vis-à-vis* 9M 2012) were as follow:

	<b>Q3 2013</b>		<b>Q3 2012</b>		<b>9M 2013</b>		<b>9M 2012</b>	
	<b>RMB million</b>	<b>%</b>	<b>RMB million</b>	<b>%</b>	<b>RMB million</b>	<b>%</b>	<b>RMB million</b>	<b>%</b>
(1) Sales of developed properties	<b>24.9</b>	<b>100</b>	10.7	88	<b>109.7</b>	<b>100</b>	67.0	94
(2) Rental income	-	-	1.5	12	-	-	4.3	6
	<b>24.9</b>	<b>100</b>	12.2	100	<b>109.7</b>	<b>100</b>	71.3	100

Our overall turnover more than doubled by RMB12.7 million from RMB12.2 million in Q3 2012 to RMB24.9 million in Q3 2013. The increase was principally attributed to increased sales of developed properties, chiefly in respect of completed units for the Xinxiang Sunny Town Project (新乡阳光新城项目), in Q3 2013.

The Group ceased to have any sub-leasing income subsequent to the disposal of its investment property, Shining Shopping Mall I, in FY2012.

**Gross profit**

In line with the higher revenue recorded in Q3 2013, the Group registered a higher gross profit of RMB7.0 million in Q3 2013 compared to that of RMB5.1 million in Q3 2012. The lower gross profit margin of about 28% registered in Q3 2013 relative to that of about 42% registered in Q3 2012 was due mainly to increased costs of labour and construction material.

**Other (expenses)/income**

We registered an other income of about RMB2.5 million in Q3 2013 *vis-à-vis* other expenses of about RMB231,000 in Q3 2012.

Our other income attained in Q3 2013 relates principally to interest income earned on a term deposit placed with a bank.

Our other expenses incurred in Q3 2012 relates principally to losses incurred in connection with the disposal of certain fixed assets.

### **Fair value loss on financial assets**

The fair value losses registered in Q3 2013 and Q3 2012 were in respect of the Group's investment in a quoted security listed on the Shenzhen Stock Exchange in Q1 2012 as announced by the Company on 13 January 2012 (the "Quoted Investment") and were computed based on the Quoted Investment's closing share price as at 30 September 2013 and 30 September 2012 respectively relative to the initial investment cost.

### **Share of losses of associates**

The Group ceased to account for the share of loss of associates subsequent to the disposal of its 40%-investment in Climbing Ace as announced by the Company on 28 February 2013 (the "Climbing Ace Disposal").

### **Share of losses of joint ventures**

The Group's share of loss of joint ventures increased by RMB53,000 or 58.2% from RMB91,000 in Q3 2012 to RMB144,000 in Q3 2013. The increase was attributed mainly to increased operating expenses incurred by Tian Cheng Holdings Limited ("天晟控股有限公司"), particularly in respect of the 2 iron ore mines owned by it (the "2 Iron Ore Mines") which have yet to commence production.

### **General and administrative expenses**

Our general and administrative expenses increased by RMB3.2 million or 70.0% from RMB4.5 million in Q3 2012 to RMB7.7 million in Q3 2013, due principally to increased general and administrative expenses incurred by the newly incorporated subsidiaries, namely Beijing Zhong Neng Hui Feng Mining and Trading Co., Ltd (北京中能汇丰矿业贸易有限公司) as announced by the Company on 21 November 2012 as well as China Mining Singapore Pte Ltd as announced by the Company on 23 April 2013.

### **Finance (loss)/income**

We registered a finance loss of about RMB322,000 in Q3 2013 *vis-à-vis* a finance income of about RMB1.7 million in Q3 2012.

Our finance loss incurred in Q3 2013 was attributed principally to the margin financing for the Quoted Investment. Our finance income attained in Q3 2012 was attributed principally to the amortisation of the unwinding discount of long-term receivables, the process of which had been fully completed in FY2012.

### **Loss before tax**

Consequence to the above, the Group's loss before tax decreased drastically by 98.6% from RMB20.5 million in Q3 2012 to RMB291,000 in Q3 2013.

### **Income tax expense**

Our income tax expense increased by RMB761,000 or 74.5% from RMB1.0 million in Q3 2012 to RMB1.8 million in Q3 2013, due principally to the higher profit before tax attained by one of our subsidiaries, Xinxiang Huilong Real Estate Co., Ltd (新乡辉龙置业有限公司) ("Xinxiang Huilong"), in Q3 2013.

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

Accordingly, the loss attributable to the owners of the Company reduced drastically by 90.2% to RMB2.1 million in Q3 2013 from RMB21.5 million in Q3 2012.

### **(b) Review of statements of financial position of the Group as at 30 September 2013 (relative to that as at 31 December 2012)**

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

Our non-current assets increased by RMB855,000 or 1.0% from RMB159.4 million as at 31 December 2012 to RMB160.3 million as at 30 September 2013. The increase (net of the share of losses of RMB272,000 on investment in joint ventures) was attributed mainly to increased property, plant and equipment following the purchase of a vehicle and furniture.

#### **Current assets**

Our completed properties for sale decreased by RMB58.0 million or 36.4%, due mainly to the delivery of completed units to buyers.

The financial assets at fair value through profit or loss relate to the Quoted Investment.

The amount due from related parties was fully collected as at 30 September 2013.

The 'non-current asset held for sales' as at 31 December 2012 relates to the asset held for sales in connection with the Climbing Ace Disposal, which was completed subsequent to 31 December 2012.

The increase in prepayments and other receivables by RMB17.0 million or 19.3% was due principally to the Climbing Ace Disposal, with the consideration for the disposal being reclassified from a 'non-current asset held for sale' as at 31 December 2012 to an 'other receivable' as at 30 September 2013 following the completion of the disposal in February 2013. Through mutual agreement, the maturity date of the final instalment of the other receivable of RMB68.3 million had been restructured into three progressive payments as follows, as the debtor concerned is awaiting for the release of a bank loan to settle the debt:

1. RMB10.0 million by 31 December 2013;
2. RMB10.0 million by 28 February 2014; and
3. RMB48.3 million by 31 March 2014.

The increase in amount due from joint ventures of RMB319,000 or 12.5% was due principally to advances made to the mining joint ventures in support of their operational needs.

The increase in pledged bank deposits by about RMB1.6 million or 21.0% was mainly attributed to the increase in deposits placed with banks to facilitate the procurement of housing loans by buyers of the Group's properties; these pledged deposits will be released to the Group upon the issuance of the relevant property ownership certificates to the buyers concerned.

The cash and bank balances of the Group as at 30 September 2013 were largely attribute to the proceeds of the placement carried out on 18 November 2011 which had not been utilized but were conserved for the expansion of the Group's business in the mining sector. The increase in cash and bank balances by RMB25.7 million or 14.0% was due principally to the partial receipt of the consideration for the Climbing Ace Disposal and improved cash collection.

Taken as a whole, our current assets decreased by RMB74.4 million or 12.5% from RMB594.3 million as at 31 December 2012 to RMB519.9 million as at 30 September 2013.

#### **Current liabilities**

Our sales and rental deposits collectively decreased by RMB20.1 million or 23.3%, due principally to the recognition of sales deposits as revenue upon the delivery of the completed property units to the buyers concerned.

The decreases in accruals and other payables by RMB15.0 million or 27.0%; amounts due to joint ventures by RMB503,000 or 39.8%; share-margin financing for the Quoted Investment by RMB9.6 million or 50.1%; and income tax payables by RMB7.2 million or 13.8% were due principally to repayments made by the Group.

In line with increased business activities, the trade payables increased by RMB2.5 million or 10.1%.

Taken as a whole, our current liabilities decreased by RMB49.8 million or 20.8% from RMB239.3 million as at 31 December 2012 to RMB189.5 million as at 30 September 2013.

Consequence to the above and with more payment made on payables in Q3 2013, we registered a net cash used in operating activities of RMB1.4 million in Q3 2013 *vis-à-vis* a net cash generated from operating activities of RMB2.4 million in Q3 2012.

#### **Deferred tax liabilities**

The increase in deferred tax liabilities by RMB935,000 or 12.6% was attributed principally to increased undistributed profits of the Company's subsidiaries domiciled in China (as under the Chinese tax laws, withholding tax of 10% will be imposed on the payment of dividends out of such undistributed profits).

### **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 Proposed Acquisition via a reverse takeover ("RTO") as announced by the Company on 11 July 2013, the Company has, in consultation with the Vendors concerned, appointed the following professional parties in assisting it with the RTO exercise:

1. Canaccord Genuity Singapore Pte. Ltd as the financial advisor
2. Drew & Napier LLC as the legal advisor
3. KPMG LLP as the auditors
4. PWC Management Consultants Pte Ltd as the internal auditors
5. SRK Consulting (Australasia) Pty Ltd, SRK Consulting (China) Ltd and ROMA Oil and Mining Associates Limited as the qualified geological firms in preparing the necessary technical reports and valuation reports concerning the target mines as required by the Listing Manual of the SGX-ST.

The above named professional parties are currently carrying out their respective due diligent works for the RTO exercise.

***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 2013.

**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>
	-	-

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 2013 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  
14 November 2013

**Ms Dong Lingling**  
Director