



CHINA MINING INTERNATIONAL LIMITED

中矿国际有限公司

Registered in Cayman Islands

Company Registration No. CT-140095

PROPOSED SUBSCRIPTION OF 29,300,000 NEW ORDINARY SHARES IN THE CAPITAL OF CHINA MINING INTERNATIONAL LIMITED (THE "SUBSCRIPTION SHARES") AT S\$0.036 FOR EACH SUBSCRIPTION SHARE TO RAISE GROSS PROCEEDS OF S\$1,054,800

1. BACKGROUND

- 1.1 The Board of Directors (the "**Board**" or the "**Directors**") of China Mining International Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that it has entered into 5 subscription agreements each dated 3 July 2020 (the "**Subscription Agreements**") with Kong Jingfu (孔靖夫), Li Rui (李睿), Wu Xinyang (武心阳), Shen Yue (申越) and Qian Tu (钱图) (collectively, the "**Subscribers**" and individually, a "**Subscriber**") for the issue and allotment by the Company to the Subscribers of an aggregate number of 29,300,000 new ordinary shares (the "**Subscription Shares**") in the capital of the Company ("**Shares**") on the terms and subject to the conditions of the Subscription Agreements (the "**Subscription**").
- 1.2 Pursuant to the terms of the Subscription Agreements, the Company proposes to raise capital by issuing the Subscription Shares to the Subscribers at an issue price of S\$0.036 per Subscription Share (the "**Issue Price**"), to raise gross proceeds of S\$1,054,800.
- 1.3 The Subscription Shares shall be allotted and issued pursuant to the general share issue mandate to issue new ordinary shares in the capital of the Company passed by the Company's shareholders ("**Shareholders**") at the Company's annual general meeting held on 29 June 2020 (the "**AGM**").
- 1.4 The Subscription is not underwritten and no placement agent will be appointed for the Subscription. The Subscription will be undertaken pursuant to a private placement exemption under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Subscription.

2. INFORMATION ON THE SUBSCRIBERS

- 2.1 Details of the Subscribers, the number of Subscription Shares to be subscribed by each Subscriber and the respective and aggregate consideration to be paid by each Subscriber are set out below:

Name of Subscribers	Number of Subscription Shares Subscribed	Aggregate Consideration (S\$)	Subscription Shares as a % of Existing Issued Share Capital ⁽¹⁾	Subscription Shares as a % of Enlarged Issued Share Capital ⁽²⁾	Total Shareholding as a % of Enlarged Issued Share Capital ⁽³⁾
Kong Jingfu (孔靖夫) ⁽⁴⁾	2,800,000	100,800	1.91	1.59	1.59
Li Rui (李睿) ⁽⁴⁾	5,500,000	198,000	3.75	3.13	3.13

Wu Xinyang (武心阳)	8,000,000	288,000	5.45	4.55	4.55
Shen Yue (申越)	8,000,000	288,000	5.45	4.55	4.55
Qian Tu (钱图)	5,000,000	180,000	3.41	2.84	2.84
Total	29,300,000	1,054,800	19.97	16.65	16.65

Notes:

- (1) Number of Subscription Shares divided by existing issued number of Shares of 146,688,500.
 - (2) Number of Subscription Shares divided by enlarged issued number of Shares of 175,988,500.
 - (3) Existing shareholding (if any) aggregated with the number of Subscription Shares, divided by enlarged issued number of Shares of 175,988,500. As at the date of this announcement, each of Kong Jingfu (孔靖夫), Li Rui (李睿), Wu Xinyang (武心阳), Shen Yue (申越) and Qian Tu (钱图) do not hold any shares in the capital of the Company.
 - (4) None of Kong Jingfu (孔靖夫), Li Rui (李睿), Wu Xinyang (武心阳), Shen Yue (申越) and Qian Tu (钱图) falls within one of the restricted class of persons to whom the Company is prohibited from issuing shares to, as provided for by Rule 812 of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual.
- 2.2 Kong Jingfu (孔靖夫) has 5 years of investment experience, including experience in the securities secondary market in the US and China, and has worked in HSBC.
 - 2.3 Li Rui (李睿) has 6 years of investment experience, including experience in US stocks and bonds investments, angel investments, venture capital investments and financial leasing-related works and has participated in credit asset securitisations.
 - 2.4 Wu Xinyang (武心阳) has 5 years of investment experience, including experience in the US securities secondary market and bond market, and has worked in sales and trading in an investment bank.
 - 2.5 Shen Yue (申越) has over 6 years of investment experience, including experience in the securities secondary market in the US, Hong Kong and China, and has prior working experience in investment banking and bond sales in DBS Bank, Citibank and HSBC.
 - 2.6 Qian Tu (钱图) has 5 years of investment experience, including experience in the securities secondary market in the US and Hong Kong, and has prior working experience in investment banks.
 - 2.7 The Subscribers' rationale for subscribing for the Subscription Shares pursuant to the Subscription is because the business model and strategy of the Company are in line with their respective investment strategies. Moreover, the Subscribers are also confident that the Company's prospects remain healthy and encouraging.
 - 2.8 The Subscribers are individual investors and have represented to the Company that they are subscribing for the Subscription Shares for their own account for investment and the Subscribers will not hold the Subscription Shares in trust or as nominee for other persons. The Subscribers are not persons whom the Company is prohibited from issuing shares to, as provided for by Rule 812 of the SGX-ST Listing Manual. To the best of the Company's knowledge, save in relation to the Subscription, the Subscribers do not have any connection (including business relationship) with the Company, its Directors and its substantial Shareholders.

3. THE SUBSCRIPTION

3.1 The Issue Price and Consideration

The Subscribers propose to subscribe for an aggregate of 29,300,000 Subscription Shares for an aggregate consideration of S\$1,054,800 (the “**Consideration**”) at an Issue Price of S\$0.036, in the respective proportions set out in paragraph 2.1 of this announcement. The Issue Price represents a discount of 3.1% to the volume weighted average price of S\$0.037 for trades done on the Company’s shares on the SGX-ST on 18 June 2020 (being the last full market day on which trades were done immediately preceding the date of the Subscription Agreements).

3.2 The Subscription Shares

The existing total number of issued and paid up ordinary shares in the share capital of the Company (“**Shares**”) as at the date of this announcement and prior to the issue of the Subscription Shares is 146,688,500. Assuming that all of the 29,300,000 Subscription Shares are issued on completion of the Subscription, the Company’s issued and paid-up share capital (excluding treasury shares) will increase to 175,988,500 Shares. The Subscription Shares represent approximately 19.97% of the existing issued and paid-up share capital (excluding treasury shares) of the Company as at the date of this announcement and approximately 16.65% of the enlarged issued and paid-up share capital (excluding treasury shares) of the Company after the Subscription.

The Subscription Shares will be allotted and issued pursuant to the general share issue mandate (the “**Share Issue Mandate**”) approved and granted by Shareholders at the AGM. Pursuant to the Share Issue Mandate, Directors have the authority to issue Shares and/or make or grant offers, agreements, or options that might or would require Shares to be issued (collectively, “**Instruments**”), provided that the aggregate number of Shares to be issued (including Shares to be issued pursuant to the Instruments made or granted) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the AGM, of which the aggregate number of Shares (including Shares to be issued pursuant to the Instruments made or granted) to be issued other than on a pro rata basis to existing Shareholders shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the AGM.

As at the date of the AGM, the total number of issued Shares (excluding treasury shares and subsidiary holdings) was 146,688,500. Accordingly, the total number of Shares that may be issued pursuant to the Share Issue Mandate is 73,344,250 Shares, of which the maximum number of Shares that can be issued other than on a pro rata basis is 29,337,700 Shares. As at the date of this announcement, no Shares have been issued pursuant to the Share Issue Mandate. As such, the 29,300,000 Subscription Shares that may be issued pursuant to the Subscription falls within the limits of the Share Issue Mandate.

The issuance and allotment of the Subscription Shares will not result in a transfer of controlling interest of the Company. There is no moratorium imposed on the Subscription Shares.

The Subscription Shares, when issued and delivered, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and shall carry all rights similar to the existing Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the completion of the Subscription.

3.3 Conditions

Completion of the Subscription is conditional upon, *inter alia*:

- (a) the Share Issue Mandate being valid, subsisting and adequate for the purposes of the issue of the Subscription Shares as at the date of completion of the Subscription (the “**Completion Date**”);
- (b) approval in-principle for the listing and quotation of the Subscription Shares on the Official List of the SGX-ST being obtained from the SGX-ST and not revoked or amended as at the Completion Date and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Subscribers;
- (c) the issue and subscription of the Subscription Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Subscription Agreements by any applicable legislative, executive or regulatory body or authority of Singapore;
- (d) there having been no occurrence of any event or discovery of any fact rendering any of the warranties in the Subscription Agreements untrue or incorrect in any material respect as at the Completion Date as if they had been given again on the Completion Date; and
- (e) the Company and the Subscribers not being in breach of any of the undertakings and the covenants in the Subscription Agreements as at the Completion Date.

If the conditions set forth in paragraph 3.3(a) and paragraph 3.3(b) above are not satisfied by 30 September 2020 (or such other date as may be mutually agreed between the Company and the relevant Subscriber), the relevant Subscription Agreement shall terminate and the obligations of the Company to issue the Subscription Shares and the relevant Subscriber to subscribe for the Subscription Shares shall *ipso facto* cease and determine thereafter, and no party shall have any claim against the others for costs, expenses, damages, losses, compensation or otherwise in respect of the Subscription, save for any antecedent breach of the relevant Subscription Agreement or the parties’ respective liability for the payment of costs and expenses under the relevant Subscription Agreement.

3.4 Additional Listing Application

The Company will be making an application to the SGX-ST for the listing and quotation of the Subscription Shares on the Official List of the SGX-ST. The Company will make the necessary announcements once the approval-in-principle for the listing and quotation of the Subscription Shares has been obtained from the SGX-ST.

4. FINANCIAL EFFECTS OF THE SUBSCRIPTION

The financial effects of the Subscription set out below are for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after completion of the Subscription.

The financial effects of the Subscription on the Group have been computed based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2019 (“**FY2019**”) and the following bases and assumptions:

- (a) the expenses incurred in the Subscription is disregarded for the purposes of calculating the financial effects;
- (b) the financial effect on the consolidated net tangible assets (“**NTA**”) per Share of the Group is computed based on the assumption that the Subscription was completed on 31 December 2019; and
- (c) the financial effect on the consolidated loss per Share (“**LPS**”) of the Group is computed based on the assumption that the Subscription was completed on 1 January 2019.

NTA per Share

	Before the Subscription	After adjusting for the Subscription Shares
Net Tangible Assets of the Group (RMB'000)	101,368	106,821
Weighted Average Number of Shares ('000)	146,689	175,989
NTA per share (RMB cents)	69.10	60.70

LPS

	Before the Subscription	After adjusting for the Subscription Shares
Loss attributable to equity holders of the Group (RMB'000)	31,157	31,157
Number of Shares ('000)	146,689	175,989
LPS per Share (RMB cents)	21.24	17.70

Net Gearing

The issue and allotment of the Subscription Shares would not have a significant effect on the net gearing of the Group.

5. RATIONALE AND USE OF PROCEEDS

The Company has decided to place the Subscription Shares to the Subscribers so as to raise funds to provide liquidity to the Company's working capital and for the growth, development and expansion of its existing businesses as well as the exploration of new business opportunities as and when they arise. The Company believes that the Subscription will strengthen the balance sheet and provide flexibility for the Group as the Group pursues its growth strategies.

The net proceeds from the Subscription (after deducting estimated expenses relating thereto) of approximately S\$1,004,800 (the "**Net Proceeds**") will be used by the Company in the following estimated proportions:

Use of Proceeds	Percentage Allocation (%)
i. For the growth, development and expansion of the existing businesses of the Group as well as the exploration of new business opportunities	30
ii. For working capital needs of the Group (including expenses relating to professional services and administration)	70
Total	100

Pending the use of the Net Proceeds from the Subscription as outlined above, the net proceeds may be deposited in financial institutions or be used for working capital or any other purpose on a short-term basis.

The Company will make periodic announcements as and when the Net Proceeds are materially disbursed and whether the disbursements are in accordance with the use of proceeds as stated in this announcement.

The Company will also provide a status report on the use of such Net Proceeds in the Company's annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation. Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the Company's announcements and annual report.

Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

6. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial Shareholders of the Company has any interest, direct or indirect, in the Subscription, save for their interests (if any) by way of their shareholdings and/or directorships, as the case may be, in the Company.

In addition, none of the Subscribers are under the control or influence of any of the Company's directors or substantial Shareholders.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Subscription, the Subscription Agreements, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

8. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. There is no certainty or assurance as at the date of this announcement that the proposed allotment and issuance of the Subscription Shares will be completed or that no changes will be made to the terms thereof. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

9. DOCUMENTS FOR INSPECTION

A copy of each of the Subscription Agreements is available for inspection during normal business hours at the principal place of business of the Company at 8 Temasek Boulevard, Suntec Tower 3, #42-00, Singapore 038988 for a period of three months from the date of this announcement.

**BY ORDER OF THE BOARD
CHINA MINING INTERNATIONAL LIMITED**

Ms Dong Lingling
Executive Director
3 July 2020