CHINA MINING INTERNATIONAL LIMITED
中矿国际有限公司
(Incorporated in the Cayman Islands)
(Company Registration No. CT-140095)

REPLIES TO THE QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") IN RESPECT OF THE COMPANY'S RESULTS ANNOUNCEMENT FOR THE THREE-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2013 ("Q2 2013")

Unless otherwise stated, all capitalized terms herein shall have the same meanings as that ascribed in the unaudited results announcement of China Mining International Limited (the "Company", and together with its subsidiaries, the "Group") for Q3 2012 as made by the Company on 14 August 2013 (the "14 August Announcement")

We append below our replies to the following queries raised by the SGX-ST on 4 September 2013 concerning the 14 August Announcement.

The SGX-ST's Query 1

On page 11 of the Company's results announcement, the Company explained that the increase in prepayments and other receivables by RMB20.7 million was principally due to the Climbing Ace Disposal which was completed in February 2013. Please provide details on the Climbing Ace repayment schedule and the reason why the amount that is still outstanding despite the completion of the disposal

The Company's reply

Reference is made to the reply by the Company on 24 March 2013 to Query 5 raised by the SGX-ST on 19 March 2013 (the "24 March Announcement"). Utilizing the same definitions as that ascribed in the 24 March Announcement in respect of all capitalized terms used specifically in this reply, the Company hereby reiterates the requested replies as follows:

1. With regard to the Climbing Ace repayment schedule: Pursuant to the SPA, Glossmei is committed to settle the Disposal Consideration plus the Outstanding Balance, aggregating RMB108.3 million (the "Aggregate Sum Due"), as follows:

    a. RMB10.0 million by 31 March 2013 (the "First Sum Due");
    b. RMB30.0 million by 30 April 2013 (the "Second Sum Due"); and
    c. RMB68.3 million by 30 September 2013 (the "Third Sum Due").

    Glossmei had promptly repaid the First Sum Due and the Second Sum Due by the relevant repayment deadlines stipulated under the SPA.

2. With regard to the reason for the deferred settlement (subsequent to the completion of the disposal): The Aggregate Sum Due is secured against 30,000 ordinary shares in Climbing Ace held by Glossmei, which represent approximately 340% of the Disposal Consideration and approximately 126% of the Aggregate Sum Due.

The SGX-ST's Query 2

On 13 January 2012, the Company disclosed the acquisition of "Quoted Investments" amounting to RMB49 million. It explained that "The Investee Company is the industry leading company principally engaged in the manufacturing, processing and sale of chemical fibre and industry chemicals. The Investment was carried out as part of the Group's working capital management. "Further, on 19 January 2012, the Company disclosed that "The investment was intended to be of a short-term nature. It was made with a view to yield a better return than that generated from fixed deposits in respect of the present excess cash held by the Group." We note that losses in respect of the "Quoted Investments" amounting to RMB 20.476 million and RMB 9.638 million were written off in FY2012 and 1H2013 respectively. The Company also reported on page 10 of its 2Q2013 Results that their "finance loss incurred in Q2 2013 was attributed principally to the margin financing for the Quoted Investment". In view of the above disclosures, please advise the following:

(a) The reason margin financing was used for the acquisition of the Quoted Investment if the principal reason for the investment is to manage excess cash;

(b) The identity of the investee company and the reasons why such significant losses had to be written off in such a short time frame as the Company had earlier disclosed that the investee company is "the industry leading company";

(c) In view of the matters in (a) & (b) above, please advise if the full risks relating to the Quoted Investment has been fully disclosed and whether there are any further risks that should be disclosed to investors about the investments.

The Company's reply

(a) The margin financing was made in anticipation of a better investment yield through leverage when the prevailing stock market sentiments in China were generally bullish then.

(b) The investee company is Hengyi Petrochemical Co., Ltd ("Hengyi") and it is listed on the Shenzhen Stock Exchange under the stock code of 703. The investment losses sustained on the Quoted Investment were mainly attributed to the plummeting share price of Hengyi caused by the unexpected downturn in market demand for industrial materials as a result of the slowing down of the Chinese economy.

(c) In complying with applicable accounting standards, impairment losses on the Quoted Investment had been promptly recognized and disclosed in the prior quarterly and year-end results announcements of the Group and will continue to be recognized and disclosed should Hengyi's share price falls below the Quoted Investment's net book value. The Company continues to closely monitor the performance of the Quoted Investment and, if need be, to re-assess its investment strategy accordingly.

The SGX-ST's Query 3

We note that "Trade payables" increased from RMB36.3 million as at 30 June 2012 to RMB37.9 million as at 30 June 2013. The Company attributed this "principally to more purchases made by the Group". Please explain the rationale for the significant Trade payable in the light of the 50% drop in revenue to RMB15.7 million and noting that cost of sales amounted to only RMB10.8 million in 2Q2013

The Company's reply

Despite the significant decrease in revenue, the trade payables of the Group increased moderately to RMB37.9 million as at 30 June 2013 from RMB36.3 million as at 30 June 2012 chiefly as a result of slower payment made by the Group to its vendors for better cash management.

BY ORDER OF THE BOARD

Mr Li Bin

Chief Executive Officer and Executive Director

8 September 2013