



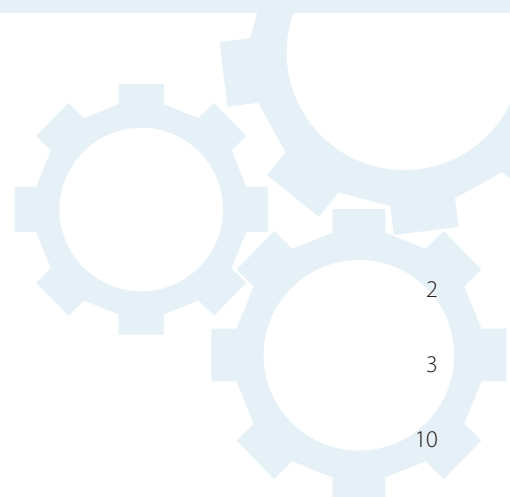
Wanguo International Mining Group Limited

萬國國際礦業集團有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 3939

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Corporate Information

DIRECTORS

Executive Directors:

Gao Mingqing (*Chairman, chief executive officer*)
Gao Jinzhu
Xie Yaolin
Liu Zhichun

Non-executive Directors:

Li Kwok Ping
Lee Hung Yuen
Wen Baolin

Independent non-executive Directors:

Lu Jian Zhong
Qi Yang
Shen Peng
Li Hongchang

AUDIT COMMITTEE

Shen Peng (*Chairman*)
Qi Yang
Lu Jian Zhong
Li Hongchang

REMUNERATION COMMITTEE

Qi Yang (*Chairman*)
Lu Jian Zhong
Liu Zhichun

NOMINATION COMMITTEE

Shen Peng (*Chairman*)
Qi Yang
Gao Jinzhu

COMPANY SECRETARY

Wong Chi Wah (HKICPA, FCCA)

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Xinzhuang Township
Yifeng County
Jiangxi Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1, 28/F
Singa Commercial Centre
144-151 Connaught Road West
Hong Kong

REGISTERED OFFICE

3rd Floor, Queensgate House
113 South Church Street
P.O. Box 10240
Grand Cayman, KY1-1002
Cayman Islands

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman
KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F, One Pacific Place
88 Queensway
Hong Kong

LEGAL ADVISERS

Brandt Chan & Partners
in association with Dentons HK LLP
3201 Jardine House
1 Connaught Place
Central
Hong Kong

PRINCIPAL BANKER

Bank of China, Yifeng Branch
239 Xinchang West Street
Yifeng County
Jiangxi Province
PRC

STOCK CODE

3939

COMPANY WEBSITE

www.wgmine.com

Management Discussion and Analysis



BUSINESS REVIEW

Wanguo International Mining Group Limited (our "Company") and its subsidiaries (together our "Group") is principally engaged in the business of mining, ore processing and sale of concentrates products in the People's Republic of China (the "PRC").

Through our wholly-owned subsidiaries, we currently own the entire equity interest in Jiangxi Province Yifeng Wanguo Mining Company Limited ("Yifeng Wanguo") which in turn owns the Xinzhuang Mine in which we conduct underground mining. The Xinzhuang Mine has a substantial volume of non-ferrous polymetallic mineral resources. Products of our Group primarily include copper concentrates, iron concentrates, zinc concentrates, sulfur concentrates as well as by-products of gold and silver.

EXPANSION IN EXISTING MINE

We have completed major upgrading projects in Xinzhuang Mine by end of 2014. We had reached 600,000 tonnes per annum ("tpa") in both mining capacity and processing capacity in accordance with our expansion plan as disclosed in the prospectus of our Company dated 28 June 2012 (the "Prospectus"). According to the Independent Technical Expert's Report in the Prospectus, the reserves at the Xinzhuang Mine were estimated to be sufficient for production at the planned long term production rate of 600,000 tpa for approximately 31 years.

EXPANSION IN SURROUNDING AREAS

According to the Independent Technical Expert's Report in the Prospectus, there are significant additional defined mineral resources outside the planned mining area in the Xinzhuang Mine within the boundary covered by the current mining licence held by the Group. On 20 November 2012, Yifeng Wanguo entered into an exploration agreement (the "Exploration Agreement") with the Bureau of Geology and Mineral Exploration of Jiangxi Province (江西省地質礦產勘查開發局) (the "Jiangxi Geology Bureau"). By the end of 2013, Jiangxi Geology Bureau has completed the field exploration work. A Mineral Resources Verification Report (資源儲量核實報告) has been finished and approved by Jiangxi Province Land Resources Bureau in April 2014 and registration was obtained in December 2014. The board (the "Board") of directors (the "Directors") of our Company intends to apply for an increase in its mining capacity set forth in its mining license, thereby enhancing the competitiveness of the Group in the future with the increased capacities and annual total production volume.

HORIZONTAL EXPANSION

On 16 May 2014, Yifeng Wanguo and Taylor Investment International Limited ("HK Taylor"), both being the wholly owned subsidiaries of the Company, entered into two equity transfer agreements with Mr. Liu Dingbo, Mr. Yang Zhi and Mr. Wen Baolin (collectively referred as "Vendors") pursuant to which Yifeng Wanguo and HK Taylor have conditionally agreed to acquire and the Vendors have conditionally agreed to dispose of 51% equity interests in Xizang Changdu in the consideration of RMB239.7 million in aggregate.

The Vendors have not yet fulfilled the conditions precedent with the designated timeframe, and as such, the Group has the right to terminate the aforesaid acquisition. As at the date of this interim report, the Group is negotiating with the vendors to resolve the situation.

Management Discussion and Analysis

EXPLORATION ACTIVITIES IN AUSTRALIA

On 24 October 2014, the Company had entered into a Farm In Agreement and a Minerals Royalty Deeds with Snow Peak Mining Pty Limited ("SPM"), a company incorporated in Australia as a limited liability company in December 2012, pursuant to which the Company will perform exploration activities in the Regional Project and the Near Mine Project respectively. Both Regional Project and Near Mine Project are owned by SPM.

The Board believed that the aforesaid exploration activities will result in further cooperation with SPM and expansion of our mineral resources and ore reserves in Australia, aiming at further growing our business and maximising returns to the shareholders of the Company (the "Shareholders").

As at 30 June 2015, the Group has finished preliminarily geological survey and IP measurements. For details, please refer to the section "Exploration, Development and Mining Activities" on page 8 in this interim report.

FINANCIAL REVIEW

Revenue

The overall revenue increased by 40.2% from approximately RMB84.0 million for the six months ended 30 June 2014 to RMB117.8 million for the six months ended 30 June 2015. The increase was primarily attributable to the increase in volume of concentrates produced.

For the six months ended 30 June 2015, we sold 1,822 tonnes of copper in copper concentrates, 65,322 tonnes of iron concentrates and 76,116 tonnes of sulfur concentrates, compared to 913 tonnes, 37,684 tonnes and 42,184 tonnes, respectively, for the six months ended 30 June 2014, representing an increase of approximately 99.6%, 73.3% and 80.4% for copper in copper concentrates, iron concentrates and sulfur concentrates, respectively. The increase was principally attributable to the completion of upgrading Concentrator No.1 system since September 2014, which doubled up the production capacity and resulted in an increase in all concentrates produced.

The average prices of copper in copper concentrates, iron concentrates and sulfur concentrates for the six months ended 30 June 2015 were approximately RMB30,340, RMB408 and RMB172 per tonne respectively, compared to approximately RMB34,762, RMB661 and RMB190 per tonne, respectively, for the six months ended 30 June 2014, representing a drop of approximately 12.7%, 38.3% and 9.5%, respectively. During the reporting period, most of the metals prices have been slipping downwards continuously. Our Directors believe that such decrease was mainly due to the drop in demand caused by the pessimism in China's economy and effect of Greece's financial instability.

Cost of sales

Our cost of sales of concentrates increased by approximately 63.4% from approximately RMB49.7 million for the six months ended 30 June 2014 to approximately RMB81.2 million for the six months ended 30 June 2015. The increase was mainly due to the increase in sales volume which resulted in the increase in cost of sales.

Gross profit and gross profit margin

The overall gross profit of our Group for the six months ended 30 June 2015 was approximately RMB36.6 million, which represents an increase of approximately 6.7% compared to approximately RMB34.3 million for the six months ended 30 June 2014. Our overall gross profit margin decreased from approximately 40.8% for the six months ended 30 June 2014 to approximately 31.1% for the six months ended 30 June 2015. Such decrease was mainly attributable to the decline in the selling prices of the concentrates coupled with increase in costs of production.

Management Discussion and Analysis



FINANCIAL REVIEW (Continued)

Other income

Our other income comprised mainly bank interest income of approximately RMB0.1 million and government grant and subsidy to Yifeng Wanguo in relation to the mining technology improvement of approximately RMB0.3 million for the six months ended 30 June 2015. Other income decreased by approximately RMB0.4 million compared with the corresponding period in 2014, which was attributable to the decrease in bank balance and government grant and subsidy during the reporting period.

Other gains and losses

Our other gains and losses decreased by approximately RMB1.7 million, which comprised mainly gain on investment in structured deposits of approximately RMB0.9 million and unrealised exchange loss of approximately RMB0.7 million as a result of the translation of Australian dollars into Renminbi under depreciation of Australian dollars as at 30 June 2015. No unrealised exchange gain was incurred for the six months ended 30 June 2015 compared with an approximately RMB0.8 million of unrealised exchange gain arising from the appreciation of Hong Kong dollars against Renminbi in the corresponding period last year.

Selling and distribution expenses

Our selling and distribution expenses were comparable in two corresponding periods.

Administrative expenses

Our administrative expenses decreased by approximately 18.5% from approximately RMB17.3 million for the six months ended 30 June 2014 to approximately RMB14.1 million for the six months ended 30 June 2015. The decrease was principally attributable to the decrease in legal and professional fee for the purpose of potential acquisition incurred in the corresponding period last year.

Finance costs

Our finance costs decreased by approximately 7.8% from approximately RMB6.4 million for the six months ended 30 June 2014 to approximately RMB5.9 million for the six months ended 30 June 2015, primarily due to the decrease in interest expense from bank borrowing.

Income tax expense

Our income tax expense was approximately RMB6.7 million for the six months ended 30 June 2015, consisting of PRC corporate income tax payable of approximately RMB6.1 million and withholding tax payable of approximately RMB0.6 million. Our income tax expense was approximately RMB5.6 million for the six months ended 30 June 2014, consisting of PRC corporate income tax payable of approximately RMB5.1 million and withholding tax payable of approximately RMB0.5 million.

The increase in our income tax expense for the six months ended 30 June 2015 was primarily due to the increase in the PRC corporate income tax expenses as a result of increase in operating profit.

Profit and total comprehensive income

As a result of the foregoing, our profit after taxation increased by approximately 40.3%, or approximately RMB2.7 million, from approximately RMB6.7 million for the six months ended 30 June 2014 to approximately RMB9.4 million for the six months ended 30 June 2015. Our net profit margin of approximately 8.0% for the six months ended 30 June 2015 which was the same as the corresponding period last year.

Management Discussion and Analysis

FINANCIAL REVIEW (Continued)

Liquidity and financial resources

During the six months ended 30 June 2015, the Group's net cash from operating activities was approximately RMB19.8 million (net cash used in operating activities for the six months ended 30 June 2014: RMB16.2 million) and the Group's bank balances and cash was approximately RMB30.6 million as at 30 June 2015 (as at 31 December 2014: RMB37.5 million). Included in bank balances and cash, approximately RMB0.4 million (as at 31 December 2014: RMB0.8 million) were denominated in Hong Kong dollars and Australian dollars. Such decrease was attributable to the repayment of bank borrowings, coupled with the increase in investment in fixed assets for current expansion plan.

The Group had a gearing ratio of approximately 34.5% (representing total bank borrowings and payables to former non-controlling shareholder of a subsidiary divided by total assets) as at 30 June 2015. The gearing ratio was approximately 38.4% as at 31 December 2014. The decrease in gearing ratio was mainly attributable to the repayment of bank borrowings of approximately RMB49.3 million during the reporting period.

Bank borrowings

Particulars of bank borrowings of the Group as at 30 June 2015 are set out in Note 13 to the condensed consolidated financial statements.

Capital expenditure

Capital expenditure mainly included purchase of mining equipment, expansion of ore processing facilities, costs for constructing mining structures as well as office premises. For the six months ended 30 June 2015, capital expenditure of approximately RMB23.5 million has been incurred (for the six months ended 30 June 2014: RMB51.6 million).

Contractual obligations and capital commitment

As at 30 June 2015, the Group has entered into a non-cancellable operating lease with lease payable of approximately RMB0.1 million for certain of the Group's properties.

As at 30 June 2015, the Group's capital commitments amounted to approximately RMB258.2 million, and decreased by approximately RMB11.8 million as compared to approximately RMB270.0 million as at 31 December 2014, which was primarily due to partial execution of construction projects under our operating mine and exploration projects in Australia.

Contingent liabilities

As at 30 June 2015, the Group did not have any material contingent liabilities or guarantees.

Material acquisition and disposal of subsidiaries and associated companies

During the reporting period, the Group had no material acquisition and disposal of subsidiaries and associated companies.

Charge on group assets

As at 30 June 2015, the Group's mining right and land and buildings with carrying value of approximately RMB85.8 million (31 December 2014: mining right with carrying value and structured deposit of approximately RMB41.9 million) were pledged to secure the Group's bank borrowings and facilities. Details have been set out in note 16 to the condensed consolidated financial statements.

Management Discussion and Analysis



FINANCIAL REVIEW (Continued)

Exposure to fluctuations in exchange rates

The Group's businesses are located primarily in the PRC and most of the transactions are conducted in Renminbi. Except for certain Group's bank balance and cash which are denominated in Hong Kong dollars and Australian dollars, the majority of the Group's assets and liabilities are denominated in Renminbi.

As Renminbi fluctuates against Hong Kong dollars and Australian dollars in a limited extent during the reporting period, the Group had no material adverse exposure to foreign exchange fluctuations during the reporting period.

INTERIM DIVIDENDS

The Board did not recommend the payment of any interim dividends for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2015, the Group employed approximately 343 employees. Remuneration is determined and reviewed based on fair principles with reference to market conditions and individual performances.

The Group also provides other benefits to its employees in the PRC including medical insurances and retirement benefits. The Group's employees in Hong Kong are also enrolled in the mandatory provident fund scheme.

PROSPECT

We intend to continue to grow our business into a leading copper and iron mining company in the PRC through the following major strategies.

Growing production at our mine and outsourcing our mining works

The scale of our production operation in the Xinzhuang Mine has increased to our targeted mining capacity and processing capacity of both 600,000 tpa by end of 2014. We are planning to further upgrading our production capacity to 900,000 tpa in the next few years. To minimise costs, we will continue to outsource our underground mining works to third-party contractors.

Exploring additional mineral resources in our mine

According to the Independent Technical Expert's Report disclosed in Appendix V of the Prospectus, there is a potential to explore additional mineral resources at the Xinzhuang Mine. We have conducted exploration activities in the surrounding areas of the Xinzhuang Mine and plan to commercialise mineral resources discovered after obtaining the aforesaid 900,000 tpa mining license.

Horizontal expansion through future acquisitions of new mines

We intend to expand our mineral resources and ore reserves through the acquisitions of new mines. We will consider and balance assessment criteria carefully in respect of our acquisition targets, in order to pursue acquisitions prudently with a view to further growing our business and maximising returns to our Shareholders.

Management Discussion and Analysis

PROSPECT (Continued)

Outlook

Metal prices rise and fall cyclically for copper, iron and zinc as for other commodities. Given the demand for metal, supply and demand imbalances will over the long term be addressed. However the Company expects economic growth to continue, albeit a little more slowly in the short term, under current pessimism of China and global economy. With the sign of recovery in US economy, it is expected that the economy in the fourth quarter of 2015 will start rebounding and the metal prices will also be increasing thereafter.

EXPLORATION, DEVELOPMENT AND MINING ACTIVITIES

Mineral exploration

For our current planned mining area, we have completed underground geological drilling of 6,858 m, with drill size of 60 – 90 mm for the six months ended 30 June 2015 and we have also finished tunnel drilling of 445 m, resulted in total tunnel drilling of 4,070 m.

For outside planned mining area, the Group entered into the Exploration Agreement with Jiangxi Geology Bureau to conduct exploration work outside the planned mining area in the Xinzhuang Mine within the boundary covered by the current mining licence held by the Group during 2012. By the end of 2014, a Mineral Resources Verification Report has been submitted to Jiangxi Province Land Resources Bureau (江西省國土資源廳) for approval. The Group has planned to do a feasibility study for upgrading the mining license for additional production capacity in the next step.

For exploration projects in Australia, It had completed a total of 2km² 1:2000 Geological survey, 15 Km² 1:2000 IP measurement and 12 points of high precision IP sounding at Einasleigh area. Based on the preliminary result, it is expected to find new copper multi deposit in Einasleigh area, the area has a good prospect of resources. Drilling program has begun in early July 2015, and is expected to complete the design workload at the end of August 2015.

For the six months ended 30 June 2015, the total expenditure of mineral exploration was approximately RMB1.8 million.



Management Discussion and Analysis

EXPLORATION, DEVELOPMENT AND MINING ACTIVITIES (Continued)

Development

During the six months ended 30 June 2015, the Group incurred development expenditure of approximately RMB21.7 million in respect of our expansion plan in the Xinzhuang Mine, mainly comprising:

(1) *New shafts' projects*

Main shaft system:	Completion of pouring concrete below 15m in the shear walls and is preparing reinforced banding between 15m to 25m in the shear walls
Auxiliary shaft system:	Ground level: Completion of construction of pithead room and loading bridge Underground level: Total accumulated volume of tunnel drilling of 6,500m ³ or 718m, including different sizes and specifications tunnels.

(2) *Refilling station project*

As at 30 June 2015, we have completed below 12m in the framework structure and are preparing reinforcement bending over 12m.

Detailed breakdown of development expenditure is as follows:

	RMB' (million)
Land use right	6.4
Mining structures	12.1
Office buildings	0.3
Machinery and electronic equipment for processing plants	2.9
	21.7

Mining activities

During the six months ended 30 June 2015, we processed a total of 332,717 tonnes of ore in the Xinzhuang Mine. The volume of our concentrates products sold were 1,822 tonnes, 65,322 tonnes, 1,113 tonnes, 76,116 tonnes, 37 kg, 2,479 kg and 485 kg for copper in copper concentrates, iron concentrates, zinc in zinc concentrates, sulfur concentrates, gold in copper concentrates, silver in copper concentrates and silver in zinc concentrates, respectively. During the six months ended 30 June 2015, the Group incurred expenditures for mining and processing activities of RMB40.3 million (30 June 2014: 42.5 million) and RMB26.2 million (30 June 2014: 16.8 million) respectively. The unit expenditures for mining and processing activities for the six months ended 30 June 2015 were RMB154.4/t (30 June 2014: RMB157.3/t) and RMB78.6/t (30 June 2014: RMB83.6/t) respectively.

Corporate Governance Practices

The Company is committed to maintaining high standards of corporate governance and has complied with all material code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the six months ended 30 June 2015, except for the deviations from code provision A.2.1 of the CG Code in respect of segregation of the roles of chairman and chief executive officer as mentioned below.

According to code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Gao Mingqing, in addition to his duties as the chairman of the Company, is also responsible for the strategic planning and overseeing all aspects of the Group’s operations as the chief executive officer of the Company. This constitutes a deviation from code provision of the CG Code A.2.1. Mr. Gao Mingqing as one of the founders of the Group has extensive experience and knowledge in the core business of the Group and his duties for overseeing the Group’s operations is clearly beneficial to the Group. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group.

CHANGE OF BIOGRAPHICAL INFORMATION OF DIRECTORS

Dr. LU Jian Zhong, our independent non-executive Director, has acted as a Partner of Beijing Brunswick Consultancy Limited Shanghai Branch since June 2015 and had resigned the posts from Sateri Holdings Limited, RGE Management (China) Co., Ltd and Asia Symbol (Shangdong) Pulp and Paper Co., Limited.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct (the “Code of Conduct”) regarding securities transactions by the Directors on terms no less than exacting than the required standard of dealings as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 to the Listing Rules. Having made specific enquiries with all Directors, all Directors have confirmed that they had complied with the Model Code and the required standard set out in the Code of Conduct during the six months ended 30 June 2015.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2015.

REVIEW OF ACCOUNTS BY THE AUDIT COMMITTEE

The audit committee of the Company (“Audit Committee”) comprises four independent non-executive Directors, namely Mr. Shen Peng, Mr. Qi Yang, Dr. Lu Jian Zhong and Mr. Li Hongchang. The purpose of the establishment of the Audit Committee is for reviewing and supervising the financial reporting process and internal control of the Group. The Audit Committee has reviewed the unaudited interim results of the Group for the reporting period and considered that they were prepared in compliance with the relevant accounting standards, and that the Company has made appropriate disclosure thereof under the requirements of the Listing Rules.

The unaudited interim results of the Group for the six months ended 30 June 2015 have been reviewed by the auditors of the Company, Messrs. Deloitte Touche Tohmatsu.

Other Information

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 30 June 2015, the interests or short positions of our Directors and chief executives in the shares, underlying shares or debentures of our Company and our associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as notified to our Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or as recorded, pursuant to section 352 of the SFO, in the register referred to therein or which will be required to notify our Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules, were as follows:

(a) Long positions in shares of the Company

Name of Director	Capacity/nature of interest	Number of issued ordinary shares held	Approximate percentage of shareholding in the Company
Mr. Gao Mingqing	Interest in controlled corporation	301,500,000 ⁽¹⁾	50.25%
Ms. Gao Jinzhu	Interest in controlled corporation	148,500,000 ⁽²⁾	24.75%

Notes:

1. The 301,500,000 shares were owned by Victor Soar Investments Limited which is wholly-owned and controlled by Mr. Gao Mingqing.
2. The 148,500,000 shares were owned by Achieve Ample Investments Limited which is wholly-owned and controlled by Ms. Gao Jinzhu.

(b) Long positions in associated corporations

Name of Director	Name of associated corporation	Percentage of shareholding
Mr. Gao Mingqing	Victor Soar Investments Limited (Note)	100%

Note: Victor Soar Investments Limited holds more than 50% of the shares in the Company and, therefore, is an associated corporation of the Company.

Save as disclosed above, as at 30 June 2015, so far as is known to any Directors or chief executives of the Company, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or (c) were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

Other Information

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Share Option Scheme") on 12 June 2012.

1. Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to provide an incentive for Eligible Participants (defined below) to work with commitment towards enhancing the value of our Company and the shares of our Company (the "Shares") for the benefit of our Shareholders and to retain and attract calibres and working partners whose contributions are or may be beneficial to the growth and development of our Group.

2. Participants of the Share Option Scheme and the basis of determining the eligibility of the participants

The Board may at its discretion grant options to any full-time or part-time employees, potential employees, consultants, executives or officers (including executive, non-executive and independent non-executive Directors) of our Company or any of its subsidiaries and any suppliers, customers, consultants, agents and advisers who, in the sole opinion of the Board has contributed or will contribute to our Group (collectively "Eligible Participants").

3. Maximum number of Shares

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme shall not in aggregate exceed the number of Shares that shall represent 10% of the total number of Shares in issue as of the Listing Date (i.e. 10 July 2012), which is 60,000,000 Shares, being 10% of the issued share capital of the Company as at the date of this interim report. The limit may be refreshed at any time provided that the new limit must not be in aggregate exceed 10% of the issued share capital of the Company as at the date of the Shareholders' approval in general meeting.

However, the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other scheme of the Company must not in aggregate exceed 30% of the shares in issue from time to time.

4. Maximum entitlement of each participant

Unless approved by our Shareholders in general meeting in the manner prescribed in the Listing Rules, the Board shall not grant options to any participant if the acceptance of those options would result in the total number of Shares issued and to be issued to that participant on exercise of his options during any 12-month period exceeding 1% of the total Shares then in issue.

5. Offer period and amount payable for options

The offer shall remain open for acceptance for a period of 14 business days from the date on which it is made provided that no such offer shall be open for acceptance after the expiry of the Scheme Period (as defined below) or after the termination of the Share Option Scheme. Unless otherwise determined by the Board and stated in the Offer Letter, there shall be no general performance target for the vesting or exercise of options.

An option shall be deemed to have been granted to (subject to certain restrictions in the Share Option Scheme), and accepted by, the Eligible Participant (the "Grantee") and to have taken effect upon the issue of an option certificate after the duplicate offer letter comprising acceptance of the option duly signed by the Grantee together with a remittance in favor of our Company of HK\$1.00 by way of consideration for the grant of the option shall have been received by our Company on or before the last day for acceptance set out above.

Other Information

SHARE OPTION SCHEME (Continued)

6. Minimum period for which an option must be held before it can be exercised

Options may be exercised at any time from the date of grant of the option in the following manner:

- i. up to 25% of the option granted from the first anniversary of date of grant of the option
- ii. up to 50% of the option granted from the second anniversary date of grant of the option
- iii. up to 75% of the option granted from the third anniversary date of grant of the option
- iv. up to 100% of the option granted from the fourth anniversary date of grant of the option

7. Basis of determining the exercise price

The exercise price is determined by the Directors, and will not be less than the highest of (i) the closing price per share as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the options; (ii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the options; or (iii) the nominal value of a share.

8. Remaining Life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for 10 years from the Listing Date i.e. 10 July 2012 (the "Scheme Period"), after which time no further option will be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects.

During the six months ended 30 June 2015, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Share Option Scheme.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PARTIES' INTERESTS IN SECURITIES

As at 30 June 2015, the following persons, other than a Director or chief executive of the Company, had or were deemed or taken to have interests and/or short positions in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of part XV of the SFO as recorded in the register required to be kept by the Company under section 336 of the SFO, or who was, directly or indirectly, interested in 5% or more of the issued share capital of the Company:

Long positions in shares of the Company

Name of Shareholder	Capacity/nature of interest	Number of issued ordinary shares held	Approximate percentage of shareholding in the Company
Victor Soar Investments Limited	Beneficial owner	301,500,000 ⁽¹⁾	50.25%
Ms. Lin Yinyin	Interest of spouse	301,500,000 ⁽²⁾	50.25%
Achieve Ample Investments Limited	Beneficial owner	148,500,000 ⁽³⁾	24.75%
Mr. Wang Weimian	Interest of spouse	148,500,000 ⁽⁴⁾	24.75%

Other Information

SUBSTANTIAL SHAREHOLDERS' AND OTHER PARTIES' INTERESTS IN SECURITIES (Continued)

Long positions in shares of the Company

Notes:

1. Victor Soar Investments Limited is wholly-owned and controlled by Mr. Gao Mingqing.
2. Ms. Lin Yinyin is the wife of Mr. Gao Mingqing and is deemed to be interested in the 301,500,000 shares of the Company held by Victor Soar Investments Limited, a company controlled by Mr. Gao Mingqing.
3. Achieve Ample Investments Limited is wholly-owned and controlled by Ms. Gao Jinzhu.
4. Mr. Wang Weimian is the husband of Ms. Gao Jinzhu and is deemed to be interested in the 148,500,000 shares of the Company held by Achieve Ample Investments Limited, a company controlled by Ms. Gao Jinzhu.

Other than as disclosed above, as at 30 June 2015, the Directors have not been notified by any person (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to section 336 of the SFO.

By Order of the Board

Wanguo International Mining Group Limited

Gao Mingqing

Chairman

Hong Kong, 21 August 2015



Report on Review of Condensed Consolidated Financial Statements

Deloitte. 德勤

TO THE BOARD OF DIRECTORS OF WANGUO INTERNATIONAL MINING GROUP LIMITED

萬國國際礦業集團有限公司

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Wanguo International Mining Group Limited (the "Company") and its subsidiaries set out on pages 16 to 28, which comprise the condensed consolidated statement of financial position as of 30 June 2015 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and the Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements 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 Hong Kong 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

21 August 2015

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2015

	Notes	Six months ended 30 June	
		2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Revenue	3	117,785	84,046
Cost of sales		(81,158)	(49,706)
Gross profit		36,627	34,340
Other income		428	761
Other gains and losses		256	1,964
Selling and distribution expenses		(1,246)	(1,161)
Administrative expenses		(14,084)	(17,284)
Finance costs	4	(5,862)	(6,389)
Profit before tax		16,119	12,231
Income tax expense	5	(6,749)	(5,557)
Profit and total comprehensive income for the period	6	9,370	6,674
Earnings per share			
Basic (RMB cents)	7	1.6	1.1



Condensed Consolidated Statement of Financial Position

At 30 June 2015

	Notes	30.6.2015 RMB'000 (Unaudited)	31.12.2014 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	347,293	339,125
Mining right		7,975	8,176
Evaluation and exploration assets	9	14,312	11,329
Prepaid lease payments		63,112	27,970
Deposit for acquisition of land use rights		–	30,061
Deposit for purchase of property, plant and equipment		9,301	9,174
Deposit for acquisition of a subsidiary		9,600	9,600
Deferred tax assets		2,263	2,301
Restricted bank balance		2,495	2,421
		456,351	440,157
CURRENT ASSETS			
Prepaid lease payments		1,375	647
Inventories		13,296	21,589
Trade and other receivables	10	14,061	10,795
Pledged structured deposit		–	33,692
Bank balances and cash			
– cash and cash equivalents		30,608	37,517
– other bank deposits		2,000	199
		61,340	104,439
CURRENT LIABILITIES			
Trade and other payables	11	49,525	33,947
Tax payable		4,106	8,520
Consideration payable to a former non-controlling shareholder of a subsidiary	12	41,046	55,671
Secured bank borrowings	13	30,000	40,318
		124,677	138,456
NET CURRENT LIABILITIES		(63,337)	(34,017)
TOTAL ASSETS LESS CURRENT LIABILITIES		393,014	406,140
NON-CURRENT LIABILITIES			
Secured bank borrowings	13	–	9,000
Consideration payable to a former non-controlling shareholder of a subsidiary	12	107,799	104,105
Deferred income		15,365	15,623
Deferred tax liabilities		1,138	2,300
Provision		2,923	2,693
		127,225	133,721
CAPITAL AND RESERVES			
Share capital	14	48,955	48,955
Reserves		216,834	223,464
Equity attributable to owners of the Company		265,789	272,419
		393,014	406,140

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015

	Attributable to owners of the Company					Total RMB'000
	Share capital RMB'000	Share premium RMB'000 (note a)	Capital reserves RMB'000 (note b)	Statutory and surplus reserve RMB'000	Retained profits RMB'000	
At 1 January 2014 (audited)	48,955	138,218	71,005	32,913	1,081	292,172
Profit and total comprehensive income for the year	–	–	–	–	6,674	6,674
Dividend recognised as distribution (note 8)	–	(43,800)	–	–	–	(43,800)
At 30 June 2014 (unaudited)	48,955	94,418	71,005	32,913	7,755	255,046
At 1 January 2015 (audited)	48,955	94,418	71,005	47,234	10,807	272,419
Profit and total comprehensive income for the year	–	–	–	–	9,370	9,370
Dividend recognised as distribution (note 8)	–	–	–	–	(16,000)	(16,000)
At 30 June 2015 (unaudited)	48,955	94,418	71,005	47,234	4,177	265,789

Notes:

- (a) The capital reserve represents contributions from an equity participant in 2011.
- (b) The statutory reserve represents the appropriation of 10% of profit after taxation determined based on the relevant accounting rules and regulations of the People's Republic of China ("PRC") in accordance with the relevant PRC laws until the PRC statutory reserve reaches 50% of the registered capital of the relevant subsidiaries. The statutory reserve can be applied either to set off accumulated losses or to increase capital of the relevant subsidiaries.

The surplus reserve represents further appropriation out of the retained profits of the PRC subsidiary for any amount approved by its board of directors after the appropriation to the statutory reserve.



Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	19,809	(16,172)
INVESTING ACTIVITIES		
Redemption of pledged structured deposits	79,407	261,518
Release of bank deposits with original maturity over three months	199	–
Interest received	125	392
Placement of restricted bank balance	(74)	(73)
Payment for exploration and evaluation assets	(1,830)	(2,910)
Placement of bank deposits with original maturity over three months	(2,000)	(200)
Payment for land use rights	(6,374)	–
Purchase of property, plant and equipment	(15,262)	(48,720)
Placement of pledged structured deposits	(44,800)	(271,500)
Proceeds from disposal of property, plant and equipment	–	21
Placement of pledged bank deposits	–	(33,000)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	9,391	(94,472)
FINANCING ACTIVITIES		
Repayment of bank borrowings	(49,318)	–
Consideration paid for redemption of non-controlling interest	(16,000)	(6,000)
Interest paid	(794)	(999)
New bank borrowing raised	30,000	31,512
Dividend paid	–	(43,800)
NET CASH USED IN FINANCING ACTIVITIES	(36,112)	(19,287)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,912)	(129,931)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	37,517	133,447
Effect of foreign exchange rate changes	3	(8)
CASH AND CASH EQUIVALENTS AT 30 JUNE, represented by bank balances and cash	30,608	3,508

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The condensed consolidated financial statements have been prepared on a going concern basis. As at 30 June 2015, the Group's current liabilities exceeded its current assets by RMB63,337,000. In preparing the condensed consolidated financial statements, the directors of the Company have reviewed the Group's financial and liquidity position, and taken into consideration the additional banking facilities of RMB600,000,000 obtained during the period and working capital expected to be generated from operating activities. The directors of the Company believe that the Group will be able to meet its full financial obligations as they fall due for the foreseeable future, and accordingly, have prepared the condensed consolidated financial statements on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies and method of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

- Amendments to HKAS 19 *Defined Benefit Plans: Employee Contributions*;
- Amendments to HKFRSs *Annual Improvements to HKFRSs 2010-2012 Cycle*;
- Amendments to HKFRSs *Annual Improvements to HKFRSs 2011-2013 Cycle*.

The application of the new or revised HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("CODM"), being the executive directors of the Company, in order to allocate resources to segments and to assess their performance.

The Group determines that it has only one operating segment and revenue represents sales of processed concentrates which comprise copper, iron, zinc, sulfur, gold in copper concentrates, silver in copper and zinc concentrates.

The Group operates in and all revenue is generated from the PRC. The Group's non-current assets are also located in the PRC.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

4. FINANCE COSTS

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Interest on bank borrowings wholly repayable within five years	794	999
Imputed interest expenses on consideration payable to a former non-controlling shareholder of a subsidiary	5,068	5,392
Total borrowing costs	5,862	6,391
Less: amount capitalised	–	(2)
	5,862	6,389

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Current tax charge:		
– PRC Enterprise Income Tax ("EIT")	6,073	5,087
– Withholding tax on distribution of earnings of PRC subsidiary	1,800	–
Deferred tax (credit) charge:		
Current period	(1,124)	470
	6,749	5,557

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profit subject to Hong Kong Profits Tax during the reporting period.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of EIT Law, the tax rate of the PRC subsidiary was 25% during the reporting period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

5. INCOME TAX EXPENSE (Continued)

The tax charge for the reporting period can be reconciled to the profit before tax per the condensed consolidated statement of profit or loss and other comprehensive income as follows:

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Profit before tax	16,119	12,231
Tax at the EIT rate of 25%	4,030	3,058
Tax effect of expenses not deductible for tax purpose	2,052	2,668
Tax effect of income not taxable for tax purpose	(6)	(640)
Underprovision of tax in prior year	35	–
Withholding tax on distributable earnings of PRC subsidiary	638	471
Tax charge for the period	6,749	5,557

6. PROFIT FOR THE PERIOD

Profit for the period is arrived at after loss (gain):

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Directors' and the chief executive's emoluments	1,675	1,671
Other staff costs	12,493	12,050
Retirement benefit scheme contributions, excluding those of directors and the chief executive	698	484
Total staff costs	14,866	14,205
Depreciation of property, plant and equipment	9,541	8,655
Amortisation of mining right	202	208
Release of prepaid lease payment	565	253
Total depreciation and amortisation	10,308	9,116
Cost of inventories recognised as an expense	81,158	49,706
Bank interest income	(125)	(392)
Exchange loss (gain)	659	(840)
Investment income from structured deposits	(915)	(1,108)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

7. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the following data:

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Earnings:		
Profit for the period attributable to owners of the Company for the purpose of basic earnings per share	9,370	6,674
Number of shares:		
Number of ordinary shares for the purpose of basic earnings per share (in thousands)	600,000	600,000

No diluted earnings per share are presented as there were no potential dilutive ordinary shares in issue during both periods.

8. DIVIDEND

During the period, the Company recognised the following dividend as distribution:

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Final dividend for the year ended 31 December 2014 of RMB2.67 cents (2013: RMB4.2 cents) per share	16,000	43,800

No interim dividend is recommended by the board of directors of the Company for the six months ended 30 June 2015.

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT/EVALUATION AND EXPLORATION ASSETS

During the current interim period, the Group acquired property, plant and equipment and incurred construction costs of RMB17,711,000 (six months ended 30 June 2014: RMB39,175,000), without capitalisation of any interest (six months ended 30 June 2014: interest capitalised of RMB2,000).

During the current interim period, the Group incurred costs directly associated with the evaluation and exploration assets of RMB2,983,000 (six months ended 30 June 2014: RMB358,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

10. TRADE AND OTHER RECEIVABLES

	30.6.2015 RMB'000 (Unaudited)	31.12.2014 RMB'000 (Audited)
Trade receivables	10,557	7,361
Prepayments	2,180	2,005
Other receivables	1,324	1,429
	3,504	3,434
Total	14,061	10,795

The Group grants a credit period of up to 60 days to its trade customers. The aged analysis of trade receivables presented based on the invoice dates at the end of the reporting period, which approximated the revenue recognition dates, is as follows:

	30.6.2015 RMB'000 (Unaudited)	31.12.2014 RMB'000 (Audited)
0 - 30 days	10,557	7,361

11. TRADE AND OTHER PAYABLES

	30.6.2015 RMB'000 (Unaudited)	31.12.2014 RMB'000 (Audited)
Trade payables	6,584	11,680
Bills payables	2,000	–
Advance from customers	518	442
Value-added tax, resource tax and other tax payables	9,690	12,068
Accrued expenses	5,286	3,889
Dividend payable	16,000	–
Other payables for construction in progress and property, plant and equipment	8,254	5,677
Other payables for evaluation and exploration assets	1,193	191
	42,941	22,267
Total	49,525	33,947

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

11. TRADE AND OTHER PAYABLES (Continued)

The aged analysis of trade and bills payables, presented based on the invoice date at the end of the reporting period, is as follows:

	30.6.2015 RMB'000 (Unaudited)	31.12.2014 RMB'000 (Audited)
0 - 30 days	4,848	7,111
31 - 60 days	618	2,566
61 - 90 days	390	678
91 - 180 days	2,458	493
Over 180 days	270	832
	8,584	11,680

12. CONSIDERATION PAYABLE TO A FORMER NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY

At the end of the reporting period, the carrying amount of consideration payable is repayable as below:

	30.6.2015 RMB'000 (Unaudited)	31.12.2014 RMB'000 (Audited)
Within one year	41,046	55,671
More than one year, but not exceeding two years	38,343	37,058
More than two years, but not exceeding five years	69,456	67,047
	148,845	159,776
Less: amount due within one year shown under current liabilities	(41,046)	(55,671)
Amount shown under non-current liabilities	107,799	104,105

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

13. SECURED BANK BORROWINGS

	30.6.2015 RMB'000 (Unaudited)	31.12.2014 RMB'000 (Audited)
Secured bank borrowings		
– Floating rate	30,000	49,318
Carrying amount repayable:		
– within one year	30,000	40,318
– more than one year, but not exceeding two years	–	9,000
	30,000	49,318
Less: amount due within one year shown under current liabilities	(30,000)	(40,318)
Amount shown under non-current liabilities	–	9,000

The Group's floating-rate borrowings are mainly subject to interest at RMB Benchmark Loan Rates issued by the People's Bank of China. Interest is reset every year. The effective interest rates on the Group's borrowings were as follows:

	30.6.2015 %	31.12.2014 %
Effective interest rate (per annum)	5.89	2.57 to 6.65

14. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.10 each		
Authorised:		
At 1 January 2014, 30 June 2014, 31 December 2014 and 30 June 2015	1,000,000	100,000
Issued:		
At 1 January 2014, 30 June 2014, 31 December 2014 and 30 June 2015	600,000	60,000
Shown in the condensed consolidated statement of financial position		RMB'000 48,955

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

15. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

- (i) The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.
- (ii) The fair value of the structured deposits as at 31 December 2014 was based on discounted cash flows with reference to price of gold quoted on the London Bullion Market Association as a key input and categorized as the level 2 fair value measurement.

16. PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged to banks for banking facilities granted to the Group:

	30.6.2015 RMB'000 (Unaudited)	31.12.2014 RMB'000 (Audited)
Mining right	7,975	8,176
Structured deposit	–	33,692
Prepaid lease payment	28,294	–
Property, plant and equipment	49,503	–
	85,772	41,868

17. CAPITAL COMMITMENTS

	30.6.2015 RMB'000 (Unaudited)	31.12.2014 RMB'000 (Audited)
Capital expenditure contracted for but not provided for in the condensed consolidated financial statements in respect of acquisition of land use right and property, plant, and equipment	28,122	39,936
Capital expenditure authorised for but not contracted for in respect of acquisition of a subsidiary	230,100	230,100
	258,222	270,036

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

18. RELATED PARTY DISCLOSURES

During the reporting period, the remuneration of key management personnel which represent the directors and employees were as follows:

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Salaries and other allowances	1,668	1,662
Retirement benefit scheme contributions	7	9
	1,675	1,671

