

## CHINA MINING INTERNATIONAL LIMITED

Incorporated in the Cayman Islands  
Company Registration No. CT-140095

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### DISPOSAL OF ASSOCIATED COMPANIES

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#### 1. The Disposal

The Board of Directors (the “Board”) of China Mining International Limited (the “Company”) would like to announce that the Company, through its wholly-owned subsidiary, Elegant Jade Enterprises Limited (美基企业有限公司) (“Elegant Jade”), has entered into a sale and purchase agreement (the “Agreement”) with Glossmei Limited (高士美有限公司) (“Glossmei”), an existing substantial shareholder of the Company with an equity interest of 12.44%, to dispose Elegant Jade’s existing equity interest of 40% in Climbing Ace Limited (攀峰有限公司) (“Climbing Ace”) to Glossmei for cash of RMB40.0 million (the “Disposal”) (the “Disposal Consideration”).

Following the Disposal, the structure of the Company and its subsidiaries (the “Group”) will be as set out in Appendix A.

#### 2. Rationale for the Disposal

The Disposal is aimed to build up the investment capital of the Group in facilitating it from undertaking prospective mining investments as and when the opportunities arise.

Shareholders of the Company will be kept informed once the investment opportunities have been firmed up.

#### 3. The Disposal Consideration

The Disposal Consideration, arrived at on a ‘willing-buyer willing-seller’ basis, is premised on the fair valuation (the “Valuation”) of the business of Climbing Ace and its subsidiaries (the “Climbing Ace Group”) carried out by Beijing Bei Fang Ya Shi Asset Valuation Co., Ltd, Henan Branch (北京北方亚事资产评估有限责任公司河南分公司) (the “Valuer”), an independent professional asset valuation company, pursuant to a valuation report issued by the Valuer dated 31 October 2012 (the “Valuation Report”), and after taking into account the following factors:

1. the rationale for the Disposal as outlined above;
2. the loss making position of the Climbing Ace Group over the years since inception;
3. the spate of cooling-off measures imposed on property developers in the People’s Republic of China (“PRC”) by the PRC Government in the past many months, which have had and are expected to continue to have an adverse impact on the Hainan property development project currently being undertaken and developed by the Climbing Ace Group; and
4. the long and uncertain gestation period required by the Climbing Ace Group in yielding the Group its desired share of profit sharing .

Based on the latest announced management accounts of the Group for the nine-month period ended 30 September 2012 and assuming that the Disposal was completed as at 30 September 2012, the Disposal will result in a loss on Disposal of approximately RMB8.30 million.

#### **4. The Settlement**

Pursuant to the Agreement, Glossmei will settle the Disposal Consideration plus the existing outstanding amount of approximately RMB68.4 million due by it to the Group, aggregating RMB108.3 million (the "Aggregate Sum Due"), as follows:

1. RMB10.0 million by 31 March 2013;
2. RMB30.0 million by 30 April 2013; and
3. RMB68.3 million by 30 September 2013

Further, the Aggregate Sum Due is secured against 30,000 ordinary shares in Climbing Ace held by Glossmei, representing approximately 60% of the prevailing issued and paid-up share capital of Climbing Ace and, based on the Valuation, approximately 340% of the Disposal Consideration and approximately 126% of the Aggregate Sum Due.

#### **5. Relative figures under Rule 1006**

The relative figures required by Rule 1006 of the Listing Manual of the Singapore Securities Trading Limited ("SGX-ST Listing Manual"), computed based on the latest announced consolidated management accounts of the Group for the nine-month financial period ended 30 September 2012, are set out below:

(a)	Rule 1006(a) – the net assets value of the Climbing Ace Group, compared with the Group's net asset value as at 30 September 2012	7.11%
(b)	Rule 1006(b) – the losses before income tax and minority interests attributable to the Climbing Ace Group compared with the Group's loss before tax and minority interests for the nine-month financial period ended 30 September 2012	15.53%
(c)	Rule 1006(c) – the Disposal Consideration compared with the Company's market capitalization	18.06%
(d)	Rule 1006(d) – the number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	N.A.

#### **6. Financial Effects of the Disposal**

##### **Proforma Financial Effects**

The proforma financial effects of the Disposal set out below, computed based on the latest announced management accounts of the Group for the nine-month period ended 30 September 2012 and the following assumptions, are intended for illustration purposes only; they are neither indicative of the actual financial effects of the Disposal on the consolidated net tangible asset ("NTA") and consolidated earnings per share ("EPS") of the Group nor reflective of the future financial position and performance of the Group:

1. For the purpose of the consolidated profit and loss account, the Disposal had been completed on 1 January 2012; and
2. For the purpose of the consolidated balance sheet, the Disposal had been completed on 30 September 2012.

## Share Capital

The Disposal has no effect on the issued share capital of the Company.

## NTA

The Disposal would have decreased the NTA per share of the Company from 11.27 Singapore cents each to 11.13 Singapore cents each, a decrease of approximately 0.14 Singapore cents for each share of the Company as illustrated below:

	<b>Before the Disposal RMB'000</b>	<b>After the Disposal RMB'000</b>
NTA of the Group (net of non-controlling interests) as at 30 September 2012	<u>679,605</u>	<u>671,308</u>
NTA per share of the Company as at 30 September 2012 (Singapore cents) <sup>(1)</sup>	<u>11.27 cents</u>	<u>11.13 cents</u>

### **Note:**

(1) Calculated based on the exchange rate of S\$1:RMB5.14 and issued share capital of 1,173,508,000 ordinary shares of the Company as at 30 September 2012.

## Loss Per Share (LPS)

The Disposal would have increased the LPS of the Company from 0.49 Singapore cents each to 0.63 Singapore cents each, an increase of approximately 0.14 Singapore cents for each share of the Company as illustrated below:

	<b>Before the Disposal RMB'000</b>	<b>After the Disposal RMB'000</b>
Loss of the Group (after tax and minority interests) attributable to equity holders of the Company	<u>28,863</u>	<u>37,160</u>
LPS (Singapore cents) <sup>(1)</sup>	<u>0.49 cents</u>	<u>0.63 cents</u>

### **Note:**

(1) Calculated based on the average exchange rate of S\$1: RMB5.04 for the nine-month financial period ended 30 September 2012 and based on the issue share capital of 1,173,508,000 ordinary shares of the Company as at 30 September 2012.

## **7. Interest of Directors and Substantial Shareholders of the Company**

Save for the interest of Glossmei as disclosed above, none of the Directors or substantial shareholders of the Company has any interest, directly or indirectly, in the Disposal (other than their interests held, directly or indirectly, through shares in the Company).

## **BY ORDER OF THE BOARD**

Mr Li Bin

CEO & Executive Director

28 February 2013

**Appendix A**

**GROUP STRUCTURE AFTER THE DISPOSAL**

