



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 2017 (“Q2 2017”) IN RESPECT OF THE FINANCIAL YEAR ENDING 31 DECEMBER 2017 (“FY2017”)

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial period

	The Group					
	Q2 2017 RMB'000	Q2 2016 RMB'000	% Change	H1 2017 RMB'000	H1 2016 RMB'000	% Change
Revenue	5,092	2,855	78	5,367	6,384	(16)
Cost of sales	<u>(3,979)</u>	<u>(2,207)</u>	80	<u>(4,235)</u>	<u>(4,749)</u>	(11)
Gross profit	1,113	648	72	1,132	1,635	(31)
Other expenses	(1,224)	(392)	212	(1,348)	(405)	233
Other income	104	1,526	(93)	137	2,531	(95)
Share of losses of joint venture	(16)	(23)	(30)	(38)	(50)	(24)
General and administrative expenses	(6,658)	(7,408)	(10)	(10,909)	(13,054)	(16)
Selling and distribution expenses	(23)	(951)	(98)	(41)	(1,064)	(96)
Finance income	-	1,769	N/M	-	3,539	N/M
Loss before tax	(6,704)	(4,831)	39	(11,067)	(6,868)	61
Income tax (expense)/credit	(333)	146	N/M	(276)	(3)	N/M
Net loss for the period	<u>(7,037)</u>	<u>(4,685)</u>	50	<u>(11,343)</u>	<u>(6,871)</u>	65

“Q2 2016” and “Q2 2017” denotes the second quarter or the three-month period ended 30 June 2016 and 30 June 2017 respectively

“H1 2016” and “H1 2017” denotes the six-month period ended 30 June 2016 and 30 June 2017 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					
	Q2 2017	Q2 2016	%	H1 2017	H1 2016	%
	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	1,116	614	82	1,590	1,264	26
Foreign currency exchange (gain)/loss	189	(498)	N/M	313	(409)	N/M
Amortization of land use rights	1	1	-	2	2	-
Loss on disposal of property, plant and equipment	1,035	148	599	1,035	158	555
Accretion of interest on other investment	-	(1,770)	N/M	-	(3,539)	N/M
Fair value gain on financial assets at fair value through profit or loss – derivative financial instruments	-	(966)	N/M	-	(1,932)	N/M
Interest income	(7)	(62)	(89)	(16)	(112)	(86)

“Q2 2016” and “Q2 2017” denotes the second quarter or the three-month period ended 30 June 2016 and 30 June 2017 respectively

“H1 2016” and “H1 2017” denotes the six- month period ended 30 June 2016 and 30 June 2017 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 2016 and 30 June 2017

	The Group		The Company	
	30 Jun 2017 RMB'000	31 Dec 2016 RMB'000	30 Jun 2017 RMB'000	31 Dec 2016 RMB'000
Non-current assets				
Property, plant and equipment	4,105	4,446	1	2
Land use rights	50	52	-	-
Investments in subsidiaries	-	-	152,351	152,351
Other investment	68,510	-	68,510	-
Deferred tax assets	1,789	1,789	-	-
	74,454	6,287	220,862	152,353
Current assets				
Other investment	-	56,918	-	-
Financial assets at fair value through profit or loss	-	11,592	-	-
Completed properties for sale	62,746	66,981	-	-
Prepayments and other receivables	7,356	8,047	-	-
Amounts due from subsidiaries (non-trade)	-	-	38,378	26,752
Amounts due from related parties (non-trade)	488	500	488	500
Amounts due from joint ventures (non-trade)	3,575	3,392	-	-
Income tax recoverable	69	69	-	-
Pledged bank deposits	6,176	6,226	-	-
Cash and cash equivalents	25,880	34,407	1,042	14,985
	106,290	188,132	39,908	42,237
Current liabilities				
Trade payables	3,457	6,523	-	-
Sales and rental deposits	36,670	36,207	-	-
Accruals and other payables	8,286	9,084	372	834
Amount due to subsidiaries (non-trade)	-	-	149,556	80,900
Amounts due to related parties (non-trade)	520	520	520	520
Amounts due to joint ventures (non-trade)	2,671	1,878	-	-
Amounts due to joint venture partner (non-trade)	11	11	-	-
Income tax payables	35,116	34,840	-	-
	86,731	89,063	150,448	82,254
Net current assets/(liabilities)	19,559	99,069	(110,540)	(40,017)
Non-current liabilities				
Deferred tax liabilities	-	-	-	-
	94,013	105,356	110,322	112,336
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	(453,091)	(441,748)	(387,751)	(385,737)
Total equity	94,013	105,356	110,322	112,336

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

There is no borrowing or debt security as at 31 December 2016 and 30 June 2017.

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

	The Group			
	Q2 2017 RMB'000	Q2 2016 RMB'000	H1 2017 RMB'000	H1 2016 RMB'000
OPERATING ACTIVITIES				
Loss before tax	(6,704)	(4,831)	(11,067)	(6,868)
Adjustments for:				
Depreciation of property, plant and equipment	1,116	614	1,590	1,264
Foreign currency exchange (gain)/loss	189	(498)	313	(409)
Amortization of land use rights	1	1	2	2
Loss on disposal of property, plant and equipment	1,035	148	1,035	158
Share of loss of joint ventures	16	23	38	50
Accretion of interest on other investment	-	(1,770)	-	(3,539)
Fair value gain on financial assets at fair value through profit or loss - derivative financial instruments	-	(966)	-	(1,932)
Interest income	(7)	(62)	(16)	(112)
Operating cash flows before movements in working capital	(4,354)	(7,341)	(8,105)	(11,386)
Completed properties for sale	3,978	2,208	4,235	4,750
Prepayments and other receivables	658	2,095	691	2,648
Increase in pledged bank deposits	(1)	680	50	1,082
Trade payables	(2,086)	(804)	(3,066)	(2,143)
Sales and rental deposits	732	90	463	(1,714)
Accruals and other payables	307	665	(1,099)	(178)
Cash used in operations	(766)	(2,407)	(6,831)	(6,941)
Income tax paid	-	-	-	(38)
NET CASH USED IN OPERATING ACTIVITIES	(766)	(2,407)	(6,831)	(6,979)
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(2,153)	(12)	(2,284)	(24)
Amount advances to Joint Venture companies	(31)	(360)	572	(416)
Interest received	7	62	16	112
NET CASH USED IN INVESTING ACTIVITIES	(2,177)	(310)	(1,696)	(328)
FINANCING ACTIVITIES				
Amount received from related parties	-	-	-	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	-	-	-	-
DECREASE IN CASH AND CASH EQUIVALENTS	(2,943)	(2,717)	(8,527)	(7,307)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	28,823	44,860	34,407	49,450
CASH AND CASH EQUIVALENTS AT END OF PERIOD	25,880	42,143	25,880	42,143

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 2016 and 30 June 2017

Total comprehensive loss for the period attributable to:

	The Group			
	Q2 2017 RMB'000	Q2 2016 RMB'000	H1 2017 RMB'000	H1 2016 RMB'000
Loss from operations	(7,037)	(4,685)	(11,343)	(6,871)
Other comprehensive expense for the period	-	-	-	-
Total comprehensive expense for the period	<u>(7,037)</u>	<u>(4,685)</u>	<u>(11,343)</u>	<u>(6,871)</u>

	The Group			
	Q2 2017 RMB'000	Q2 2016 RMB'000	H1 2017 RMB'000	H1 2016 RMB'000
Owners of the Company	(7,037)	(4,685)	(11,343)	(6,871)
Minority interests	-	-	-	-
	<u>(7,037)</u>	<u>(4,685)</u>	<u>(11,343)</u>	<u>(6,871)</u>

Total comprehensive expense for the period attributable to:

	The Company			
	Q2 2017 RMB'000	Q2 2016 RMB'000	H1 2017 RMB'000	H1 2016 RMB'000
Loss for the period	(1,103)	(1,884)	(2,014)	(3,062)
Other comprehensive expense for the period	-	-	-	-
Total comprehensive expense for the period	<u>(1,103)</u>	<u>(1,884)</u>	<u>(2,014)</u>	<u>(3,062)</u>

	The Company			
	Q2 2017 RMB'000	Q2 2016 RMB'000	H1 2017 RMB'000	H1 2016 RMB'000
Owners of the Company	(1,103)	(1,884)	(2,014)	(3,062)
Minority interests	-	-	-	-
	<u>(1,103)</u>	<u>(1,884)</u>	<u>(2,014)</u>	<u>(3,062)</u>

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

Unaudited consolidated statement of changes in equity of the Group for the year ended 30 June 2016 and 30 June 2017

	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 30.6.2017	5,897	224,594	49,031	267,600	(18)	(453,091)	94,013

	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 1.1.2016	5,897	224,594	49,031	267,600	(18)	(430,784)	116,320
Total comprehensive loss for the period	-	-	-	-	-	(2,186)	(2,186)
Balance as at 31.3.2016	5,897	224,594	49,031	267,600	(18)	(432,970)	114,134
Total comprehensive loss for the period	-	-	-	-	-	(4,685)	(4,685)
Balance as at 30.6.2016	5,897	224,594	49,031	267,600	(18)	(437,655)	109,449

	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

	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 1.1.2016	5,897	224,594	267,600	(18)	(343,127)	154,946
Total comprehensive loss for the period	-	-	-	-	(1,178)	(1,178)
Balance as at 31.3.2016	5,897	224,594	267,600	(18)	(344,305)	153,768
Total comprehensive loss for the period	-	-	-	-	(1,884)	(1,884)
Balance as at 30.6.2016	5,897	224,594	267,600	(18)	(346,189)	151,884

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 2016 and the financial period ended 30 June 2017.

Employee Share Option Scheme

No share options were issued for the year ended 31 December 2016 and financial period ended 30 June 2017 and there was no ordinary share that may be issued upon the exercise of any share option outstanding as at 31 December 2016 and 30 June 2017.

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

Total number of issued ordinary shares as at 31.12.2016 and 30.06.2017 (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 year reported on.

Total number of treasury shares as at 31.12.2016 and 30.06.2017 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 2016 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).

	The Group			
	Q2 2017 RMB'000	Q2 2016 RMB'000	H1 2017 RMB'000	H1 2016 RMB'000
Loss attributable to owners of the Company	<u>(7,037)</u>	<u>(4,685)</u>	<u>(11,343)</u>	<u>(6,871)</u>
Basic (Singapore cents) ⁽¹⁾	<u>(0.97)</u>	<u>(0.66)</u>	<u>(1.57)</u>	<u>(0.98)</u>
Diluted (Singapore cents) ⁽¹⁾	<u>(0.97)</u>	<u>(0.66)</u>	<u>(1.57)</u>	<u>(0.98)</u>

Note:

(1) Calculated based on the average exchange rate in Q2 2017 at S\$1: RMB4.94 (Q2 2016: S\$1: RMB4.83); H1 2017: S\$1:RMB4.92 (H1 2016: S\$1: RMB4.76). Based on the issued ordinary shares of 146,688,500 (excluding treasury shares) for Q2 2016 and Q2 2017. The Company has no dilutive potential ordinary shares in Q2 2016 and Q2 2017.

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 2017 RMB'000	31 December 2016 RMB'000	30 June 2017 RMB'000	31 December 2016 RMB'000
Net asset value (excluding non-controlling interests) as at end of financial period/year	<u>94,013</u>	<u>105,356</u>	<u>110,322</u>	<u>112,336</u>
Net asset value per ordinary share as at the end of financial period/year (Singapore cents) ⁽¹⁾	<u>13.05 cents</u>	<u>14.96 cents</u>	<u>15.32 cents</u>	<u>15.95 cents</u>

Note:

(1) Calculated based on exchange rate of S\$1: RMB4.91 as at 30 June 2017 (as at 31 December 2016: S\$1: RMB4.80) and 146,688,500 ordinary shares (excluding treasury shares) as at 31 December 2016 and 30 June 2017.

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 2017 (relative to that for Q2 2016)

Turnover

The overall turnover, generated mainly from the sales of developed properties, increased by RMB2.2 million from RMB2.9 million in Q2 2016 to RMB5.1 million in Q2 2017. The increase was principally attributed to more completed units being delivered to buyers in Q2 2017 (relative to Q2 2016) in respect of the Xinxiang Sunny Town Project (新乡阳光新城项目).

Gross profit

As a result of the increased turnover, the Group registered a higher gross profit of RMB1.1 million in Q2 2017 compared to that of RMB648,000 in Q2 2016 albeit at comparable gross profit margins ranging between 22% and 23%.

Other expenses

Our other expenses increased tripled from RMB392,000 in Q2 2016 to RMB1.2 million in Q2 2017. The increase was principally attributed to the write-off of the investment in a leasehold housing our Beijing office following an early termination of the lease in Q2 2017.

Other income

Our other income decreased by RMB1.4 million from RMB1.5 million in Q2 2016 to RMB104,000 in Q2 2017.

Our other income attained in Q2 2016 relates principally to: (i) an exchange gain of RMB498,000 resulting from the currency fluctuation on Renminbi against Singapore dollar; and (ii) the fair value gain of RMB966,000 on derivative financial instruments in respect of an investment of RMB65.0 million made during FY2015 in an integrated property project, Yi Feng Holiday Plaza Project (懿丰假日广场项目) (the “Yi Feng Project”), located at Henan Province Zhu Ma Dian City Zhu Ping County (河南省驻马店遂平县), for a share of profit of 10% thereof (the “Fair Value Gain”). The Fair Value Gain was derived based on the discounted cash flow stream of the Yi Feng Project, which had since 17 April 2017 been disposed as part of the Group’s purchase consideration for an effective equity interest of 16.06% in an iron ore mine project situated in Thabazimbi, Limpopo Province, South Africa (the “Thabazimbi Project”) (the “Yi Feng Disposal”).

Our other income attained in Q2 2017 relates principally to interest income earned on a term deposit placed with a bank.

Share of losses of joint ventures

The Group’s share of loss of joint ventures decreased by RMB7,000 or 30% from RMB23,000 in Q2 2016 to RMB16,000 in Q2 2017. The decrease was attributed mainly to decreased operating expenses incurred by Tian Cheng Holdings Limited (“天晟控股有限公司”), particularly in respect of the two iron ore mines it owned which have yet to commence production (the “Joint Venture”).

General and administrative expenses and Selling and distribution expenses

In line with our decreased business activities and coupled with our concerted cost-control efforts, our general and administrative expenses decreased by RMB750,000 or 10% from RMB7.4 million in Q2 2016 to RMB6.7 million in Q2 2017 while our selling and distribution expenses decreased by RMB928,000 or 98% from RMB951,000 in Q2 2016 to RMB23,000 in Q2 2017.

Finance income

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

Loss before tax

Consequence to the above, the Group’s loss before tax increased by RMB1.9 million or 39% from RMB4.8 million in Q2 2016 to RMB6.7 million in Q2 2017.

Income tax (expense)/credit

We registered an income tax expense of RMB333,000 in Q2 2017 *vis-à-vis* an income tax credit of RMB146,000 in Q2 2016.

The income tax credit recorded in Q2 2016 was principally attributed to a one-off write-back of overprovision for tax in respect of one of our wholly-owned subsidiaries.

The income tax expenses recorded in Q2 2017 was principally attributed to the operating income of a subsidiary for Q2 2017.

Net loss attributable to owners of the Company

Accordingly, the net loss attributable to the owners of the Company increased from RMB4.7 million in Q2 2016 to RMB7.0 million in Q2 2017.

(b) Review of statements of financial position of the Group as at 30 June 2017 (relative to that as at 31 December 2016)

Non-current assets

Our non-current assets increased by RMB68.2 million from RMB6.3 million as at 31 December 2016 to RMB74.5 million as at 30 June 2017. The increase was principally attributed to a new investment in the Thabazimbi Project during Q2 2017. In compliance with IAS 39 – Financial Instruments: Recognition and Measurement, the investment in the Thabazimbi Project was recognized as an “other investment” under the “non-current assets” category.

Current assets

Our current assets decreased by RMB81.8 million or 44% from RMB188.1 million as at 31 December 2016 to RMB106.3 million as at 30 June 2017. The decrease was mainly attributed to the Yi Feng Disposal and the reduction in cash and bank balances through working capital usage in meeting daily operation expenses.

Current liabilities

In line with reduced business activities, our trade payables decreased by RMB3.1 million or 47% from RMB6.5 million as at 31 December 2016 to RMB3.5 million as at 30 June 2017.

Our amount due to joint venture increased by RMB793,000 or 42% from RMB1.88 million as at 31 December 2016 to RMB2.67 million as at 30 June 2017. The increase was in relation to expenses paid by the Group's two mining joint ventures on our behalf.

Taken as a whole, our current liabilities decreased by RMB2.3 million or 3% from RMB89.1 million as at 31 December 2016 to RMB86.7 million as at 30 June 2017.

Consequence to the above, our cash used in operating activities reduced to RMB766,000 in Q2 2017 from RMB2.4 million in Q2 2016.

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

Nil

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting year and the next 12 months.

As announced by the Company on 17 April 2017, the Company had completed its investment in the Thabazimbi Project, which involved the purchase of 8,030 shares of Sino Feng Mining International S.à r.l. ("Target Company"), constituting 40.15% of the total issued share capital of the Target Company. The Target Company holds a 40% equity interest in Aero Wind Properties (Pty) Limited ("AWP") through its wholly-owned subsidiary, Huixin Mining International Limited. Following the completion of the investment, the Company now holds an effective interest of 16.06% of the total issued share capital of AWP, which is the holder of an exploration right in respect of the iron ore mine project situated in Thabazimbi, Limpopo Province, South Africa and is in the midst of applying for the mining license with the local authority.

With regard to the reverse takeover transaction as announced by the Company on 11 July 2013 and 1 April 2014 and 31 December 2014 (the "Proposed RTO"), the relevant parties to the amended and restated conditional sale and purchase agreement entered into on 31 December 2014 in respect of the Proposed RTO (the "Amended and Restated SPA") have entered into a further supplementary agreement on 30 June 2017 to extend the long stop date for completion from 30 June 2017 to 30 June 2018. The relevant parties currently still awaiting for certain technical reports to be completed in order that they may work out possible revised terms to the Amended and Restated SPA, which may include, but not limited to, the portfolio of the exploration and mining projects that will form part of the group of companies to be acquired by the Company pursuant to the Proposed RTO. Appropriate announcement concerning the Proposed RTO will be made as and when there is any significant development.

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 2017.

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 June 2017 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
14 August 2017

Ms Dong Lingling
Director