

IM QUARRIES LIMITED
(Previously known as ML HOLDINGS LIMITED)

(Incorporated in the Republic of Singapore)
UEN No. 2011-20428-N ARBN 154 095 897

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 September 2015 and any public announcements made by IM Quarries Limited during the interim reporting period in accordance with the continuous disclosure requirements of the National Stock Exchange of Australia ("NSX") Listing Rules.

IM QUARRIES LIMITED
DIRECTORS' REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

The Directors are pleased to present their report and the interim financial statements of IM Quarries Limited ("the Company") for the six months ended 30 September 2015.

During the financial period, the Company's name was changed from ML Holdings Limited to IM Quarries Limited.

1. DIRECTORS

The directors of the Company in office at the date of this interim report are:-

CHUA SOON BENG ELLEN
CHONG HOCK TAT ROBIN
LAM PECK HENG
MAH SEONG KUNG

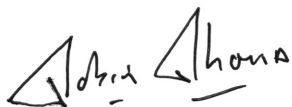
REVIEW OF OPERATIONS

The initial principal activity of the Company and its controlled entities (the "Group") is to carry on the business in education industry. The Company has not actively carried on business since its incorporation. During the period under review, the Company received shareholders' approval to change its principal activities to exploration and mining for natural resources (particularly industrial grade garnet) and its ancillary activities.


The Company and its controlled entities for the six months ended 30 September 2015 produced a loss, which comprise mainly administrative expense incurred from the Company and includes associated acquisition costs of a subsidiary during the period.

During the period under review, on its change of principal activities and completion of its acquisition of the aforesaid subsidiary, the Company was re-admitted to the official list of the National Stock Exchange of Australia.

On behalf of the Board of Directors



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CHONG HOCK TAT ROBIN



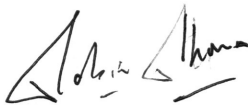
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CHUA SOON BENG ELLEN

Singapore, 11 December 2015

IM QUARRIES LIMITED
STATEMENT BY DIRECTORS

In the opinion of the Directors, the accompanying interim statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, together with notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 2015 and of the interim results of the business, changes in equity and cash flows of the Group for the six month period ended on that date and as at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors



.....
CHONG HOCK TAT ROBIN



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CHUA SOON BENG ELLEN

Singapore, 11 December 2015

MGI SINGAPORE PAC
CHARTERED ACCOUNTANTS, SINGAPORE
(Company Regn. No. 200606965Z)

REVIEW REPORT
TO THE MEMBERS OF IM QUARRIES LIMITED

Introduction

We have reviewed the accompanying statement of financial position of IM Quarries Limited ("the Company") as at 30 September 2015, and the related statements of comprehensive income, changes in equity and cash flows for the six months period then ended, and selected explanatory notes. Management is responsible for the preparation and fair presentation of this consolidated interim financial information in accordance with the provisions of the International Financial Reporting Standards. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the financial position of the Group as at 30 September 2015, and of the Group's financial performance for the six months then ended and its cash flows for the six months then ended in accordance with the International Financial Reporting Standards



MGI SINGAPORE PAC

Public Accountants and
Certified Public Accountants

11 December 2015

IM QUARRIES LIMITED
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2015 (six months ended)

		Group	
	NOTE	30.9.2015	30.9.2014
		S\$	S\$
Non-current assets			
Investment in subsidiaries	5	-	-
Goodwill	6	2,003,867	-
Exploration and evaluation assets	7	332,282	-
		<u>2,336,149</u>	<u>-</u>
Current assets			
Cash and bank balances		74,699	-
		<u>74,699</u>	<u>-</u>
Less:			
Current liabilities			
Other payables	8	1,278,162	-
Due to a Director	9	319,029	-
		<u>1,597,191</u>	<u>-</u>
Net current liabilities		<u>(1,522,492)</u>	<u>-</u>
Net assets		<u>813,657</u>	<u>-</u>
Capital and reserves			
Share capital	10	4,706,597	-
Foreign currency translation reserve		(26)	-
Treasury shares	11	(2,240,606)	-
Minority interest		(149,527)	-
Accumulated losses		<u>(1,502,781)</u>	<u>-</u>
		<u>813,657</u>	<u>-</u>

The accounting policies and explanatory notes form an integral part of the financial statements.

IM QUARRIES LIMITED**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****For the financial period for six months ended from 1 April 2015 to 30 September 2015**

	Group	
	30.9.2015	30.9.2014
	S\$	S\$
Revenue	-	-
Costs and expenses		
Other operating expenses	(447,502)	-
Loss before income tax	(447,502)	-
Income tax	-	-
Total comprehensive income	(447,502)	-

The accounting policies and explanatory notes form an integral part of the financial statements.

IM QUARRIES LIMITED**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****For the financial period for six months ended from 1 April 2015 to 30 September 2015**

Group	Share Capital S\$	Shares held for reissue S\$	Foreign currency translation reserve S\$	Minority Interest S\$	Accumulated losses S\$	Total S\$
Balance at 1.4..2015	3,101,594	(2,266,599)	-	-	(1,055,279)	(220,284)
Exchange differences on translating foreign operations of	-	-	(26)	-	-	(26)
Total comprehensive loss	-	-	-	-	(447,502)	(447,502)
Issue of shares	1,605,003	25,993	-	-	-	1,630,996
Minority interest	-	-	-	(149,527)	-	(149,527)
Balance at 30.9.2015	4,706,597	(2,240,606)	(26)	(149,527)	(1,502,781)	813,657

The accounting policies and explanatory notes form an integral part of the financial statements.

IM QUARRIES LIMITED**INTERIM CONSOLIDATED STATEMENT OF CASH FLOW****For the financial period for six months ended from 1 April 2015 to 30 September 2015**

	30.9.2015	30.9.2014
	\$	\$
Operating activities		
Loss before taxation	(447,502)	-
Operating profit before working capital changes	(447,502)	-
<u>Changes in working capital</u>		
Other payables	1,278,162	-
Increase in amount due to a Director for the period	98,745	-
Cash flow generated from/(used in) operations	929,405	-
Net cash flow generated from/(used in) operating activities	929,405	-
 Cash flows from investing activities		
Acquisition of subsidiaries	(2,485,702)	-
Net cash flows from investing activities	(2,485,702)	-
 Cash flows from financing activity		
Shares held for re-issue	25,993	-
Net proceeds from reissue of shares	45,003	-
Net proceeds from new issue of shares	1,560,000	-
Net cash flows from financing activities	1,630,996	-
 Net increase in cash at bank balance	74,699	-
Cash at bank at beginning of financial period	-	-
Cash at bank at end of financial period	74,699	-

The accounting policies and explanatory notes form an integral part of the financial statements.

IM QUARRIES LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENT – 30 September 2015

1 CORPORATE INFORMATION

The interim financial statements of IM quarries Limited for the period ended 30 September 2015 were authorised for issue in accordance with the resolution of the directors on the date of this statement.

IM Quarries Limited is a public company limited by shares incorporated in Singapore and listed on the National Stock Exchange of Australia.

The registered office of the company in Singapore is located at 21 Bukit Batok Crescent, #15-74 WCEGA Tower, Singapore 658065.

2. NATURE OF OPERATIONS

The interim financial report of IM Quarries Limited (“the Company”) for the period ended 30 September 2015 was authorised for issue in accordance with a resolution of the Directors on the date of the Statement by Directors.

The initial principal activity of the Company and its controlled entities (the “Group”) is to carry on the business in education industry. The Company has not actively carried on business since its incorporation. During the period under review, the Company received shareholders’ approval to change its principal activities to exploration and mining for natural resources (particularly industrial grade garnet) and its ancillary activities.

The Company has not actively carried on business since it was registered on 30 August 2011 to the date of this report.

3. GENERAL INFORMATION AND BASIS OF PREPARATION

The interim consolidated financial statements are for the six months ended 30 September 2015 and are presented in Singapore Dollars which is the Company’s functional currency. They have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the consolidated financial statements of the Company for the year ended 31 March 2015.

IM Quarries Limited is the Group’s ultimate parent company. The Company was incorporated under the laws of Singapore as a public company limited by shares.

The registered office of the Company in Singapore is located at 21 Bukit Batok Crescent, #15-74 WCEGA Tower, Singapore 658065.

IM QUARRIES LIMITED**NOTES TO THE INTERIM FINANCIAL STATEMENT – 30 September 2015**

4. SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial statements have been prepared in accordance with the accounting policies adopted on the last annual financial statements for the period ended 30 September 2015

5. SUBSIDIARIES

	30.9.2015	31.9.2014
	\$	\$
Unquoted equity investments, at cost	<u>2</u>	<u>-</u>

Name	Country of incorpora- tion	Cost of investment 30.9.2015 \$	Cost of investment 31.9.2014 \$	Percen- tage of equity held	Principal activities
<u>Held by the Company</u>					
Three Crystals (Hong Kong) Limited	Hong Kong	1,400,000	-	100%	Investment holding
<u>Held by Three Crystals (Hong Kong) Limited</u>					
Jinsan Yuan Trading Co., Limited	China	-	-	100%	Investment Holding
Jinsan Yuan Mining Co., Limited	China	-	-	55%	Mining Exploration
		<u>1,400,000</u>	<u>-</u>		

During the financial period, on 14 September 2015, the Company acquired a 100% equity interest in Three Crystals (Hong Kong) Limited for a consideration of S\$1,400,000, satisfied in full by the issue of 14,000,000 shares in the form of CDI's credited as being fully paid.

IM QUARRIES LIMITED**NOTES TO THE INTERIM FINANCIAL STATEMENT – 30 September 2015**

6. GOODWILL

The goodwill arises from acquisition of the subsidiaries.

Goodwill is allocated to cash-generating units which are based on the Group's reporting segments:

	30.9.2015	30.9.2014
	\$	\$
Mining	2,003,867	-

7. EXPLORATION AND EVALUATION ASSET

Exploration and evaluation assets comprise the cost of obtained Exploration Licence and related costs incurred by the subsidiary, Wuchang Aiguo Mining Co., Limited.

8. OTHER PAYABLES

	30.9.2015	30.9.2014
	\$	\$
Amount due to proprietors of the subsidiaries	1,087,353	-
Accrued operating expenses	186,009	-
Deposits	4,800	-
	<u>1,278,162</u>	<u>-</u>

The amounts are denominated in the following currencies:

	30.9.2015	30.9.2014
	\$	\$
Chinese Yuan	1,087,353	-
Australian Dollar	186,009	-
Singapore Dollar	4,800	-
	<u>1,278,162</u>	<u>-</u>

Amount due to proprietors are non-trade in nature, unsecured, interest-free and have agreed not to demand repayment.

IM QUARRIES LIMITED**NOTES TO THE INTERIM FINANCIAL STATEMENT – 30 September 2015**

9. AMOUNT DUE TO A DIRECTOR

The amount owing to director is non-trade in nature, unsecured, interest-free and repayable as and when the Company has resources to do so. Amount is denominated in Singapore dollars.

10. SHARE CAPITAL**30.9.2015**

	No. of shares	Amount \$
Issued and fully paid up:		
As at 1.10..2014	61,420,000	3,101,594
Issued during the period	15,600,000	1,560,000
Re-issued Treasury shares	-	45,003
As at 30.09.2015	<u>77,020,000</u>	<u>4,706,597</u>

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

11. TREASURY SHARES

During the previous financial period, the following issued and paid up shares were forfeited:

	2015	
	No. of shares	Amount \$
Balance at 1.10.2015	(21,799,999)	(2,266,599)
Shares reissued during the period	240,000	25,993
Balance at 30.9.2015	<u>(21,559,999)</u>	<u>(2,240,606)</u>

The above shares were forfeited pursuant to a resolution of members passed at an Extraordinary General Meeting of the Company held on 5 December 2012. The forfeited shares are held by the Company as for re-issue.

IM QUARRIES LIMITED**NOTES TO THE INTERIM FINANCIAL STATEMENT – 30 September 2015**

12. NET TANGIBLE ASSET BACKING PER SECURITY

	30.9.2015	30.9.2014
	\$	\$
Net assets	813,657	-
<i>Less intangible assets:</i>		
Goodwill	(2,003,867)	-
Exploration and evaluation assets	(332,282)	-
Net tangible assets	<u>(1,522,492)</u>	<u>-</u>
Number of issued ordinary shares	77,020,000	-
Net tangible asset backing per ordinary security	-0.02 cents	-

13. DETAILS OF CONTROLLED ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOSS DURING THE PERIOD

The Company acquired 100% of the shares in Three Crystal (Hong Kong) Limited in Hong Kong with acquisition cost of S\$1,400,000, satisfied in full by the issue of 14,000,000 shares in the form of CDI's credited as being fully paid.

14. RELATED PARTY TRANSACTIONS

There were no related party transactions.

15. EVENT AFTER THE REPORTING DATE

The Company began to actively seek investments in the Garnet mining & manufacturing sector particularly in China.

16. CONTINGENT LIABILITIES

There are not contingent liabilities as at the date of these financial statements.

17. COMPARATIVES

There are no comparatives as this is the first set of consolidated results.