

# **I M 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 2018

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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 2018 and any public announcements made by I M Quarries Limited during the interim reporting period in accordance with the continuous disclosure requirements of the National Stock Exchange of Australia (“NSX”) Listing Rules.*

**I M QUARRIES LIMITED  
STATEMENT BY DIRECTORS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

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The Directors are pleased to present their report and the interim financial statements of I M Quarries Limited (“the Company”) for the six months ended 30 September 2018.

**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  
MAH SEONG KUNG  
BRYAN PHILLIP LOH CHUUN-MING  
LIN ZHIYI (Appointed on 1.11.2018)

**2. REVIEW OF OPERATIONS**

The initial principal activity of the Company and its controlled entities (the “Group”) is to carry on the business in mining industry. The Company has not actively carried on business since its incorporation. During the period:

- i) The Company and its controlled entities produced a loss, comprising mainly administrative expense incurred from the Company and includes associated costs of the subsidiary.
- ii) A critical milestone was reached, in which a subsidiary obtained Change of Land Use Approval from the Inner Mongolia Autonomous Region authorities to re-designate a specified 0.706km<sup>2</sup> area within the Houyao Garnet Project area for development into a garnet mine with a production capacity of 300,000 tonnes per year.

This approval, set out in a notification dated 16 July 2018, now qualifies the subsidiary for priority up to 16 July 2020 to complete procedures to obtain a mining (for extraction) permit and thereafter; a production safety permit and approval of its environmental impact assessment before finally obtaining a mining permit for commencing commercial garnet production.

- iii) A Mining Production Plan has been submitted to the authorities by the subsidiary.

**3. MATTERS SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

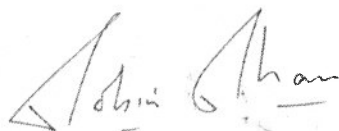
No matter or circumstance has arisen since 30 September 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**I M QUARRIES LIMITED**  
**STATEMENT BY DIRECTORS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

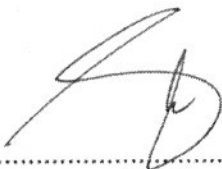
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In the opinion of the Directors, the accompanying interim statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, together with notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 2018 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, 7 December 2018

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

**REVIEW REPORT**  
**TO THE MEMBERS OF I M QUARRIES LIMITED**

**Introduction**


We have reviewed the accompanying statement of financial position of I M Quarries Limited ("the Company") as at 30 September 2018, 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 2018, 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**  
Chartered Accountants and  
Public Accountant of Singapore

Singapore, 7 December 2018

**I M QUARRIES LIMITED**  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 30 September 2018**

	NOTE	Group	
		30.9.2018 S\$	31.3.2018 S\$
<b>Non-current assets</b>			
Investment in subsidiaries	5	-	-
Goodwill	6	1,400,000	1,400,000
		<u>1,400,000</u>	<u>1,400,000</u>
<b>Current assets</b>			
Cash and bank balances		209,781	350,235
Other receivables	7	705,933	705,933
		<u>915,714</u>	<u>1,056,168</u>
Less:			
<b>Current liabilities</b>			
Accrued operating expenses	8	22,000	12,000
Due to a Director	9	433,474	430,832
		<u>455,474</u>	<u>442,832</u>
<b>Net current liabilities</b>		<u>460,240</u>	<u>613,336</u>
<b>Net assets</b>		<u>1,860,240</u>	<u>2,013,336</u>
<b>Capital and reserves</b>			
Share capital	10	4,167,767	4,167,767
Translation reserves		1,346	1,362
Accumulated losses		(2,308,873)	(2,155,793)
		<u>1,860,240</u>	<u>2,013,336</u>

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

**I M QUARRIES LIMITED**  
**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the financial period ended 30 September 2018**

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		<b>Group</b>	
		<b>Period from 1.10.2017 to 30.9.2018 S\$</b>	<b>Period from 1.10.2016 to 30.9.2017 S\$</b>
	<b>Note</b>		
Revenue		-	-
Administrative expenses		(153,080)	(286,694)
Loss before income tax		(153,080)	(286,694)
Income tax		-	-
Total comprehensive loss		(153,080)	(286,694)
<b>Attributable to:</b>			
Owners' of the Company		(153,080)	(286,694)
<b>Loss per share</b>			
Basic loss per share (cents)	11	0.002	0.004
Diluted loss per share (cents)	11	0.002	0.004

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

**I M QUARRIES LIMITED**  
**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the financial period for six months ended 30 September 2018**

**30.9.2018**

		<b>Share Capital</b>	<b>Foreign currency translation reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
<b>Group</b>	<b>Note</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Balance at 1.4.2018		4,167,767	1,362	(2,155,793)	2,013,336
Total comprehensive loss		-	-	(153,080)	(153,080)
Effects of foreign exchange translations		-	(16)	-	(16)
Balance at 30.9.2018		4,167,767	1,346	(2,308,873)	1,860,240

**30.9.2017**

		<b>Share Capital</b>	<b>Foreign currency translation reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
<b>Group</b>	<b>Note</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Balance at 1.4.2017		2,667,767	-	(1,688,174)	979,593
Total comprehensive loss		-	-	(286,694)	(286,694)
Issue of shares	10	1,500,000	-	-	1,500,000
Balance at 30.9.2017		4,167,767	-	(1,974,868)	2,192,899

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

**I M QUARRIES LIMITED**  
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOW**  
**For the financial period ended 30 September 2018**

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	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Operating activities</b>		
Loss before taxation	(153,080)	(286,694)
Adjustments for:		
Effects of Foreign translation differences	(16)	-
<b>Operating loss before working capital changes</b>	<u>(153,096)</u>	<u>(286,694)</u>
<u>Changes in working capital</u>		
Other receivables	-	(350,000)
Other payables	10,000	-
Amounts due to a Director	2,642	26,079
<b>Cash flow generated from/(used in) operations</b>	<u>12,642</u>	<u>(610,615)</u>
<b>Net cash flow generated from/(used in) operating activities</b>	<u>12,642</u>	<u>(610,615)</u>
 <b>Cash flows from financing activity</b>		
Net proceeds from issue of shares	-	1,500,000
<b>Net cash flows from financing activities</b>	<u>-</u>	<u>1,500,000</u>
 <b>Net (decrease)/ increase in cash at bank balance</b>	<u>(140,454)</u>	<u>889,385</u>
Cash at bank at beginning of financial period	350,235	1,385
<b>Cash at bank at end of financial period</b>	<u>209,781</u>	<u>890,770</u>

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



**I M QUARRIES LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENT – 30 SEPTEMBER 2018**

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**1 CORPORATE INFORMATION**

The interim financial statements of I M Quarries Limited for the financial period ended 30 September 2018 were authorised for issue in accordance with the resolution of the directors on the date of this statement.

I M 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 1 Commonwealth Lane, #09-28 One-Commonwealth, Singapore 149544.

The principal activity of the Company and its controlled entities (the “Group”) is to carry on the in 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. NATURE OF OPERATIONS**

The interim financial report of I M Quarries Limited (“the Company”) for the period ended 30 September 2018 was authorised for issue in accordance with a resolution of the Directors on the date of the Statement by Directors.

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 2018 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 2018.

I M 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.

**I M QUARRIES LIMITED**
**NOTES TO THE INTERIM FINANCIAL STATEMENT – 30 SEPTEMBER 2018**


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**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 year ended 31 March 2018, except for the adoption of the following accounting standards that became effective after 1 January 2018 onwards:

IFRS 16	Leases (effective 1 Jan 2019)
IFRS 17	Insurance contracts (effective 1 Jan 2021)
IFRS 16	Leases (effective 1 Jan 2019)

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.

**5. SUBSIDIARIES**

	<b>30.9.2018</b>	<b>31.3.2018</b>
		\$
Unquoted equity investments, at cost	<u>2</u>	<u>2</u>

Name	Country of incorpora- tion	Cost of investment  30.9.2018 \$	Cost of investment  31.3.2018 \$	Percen- tage of equity held	Principal activities
<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>		

**I M QUARRIES LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENT – 30 SEPTEMBER 2018**

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**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:

	<b>30.9.2018</b>	<b>31.3.2018</b>
	\$	\$
Mining	<u>1,400,000</u>	<u>1,400,000</u>

**7. OTHER RECEIVABLES**

	<b>30.9.2018</b>	<b>31.3.2018</b>
	\$	\$
Others	55,933	55,933
Convertible loan*	<u>650,000</u>	<u>650,000</u>
	<u>705,933</u>	<u>705,933</u>

\*Convertible loan granted to Saber Tooth Garnet Holdings Pte Ltd amounting to \$350,000 and \$300,000 at the Company's discretion at any time prior to 26 July 2018 and 16 March 2019 respectively.

This represents 17.5% and 15% in the enlarged share Capital of Saber Tooth Garnet Holdings Pte Ltd.

**8. ACCRUED OPERATING EXPENSES**

The amounts are denominated in Singapore dollars.

**9. DUE TO A DIRECTOR**

The amount due 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.

**I M QUARRIES LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENT – 30 SEPTEMBER 2018**

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**10. SHARE CAPITAL**

	<b>No. of shares</b>	<b>Amount</b> \$
Issued and fully paid up:		
As at 31.03.2018 and 30.09.2018	<u>77,017,000</u>	<u>4,167,767</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. LOSS PER SHARE**

The loss per share is calculated based on the consolidated losses attributable to owners of the parent divided by the weighted average number of shares on issue of shares during the financial year.

The following table reflects the profit or loss and share data used in the computation of basic and diluted loss per share from continuing operations for the financial year ended 31 March.

	<b>30.9.2018</b> \$	<b>31.3.2018</b> \$
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	77,017,000	77,017,000
Effect of dilutive potential ordinary shares:		
Share options	<u>10,000,000</u>	<u>-</u>
Weighted average number of ordinary shares for the purpose of calculating diluted loss per share	<u>87,017,000</u>	<u>77,017,000</u>

Loss figures are calculated as follows:

	<b>2018</b> \$	<b>2017</b> \$
Loss for the purpose of calculating basic and diluted loss per share	<u>(153,080)</u>	<u>(286,694)</u>

As at the date of the financial statement, none of the options were exercised during the financial period.

**I M QUARRIES LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENT – 30 SEPTEMBER 2018**

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

	<b>30.9.2018</b>	<b>31.3.2018</b>
	<b>\$</b>	<b>\$</b>
Net assets	1,860,240	2,013,336
<i>Less intangible assets:</i>		
Goodwill	(1,400,000)	(1,400,000)
Net tangible assets/(Liabilities)	<u>460,240</u>	<u>613,336</u>
Number of issued ordinary shares	77,017,000	77,017,000
Net tangible asset backing per ordinary security	<b>0.006 cent</b>	0.008 cent

**13. OPERATING LEASE COMMITMENTS**

The Company has operating lease commitment in respect of rental of office premise. The lease are non-cancellable within 1 year.

	<b>30.9.2018</b>	<b>31.3.2018</b>
	<b>S\$</b>	<b>S\$</b>
Not later than one year	25,680	51,360
Later than one year but not later than five years	-	-
	<u>25,680</u>	<u>51,360</u>

Operating lease payments represents rents payable by the Company for office premises and other operating facilities. Lease is negotiated for a term of 2 years and rentals are fixed for an average of 1 to 3 years. Certain office premise has the option to renew for another one year at market rate subject to agreement by both parties.

**14. FOREIGN EXCHANGE RATES**

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to SGD equivalent) for the translation of foreign currency balances at the statement of financial position date are as follows:

	<b>30.9.2018</b>	<b>31.3.2018</b>
Hong Kong Dollar	<u>0.167</u>	<u>0.167</u>

**15. DETAILS OF CONTROLLED ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOSS**

There were no gains or losses over controlled entities during the period.

**16. RELATED PARTY TRANSACTIONS**

There were no related party transactions during the period.

**17. SHARE OPTIONS**

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

**18. EVENT AFTER THE REPORTING DATE**

No matter or circumstance has arisen since 30 September 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial periods.

**19. CONTINGENT LIABILITIES**

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