

# **IM QUARRIES LIMITED**

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

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

## **INDEX**

	Page No.
Directors' Report	1
Statement by directors	2
Consolidated statement of financial position	3
Consolidated statement of comprehensive income	4
Consolidated statement of change in equity	5
Consolidated statement of cash flow	6
Notes to the consolidated interim financial statement	7

*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 2016 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 2016**

---

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 2016.

**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.

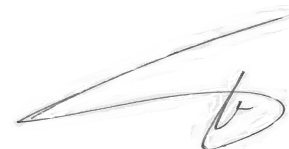
The Company and its controlled entities for the six months ended 30 September 2016 produced a loss, which comprise mainly administrative expense incurred from the Company and includes associated acquisition costs of a subsidiary during the period.

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



.....  
CHONG HOCK TAT ROBIN



.....  
CHUA SOON BENG ELLEN

Singapore, 5 December 2016

**IM QUARRIES LIMITED**  
**STATEMENT BY DIRECTORS**

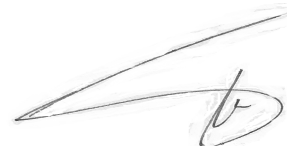
---

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 2016 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



.....  
CHUA SOON BENG ELLEN

Singapore, 5 December 2016

**IM QUARRIES LIMITED**  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 30 September 2016**

		<b>Group</b>	
	<b>NOTE</b>	<b>30.9.2016</b>	<b>30.9.2015</b>
		<b>S\$</b>	<b>S\$</b>
<b>Non-current assets</b>			
Investment in subsidiaries	3	-	-
Goodwill	4	1,400,000	1,400,000
		<u>1,400,000</u>	<u>1,400,000</u>
<b>Current assets</b>			
Cash and bank balances		1,385	74,699
Other receivables		38,113	-
		<u>39,498</u>	<u>74,699</u>
Less:			
<b>Current liabilities</b>			
Other payables	5	12,000	342,013
Due to a Director	6	465,725	319,029
		<u>477,725</u>	<u>661,042</u>
<b>Net current liabilities</b>		<u>(438,227)</u>	<u>(586,343)</u>
<b>Net assets</b>		<u>961,773</u>	<u>813,657</u>
<b>Capital and reserves</b>			
Share capital	7	2,649,947	2,465,991
Foreign currency translation reserve		-	(26)
Minority interest		-	(149,527)
Accumulated losses		<u>(1,688,174)</u>	<u>(1,502,781)</u>
		<u>961,773</u>	<u>813,657</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 ended 30 September 2016**

---

	<b>Group</b>	
	<b>Period from 1.4.2016 to 30.9.2016 S\$</b>	<b>Period from 1.4.2015 to 30.9.2015 S\$</b>
Revenue	-	-
Costs and expenses		
Other operating expenses	(37,554)	(447,502)
Loss before income tax	(37,554)	(447,502)
Income tax	-	-
Total comprehensive loss	(37,554)	(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 30 September 2016**

---

	Share Capital	Accumulated losses	Total
	S\$	S\$	S\$
<b>Group - 2016</b>			
Balance at 1.4.2016	2,649,947	(1,650,620)	999,327
Total comprehensive loss	-	(37,554)	(37,554)
Balance at 30.9.2016	2,649,947	(1,688,174)	961,773

	Share Capital	Foreign currency translation reserve	Minority Interest	Accumulated losses	Total
	S\$	S\$	S\$	S\$	S\$
<b>Group - 2015</b>					
Balance at 1.4.2015	834,995	-	-	(1,055,279)	(220,284)
Exchange differences on translating foreign operations of subsidiary	-	(26)	-	-	(26)
Total comprehensive loss	-	-	-	(447,502)	(447,502)
Issue of shares	1,630,996	-	-	-	1,630,996
Minority interest	-	-	(149,527)	-	(149,527)
Balance at 30.9.2015	2,465,991	(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 ended 30 September 2016**

	<b>Period from 1.4.2016 to 30.9.2016</b>	<b>Period from 1.4.2015 to 30.9.2015</b>
	\$	\$
<b>Operating activities</b>		
Loss before taxation	(37,554)	(447,502)
<b>Operating profit before working capital changes</b>	(37,554)	(447,502)
<u>Changes in working capital</u>		
Other receivables	(38,113)	-
Other payables	(330,013)	1,278,162
Increase in amount due to a Director	332,366	98,745
<b>Cash flow generated from/(used in) operations</b>	(73,314)	929,405
<b>Net cash flow generated from/(used in) operating activities</b>	(73,314)	929,405
<b>Cash flows from investing activities</b>		
Acquisition of subsidiaries	-	(2,485,702)
<b>Net cash flows from investing activities</b>	-	(2,485,702)
<b>Cash flows from financing activity</b>		
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
<b>Net cash flows from financing activities</b>	-	1,630,996
<b>Net (decrease)/increase in cash at bank balance</b>	(73,314)	74,699
Cash at bank at beginning of financial period	74,699	-
<b>Cash at bank at end of financial period</b>	<u>1,385</u>	<u>74,699</u>

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 2016

---

#### 1. GENERAL CORPORATE INFORMATION AND NATURE OF OPERATIONS

The interim consolidated financial statements are for the six months ended 30 September 2016 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 Group for the year ended 31 March 2016 and were authorised for issue in accordance with the resolution of the directors on the date of this statement.

IM Quarries Limited is the ultimate holding company and a public company limited by shares incorporated in Singapore and listed on the National Stock Exchange of Australia with the registered office of the company in Singapore is located at 21 Bukit Batok Crescent, #15-74 WCEGA Tower, Singapore 658065.

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.

#### 2. 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 year ended 31 March 2016, except for the adoption of the following accounting standards that became effective from 1 January 2016:

Amendments to IAS 19	Employee Benefits
Amendments to IAS 27	Separate Financial Statements
Amendments to IAS 28	Investments in Associates and Joint Ventures
Amendments to IAS 34	Interim Financial Reporting
Amendments to IAS 38	Intangible Assets
Amendments to IAS 41	Agriculture
Amendments to IFRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to IFRS 7	Financial Instruments: Disclosures
Amendments to IFRS 8	Operating Segments
Amendments to IFRS 9	Consolidated Financial Statements
Amendments to IFRS 11	Joint Arrangements
Amendments to IFRS 12	Disclosure of Investments in Other Entities
Amendment to IFRS 14	Regulatory Deferral Accounts
Improvements to IFRSs 2014	Consolidated financial statements

The adoption of these new or amended IFRSs and IAS, where relevant to the Group, did not result in substantial changes to the Group's accounting policies or any significant impact on the Group's financial statements.



**IM QUARRIES LIMITED**
**NOTES TO THE INTERIM FINANCIAL STATEMENT – 30 September 2016**
**3. SUBSIDIARIES**

	<b>30.9.2016</b>	<b>31.9.2015</b>
		\$
Unquoted equity investments, at cost	<u>1,400,000</u>	<u>1,400,000</u>

<b>Name</b>	<b>Country of incorpora- tion</b>	<b>Cost of investment 30.9.2016 \$</b>	<b>Cost of investment 30.9.2015 \$</b>	<b>Percen- tage of equity held</b>	<b>Principal activities</b>
<b><u>Held by the Company</u></b>					
Three Crystals (Hong Kong) Limited	Hong Kong	1,400,000	1,400,000	100%	Investment holding
<b><u>Held by Three Crystals (Hong Kong) Limited</u></b>					
Jinsan Yuan Trading Co., Limited	China	-	-	100%	Investment Holding
Jinsan Yuan Mining Co., Limited	China	-	-	55%	Mining Exploration
		<u>1,400,000</u>	<u>1,400,000</u>		

During the previous financial period, 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 2016**

---

**4. 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:

	<b>30.9.2016</b>	<b>30.9.2015</b>
	\$	\$
Mining	<u>1,400,000</u>	<u>1,400,000</u>

**5. OTHER PAYABLES**

	<b>30.9.2016</b>	<b>30.9.2015</b>
	\$	\$
Others	-	151,204
Accrued operating expenses	12,000	186,009
Deposits	-	4,800
	<u>12,000</u>	<u>342,013</u>

The amounts are denominated in the following currencies:

	<b>30.9.2016</b>	<b>30.9.2015</b>
	\$	\$
Australian Dollar	12,000	337,213
Singapore Dollar	-	4,800
	<u>12,000</u>	<u>342,013</u>

**6. 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.

**IM QUARRIES LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENT – 30 September 2016**

---

**7. SHARE CAPITAL**

**30.9.2016**

	<b>No. of shares</b>	<b>Amount \$</b>
Issued and fully paid up:		
As at 1.4.2016	56,514,701	2,649,947
Issued during the period	-	-
As at 30.09.2016	<u>56,514,701</u>	<u>2,649,947</u>

**30.9.2015**

	<b>No. of shares</b>	<b>Amount \$</b>
Issued and fully paid up:		
As at 1.10..2014	39,860,001	3,101,594
Issued during the period	<u>15,600,000</u>	<u>1,605,003</u>
As at 30.09.2015	<u>55,460,001</u>	<u>2,465,991</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.

**8. NET TANGIBLE ASSET BACKING PER SECURITY**

	<b>30.9.2016</b>	<b>30.9.2015</b>
	<b>\$</b>	<b>\$</b>
Net assets	981,773	813,657
<i>Less intangible assets:</i>		
Goodwill	<u>(1,400,000)</u>	<u>(1,400,000)</u>
Net tangible assets	<u>(418,227)</u>	<u>(586,343)</u>
Number of issued ordinary shares	<b>56,514,701</b>	<b>55,460,001</b>
<b>Net tangible asset backing per ordinary security</b>	<b>-0.74 cents</b>	<b>-1.05 cents</b>

**IM QUARRIES LIMITED**

**NOTES TO THE INTERIM FINANCIAL STATEMENT – 30 September 2016**

---

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

There were no gain or loss in control of entities during the period.

During the prior 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.

**10. RELATED PARTY TRANSACTIONS**

There were no related party transactions.

**11. SHARE OPTIONS**

There were no share options granted during the current financial period.

During the prior financial period, share options granted by the Company during the financial period were as follows:.

Call option agreement No. 1 and 2 of up to 4,000,000 CDI's each, at an exercise price of AUD 0.30 per CDI, exercisable partially and multiply at any date till 9 Nov 2017 and option 10,000,000 shares to a Director at SGD 0.088.

There were no other unissued shares of the Company under option as at the end of the financial period.

**12. EVENT AFTER THE REPORTING DATE**

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

**13. CONTINGENT LIABILITIES**

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

**14. COMPARATIVES**

The consolidated comparatives are from the period from 1.4.2015 to 30.9.2015. Certain comparative have been reclassified.