中矿国际有限公司
CHINA MINING INTERNATIONAL LIMITED

GROWING
POMEGRANATE

ANNUAL REPORT 2021

CONTENTS

CHAIRMAN'S MESSAGE

GUO YINGHUI
Chairman

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present the Annual Report for China Mining International Limited (the "**Company**") and its subsidiaries (the "**Group**") for the financial year ended 31 December 2021 ("**FY2021**").

FINANCIAL REVIEW

The Group recorded a revenue of RMB8.2 million against a gross loss of RMB0.8 million in FY2021 compared to a revenue of RMB3.2 million against a gross profit of RMB0.4 million generated during the financial year ended 31 December 2020 ("**FY2020**") while reversing significantly from a pre-tax loss of RMB15.4 million in FY2020 to a pre-tax profit of RMB44.7 million in FY2021.

The increase in revenue was attributed mainly to more remaining units at its Xinxiang Sunny Town Project (新乡阳光新城项目) (the "**Xinxiang Project**") being handed over to the end buyers in FY2021 (relative to FY2020).

Consequence to the Group's disposal of all the remaining balanced units at the Xinxiang Project at a loss in FY2021 with a view to close the account for the said project as the Group began to shift its focus into the new agriculture business following the Agriculture Group Acquisition (as defined hereinafter), the gross profit of the Group reversed to a loss of RMB0.8 million in FY2021 from a gross profit of RMB0.4 million in FY2020.

The significant turnaround in the bottom-line of the Group in FY2021 was due principally to the one-off non-recurring bargain purchase of RMB56.1 million (the "**Bargain Purchase**") arose due to the consideration for the Agriculture Group Acquisition (as defined hereinafter) being at a discount accorded by the vendors of the Agriculture Group Acquisition (as defined hereinafter) compared to the net asset value of HoldCo (as defined hereinafter) and its subsidiaries.

OPERATIONS REVIEW

Agriculture Business

The Agriculture Group Acquisiton

On 17 December 2021, pursuant to the approval of the shareholders of the Company (the "**Shareholders**") procured at an extraordinary general meeting convened, the Company completed the acquisition of 100% of the issued and paid-up share capital of Fully Rich International Investment Limited (广富国际投资有限) ("**HoldCo**"), which in turn owns 63.11% of the registered capital of Henan Zhongnong Huasheng Agricultural Science and Technology Co., Ltd. (河南中农华盛农业科技有限公司) ("**Target**"), through the issuance of 162,000,000 new shares of the Company to China Focus International Limited (中置国际有限公司) ("**China Focus**") and Profit Run Developments Limited (润辉发展有限公司) ("**Profit Run**", and together with China Focus, the "**Vendors**", both of which being controlled by the undersigned) (the "**Agriculture Group Acquisition**"). For further details on the Agriculture Group Acquisition, please refer to the Company's previous announcements dated 31 March 2021, 21 October 2021, 23 November 2021, 30 November 2021 and 17 December 2021, as well as its circular to the Shareholders dated 2 December 2021 (the "**Circular**").

The Target and its subsidiaries (the "**Target Group**") is a modern agricultural group dedicated to the development and promotion of agricultural high and new technology, research, design, popularization and application of smart agriculture, planting, marketing and processing of agricultural products, development of health food, agricultural tourism and other businesses. Its mission is to create improved soft seed pomegranate products to extend the industrial chain of agricultural products and realize the integration of primary, secondary and tertiary industries of modern agricultural enterprises.

Since the establishment of the Target in 2013, the Target Group has:

1. forged a strategic partnership with Zhengzhou Institute of fruit trees, Chinese Academy of Agricultural Sciences, Henan Agricultural University and other units;
2. registered the "子满堂(zimantang)" trademark; and
3. passed the ISO9001 quality system certification, green food certification, organic product certification and good agricultural practice certification.

By 2017, the Target Group has leased nearly 10,000 mu of land in Gaoshan, Sishui, Gaocun of Xingyang and Heluo town of Gongyi, involving 14 administrative villages and 68 villager groups, with a radiation population of 500,000 and a planting area of more than 8,000 mu. It has successively won the title of excellent enterprise, leading enterprise of agricultural industrialization in Zhengzhou, provincial National Agricultural Standardization Demonstration Park, high-quality pomegranate planting base, national standardization demonstration park and other honours.

The Target Group's industrial upgrading, comprising:

1. the introduction of an Israelite-designed pomegranate automatic seed stripping production line;
2. the introduction of a New Zealand-designed intelligent sorting line equipped with infrared ray auto-detection and testing and weighing capabilities; and
3. the construction of a 2,000-ton high standard regular cold storage and a 300-ton freshness preservation conditioned storage, ensure that its pomegranate classification and storage reach the advanced level.

Through the industrialization of standard production, the Target Group aims to promote the further development of the whole pomegranate industry and realize the upgrading of the first industry to the second industry. For further details about the Target Group, please refer to the Circular.

Establishment of a 70:30 internet supply chain management joint venture.

On 18 March 2022, the Company, through Henan Central Agriculture and Commerce Co., Ltd. (河南中之农商贸有限公司) ("**HCAC**"), a subsidiary of the Company which is 100% held by Henan Zhongnong Huasheng Agricultural Science and Technology Co., Ltd. (河南中农华盛农业科技有限公司) ("**HZNHSAST**") and HZNHSAST is in turn 63.11% indirectly held by the Company, entered into a joint venture agreement (the "**Joint Venture Agreement**") with an independent third-party, Henan Jiayouhui Internet Technology Co., Ltd. (河南嘉友汇网络科技有限公司) ("**HJYH**"), to jointly incorporate Henan Younong Future Supply Chain Management Co., Ltd. (河南优农未来供应链管理有限公司) ("**HYNFSC**") in China, in the ratio of 70:30 in favour of HCAC, for an initial registered capital of RMB10 million for the primary purpose of carry on the business of retailing and supply chain management in China principally via the internet concerning agricultural products and produce (processed or otherwise) sourced from the Group or elsewhere with a view to become one of the leading Henan-based internet supply chains in the foreseeable future.

One of the two shareholders of HJYH is related to one of the leading errand-running service providers in China which has its business geographically encompassed cities such as Zhengzhou, Nanyang, Xinyang, Kaifeng, Luoyang, Xuchang and Pingdinshan in the Henan Province; Shijiazhuang and Langfang in the Hebei Province; Tieling and Shenyang in the Liaoning Province; Qiqihar in the Heilongjiang Province; Tianjin; and Beijing. Through its other shareholder, HJYH is also presently developing a fresh food supply chain business via community e-commerce; the said supply chain business has already set foot in cities in the provinces of Henan and Shanxi as well as Beijing.

Property Business

On 27 December 2021, the Company, through its wholly-owned subsidiary, Henan Sunshine Elegant Jade Real Estate Co., Ltd (河南阳光美基置业有限公司) ("**Henan Sunshine**"), entered into a legally binding Memorandum of Understanding ("**MOU**") with Le Mans Development Co., Ltd (勒芒发展有限公司) ("**Le Mans**"), an associated company of CITIC Construction Investment Development Co., Ltd. (中信建设投资发展有限责任公司) ("**CITIC Construction**"), to manage the property projects of Le Mans on a non-exclusive basis for a management fee. The salient terms of the MOU are as follows:

1. When appointed for a specific property project (the "**Property Project**") by Le Mans, Henan Sunshine shall be entrusted by Le Mans for the management of the Property Project, including but not limited to the liaison with the relevant professional parties on the planning, design, construction, and marketing of the Property Project.
2. Le Mans shall be responsible for the full funding of the Property Project.
3. The MOU shall last for an initial period of three years and will be automatically renewed for another one year, unless either of the contracting parties objects in writing.

CITIC Construction is principally engaged in the business of innovative development and Public Private Partnership (PPP) projects to drive the development of related industries. Its main operating projects consist of large-scale investment in transportation projects (such as rail transit, expressway, water transportation projects); landscape, forest, land and lakes projects (such as farmland, water conservancy, water and soil conservation facilities, water-saving, water supply, and major water conservancy projects); ecological and environmental protection projects; affordable housing projects; and other projects. The execution of the MOU signified that the Company has entered into the asset-light business of property project management for the first time (the "**Property Project Management Business**").

MOVING FORWARD

The newly acquired agriculture business pursuant to the Agriculture Group Acquisition and the establishment of the internet supply chain management joint venture via HJYH (collectively, the "**Aquiculture Business**") coupled with the Property Project Management Business and the Group's existing mining investment, forming the three key business pillars of the Group to be spearheaded by the Agriculture Business, are expected to propel the growth of the Group moving forward.

Based on the aforesaid, barring any unforeseen circumstances and any further escalation of the Covid-19 pandemic situation in China and without taking into account of the one-off non-recurring gain in FY2021 due to the Bargain Purchase, the Board is confident that the Group's performance for the financial year ending 31 December 2022 ("**FY2022**") will significantly outperform that of FY2021.

ACKNOWLEDGEMENTS

I would like to express my sincerest appreciation to our management and staff for their unwavering diligence, contribution, commitment and dedication. A big thank you also to our partners, suppliers and customers for their strong and steadfast support over the past years. I would also like to thank my fellow Directors for their invaluable contributions and guidance in helping the Group navigate through and overcome the many challenges over the past year.

Finally, I would like to extend my gratitude to our Shareholders for your patience and trust in us over the past years, and I look forward to your continued support in reaching our goals for FY2022 and beyond.

GUO YINGHUI
Chairman

BOARD OF DIRECTORS

01 GUO YINGHUI
Chairman

Mr Guo Yinghui ("**Mr Guo**") is the Chairman and founder of our Group. He was appointed to the Board on 31 January 2005. He is responsible for the formulation of the overall business strategies and policies. Mr Guo has developed his expertise in business operations and development based on his knowledge and experience gained in the property development industry in the PRC for the past 10 years. Mr Guo relinquished as Chief Executive Officer on 16 March 2012 and remains as the Executive Chairman to the Board of Directors.

Prior to establishing the Company's subsidiary, Xinxiang Huilong Real Estate Co., Ltd in 1999, Mr Guo was managing Jiaozuo Huilong Real Estate Co., Ltd for 3 years from 1996 and he was a civil servant in the PRC government for 15 years from 1981. Mr Guo is also currently the Director of Henan Huilong Committee of Registered Accountants of the PRC Finance Department in Group Co., Ltd.

Mr Guo obtained his Masters of Business Administration from Macau University of Science and Technology in 2003, a Certificate in Business Administration from Beijing University in 2002 and a Certificate in Economics Studies from Henan Science Committee in 1999. Mr Guo was appointed a Member of the Company's Nominating Committee on 22 September 2008. His last re-election was on 22 April 2019.

02 ZHAI KEBIN
Chief Executive Officer and Executive Director

Mr Zhai Kebin ("**Mr Zhai**") was an Executive Director of the Group from 2001 to 2008. He held various senior leadership positions with several companies in China, including Surbana Land International (China) Pte.Ltd and Hanergy Holding Group Ltd, before re-joining the Group.

Over the years, Mr Zhai had accumulated extensive experience in property, project management and investments.

Mr Zhai holds a Bachelor of Economics from University of International Business and Economics and EMBA from Zhengzhou University.

His last re-election with the Company was on 16 April 2021.

03 DONG LINGLING
Executive Director

Ms Dong Lingling ("**Ms Dong**") joined the Group in 1996 as a Finance Manager and was appointed as the Group's General Manager on 19 June 2010 and an Executive Director on 29 April 2011. Ms Dong has years of working experience as an accountant in a property company prior to joining the Group. Ms Dong is responsible for the overall accounting management of the Group.

She graduated with an accounting degree from Henan Caijin University. Her last re-election was on 16 April 2021.

04 LIM HAN BOON
Independent and Non-Executive Director

Mr Lim Han Boon ("**Mr Lim**") was appointed the Independent and Non-Executive Director of our Group on 9 December 2005. From 1997 to 2002, Mr Lim was the General Manager of Solid Resources Group, which is principally engaged in property development in PRC. Prior to joining Solid Resources Group, Mr Lim worked with NIF Management Singapore Pte Ltd and Murray Johnstone Asia Limited. Mr Lim was with the capital market group of DBS Bank from 1990 to 1993. Mr Lim holds a Master of Business Administration (Finance) Degree from the City University, UK and a Bachelor of Accountancy Degree from the National University of Singapore.

His last re-election with the Company was on 16 April 2021.

BOARD OF DIRECTORS

05 NING JINCHENG

Independent and Non-Executive Director

Mr Ning Jincheng ("**Mr Ning**") was appointed the Independent and Non-Executive Director of our Groupon 9 December 2005. Mr Ning is concurrently appointed as the Independent and Non-Executive Director in few PRC companies. He has been a professor of law at the Zhengzhou University since 1997 and has been a practicing lawyer in PRC since 1988. He was a certifi ed as a professor specializing in private commercial law by the Henan Teachers Qualifi cation Appraisal Committee in 1997.

He was an Independent Non-Executive Director of Lingbao Gold Company Ltd ("**Lingbao Gold**"), a company listed on the Hong Kong stock exchange, during the period from September 2002 to January 2009. Lingbao Gold is principally engaged in the mining, processing, smelting and sale of gold and other metallic products in the PRC.

He obtained a Doctorate of Philosophy in Law (Civil Law and Business Law) from the Macau University of Science and Technology in 2005. His last re-election was on 22 April 2019.

06 CHAN SIEW WEI

Independent and Non-Executive Director

Mr Chan Siew Wei ("**Mr Chan**") was appointed the Independent and Non-Executive Director of our Group on 15 May 2012. Mr Chan graduated from the National University of Singapore with a Bachelor of Accountancy in 1984. From 1989 to 2010, he acted as an auditing partner of Chan Hock Seng & Co., a Certified Public Accounting Firm (CPA) in Singapore. He is currently the finance director of Toplink Pacific Pte Ltd, a technology company, and a Director of INPACT Asia Pacific, an independent accounting firm networks in the Asia Pacific region.

Mr Chan is actively involved in non-profit organisations. On 1 September 2008, Mr Chan was appointed as the Board Director and Treasurer of World Future Foundation Ltd. A foundation sought to tackle issues threatening the future development of humanity.

He is also a member of the Institute of Singapore Chartered Accountants and a member of the Singapore Institute of Directors. His last re-election was on 22 April 2019.

HO KOK WENG

Mr Ho Kok Weng ("**Mr Ho**") joined China Mining International Limited as the Chief Financial Officer in 2019 and is responsible for the finance functions of the Group. Prior to joining the Group, he worked for several multinational and listed companies in a wide range of industries including offshore, electronics, automotive and manufacturing.

Mr Ho is a fellow member of Association of Chartered Certified Accountants (ACCA) and a member of the Institute of Singapore Chartered Accountants.

LI WEIHUA

Mr Li Weihua ("**Mr Li**") joined the Group as the Deputy Risk Controller in April 2018 and was promoted to Risk Controller in January 2021. Mr Li had 20 years of experience in accounting, audit and risk management. Prior to joining the Group, Mr Li held various senior positions in large accounting firms and investment banking. He was also involved in various IPO audits and corporate restructuring.

Mr Li is a Chinese Certified Public Accountant, Chinese Certified Tax Agent and a Certified International Internal Auditor.

LI JIGANG

Mr Li Jigang ("**Mr Li**") is the General Manager in-charge of the Xinxiang Sunny Town Project (新乡阳光新城项目). He has been with the Real Estate Development department of the Group since 1996.

Mr Li graduated with a Bachelor in Civil Engineering from the Northwestern Polytechnic University, Xi'an, China.

GROUP STRUCTURE

Note:

(1) The Company holds on effective equity interest of 16.06% in Aero Wind Properties Pty Limited. The investment in Sino Feng Mining International S.àr.l. and its subsidaries is classified as "Financial assets at fair value through other comprehensive income" in the Statements of Financial Position (Note 11).

CORPORATE INFORMATION

BOARD OF DIRECTORS

Guo Yinghui, Chairman and Executive Director
Zhai Kebin, Chief Executive Officer and Executive Director
Dong Lingling, Executive Director
Lim Han Boon, Independent Director
Ning Jincheng, Independent Director
Chan Siew Wei, Independent Director

JOINT COMPANY SECRETARIES

Foo Soon Soo
Ho Kok Weng

REGISTERED OFFICE

The Offices of Coyners Trust Company (Cayman) Limited
Cricket Square
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PRINCIPAL PLACE OF BUSINESS

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China Henan Province, Zheng Zhou City, Jin Shui District, Intersection of Zhong Wang Road and Zheng Guang North Street, Zhong Chuang Building 5 Floor
Postal Code 450000
Email: chinamining@chnmining.cn

AUDIT COMMITTEE

Lim Han Boon, Chairman
Ning Jincheng
Chan Siew Wei

NOMINATING COMMITTEE

Ning Jincheng, Chairman
Lim Han Boon
Guo Yinghui

REMUNERATION COMMITTEE

Chan Siew Wei, Chairman
Lim Han Boon
Ning Jincheng

KEY EXECUTIVES

Ho Kok Weng
Li Weihua
Li Jigang

SHARE TRANSFER AGENT'S OFFICE

KCK CorpServe Pte Ltd
24 Raffles Place
#07-07 Clifford Centre
Singapore 048621

CAYMAN ISLANDS SHARE REGISTRAR

Coyners Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

AUDITOR OF THE COMPANY

Crowe Horwath First Trust LLP
9 Raffles Place
#19-20
Republic Plaza Tower 2
Singapore 048619
Partner-in-Charge: Alfred Cheong Keng Chuan
Appointed since financial year 2020

PRINCIPAL BANKERS

China Construction Bank Corporation,
Zhengzhou Branch

FINANCIAL CONTENTS

CORPORATE GOVERNANCE

China Mining International Limited (the "**Company**") is committed to ensuring and maintaining a high standard of corporate governance. This report outlines the Company's corporate governance practices with reference to the Code of Corporate Governance 2018 (the "**Code**"). The Company has complied in all material aspects with the principles and guidelines of the Code as well as the requirements of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Listing Manual**"). Where there are deviations from the Code, explanations have been provided. The Company will continue to improve its systems and corporate governance processes in its compliance with the Code.

BOARD MATTERS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with the Management for the long-term success of the Company

Provision 1.1
Board's Role

The directors of the Company (the "**Directors**") are fiduciaries who must act objectively in the best interests of the Company and hold the management of the Company (the "**Management**") accountable for performance. The board of Directors of the Company (the "**Board**"), setting an appropriate tone from the top in inculcating the desired organizational culture, has put in place a code of conduct and ethics with a view to ensure proper accountability within the Company and its subsidiaries (the "**Group**"). Any Director facing conflicts of interest is to recuse himself or herself from discussions and decisions involving the issues of conflict.

The primary role of the Board is to protect and enhance the long-term value of the shareholders of the Company (the "**Shareholders**"). To fulfill this role, the Board is responsible for the overall corporate governance of the Company, taking into consideration of sustainability issues, including setting its strategic direction, establishing goals for the Management, monitoring the achievement of these goals to enhance Shareholders' value and establishing a framework of prudence and effective controls which enables risks to be assessed and managed in safeguarding the Shareholders' interests and the Group's assets.

The Board recognizes that, to ensure the sustainability of the business of the Group, the Company has to identify the key stakeholder groups whose perceptions affect the Group's reputation and strike a balance between its business needs and the needs of the society and the environment in which it operates.

Provision 1.2
Directors' Duties and Responsibilities

All Directors exercise due diligence and independent judgement and make decisions objectively in the best interests of the Company.

The Directors must understand the Group's business as well as their directorship duties (in respect of their respective roles as an Executive Director, a Non-Executive Director and/or an Independent Director). The Company has in place a process of induction, training and development for new and existing Directors.

Orientation, briefings, updates and training for Directors

The Company has in place an orientation process for the Directors. A new incoming Director is issued a formal letter of appointment, setting out his or her duties and obligations, and where appropriate, incorporating processes to deal with possible conflicts of interest that may arise.

Incoming Directors joining the Board will undergo an orientation program which includes introduction by the Management on the Group's businesses and strategic plans and objectives and site visits. New Director will be briefed by the Nominating Committee (the "**NC**") on his or her director's duties and obligations and be introduced to the Group's business and governance practice, in particular the Company's policies relating to: the disclosure of interests in securities; the disclosure of conflicts of interest in transactions involving the Company; the restrictions on dealings in the Company's securities; and the disclosure of price-sensitive and trade-sensitive information.

The incoming Director will meet up with the senior Management and the secretary of the Company (the "**Company Secretary**") to familiarize himself or herself with their roles, organization structure and business practices. This will enable him or her to get acquainted with the senior Management and the Company Secretaries, thereby facilitating Board interaction and independent access to the senior Management and the Company Secretary.

The Directors are provided with continuing education in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act and industry-related matters, so as to update and refresh them on matters that may affect or enhance their performance as Directors.

Briefings and updates provided for the Directors in FY2021 include:

(a) Relevant developments in accounting and governance standards by the external auditors of the Company (the "**External Auditors**").

(b) Relevant rules and regulations, including listing rules of the Listing Manual (**the "Listing Rules"**) and the guidelines of the Code, by the Company Secretary.

(c) Business and strategic developments of the Group by the Chief Executive Officer of the Company (the "**CEO**").

(d) Key issues and risk management considerations pertaining to the businesses of the Group by the Management. Where necessary, the Management provided the Directors further explanations, briefings or information on any aspect of the Group's operations or business which needed clarification.

Provision 1.3
Internal Guidelines on Matters Requiring Board Approval

Matters specifically reserved for the Board for approval include:

(a) Business plans and strategy;

(b) Annual budgets (including capital and operating expenditure) and financial plans;

(c) Financial results and related statements;

(d) Material acquisitions and/or divestments;

(e) Investment proposals;

(f) Fund raising proposals; and

(g) Share issuances, share buyback, dividends and/or other returns to the Shareholders.

Provision 1.4
Delegation of Authority to Board Committees

The Board has formed three Board committees (the "**Board Committees**"), namely the NC, the Audit Committee ("**AC**") and the Remuneration Committee ("**RC**"), to assist it in carrying out and discharging its duties and responsibilities efficiently and effectively.

These Board Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The operating procedures require a Board Committee member to disclose his or her interest and recuse himself or herself from discussions and decisions involving a conflict of interest.

Below the Board level, there is an appropriate delegation of authority and approval for sub-limits at the Management level to facilitate operational efficiency.

Please refer to Principles 4 to 10 herein for further information on the composition and activities of the NC, RC and AC.

Provision 1.5
Meetings of Board and Board Committees

The Board meets regularly and as warranted by particular circumstances or as deemed appropriate by the Board members. The Company Secretary is present at such meetings to record the proceedings. The Company's Constitution allows the Board meetings to be conducted by way of telephonic or video conference meetings.

The table below sets out the number of Board and Board Committee meetings which were convened in FY2021:

	Board	Audit	Remuneration	Nominating
Number of meetings held	4	4	1	1
Name of Directors	**Number of meetings attended**			
Mr Guo Yinghui	4	4*	N.A.	1
Mr Zhai Kebin	4	4*	N.A.	N.A.
Ms Dong Lingling	4	4*	N.A.	N.A.
Mr Lim Han Boon	4	4	1	1
Mr Ning Jincheng	4	4	1	1
Mr Chan Siew Wei	4	4	1	N.A.

* Attended by invitation.

N.A. denotes "Not applicable"

While the Board considers Directors' attendance at Board meetings to be important, it is not the only criterion to measure their contributions. The Board also takes into account the contributions by Board members in other forms, including periodic review, provision of guidance and advice on various matters relating to the Group.

CORPORATE GOVERNANCE

Provisions 1.6 and 1.7
Board's Access to Management, Company Secretary and External Advisers

All Directors are from time to time furnished with information concerning the Company and the Group to enable them to be fully informed of all material events and transactions of the Group, including major decisions and actions of the Management. Board papers are sent to Directors prior to each Board and Board Committee meeting. The Management is available to provide explanatory information in the form of briefings to the Directors or formal presentations in attendance at Board meetings, or through assistance provided by external consultants engaged on specific projects. The Board has unrestricted access to the Management and the Group's records and information.

The Directors have separate and independent access to the Company Secretary. The Company Secretary is present at Board meetings to assist in ensuring that Board procedures as well as applicable rules and regulations are followed. The minutes of all Board Committees' meetings are circulated to the Board on a timely basis for review and approval.

The Board is fully involved in and responsible for the appointment and removal of the Company Secretary.

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill his or her duties and responsibilities as a Director.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Provision 2.1
Independence of Directors

As at the date of this 2021 Annual Report, the Board of Directors comprises six members, of whom three are independent.

	Board appointments				
	Executive Director	**Independent Director**	**Audit Committee**	**Nominating Committee**	**Remuneration Committee**
Mr Guo Yinghui (Chairman)	*			Member	
Mr Zhai Kebin (CEO)	*				
Ms Dong Lingling	*				
Mr Lim Han Boon		*	Chairman	Member	Member
Mr Ning Jincheng		*	Member	Chairman	Member
Mr Chan Siew Wei		*	Member		Chairman

The criteria for independence are based on the definition given in the Code and the Listing Manual. The Code has defined an "Independent Director" as one who is independent in conduct, character and judgement and who has no relationship with the Company, its related corporations, its substantial Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment for the best interests of the Company. Under the Listing Rules, an Independent Director is not one who is or has been employed by the Company or any of its related corporations for the current or any of the past three financial years; or not one who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RC.

The independence of each Independent Director is also reviewed annually by the NC. Each Independent Director has provided a declaration of his independence which is reviewed by the NC. Mr Lim Han Boon, Mr Ning Jincheng and Mr Chan Siew Wei have confirmed that they have no association with the Company, its related corporations, its substantial Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment.

Under Rule 210(5)(d)(iii) of the Listing Manual which will take effect from 1 January 2022, an Independent Director will not be considered independent if he has served on the Board for an aggregate period of more than nine years, unless prior to 1 January 2022 he has obtained approval from the Shareholders to continue in office under a two-tier voting by: (a) all Shareholders; and (b) all Shareholders who are not a Director or the CEO and their associates.

Mr Lim Han Boon, Mr Ning Jincheng and Mr Chan Siew Wei have each served the Board for more than nine years. Approval was given by Shareholders under a two-tiered voting at the Company's annual general meeting ("**AGM**") held on 16 April 2021 for Mr Lim, Mr Ning and Mr Chan to continue in office as Independent Directors with effect from 1 January 2022 up to the conclusion of the third AGM of the Company following the approval given on 16 April 2021. Notwithstanding the approval from Shareholders, the NC has continued to conduct a rigorous review of the independence of Mr Lim, Mr Ning and Mr Chan.

The Board concurs with the NC that the length of service of a Director should not determine the effectiveness of independence of an Independent Director. In assessing the independence of a Director, the NC and the Board consider it more appropriate that a Director exercises independence of judgment in his or her deliberation in the best interests of the Company. The rigorous review of the independence of Mr Lim, Mr Ning and Mr Chan includes critical examination of any conflicts of interest as well as other factors such as their review and scrutiny of matters and proposals put before the Board. The NC is of the view that the Independent Directors have over the years developed significant insights of the Group's business and operations, and can continue to provide significant and valuable contributions objectively to the Board as a whole. They possess institutional memory which is relevant in their engagement with Management and the Board. The Independent Directors, particularly Mr Lim, have also been instrumental in instilling and inculcating a culture of good corporate governance within the Group. The NC considers them independent. The Board concurs with the NC. Mr Lim, Mr Ning and Mr Chan each have abstained from the NC's and Board's deliberations of their respective independence.

Details of the qualifications and experience of the Independent Directors are presented in the section entitled "Board of Directors" of this 2021 Annual Report.

Provisions 2.2 and 2.3
Composition of Independent Directors and Non-Executive Directors on the Board

Under the Listing Rule, the Independent Directors should make up one-third of the Board. The present composition of the Board complies with the Listing Rules.

Under Provision 2.2 of the Code, the Independent Directors should make up a majority of the Board where the Chairman is not an Independent Director. Under Provision 2.3 of the Code, the Non-Executive Directors should make up a majority of the Board. All the Non-Executive Directors of the Company are Independent Directors who make up half the Board. Given the present Board size of six, the three Independent Directors provide a good balance of authority and power within the Board. In addition, the NC, AC and RC, which assist the Board in its functions, are each chaired by an Independent Director. The Board is of the view that there is a strong independence element within the Board to justify the departure of the Board composition from the Code.

Provision 2.4
Composition and Size of the Board

The Company has in place a Board Diversity Policy, which endorses the principle that its Board should have a balance of skill, knowledge, experience and diversity of perspectives to ensure effective decision making and governance of the Company and its businesses.

The Board comprises six members. The NC has reviewed the Board's composition and is of the view that the current Board members comprise experienced persons and who provide the Board with a balanced field of core competencies on accounting, finance and business management. Taking into account the scope and nature of the operations of the Group and the requirements of the business, the NC views the Board is of the appropriate size with a diversity of skills and experience and collectively possess the necessary core competencies for effective functioning and informed decision-making. The NC reviews the Board's composition on an annual basis.

The NC recognizes the merits of gender diversity in relation to the composition of the Board. The Board presently has one female Director.

Detailed description of the Directors' background and experience are disclosed under the "Board of Directors" section of the 2021 Annual Report.

Provision 2.5
Role of Non-Executive Directors

During FY2021, the Non-Executive Directors, who are all Independent Directors, constructively challenge and help develop both the Group's short-term and long-term business strategies. The Management's progress and performance in implementing such agreed business strategies are monitored by the Non-Executive Directors.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making

Provision 3.1
Separate Roles of the Chairman and Managing Director

Mr Guo Yinghui is the Executive Chairman of the Company. The Executive Chairman leads the Board and is responsible for the leadership of the Board, setting its agenda and ensuring the exercises of control over the quality, quantity and timeliness of information flow between the Board and the Management.

Mr Zhai Kebin, an Executive Director, is also the CEO of the Company. The CEO sets the business strategies and directions for the Group and manages the business operations of the Group. He is supported by the other Executive Director and other Management staff.

The Executive Chairman and the CEO consult with the Board and Board Committees on major issues.

With the positions of the Executive Chairman and the CEO filled by different persons, there is a clear separation of roles and responsibilities between the Executive Chairman and the CEO. The Chairman and the CEO are not related.

Provision 3.2
Roles and Responsibilities of the Chairman

The overall role of the Chairman is to lead and ensure the effectiveness of the Board. Specifically, the role includes:

(a) Promoting a culture of openness and debate at the Board;

(b) Facilitating the effective contribution of all Directors;

(c) Promoting high standards of corporate governance; and

(d) Ensuring effective communication with the Shareholders and other stakeholders.

Provision 3.3
Lead Independent Director

The Independent Directors and the Executive Directors individually and collectively are available to the Shareholders as a channel of communication between the Shareholders and the Board or the Management. As there are no Shareholders' concerns thus far for which contact through the normal channels of the Executive Chairman, the Executive Directors or the Independent Directors has failed to resolve or is inappropriate, no Lead Independent Director has been appointed.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board

Provisions 4.1 and 4.2
Nominating Committee

The NC comprises three Directors, of whom two, including the Chairman of the NC, are independent.

Mr Ning Jincheng	Chairman	Independent and Non-Executive Director
Mr Lim Han Boon	Member	Independent and Non-Executive Director
Mr Guo Yinghui	Member	Executive Director

The primary functions of the NC are to determine the criteria for identifying candidates and reviewing nominations for the appointment of Directors to the Board in ensuring that the process of Board appointments and re-nominations are transparent; to assess the effectiveness of the Board as a whole; and to affirm annually the independence of the Directors.

The NC functions under the terms of reference which sets out its responsibilities as follows:

(a) To review succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key Management personnel;

(b) To recommend to the Board on all board appointments, re-appointments and re-election of Directors;

(c) To assess the independence of the Independent Directors;

(d) To develop a process for the evaluation of the performance of the Board, its Committees and Directors, and undertake assessment of the effectiveness of the Board, the Board Committees and the individual Directors; and

(e) To review training and professional development programs for the Board and its Directors.

Provision 4.3
Process for the Selection and Appointment of New Directors

The Company has in place the policy and procedures for the appointment of new Directors to the Board, ensuring that the process of Board appointments and re-nominations are transparent.

Where there is a resignation or retirement of an existing Director, the NC will re-evaluate the Board composition to assess the competencies for the need of any replacement. The NC will deliberate and propose the background, skills, qualification and experience of the candidate it deems appropriate. The factors taken into consideration by the NC could include, among other things, whether the new potential director can add to or complement the mix of skills and qualifications of the existing Board; the relevance of his or her experience and contributions to the business of the Group; and the depth and breadth he or she could bring to the Board for discussions. Candidates are sourced through a network of contacts and identified based on established criteria. Search can be made through relevant institutions such as the Singapore Institute of Directors ("**SID**"), professional organizations, business federations or external search consultants. New Directors will be appointed by way of a Board resolution, after the NC makes the necessary recommendation to the Board.

The Constitution of the Company (the "**Company's Constitution**") requires the Directors to submit themselves for re-election at regular intervals of at least once every three years.

Mr Guo Yinghui, Mr Ning Jincheng and Mr Chan Siew Wei will retire by rotation pursuant to Article 86 of the Company's Constitution at the forthcoming AGM and are eligible for re-election.

Mr Guo Yinghui will retire as the Chairman and an Executive Director of the Company pursuant to Article 86 of the Company's Constitution at the conclusion of this AGM. Mr Guo Yinghui, who has served on the Board as the Chairman and an Executive Director since the incorporation of the Company, has indicated that he, as part of the succession plan and renewal process of the Board, will not be seeking re-election so as to make way for Mr Zhai Kebin, the existing CEO and an Executive Director of the Company, to succeed him as the the Chairman of the Board and for Mr Guo Wenjun to be appointed as the Deputy Chairman and an Executive Director of the Company.

Pursuant to Regulation 87 of the Company's Constitution, Mr Guo Yinghui as member of the Company has proposed Mr Guo Wenjun for appointment as a Director at the forthcoming AGM. Mr Guo Wenjun has accepted the nomination for his candidature. The NC has reviewed Mr Guo Wenjun's suitability for the appointment and nominates him for appointment as the Deputy Chairman and an Executive Director. The Board has accepted the NC's recommendation.

Mr Ning Jincheng will retire as Director pursuant to Article 86 of the Company's Constitution at the conclusion of the forthcoming AGM. Mr Ning who has served on the Board for more than 9 years, has indicated that he will not be seeking re-election so as to comply with the Code of Corporate Governance, which, unless otherwise adequately explained by the Board, deems any independent director who serves for an aggregate period of more than 9 years to be not independent. Following his retirement, Mr Ning will also cease to be the Chairman of the Nominating Committee, a member of the Audit Committee and a member of the Remuneration Committee.

Mr Chan Siew Wei has consented to re-election at the forthcoming AGM. Taking into account of Mr Chan's attendance and participation at Board meetings, the NC is satisfi ed that Mr Chan has committed time to effectively discharge his responsibilities. The NC has recommended his re-election. Mr Chan has abstained from the NC's deliberation concerning his re-election.

In accordance with the Listing Rules, the particulars of Mr Chan Siew Wei and Mr Guo WenJun, set out in accordance with Appendix 7.4.1 of the Listing Manual, are provided under the section entitled "Additional Information on Director Seeking Re-Election and Person Seeking Appointment" of this 2021 Annual Report.

Provision 4.4
Determining Directors' Independence

Each Independent Director completes a checklist to confirm his independence on an annual basis. The NC has reviewed the independence of the Directors as mentioned under Provision 2.1 above.

Provision 4.5
Multiple Board Representations

The NC is of the view that it is inappropriate to set a limit on the number of listed company directorship that a Director may hold. This is because Directors have different capabilities, and the nature of the organizations in which they hold appointments and the kind of committees on which they serve are of different complexities. It would be better for each Director to personally determine the demand of his or her competing directorships and obligations and to assess the number of directorships he or she could hold and serve effectively.

The NC has considered the multiple directorships of some Directors, as shown in the section entitled "Board of Directors" of this 2021 Annual Report. The NC has also considered the Directors' principal commitments and their contribution to the Board. The NC is satisfied that the Directors spent adequate time on the Group's affairs and have duly discharged their duties.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors

Provisions 5.1 and 5.2
Conduct of Board Performance

The NC has established a formal evaluation process to assess the effectiveness of the Board as a whole and the contribution of individual Directors to the effectiveness of the Board.

- Evaluation of the Board

The NC reviews the Board's performance evaluation criteria. The performance criteria for Board evaluation includes governance, leadership and strategy, control and risk management, Board process, Board accountability, communication with the Management and engagement with shareholders and investors. The performance criteria have not changed from previous years.

The NC will conduct the evaluation via a questionnaire which is completed by each Director for the evaluation of the Board. The Company Secretary compiles the Directors' responses into a consolidated summary report which was discussed at the NC meeting with a view to implement certain recommendations if applicable to further enhance the effectiveness of the Board.

The NC will review the performance of the Board against the above criteria and its overall performance in terms of its role and responsibilities and the conduct of its affairs as a whole for the financial year under review.

- Evaluation of Board Committees

The performance of the Board Committees are evaluated against their terms of reference and the objectivity and independence in their deliberations and recommendations they presented to the Board.

- Evaluation of individual Directors

The individual Director is assessed on his or her knowledge of the Group's business and operations, business acumen, knowledge of corporate governance, contribution, communication engagement and integrity.

For FY2021 and in respect of the Directors with multiple board representations, the NC has evaluated to ensure that the Director concerned is able to carry out and has been adequately carrying out his or her duties as a Director of the Company.

For FY2021, the NC has reviewed the Directors' evaluations of the Board and is satisfied that the Board has been effective in the conduct of its duties and the Directors have each contributed to the effectiveness of the Board. The Board is satisfied that each Director has allocated sufficient time and resources to the affairs of the Group.

No external facilitator was used in the evaluation process.

REMUNERATION MATTERS
PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual directors and key Management personnel. No Director is involved in deciding his or her own remuneration

Provisions 6.1 and 6.2
Remuneration Committee

The RC comprises the following three members, all of whom, including the Chairman of the RC, are independent.

Mr Chan Siew Wei	Chairman	Independent and Non-Executive Director
Mr Ning Jincheng	Member	Independent and Non-Executive Director
Mr Lim Han Boon	Member	Independent and Non-Executive Director

The RC carried out their duties in accordance with the terms of reference which include the following:

(a) To recommend to the Board a framework for remuneration for the Directors and key Management personnel of the Group;

(b) To determine specific remuneration packages for each Executive Director as well as key Management personnel;

(c) To review the appropriateness of compensation for Non-Executive Directors; and

(d) To review the remuneration of employees occupying managerial positions who are related to any Director and/or substantial Shareholder.

Provision 6.3
Review of Remuneration

All aspects of remuneration, including but not limited to the Directors' fees, salaries, allowances, bonuses and benefits in-kind, will be covered by the RC. Each RC member will abstain from voting on any resolution in respect of his or her remuneration package. The recommendations of the RC will be submitted to the Board for endorsement.

The RC also reviews the Company's obligations arising in the event of termination of service of the Executive Directors and key Management personnel. Each of the Executive Directors and key Management personnel has an employment contract with a company of the Group which can be terminated by either party giving a notice of resignation/termination. Each appointment is on an ongoing basis, and no onerous or over-generous removal clauses are contained in any letter of employment.

The Group does not have any contractual provisions in the service agreements or employment contracts for any Group company to reclaim incentive components of remuneration from the Executive Directors and key Management personnel.

Provision 6.4
Engagement of Remuneration Consultants

The RC is provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by the Company. For FY2021, the RC did not engage any expert professional advice.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key Management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company

Provision 7.1:
Remuneration of Executive Directors and Key Management Personnel

In setting remuneration packages, the RC will take into consideration the prevailing economic situation, the remuneration and employment conditions within the similar industry and with comparable companies.

The Executive Directors have service contracts and do not receive any Director's fee. They are paid a basic salary pursuant to their respective service agreements. Both the Executive Directors and key Management personnel are paid a variable bonus which is determined annually based firstly on the Group's performance and secondly on the contribution of the personnel in question to the performance of the Group.

The remuneration of the Executive Directors and key Management personnel is structured so as to link rewards to corporate and individual performance and is aligned with the risk policies of the Group and interests of the Shareholders in promoting the long-term success of the Group.

The performance of the Executive Directors (together with other key Management personnel) is reviewed periodically by the RC and the Board.

Provision 7.2
Remuneration of Non-Executive Directors

The Non-Executive Directors are Independent Directors who have no service contract and are compensated based on their level of contributions, taking into account of factors such as responsibilities, effort and time spent for serving on the Board.

The Independent Directors receive Directors' fees in accordance with their level of contributions, taking into account of factors such as effort and time spent, as well as the responsibilities and obligations of the Directors. The Company recognizes the need to pay competitive fees to attract, motivate and retain Directors without being excessive and thereby maximizing Shareholders' value. The Directors' fees are recommended by the Board for approval by the Shareholders at the AGM. The Executive Directors do not receive Directors' fees but are remunerated in a similar manner as the members of the Management.

Each RC member will abstain from voting on any resolution in respect of his own remuneration package. The RC considers that the current fee structure adequately compensates the Non-Executive Directors, without over-compensating them so as to compromise their independence.

The Company will submit the quantum of the Directors' fees of each financial year to the Shareholders for approval at each AGM.

Provision 7.3
Appropriate Remuneration to Attract, Retain and Motivate Key Management Personnel and Directors

The RC is satisfied that the remuneration structure of the Executive Directors and key Management personnel (as described under Provision 7.1) and of the Non-Executive Directors (as described under Provision 7.2) are appropriate to attract, retain and motivate the Directors to continue in their roles as stewards of the Company and the key Management personnel to contribute to the performance of the Group.

DISCLOSURE ON REMUNERATION

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation

Provision 8.1
Remuneration Report

Remuneration of Executive Directors and CEO

The following table shows a breakdown of the annual remuneration paid or payable to each of the Directors and CEO for FY2021:

Remuneration Band	Director's Fee	Salary	Bonus	Other Benefits	Total
	%	%	%	%	%
Up to S$250,000					
Directors					
Mr Guo Yinghui	–	96	–	4	100
Ms Dong Lingling	–	98	–	2	100
Mr Lim Han Boon	100	–	–	–	100
Mr Ning Jincheng	100	–	–	–	100
Mr Chan Siew Wei	100	–	–	–	100
CEO & Executive Director					
Mr Zhai Kebin	–	99	–	1	100

The Executive Directors, who sit on the Board, hold executive positions in the Group's key subsidiaries in China. There is no requirement for corporations in China to disclose the detailed remuneration of individual directors and executives. As such detailed disclosures in Singapore would affect the confidentiality of the Executive Directors' remuneration in China, the Chinese subsidiaries concerned would then be put in a position of unequal treatment concerning the confidentiality of their employees' remuneration and their executives who are on the Board would then be disadvantaged unfairly. In addition, given the highly competitive conditions in the market place where poaching of executives is not uncommon, it is not in the interest of the Company to disclose the remuneration of individual Executive Directors. The Board is of the view that it would be disadvantaged to the Group to detail the remuneration of the Executive Directors.

While the exact remuneration of the Executive Directors is not given, the level and composition of the Executive Directors' remuneration packages expressed in percentage terms are provided above. The Company believes that such disclosure will balance the interest of the Company and provide Shareholders with an adequate appreciation of the Executive Director's remuneration packages and is consistent with the intent of Principle 8 of the Code.

Each of the Independent Directors' remuneration comprises wholly Directors' fee of not more than S$250,000.

Remuneration of Key Executive Officers (who are not Directors or CEO)

The following table shows the remuneration of the top three key Management executives of the Group for FY2021:

Remuneration Band and Name	Salary %	Bonus %	Other benefits %	Total %
Up to S$250,000				
Mr Ho Kok Weng	100	–	–	100
Mr Li Jigang	92	–	8	100
Mr Li Weihua	100	–	–	100

The key Management of the Group comprised three personnel, who are not the Directors or CEO of the Company, as disclosed in the key section entitled "Key Management" of this 2021 Annual Report.

The aggregate remuneration paid to these top three key Management personnel amounted to RMB 1,231,000 for FY2021.

Provision 8.2
Remuneration of Employees who are Substantial Shareholders or Immediate Family Members of a Substantial Shareholder, Director or the CEO

For FY2021, other than Mr Guo Wenjun, a son of Mr Guo Yinghui, the Executive Chairman and a substantial Shareholder of the Company, there is no immediate family member of any substantial Shareholder or Director employed within the Group whose annual remuneration exceeds S$100,000. The annual remuneration of Mr Guo Wenjun for FY2021 is within the band of S$100,000 to S$200,000.

Provision 8.3
Employee Share Scheme

The Company does not have any share incentive schemes for its employees. The RC has reviewed and is satisfied that the existing remuneration structure of the Management personnel and executives, paid out in cash, would continue to be adequate in incentivizing performance without being over-excessive. For the other staff, the general preference is also to reward them in cash.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk. The Board should ensure that the Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interests and the Company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives

Provision 9.1
Risk Management and Internal Controls System

The Board reviews the Group's business and operational activities to identify areas of significant business risks as well as the measures in place to control and mitigate these risks within the Group's policies and business strategies. The risk assessment exercise also includes identifying and assessing key risk areas to the Group, such as financial, operational, compliance and information technology risks, based on the feedback by the Group's accounts department and the External Auditors. The Board oversees the Management's implementation of the risk management and internal controls system. The Board is also responsible for the governance of risk management and, in consultation with the External Auditors and the AC, the determination of the Group's levels of risk tolerance and risk policies.

The Board recognized that the system of internal controls is designed to manage rather than to eliminate the risk of failure to achieve business objectives, and that no system of internal controls can provide absolute assurance against the occurrence of errors, poor judgment in decision making, losses, frauds or other irregularities. It can only provide reasonable and not absolute assurance against material misstatement of loss so that the Group will not be adversely affected by any event that can be reasonably foreseen.

The AC assists the Board in its role of overseeing the governance of risks in the Group to ensure that the Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interests and the Group's assets. Having considered the Group's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being.

The Group regularly conducts review on the adequacy and effectiveness of the key Group's material internal controls, including financial, operational, compliance and information technology controls, and risk management systems. The review covers aspects which include revenue and cash management; procurement; tenancy management; IT general controls; financial preparation; as well as human resource and payroll controls, and any material findings uncovered therefrom are thereafter presented to the AC.

As part of the external audit plan, the External Auditors also review certain key accounting controls relating to financial reporting (covering only selected financial cycles) and highlight material findings, if any, to the AC. The AC and the Board review all material findings and the effectiveness of the actions taken by the Management on the recommendations made by the External Auditors in this respect.

Provision 9.2:
Assurance from CEO and CFO

The Board and the AC have received the following written assurances:

(a) From the CEO and the Chief Financial Officer ("CFO") that the financial records of the Group had been properly maintained and the financial statements for FY2021 gave a true and fair view of the Group's operations and finances; and

(b) From the CEO and Risk Controller of the Group that the risk management and internal control systems in place within the Group were adequate and effective in addressing the material risks of the Group in its current business environment, including material financial, operational, compliance and information technology risks.

Board's Comment on Adequacy and Effectiveness of Internal Controls

Pursuant to Rule 1207(10) of the Listing Manual, based on the review of the key risks identified, and the internal controls established and maintained by the Group, work performed by the External Auditors, reviews performed by Management, various Board Committees and the Board, and the aforesaid assurances from the CEO, CFO and Risk Controller, the Board is of the opinion that the Group's system of internal controls in addressing financial, operational, compliance and information technology controls and risk management systems were adequate and effective as at 31 December 2021. Based on its review of the internal controls and assurances received from the CEO, CFO and Risk Controller, the AC concurred with the Board's opinion.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively

Provisions 10.1 and 10.2
AC Membership

As at the date of this report, the AC comprises three members, all of whom are Independent Directors:

Mr Lim Han Boon	Chairman	Independent and Non-Executive Director
Mr Ning Jincheng	Member	Independent and Non-Executive Director
Mr Chan Siew Wei	Member	Independent and Non-Executive Director

- Expertise of AC Members and AC to Keep Abreast of Changes to Accounting Standards

The Chairman of the AC, Mr Lim Han Boon, was a fellow member of the Institute of Singapore Chartered Accountants while Mr Chan Siew Wei, an AC member, is an existing fellow member of the Institute of Singapore Chartered Accountants. All the members of the AC have many years of experience in business management and finance services. The members of the AC also received updates to the accounting standards through briefings from the External Auditors. The Board is satisfied that members of the AC have the relevant accounting or related financial management expertise or experience to discharge the AC's functions.

- Roles, Responsibilities and Authorities of AC

The AC functions under the terms of reference that sets out its responsibilities as follows:

(a) To review with the External Auditors the latter's audit plan, the system of internal accounting controls of the Group, the audit report and the management letter (including the corresponding response from the Management);

(b) To review the co-operation given by the officers and staffs of the Group to the External Auditors;

(c) To review significant financial reporting issues and judgements in ensuring the integrity of the financial statements of the Company and the Group and any announcements relating thereto;

(d) To review the internal controls and procedures (in ensuring co-ordination between the External Auditors and the Management) and the assistance given by the Management to the External Auditors on problems and concerns, if any, arising from the interim and final audits and any matters which the External Auditors may wish to discuss (in the absence of the Management, where necessary);

(e) To review and discuss with the External Auditors any suspected fraud or irregularity or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response thereof;

(f) To review the assurance from the CEO and the CFO on the financial records and financial statements of the Company and the Group;

(g) To review, at least annually, the adequacy and effectiveness of the Company's internal controls and risk management systems;

(h) To consider and recommend the appointment or re-appointment of the External Auditors and matters, if any, relating to the resignation or dismissal of the External Auditors;

(i) To review, if any, interested person transactions falling within the scope of Chapter 9 of the Listing Manual;

(j) To review, if any, potential conflicts of interest;

(k) To review policy or arrangement concerning possible improprieties in financial reporting or other matters to be safely raised;

(l) To undertake such other reviews and projects as may be requested by the Board from time to time and report to the Board its findings thereof on matters which require the attention of the AC; and

(m) To undertake such other functions and duties as may be required by the statute or the Listing Manual, or by such amendments as may be made thereto from time to time.

The External Auditors had identified the key audit matters ("**KAMs**") in respect of the statutory audit of the Company and the Group for FY2021 and had set out the work they performed to ensure the accounting in respect of the KAMs are in accordance with accounting standards. The AC considered the appropriateness of the External Auditors' work and findings and concurred with the External Auditors.

The AC has full access to and co-operation of the Management and has full discretion to invite any Director or executive officer to attend its meetings and has been given reasonable resources to enable it to discharge its functions.

- Independence of External Auditors

The AC reviews the independence of the External Auditors annually. The AC had reviewed the fees, comprising an audit fee of S$165,000 (2020: S$96,000) and non-audit fees of S$nil (2020: S$28,000) for FY2021, as charged by the External Auditors, Crowe Horwath First Trust LLP ("**Crowe Horwath**"), and was satisfied that the nature and extent of such services did not prejudice the independence and objectivity of the External Auditors. The AC recommended that Crowe Horwath be nominated for re-appointment as External Auditors of the Company at the forthcoming AGM at remuneration to be renegotiated.

In appointing the auditors of the Group companies, the AC is satisfied that the Company has complied with Rules 712, 715 and 716 of the Listing Manual in engaging Crowe Horwath as the External Auditors of the Company. The names of the auditors for the Group's foreign subsidiaries are disclosed in the financial statements for FY2021. The Company's External Auditors, Crowe Horwath have audited the Group's significant foreign subsidiaries for the purpose of expressing an opinion on the consolidated financial statements. The Company does not have any associated company. The Board and the AC are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Group, and accordingly, Rule 716 of the Listing Manual has been complied with.

- Whistle-blowing Policy

The AC is responsible for oversight and monitoring of whistleblowing matters.

The Company has in place several channels for whistleblower to raise concerns to the AC.

All whistleblowing reports will be handled confidentially. The identity of the whistleblower making the allegation will be kept confidential and confined to disclosures on a need-to-know basis to the AC, the investigating team, the Board of Directors of the Company; and any party to whom the identity of the whistleblower is required to be disclosed by law.

Investigation to be carried out on a whistleblowing report will be referred to the AC who shall nominate an independent investigation team to conduct the investigation. All members of the investigation team shall be independent and conduct the investigation impartially. Depending on the nature of the whistleblowing matter or information provided, the investigation team (upon approval from the AC) may consult external professionals with relevant knowledge or experience to assist with the investigation. Based on the outcome of the investigation, the AC shall decide on the appropriate action.

The Company will not tolerate the harassment or victimisation of anyone reporting a genuine concern. If the whistleblower has suffered adverse treatment, harassment or victimisation as a result of his or her disclosure, he or she should submit a formal complaint under the grievance procedure to the Human Resource Manager and any higher authority, as appropriate. An investigation may take place and disciplinary action may be taken against any person who attempts to: impede, prevent, or obstruct a whistleblowing report from being made or an investigation from being carried out; harass or victimise the whistleblower; or subject the Whistleblower to detrimental or unfair treatment.

Details of the whistleblowing policy and related arrangement are conveyed during staff orientation as part of the Group's efforts to provide a trusted avenue for employees to report serious misconduct, malpractice or concerns, particularly in relation to fraud, controls or ethics.

Provision 10.3
Partners or Directors of the Company's Auditing Firm

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the AC.

Provision 10.4
Internal Audit Function

The Group did not engage any internal auditors for FY2021. The Group's accounts department handles the internal audit function to review the internal controls, risk management and compliance systems of the Group, and reports findings and makes recommendations directly to the Chairman of the AC on all internal audit matters and to the CEO on all administrative matters.

The Company will outsource its internal audit function to an external consultancy firm as and when it is needed. Having regard to the scope and nature of the Group's current operations, the AC and the Board are of the opinion that the current system of internal controls in place is adequate to mitigate normal operational risks.

To ensure adequacy of the internal audit function, the AC meets regularly to review this function. The AC will also review the audit plans and findings of the External Auditors and will ensure that the Group follows up on the External Auditors' recommendations raised during the audit process, if any. The AC is generally satisfied with the independence, adequacy, and effectiveness of the current arrangement, and will continue to assess its effectiveness regularly.

Provision 10.5
Meeting with External and Internal Auditors without Presence of Management

During FY2021, the AC had met with the External Auditors without the presence of the Management to review any area of audit concern. Ad-hoc meetings by the AC with the External Auditors may be carried out from time to time as dictated by circumstances.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 11: The Company treats all Shareholders fairly and equitably in order to enable them to exercise Shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives Shareholders a balanced and understandable assessment of its performance, position and prospects

Provision 11.1
Providing Opportunity for Shareholders to Participate and Vote at General Meetings

The Company's AGMs are the principal forums for dialogue with the Shareholders. At the AGM, Shareholders are given the opportunities to express their views and ask the Board and the Management questions regarding the affairs of the Group.

The Company is governed by the Companies Law of the Cayman Islands, which recognizes only persons who hold shares registered in their names in the register of members (the "**Registered Members**") as their members. The Central Depository (Pte) Limited ("**CDP**") is a Registered Member. Though the depositors who hold the Company's shares via CDP (the "**Depositors**") are not Registered Members, they are accorded the rights of members to attend and vote at general meetings of the Company as CDP's proxies in the Company's Constitution and the right to appoint sub-proxies to attend and vote in their stead. Shareholders, be it the Registered Members or the Depositors, are encouraged to attend the AGMs and Extraordinary General Meetings ("**EGMs**") to ensure a high level of accountability and to stay apprised of the Group's strategy and goals. Every Shareholder has the right to receive notice of general meetings and to vote thereat. Notice of a general meeting is sent out at least 14 days before the meeting so that sufficient notice of meeting is given to Shareholders to attend the meeting or appoint proxies to attend and vote in their stead. Notice of the AGM and EGM will be advertised in newspapers and announced on SGXNET. However, in view of the ongoing COVID-19 pandemic, the Notice of AGM for FY2021 will not be distributed to the Shareholders but will be made available for viewing at the Company's corporate website at http://www.chinamining-international.com and via SGXNET at least 14 days before the coming AGM.

All resolutions at general meetings are put to vote by poll. Voting and vote tabulation procedures are disclosed at the general meetings. Votes cast for, or against, each resolution will be read out to Shareholders immediately after vote tabulations. The total numbers of votes cast for or against the resolutions are also announced after the general meetings via SGXNET.

In view of the COVID-19 pandemic situation, the AGM in 2021 was held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at, or prior to, the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM were put in place for that AGM. The Company will be conducting the forthcoming AGM in a similar manner.

Provision 11.2
Separate Resolutions at General Meetings

The Company will have separate resolutions at general meetings on each distinct issue.

Provision 11.3
Attendance of Directors and auditors at general meetings

In 2021, the Company held two general meetings which comprised an AGM and an EGM. The Directors, including the chairpersons of each of the Board Committees, were present at the meetings. The External Auditors were also present at the AGM.

Provision 11.4
Absentia Voting

The Company's Constitution allows a Shareholder (including a nominee company) who is unable to attend a meeting to appoint up to two proxies. The Company is governed by the Companies Law of the Cayman Islands which has no provision for nominee company to appoint more than two proxies. However as mentioned in Provision 11.1, Depositors who hold the Company's shares via CDP (though are not Registered Members), are accorded the rights of members to attend and vote at general meetings of the Company as CDP's proxies in the Company's Constitution, and if they are not able to attend a meeting, they have the right to appoint sub-proxies to attend and vote in their stead.

Provision 11.5
Minutes of General Meetings

The Company prepares minutes of general meetings detailing the proceedings and questions raised by Shareholders and answers given by the Board and the Management. The minutes will be taken and published in the Company's corporate website at http://www.chinamining-international.com and via SGXNET.

Provision 11.6
Dividend Policy

For FY2021, no dividend was declared or recommended due to the performance of the Group. The Company does not have a policy on payment of dividend. In proposing any dividend payment, the Board will consider the level of cash balance of the Group, its performance and projected capital expenditure and investments required.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The Company communicates regularly with its Shareholders and facilitates the participation of Shareholders during general meetings and other dialogues to allow Shareholders to communicate their views on various matters affecting the Company

Provision 12.1
Avenues for Communication between the Board and Shareholders

The Company communicates with its Shareholders and the investment community through the timely release of financial statements and announcements to the SGX-ST via SGXNET. Annual Reports are distributed to Shareholders at least 14 days before each AGM. However, in view of the ongoing COVID-19 pandemic, the 2021 Annual Reports will not be distributed to the Shareholders but will be made available for viewing at the Company's corporate website at http://www.chinamining-international.com and via SGXNET at least 14 days before the coming AGM.

In accordance with the Listing Rules, it is the Board's policy that all Shareholders be informed on a timely basis of all major developments that impact the Group. The Company does not practice selective disclosure, and any price sensitive information is publicly released on an immediate basis where required under the Listing Rules.

The Group supports and encourages active Shareholders' participation at general meetings. The Board believes that general meetings serve as an opportune forum for Shareholders to meet the Board and key Management personnel, and to interact with them. Information on general meetings is disseminated through notices in the annual reports or circulars sent to all Shareholders. The notices are also released via SGXNET and on the Company website. The Company's Constitution allows the appointment of proxies by Registered Members and the appointment of sub-proxies by Depositors (as mentioned in Provision 11.1) to attend general meetings and vote on their behalf.

Due to the COVID-19 pandemic, the forthcoming AGM will be held electronically by regulations. Shareholders can still participate to listen to the proceedings of the AGM and to ask questions by submitting them to the Company via email or the registration portal for the AGM by the timeline provided in the Notice of the AGM. The Company will answer substantive Shareholders' questions by posting them on the SGXNET not later than 48 hours before the deadline for the lodgement of proxies for the AGM.

Provisions 12.2 and 12.3
Investor Relations

The Company's investor relation policy is to communicate with its Shareholders and the investment community through the timely release of announcements to the SGX-ST via SGXNET and to ensure equal dissemination of information to all Shareholders and investors.

The Company's website allows Shareholders, investors and the public to have access to information on the Group, including the Company's announcements made to the SGX-ST on the Company's website at http://www.chinamining-international.com.

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served

Provisions 13.1 and 13.2
Engage with its Material Stakeholder Groups

The Group's material stakeholders are its Shareholders, customers, employees, business partners and the community and the Company engages with them through its sustainability initiatives as set out in its Sustainability Report for FY2021 contained in this 2021 Annual Report. Please refer to the Sustainability Report for FY2021 for details. In compliance with new Listing Rules that take effect from 1 January 2022, the sustainability reporting process will be subject to internal review and the Directors will undergo training in sustainability matters as prescribed by the SGX-ST.

Provision 13.3
Corporate Website to Communicate and Engage with Stakeholders

The Group maintains a corporate website at http://www.chinamining-international.com which stakeholders can access information on the Group. The website provides, inter alia, corporate announcements, press releases and profiles of the Group.

OTHER CORPORATE GOVERNANCE MATTERS

INTERESTED PERSONS TRANSACTIONS

When a potential conflict of interest arises, the Director concerned does not participate in any related discussions and refrains from exercising any influence over other members of the Board.

The Company has established reviews and approval procedures to ensure that interested person transactions entered into by any company of the Group are conducted on normal terms and are not prejudicial to the interest of the Shareholders. The Board meets quarterly to review if the Company enters into any interested person transaction.

The AC has reviewed the rationale and terms of the Group's interested person transactions and is of the view that the interested person transactions are on normal commercial terms and are not prejudicial to the interests of the Shareholders.

Disclosure of interested person transactions for FY2021 is set out as follows:

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions conducted (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
		RMB'000	
Mr Guo Yinghui	Chairman	37,111[(1)]	Nil

Note:

(1) Please refer to Note 10: Subsidiaries of the audited consolidated financial statement of the Company for FY2021 for more details.

DEALINGS IN SECURITIES

The Company has in place a policy prohibiting share dealings by Directors and employees of the Group one month before the announcement of its half year and full year unaudited financial statements.

All Directors and employees of the Group who are in possession of any unpublished material price-sensitive or trade-sensitive information of the Group should not deal in the Company's securities. The Directors and employees are expected to observe the insider trading laws at all times, even when dealing in the securities of the Company within the permitted trading period.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AND PERSON SEEKING APPOINTMENT

	Chan Siew Wei ("Mr Chan") (for re-election)	**Guo Wenjun ("Mr Guo") (for appointment)**
First appointed	15-May-2012	To be appointed at the Annual General Meeting of the Company to be convened on 29 April 2022 (the "**AGM**")
Last re-elected	22-Apr-2019	Not applicable
Age	61	26
Country of principal residence	Singapore	People's Republic of China
The Board's comments on this re-election	The Board has accepted the recommendation of the Nominating Committee to re-elect Mr Chan as Independent Director of the Company. Mr Chan's experience in finance is valuable to the Board.	The Board has accepted the recommendation of the Nominating Committee to appoint Mr Guo as the Deputy Chairman and an Executive Director of the Company. Mr Guo's experience in fund management and financial analysis is valuable to the Board.
Whether re-election is executive, and if so, the area of responsibility	The appointment is Non-Executive.	The appointment is Executive.
Job title (e.g. Lead ID, AC Chairman, AC Member etc)	Independent Director, Remuneration Committee Chairman; and Member of Audit Committee	Deputy Chairman and Executive Director
Professional qualifications	Mr Chan holds a Bachelor of Accountancy from National University of Singapore. He is also a member of the Institute of Singapore Chartered Accountants and a member of the Singapore Institute of Directors.	Mr Guo graduated from New York University with major in Architecture and Urban Design in 2019.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or any of its principal subsidiaries	No	Mr Guo is a son of Mr Guo Yinghui, the controlling shareholder of the Company, who will retire as the Chairman and an Executive Director of the Company at the AGM.
Conflict of interest (including any competing business)	No	No
Working experience and occupation(s) during the past 10 years	Mr Chan is the Finance Director of Toplink Pacific Pte Ltd since 2003.	Mr Guo, the investment director of Beijing Central Reserve Investment Ltd since 2020, oversees the management and research of investments.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AND PERSON SEEKING APPOINTMENT

	Chan Siew Wei ("Mr Chan") (for re-election)	**Guo Wenjun ("Mr Guo") (for appointment)**
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	To be submitted subsequent to Mr Guo's appointment at the AGM
Shareholding interest in the listed issuer and its subsidiaries?	No	Nil
Other principal commitments including directorships		
- Past (for the last 5 years)	From 2019 - 2020 USP Group Limited Postion held: Independent Director	Nil
- Present	(1) Toplink Pacific Pte Ltd Position held: Director (2) World Future Foundation Ltd Position held: Director (3) Diona Singapore Pte Ltd Position held: Director (4) Xtent Technologies Private Limited Position held: Director (5) Final Mile Logistics Pte Ltd Position held: Director (6) Suvidha Retail Services Pte Ltd Position held: Director (7) Beatroute Technologies Pte Ltd Position held: Director (8) Jvee Textiles Pte Ltd Position held: Director (9) APACT limited Position held: Director	Nil
Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual	Mr Chan's responses under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual are all "No".	Mr Guo's responses under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual are all "No".

OTHER CORPORATE GOVERNANCE MATTERS

INTERESTED PERSONS TRANSACTIONS

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Mr Guo Yinghui	Chairman	37,111[(1)]	Nil

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All Directors and employees of the Group who are in possession of any unpublished material price-sensitive or trade-sensitive information of the Group should not deal in the Company's securities. The Directors and employees are expected to observe the insider trading laws at all times, even when dealing in the securities of the Company within the permitted trading period.

SUSTAINABILITY REPORT

1. SCOPE OF THE REPORT

Our sustainability report covers data and the relevant business activities of China Mining International Limited (the "**Company**") and its subsidiaries (the "**Group**") for the financial year ended 31 December 2021 ("**FY2021**"). The relevant business activities of the Group for FY2021 relate to property development in China, mining investments in China and South Africa as well as the conduct of an administrative office in Singapore.

The sustainability issues facing the Group since its first sustainability report published previously in 2018 have remained unchanged. On 17 December 2021, pursuant to the approval of the shareholders of the Company procured at an extraordinary general meeting convened, the Company completed the Agriculture Group Acquisition (as defined and detailed in the Chairman's Statement). With the newly acquired agricultural business, a more comprehensive sustainability report, with the inclusion of the setting of the necessary key performance indexes, will be provided by the Company in the next financial year ending 31 December 2022. This report is prepared in accordance with the guidelines under the Global Reporting Initiative ("GRI") G4 Core Option.

2. BOARD'S STATEMENT

The Board of Directors of the Company (the "**Board**") recognises that a focus on sustainability helps the organisation manages its environmental, social and governance practices ("**ESG**") and improves its operating efficiency and natural resource stewardship and remains a vital component of shareholder, employee, and stakeholder relations.

The Board and the management are committed to be a responsible corporate citizen in continuing its overall strategy to build on strong foundations and pursue its policy of quality and efficiency for sustainable growth. Through this report, we will continue to improve our data collection process and make enhancements to our sustainability efforts for the forthcoming years.

3. STAKEHOLDERS' ENGAGEMENT

Gaining our stakeholders' trust and support is fundamental to us building a sustainable business. Stakeholders' engagement is based on an ongoing dialogue that embraces different points of view and allows those views to facilitate informed decision making. This in turn will help the Company to improve and provide a more sustainable decision making process and identify any risks and opportunities for the businesses of the Group.

Key Stakeholders	**Communication Approach**	**Key Priorities**
Shareholders	● Annual general meetings ● Extraordinary general meetings ● Half and full year announcements ● SGX announcements ● Press release ● Road-shows	● Shareholders' return ● Accuracy and timeliness of disclosure ● Key developments ● Financial results
Employees	● Management meetings ● Internet, news, emails, phone calls ● Social media (i.e. WeChat) ● Seminars, conferences, forums ● Training & Workshops	● Career development ● Employee welfare ● Complaint processing ● Wages ● Health & safety

Key Stakeholders	Communication Approach	Key Priorities
Regulatory	• Emails, internet, news, phone calls • Participate in discussions on formulation of policies, regulations and standards • Attend seminars and forums • Roundtable discussions • Briefing and consultations	• Compliance • Corporate governance • Timely disclosure • Protecting the interest of minority shareholders • Policies and regulatory update and educations • Timely submission of corporate documents and annual filings
Customers	• Promotion events • Road-shows • Newspapers, internet and social media • Points of sales • Customers feedback	• Quality of products • Product knowledge • Customer satisfaction • Complaint processing
Business partners	• Contract negotiations • Regular conferences • High level meetings • Routine operation communications	• Fair and ethical business conduct • Profit sharing • Project development plans • Budgets & funding
Suppliers	• Contract negotiations • Round-table discussions • Routine communications	• Products & pricing • Service & product quality • Timely supply & payment • Complaint processing

4. MATERIALITY ASSESSMENT

The Board and management identify the material ESG factors by taking into consideration of the relevance of such factors to the business, strategy, business model and key stakeholders of the Group as guided by the GRI reporting framework. The review on material issues will be conducted annually as materiality may evolve over time.

The key material ESG issues that are important to our prevailing business and stakeholders are identified and outlined as follows:

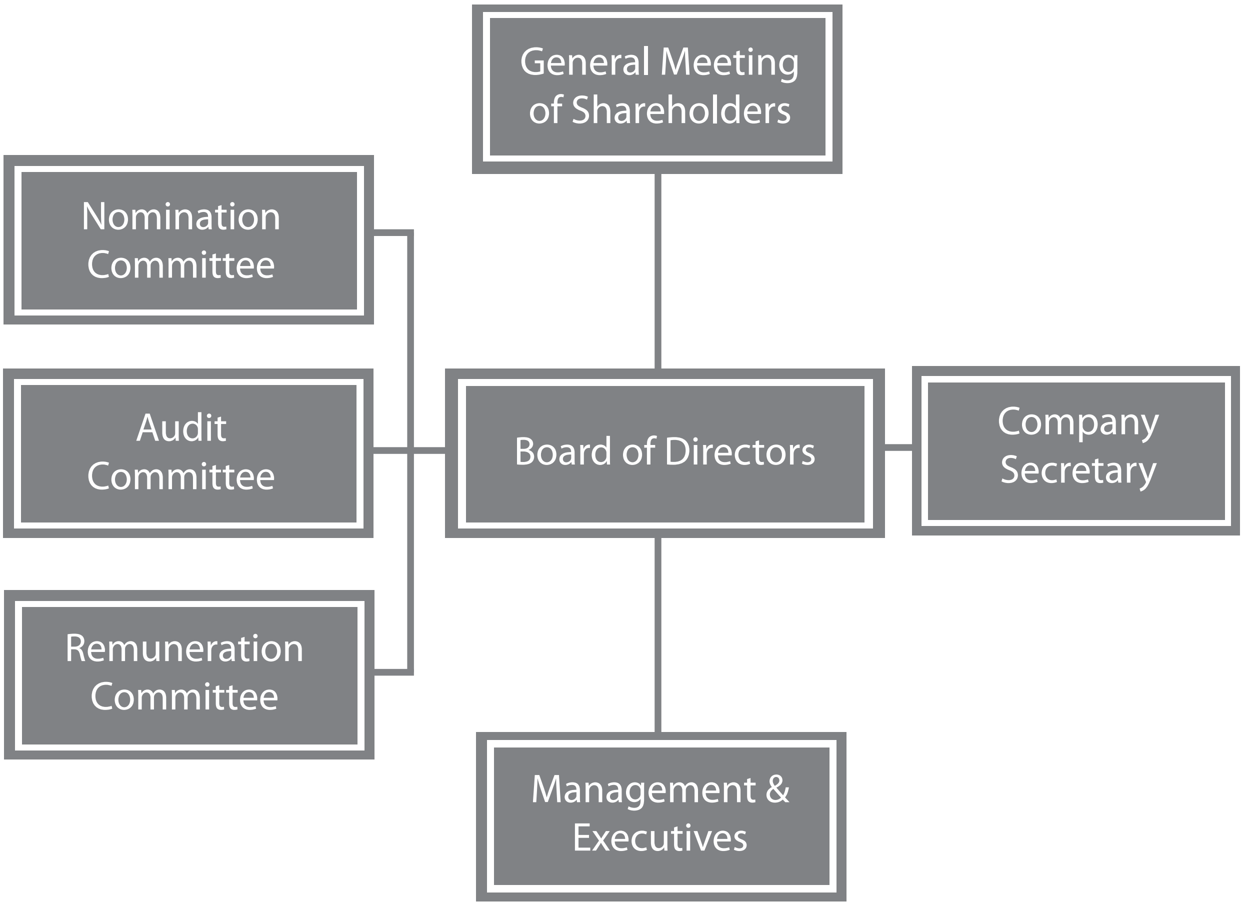
Material ESG Factor	Scope of focus
Governance & Risk Management	• Compliance risks • Corporate governance practices • Code of conduct and ethics • Anti-corruption and bribery • Whistle-blowing policy
Environment	• Improve energy efficiency • Make efforts to reduce negative environmental impacts due to operations • Reduce air pollution • Waste management

SUSTAINABILITY REPORT

Material ESG Factor	Scope of focus
Employees	● Improve employment management system ● Provide employees with equal opportunities ● Provide a healthy and safe working environment ● Provide career development opportunities
Economic Performance	● Financial performance of the Company

4.1 MATERIAL FACTOR – GOVERNANCE AND RISK MANAGEMENT

Believing in the importance of practicing good corporate governance, which is expected to enable the achievement of sustainability targets, enhance of shareholders' value and contribute to the growth of the Group, the Board is committed to uphold a high standard of corporate governance. The Board established its corporate governance structure in accordance with the framework of rules and practices set out by the Singapore Code of Corporate Governance issued by the Monetary Authority of Singapore (the "**Code**").



4.1.1 COMPLIANCE RISKS

The two key compliance risks facing the Group relate to the corporate governance and geo-political risks.

The Board is responsible for ensuring that the Company has a proper decision-making framework to mitigate the risks of oversight on corporate governance.

In mitigating the geo-political risks in an overseas operation or acquisition, the Company will engage external professionals, including but not limited to lawyers, auditors, industry experts and valuation company, to review and conduct due-diligence on the acquisition target / operation to ensure compliance with the relevant laws and regulations of the respective countries concerned. The terms and conditions of such contractual agreements will be prepared by the lawyers and reviewed by the Board and management prior to acceptance to ensure adherence to internal policies, applicable laws and regulations. In respect of investment in mining assets, the Board will also engage qualified professional firms acceptable by the SGX to issue the relevant geological report and valuation report.

The Group also tracks regulatory developments on a regular basis to ensure that it stays current of such developments and is in compliance with the local laws, standards and / or requirements issued by the relevant local authorities that are applicable to our investment.

The Company Secretary of the Group advises the Board on the latest update in legal and regulatory issues, especially on the Code. Our Cayman Islands' Counsel advises the Board the latest update on the Company Law of Cayman Islands in ensuring the timely submission for the relevant annual filings.

During FY2021, there was no report of fine on any violation of compliance. The Group will continue to work closely with various professional firms and improve its internal corporate governance framework. The Board targets to maintain such zero record on fine.

4.1.2 BOARD OF DIRECTORS

The Board, the highest governing body within the Group, is responsible to help set broad corporation goals, support executive duties and ensure that the Company has adequate, well-managed resources at its disposal in dealing with challenges and issues relating to corporate governance, ESG issues, corporate ethics and risk management.

The Board is appointed to act on behalf of the shareholders of the Company to run the day-to-day business affairs of the Group. The Board is directly accountable to the shareholders of the Company, which will hold an annual general meeting (AGM) every year at which the Board must provide a report to the shareholders on the performance of the Group, its future plans and strategies and have its members submit themselves for re-election to the Board on a rotation basis.

The Board has a total of six Directors, comprising three Executive Directors and three Independent Directors. The Board recognises the merits of gender diversity in relation to the composition of the Board and, in identifying candidates for new appointment to the Board, would consider suitable female candidates. The current Board has 1 female Director out of a total of 6 Directors on the Board.

The Board meet at least four times a year to review and approve the financial results of the Group as well as receive key reports from the senior management and professionals, such as the external auditors and the Company Secretary. Board meetings are also held outside of the routine quarterly meetings to discuss strategies, policies or key activities such as acquisitions or disposals. Please refer to the Corporate Governance Report for further information on the activities of the Board of Directors.

4.1.3 AUDIT COMMITTEE

The Audit Committee ("**AC**") oversees the financial reporting process, the effectiveness of the Company's internal control and risk management systems, the internal audit, the statutory reporting of the annual report and the external auditor's independence. In FY2021, the AC has three members, all of whom are Independent Directors with two of them residing in Singapore.

The AC meets at least four times a year preceding the Board meetings to review and approve the financial results of the Group and discuss any significant development with the Board. As and when needed, the AC also holds meetings outside the regular quarterly meetings to discuss, among its members and other relevant third parties, on matters including but not limited to key issues brought up by external auditors and other professionals. Please refer to the Corporate Governance Report for further information on the activities of the AC.

4.1.4 REMUNERATION AND NOMINATION COMMITTEE

The Remuneration Committee ("**RC**") makes proposals to the Board regarding the remuneration policy as well as the individual remuneration of the Directors and members of the senior management while the Nomination Committee ("**NC**") makes proposals regarding the evaluation and (re-)appointment of Directors.

The Remuneration Committee has three members, all of whom are Independent Directors. The Nominating Committee also has three members, comprising two Independent Directors and one Executive Director. The Remuneration Committee and Nomination Committee meet at least once a year to discuss and recommend the Directors' fee and the composition of the Board members. They may also meet outside the regular meetings as and when the need arises. Please refer to the Corporate Governance Report for further information on the activities of the Board of the RC and NC.

4.1.5 EXTERNAL AUDITOR

The Company has entrusted the external audit of the consolidated accounts of the Group to a professional audit firm registered with the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**"). The external auditor conducts such audits in accordance with the International Standards on Auditing ("**ISA**") and delivers a report which confirms whether the annual accounts and the consolidated financial statements of the Company reflect a true image of its assets, financial condition and results of the Company in accordance with International Financial Reporting Standards ("**IFRS**"). The AC investigates and discusses the Key Audit Matters ("**KAM**") set out in the annual report and any material internal audit issues with the external auditor and with the Board.

4.1.6 CODE OF CONDUCT AND ETHICS FOR EMPLOYEE

The Group's Code of Conduct and Ethics (the "**CCE**") sets out the highest standards of personal and corporate integrity when dealing with fellow colleagues, external suppliers, customers and government agencies, and serves as a guide to all employees for both legal compliance and appropriate ethical conduct to ensure that decision making is ethically and properly carried out in accordance to the best practices of the Group. The CCE also covers workplace health and safety issues, workplace and business conduct, safeguards of the Group's assets and handling of confidentiality information, conflicts of interest, and compliance with laws and regulations, including whistle blowing policy.

4.1.7 ANTI-CORRUPTION AND BRIBERY

The Board upholds the high standards of ethical business conduct through stepped up promotion in increasing the awareness of anti-corruption and bribery practice within the Group. All employees within the Group are made aware of the serious consequences involving any corruptions or bribery violations.

In addition, the Board is required to declare information on potential conflicts of interest on an annual basis. During FY2021, there was no report of any corruption or legal actions for bribery case within our Group. We will continue to educate and improve the awareness on such issues among the employees. The Board targets to maintain the zero report on corruption and bribery.

4.1.8 WHISTLE-BLOWING POLICY

The Board is committed to conduct its business in a manner that is lawful and ethically responsible and in a way that reflects the Company's values. The Company does not tolerate any unlawful and unethical activity and vows to take appropriate action to ensure compliance with law and safeguarding the interest of all stakeholders.

The Board has implemented whistle-blowing procedures, for the purposes of handling complaints or raising concerns or issues relating to activities or affairs relating to the conduct of any employee, officer or management of the Group on ethical and unlawful behavior and matters related to organizational integrity, via email or phone with direct connection to the Chairman of the AC.

The AC will enquire on matters relating to whistle-blowing and, if any, discuss with the Board at least four times a year during the AC meetings. During FY2021, there were no complaints, concerns or issues relating to whistle-blowing matter within our Group.

4.2 MATERIAL FACTOR – ENVIRONMENT

We conduct our business in a manner that respects the environment whenever possible so as to minimise the Group's environment impact while balancing our business needs. The Company exercises a precautionary approach in managing its environmental impact.

The Group constantly reminds the employees to ensure that they understand and contribute to overall waste management efforts to conserve and reduce resources used in our operations, mainly on electricity, water, papers and renovation materials. As part of our energy conservation efforts, we use energy saving photocopiers and energy-efficient air- conditioner units at our workplace, and encourage employees to turn-off their computers or laptops and the lights during lunch breaks or when no one is using them. We also urge our employees to constantly modify the temperature on the air-conditioner according to the seasons and turn-off when not in use. During FY2021, our electricity consumption was 2007 kWh per employee per annum. We will continue to monitor and target to reduce the current consumption in the forthcoming years.

Under the paper-saving initiatives, we encourage our employees to utilise emails, social media or internet to transfer insensitive files or documents to reduce printing, and if printing is required, to print it in a tone-saving mode and purchase papers with recycle content or from a sustainable source. We also inform our service providers to email us electronic invoices instead of through mails and couriers.

Our environmental management is an on-going effort, and we will continue to improve ourselves through constantly monitoring the effectiveness of the Group's policies as we work towards achieving a greener footprint. During FY2021, there was no fine or sanction for non-compliance with environmental laws and regulations reported within our Group.

4.3 MATERIAL FACTOR – EMPLOYEES

The Group currently employs 21 employees and recognises that they are our most valuable assets and the key to achieving our long-term business success. We endeavour to create a "zero-injury and accident-free" working environment aimed at promoting a healthy work environment and improving safety in general work conditions. The overall well-being of employees is one of our development priorities. We strive to create a working environment of inclusion, equality and mutual trust as well as a working setting promoting health and safety. We seek to protect employees' rights, care for their well-being and provide a career development platform.

4.3.1 WORKPLACE AND STAFF WELFARE

We have adopted initiatives in creating an engaging and holistic working environment where our employees are able to deliver their best works and also being offered equal opportunities for personal and career developments. These initiatives not only serve to retain our employees but also attract talents to the Group.

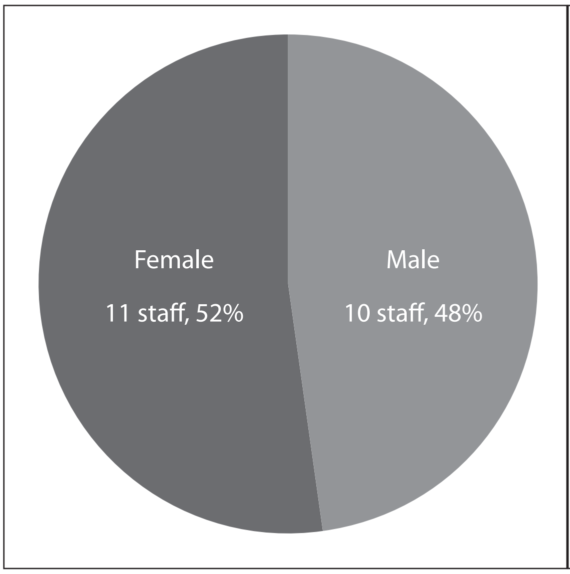
We practise fair employment and do not condone any form of discrimination against employees. We also do not tolerate the use of forced or child labour, including bonded labour, indentured labour, slave labour or human trafficking, and the hiring of underage employees. Our human rights management is overseen by the Head of Human Resources and Administration Department, who reports to the Chairman of the Board and makes sure that we adhere to all applicable laws and regulations regarding child and forced labour. During FY2021, there was neither any case of child or forced labour incident or was there any incident of discrimination reported within our Group.

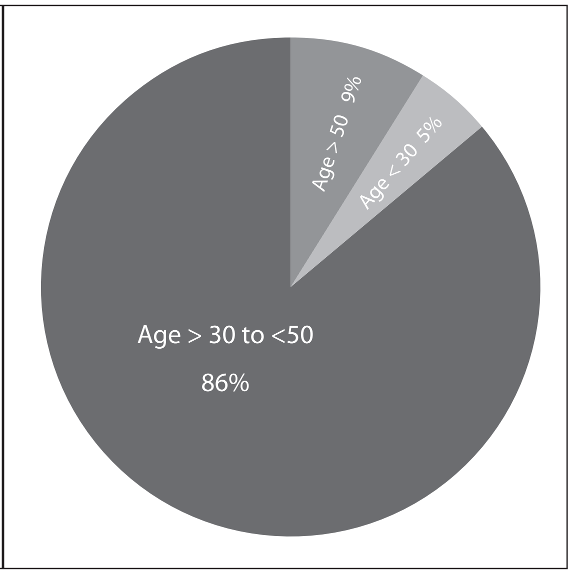
We support work life balance and encourage our employees to balance meaningful careers with their health and family time. The Group also encourages our employees to keep fit and healthy through sporting and recreational activities. These activities allow employees to build up teamwork and enhance the bonding with their colleagues.

During FY2021, there were no reports of any work related injury and accident or any workers with high incidence or high risk of diseases related to their job occupation within our Group. The Group targets to continue to maintain a zero rate of work related injury and accident record.

4.3.2 DIVERSITY AND EQUAL OPPORTUNITY

The Group promotes diversity in the workplace and takes steps to ensure that our employees feel included, regardless of their gender, ethnic or nationality, sexual orientation, race, age or religion. We strive to create a working environment free from discrimination of any person for any reason and also provide an equal opportunity to all employees. We seek to ensure that all our staff are evaluated on the basis of personal skills and merits and target to maintain, if not improve, the current diversity of male and female ratio within our Group.





4.4 MATERIAL FACTOR – ECONOMIC PERFORMANCE

Please refer to page 2 of the Group's 2021 Annual Report for the Financial Review and the Operation Review.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

The directors present their statement to the members together with the audited financial statements of China Mining International Limited (the "Company") and subsidiaries (the "Group"), the statement of changes in equity for the financial year ended 31 December 2021 and the statement of financial position of the Company as at 31 December 2021.

In the opinion of the directors,

(a) the statement of financial position and the statement of changes in equity of the Company and the consolidated financial statements of the Group as set out on pages 54 to 133 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2021 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year then ended; and

(b) 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.

The board of directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors of the Company in office at the date of this statement are as follows:

Guo Yinghui	Chairman and Executive Director
Zhai Kebin	Chief Executive Officer and Executive Director
Dong Lingling	Executive Director
Lim Han Boon	Independent Director
Ning Jincheng	Independent Director
Chan Siew Wei	Independent Director

Directors' interests in shares or debentures

According to the register kept by the Company, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Direct interests		Deemed interests	
	At 1 January 2021	**At 31 December 2021**	**At 1 January 2021**	**At 31 December 2021**
Company				
Ordinary shares of S$0.008 each				
Guo Yinghui	17,985,000	17,985,000	32,240,000[i]	194,240,000[i]
Dong Lingling	554,200[ii]	554,200[ii]	–	–

Notes:

(i) Mr Guo Yinghui is deemed to be interested in the 14,560,000 (2020: 14,560,000) shares held by his spouse, Mdm Feng Li and the 179,680,000 (2020: 17,680,000) shares held by China Focus International Limited ("China Focus"), for itself and as nominee of Profit Run Developments Limited. China Focus and Profit Run are investment holding companies incorporated in the British Virgin Islands, in which Mr Guo Yinghui have 100% beneficial ownership interest.

(ii) The shares of Ms Dong Lingling are registered in the name of Phillip Securities Pte Ltd.

Directors' interests in shares or debentures (Continued)

Mr Guo Yinghui is deemed to have interests in the Company and in the whole of the share capital of the Company's wholly-owned subsidiaries, and in the share capital of subsidiaries which are not wholly owned by the Group, mainly the newly acquired sub-group in agriculture business, namely Henan Zhongnong Huasheng Agriculture Science and Technology Co. Ltd. and its subsidiaries.

The Directors' interests in the ordinary shares of the Company at 21 January 2022 were the same at 31 December 2021.

Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Share options

During the financial year, no options to take up unissued shares of the Company or any subsidiaries were granted and no shares were issued by virtue of the exercise of options to take up unissued shares of the Company or any subsidiaries. There were no unissued shares of the Company or any subsidiaries under option at the end of the financial year.

Audit committee

The members of the Audit Committee at the end of the financial year are as follows:

Lim Han Boon (Chairman)	Independent Director
Ning Jincheng	Independent Director
Chan Siew Wei	Independent Director

The Audit Committee carried out its functions in accordance with the Listing Manual of the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance. In performing those functions, the Audit Committee reviewed:

- the audit plan of the Company's independent auditors and any recommendations on internal accounting controls arising from the audit;
- the assistance given by the Company's management to the independent auditors;
- the periodic results announcements prior to their submission to the Board for approval;
- the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2021 prior to their submission to the Board of Directors, as well as the independent auditor's report on these financial statements; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited).

Audit committee (Continued)

The Audit Committee has recommended to the Board of Directors that the independent auditors, Crowe Horwath First Trust LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company. The Audit Committee has conducted an annual review of non-audit services provided by the auditors to satisfy itself that the nature and extent of such services will not affect the independence and objectivity of the external auditors before confirming their re-nomination.

In appointing the external auditors for the Company and its subsidiaries, the Company has complied with Rules 712, 715 and 716 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Further details regarding the Audit Committee are disclosed in the Report of Corporate Governance.

Independent auditors

The independent auditors, Crowe Horwath First Trust LLP, have expressed their willingness to accept re-appointment as auditors of the Company.

On behalf of the Board of Directors

ZHAI KEBIN
Chief Executive Officer and Executive Director

DONG LINGLING
Executive Director

31 March 2022

INDEPENDENT AUDITOR'S REPORT

To the members of China Mining International Limited

Crowe Horwath First Trust LLP

9 Raffles Place
#19-20 Republic Plaza Tower 2
Singapore 048619

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of China Mining International Limited (the "Company") and its subsidiaries (the "Group") set out on pages 54 to 133, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with International Financial Reporting Standards (IFRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These audit matters identified were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matters.

Crowe Horwath First Trust LLP (UEN: T08LL1312H) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A).

Key Audit Matters (Continued)

Accounting for business acquisition
Refer to the following notes to the financial statements
Note 10(a) "Acquisition of subsidiaries"

The key audit matter	***How the matter was addressed in our audit***
On 17 December 2021, the Group completed the acquisition of the entire issued and paid-up share capital of Fully Rich International Investment Limited ("Fully Rich") by issuing 162,000,000 new ordinary shares of the Company to the Vendors, giving rise to total consideration of RMB 37,111,000. Fully Rich owns 63.11% interest in a group of subsidiaries engaged in plantation, cultivation and selling of agricultural produce (collectively, "the new agriculture group"). Management has engaged an external valuation expert to assist them with the PPA exercise for the acquisition of Fully Rich, which is still in progress as at the date of this report. For the current financial year, a provisional gain on bargain purchase amounting to RMB 56,053,000 was recognised in profit or loss. We focused on this area because of the significant impact of the acquisition on the consolidated financial statements. Therefore, this has been identified as a Key Audit Matter.	Our audit procedures included, amongst others: ● Reviewed the sale and purchase agreement ("SPA") for the acquisition to understand the salient terms and conditions. ● Reviewed management's assessment related to the acquisition accounting, including determination of acquisition date, whether the new agriculture group constitutes a business and evaluating the appropriateness of measuring the acquisition accounting on a provisional basis. ● Obtained and evaluated the supporting documents of financial information of new agriculture group and performed review of the carrying amounts of assets acquired, mainly bearer plants and right-of-use assets, and liabilities assumed, mainly borrowings, on the acquisition date. ● Assessed the adequacy and appropriateness of the disclosures made in the financial statements relating to the business acquisition measured on a provisional basis. Based on the results of our audit procedures performed, we considered the relevant disclosures in the consolidated financial statements to be appropriately describing the inherent degree of estimation uncertainty.

INDEPENDENT AUDITOR'S REPORT

To the members of China Mining International Limited

Key Audit Matters (Continued)

Valuation of the investment in the equity interest in Sino Feng *Refer to the following notes to the financial statements* *Note 11 "Financial assets, at fair value through other comprehensive income (FVOCI)"* *Note 3(a) "Critical accounting estimates and assumptions"*	
The key audit matter	***How the matter was addressed in our audit***
As at 31 December 2021, the Group has an investment in unquoted equity instrument of RMB 55,600,000 measured at fair value (2020: RMB 60,909,000). Fair value loss recognised in Other Comprehensive Income for the year amounting to RMB 5,309,000 (2020: RMB 9,423,000). Management has engaged an external valuer to perform a valuation of the mining project underlying the investment in Sino Feng Mining International S.àr.l. ("Sino Feng") to determine the fair value of this equity investment. The valuation process involved significant judgement in estimating future cash flows, especially that of the iron ore selling price, license renewal period, discount rate, operating and capital expenditure. Due to the high level of judgement required and the presence of significant estimation uncertainty involved, this has been identified as a Key Audit Matter.	Our audit procedures included, amongst others: ● Considered the appropriateness of the valuation methodology and tested the data used by management and the external valuer. ● Reviewed the significant assumptions underlying the projected cash flows, including the projected iron ore selling price, license renewal period, discount rate, capital expenditure, and considered relevant external and internal factors. ● Engaged a valuation specialist as auditor's expert to assist in the review of the variables and outcomes in the valuation report of the mining project underlying the investment, including challenging the valuation methods, testing the mathematical accuracy of the discounted cash flows model, assessing the reasonableness of the significant assumptions used and comparing against available market data. ● Evaluated the sensitivity of the significant assumptions by considering downside scenarios against reasonably plausible changes to the significant assumptions and challenged management's fair value assessment on the investment in accordance with the requirements of IFRS 13; and ● Evaluated the adequacy and appropriateness of the relevant disclosures in relation to the judgement and valuation techniques used to determine the fair value of the equity investment. Based on the results of our audit procedures performed, we found the methodology applied and the significant assumptions underlying the valuation of the investment applied by the Group to be within range of estimates used in our evaluation. We also considered the relevant disclosures in the consolidated financial statements to be appropriately describing the inherent degree of estimation uncertainty.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Cheong Keng Chuan, Alfred.

Crowe Horwath First Trust LLP
Public Accountants and
Chartered Accountants
Singapore

31 March 2022

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021
(Amounts in thousands of Chinese Renminbi ("RMB'000"))

	Note	Group		Company	
		2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	6	33,684	784	3	6
Bearer plants	7	142,492	–	–	–
Right-of-use assets	8	56,321	–	–	–
Land use rights	9	40	43	–	–
Subsidiaries	10	–	–	165,311	128,200
Financial assets, at FVOCI	11	55,600	60,909	55,600	60,909
Deferred tax assets	24	–	1,045	–	–
		288,137	62,781	220,914	189,115
Current assets					
Financial assets, at FVPL – structured deposits	12	15,770	21,000	–	–
Financial assets, at FVPL – quoted securities	13	–	8,365	–	–
Inventories	14	2,218	–	–	–
Completed properties for sale	15	–	8,985	–	–
Trade receivables	16	3,794	–	–	–
Other receivables, deposits and prepayments	17	8,720	2,941	103	91
Amounts due from related parties (non-trade)	18	11,736	–	17	–
Pledged bank deposits	20, 37(i)	225	750	–	–
Cash and cash equivalents	21	7,566	1,919	1,252	796
		50,029	43,960	1,372	887
TOTAL ASSETS		338,166	106,741	222,286	190,002
LIABILITIES					
Non-current liabilities					
Borrowings	23	55,018	–	–	–
Amounts due to related parties (non-trade)	18	22,991	–	–	–
		78,009	–	–	–

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

(Amounts in thousands of Chinese Renminbi ("RMB'000"))

	Note	Group		Company	
		2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
LIABILITIES					
Current liabilities					
Trade payables		5,576	2,503	–	–
Contract liabilities	30(b)	–	57	–	–
Accruals and other payables	22	12,196	17,025	1,403	574
Amounts due to related parties (non-trade)	18	34	34	–	–
Amounts due to subsidiaries (non-trade)	19	–	–	127,280	122,991
Borrowings	23	28,280	481	–	–
Share-margin financing facility	13	–	1,928	–	–
Income tax payable		2,961	3,137	–	–
		49,047	25,165	128,683	123,565
TOTAL LIABILITIES		127,056	25,165	128,683	123,565
NET ASSETS		211,110	81,576	93,603	66,437
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Issued capital	25	13,142	7,083	13,142	7,083
Share premium	26	259,797	228,745	259,797	228,745
Treasury shares	27	(18)	(18)	(18)	(18)
Distributable reserve	28	267,600	267,600	267,600	267,600
Capital reserve		49,031	49,031	–	–
Fair value deficit	29	(14,831)	(9,522)	(14,831)	(9,522)
Accumulated losses		(417,533)	(461,343)	(432,087)	(427,451)
		157,188	81,576	93,603	66,437
Non-controlling interests	10(a)	53,922	–	–	–
TOTAL EQUITY		211,110	81,576	93,603	66,437

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2021
(Amounts in thousands of Chinese Renminbi ("RMB'000"))

	Note	2021 RMB'000	2020 RMB'000
Revenue from contracts with customers	30(a)	8,207	3,156
Cost of sales		(8,985)	(2,719)
Gross (loss) / profit		(778)	437
Selling and distribution expenses		(48)	(47)
General and administrative expenses		(13,466)	(15,009)
Impairment loss on financial assets	4(ii)	(570)	–
Written-back of impairment of financial assets	4(ii)	5,004	2,071
Other income	31	56,112	1,078
Other expenses	32	(1,757)	(3,821)
Finance income	33(a)	257	177
Finance expense	33(b)	(75)	(237)
Profit / (Loss) before tax	34	44,679	(15,351)
Tax expense	35	(869)	(355)
Profit / (Loss) for the year		43,810	(15,706)
Other comprehensive loss, net of tax			
Items that will not be reclassified subsequently to profit or loss:			
Equity investment at FVOCI - net change in fair value	11	(5,309)	(9,423)
Total comprehensive income / (loss) for the year		38,501	(25,129)
Profit / (Loss) attributable to:			
Equity holders of the Company		43,810	(15,706)
Total comprehensive income / (loss) attributable to:			
Equity holders of the Company		38,501	(25,129)
Earnings / (Loss) per share (RMB cents)			
- Basic and diluted	36	24.04	(10.01)

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021
(Amounts in thousands of Chinese Renminbi ("RMB'000"))

	Attributable to equity holders of the Company									
Group	**Issued capital RMB'000**	**Share premium RMB'000**	**Treasury shares RMB'000**	**Distributable reserve RMB'000**	**Capital reserve(i) RMB'000**	**Fair value deficit RMB'000**	**Accumulated losses RMB'000**	**Total RMB'000**	**Non-controlling interests RMB'000**	**Total equity RMB'000**
Balance at 1.1.2020	5,897	224,594	(18)	267,600	49,031	(99)	(445,637)	101,368	–	101,368
Loss for the year	–	–	–	–	–	–	(15,706)	(15,706)	–	(15,706)
Other comprehensive loss, net of tax:										
- Equity investment at FVOCI-net change in fair value	–	–	–	–	–	(9,423)	–	(9,423)	–	(9,423)
Contribution by owners										
- Issue of ordinary shares	1,186	4,151	–	–	–	–	–	5,337	–	5,337
Balance at 31.12.2020	7,083	228,745	(18)	267,600	49,031	(9,522)	(461,343)	81,576	–	81,576
Balance at 1.1.2021	7,083	228,745	(18)	267,600	49,031	(9,522)	(461,343)	81,576	–	81,576
Profit for the year	–	–	–	–	–	–	43,810	43,810	–	43,810
Other comprehensive loss, net of tax:										
- Equity investment at FVOCI-net change in fair value	–	–	–	–	–	(5,309)	–	(5,309)	–	(5,309)
Contribution by owners										
- Shares issued for acquisition (Note 10(a))	6,059	31,052	–	–	–	–	–	37,111	–	37,111
- Acquisition of subsidiaries (Note 10(a))	–	–	–	–	–	–	–	–	53,922	53,922
Balance at 31.12.2021	13,142	259,797	(18)	267,600	49,031	(14,831)	(417,533)	157,188	53,922	211,110

Note:

(i) Capital reserve relates to capitalisation of amount due to a director and substantial shareholder of a subsidiary in previous years. It is not distributable as dividends.

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021
(Amounts in thousands of Chinese Renminbi ("RMB'000"))

Company	Issued capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Distributable reserve RMB'000	Fair value deficit RMB'000	Accumulated losses RMB'000	Total equity RMB'000
Balance at 1.1.2020	5,897	224,594	(18)	267,600	(99)	(423,841)	74,133
Loss for the year	–	–	–	–	–	(3,610)	(3,610)
Other comprehensive loss, net of tax:							
- Equity investment at FVOCI-net change in fair value	–	–	–	–	(9,423)	–	(9,423)
Contribution by owners							
- Issue of ordinary shares	1,186	4,151	–	–	–	–	5,337
Balance at 31.12.2020	7,083	228,745	(18)	267,600	(9,522)	(427,451)	66,437
Balance at 1.1.2021	7,083	228,745	(18)	267,600	(9,522)	(427,451)	66,437
Loss for the year	–	–	–	–	–	(4,636)	(4,636)
Other comprehensive loss, net of tax:							
- Equity investment at FVOCI-net change in fair value	–	–	–	–	(5,309)	–	(5,309)
Contribution by owners							
- Shares issued for acquisition (Note 10(a))	6,059	31,052	–	–	–	–	37,111
Balance at 31.12.2021	13,142	259,797	(18)	267,600	(14,831)	(432,087)	93,603

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021
(Amounts in thousands of Chinese Renminbi ("RMB'000"))

	Note	2021 RMB'000	2020 RMB'000
Cash flows from operating activities			
Profit / (Loss) before tax		44,679	(15,351)
Adjustments:			
Depreciation of property, plant and equipment	6	210	377
Amortisation of land use rights	9	3	2
Bargain purchase on acquisition of subsidiaries	10(a)	(56,053)	–
Gain on disposal of option to purchase of property	31	–	(1,000)
Rent concession and rebates	23, 34	–	(147)
Impairment loss of other receivables	4(ii)	570	–
Reversal of allowance for impairment of amounts due from related parties	4(ii),18	(4)	(33)
Reversal of allowance for impairment of amounts due from other receivables	4(ii),17(i)	(5,000)	(2,038)
Interest income	33(a)	(257)	(177)
Interest expense	33(b)	75	237
Fair value gain on financial assets, at FVPL - structured deposits	12	(34)	(49)
Fair value loss on financial assets, at FVPL - quoted securities	13	1,640	3,138
Exchange difference		40	768
Operating loss before working capital changes		(14,131)	(14,273)
Completed properties for sale		8,985	2,719
Other receivables, deposits and prepayments		6,595	1,410
Pledged bank deposits		525	383
Trade payables		(1)	(41)
Contract liabilities		(57)	–
Accruals and other payables		(7,659)	(4,539)
(Repayment to) / Advances from related parties	5	(34)	34
Financial assets, at FVPL - quoted securities	13	41,369	24,688
Cash generated from operations, representing the net cash from operating activities		35,592	10,381

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021
(Amounts in thousands of Chinese Renminbi ("RMB'000"))

	Note	2021 RMB'000	2020 RMB'000
Cash flows from investing activities			
Interest received		257	177
Financial assets, at FVPL – structured deposits			
- Additions	12	(29,920)	(47,850)
- Redemption	12	35,184	29,639
Purchase of property, plant and equipment	6	(6)	(20)
Refunds from and proceeds for transfer of option to purchase office premises		–	11,000
Net cash inflow on acquisition of subsidiaries	10(a)	3,284	–
Net cash from / (used in) investing activities		8,799	(7,054)
Cash flows from financing activities			
Advance from related parties (non-trade)	5	6,020	–
Repayment of term loans	23	(7,600)	–
Repayment of lease liabilities	23	(481)	(658)
Repayment of margin facilities	13	(36,568)	(34,267)
Repayment of interest		(75)	(233)
Issue of new ordinary shares	25, 26	–	5,337
Net cash used in financing activities		(38,704)	(29,821)
Net increase / (decrease) in cash and cash equivalents		5,687	(26,494)
Cash and cash equivalents at beginning of the year		1,919	29,159
Exchange difference on cash and cash equivalents		(40)	(746)
Cash and cash equivalents at end of the year	21	7,566	1,919

The accompanying notes are an integral part of the financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

China Mining International Limited (the "Company") is a limited liability company domiciled and incorporated in Cayman Islands and is listed on the Main Board of Singapore Exchange Securities Trading Limited ("SGX-ST"). The address of the Company's registered office is Coyners Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is at 5-Floor Zhong Chuang Building, Intersection of Zhong Wang Road and Zheng Guang North Street, Jin Shui District, Zheng Zhou City, Henan Province 450000, People's Republic of China ("PRC").

The Company's immediate and ultimate holding company is China Focus International Limited, incorporated in British Virgin Islands. The ultimate controlling party of the Group is the Chairman of the Group, Mr. Guo Yinghui ("Chairman Guo")

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are shown in Note 10.

The financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 31 March 2022.

2(a). DIVERSIFICATION OF THE EXISTING CORE BUSINESS

The Group is currently engaged in the business of investment holding and property development as well as the exploration and mining of mineral resources (the "Existing Core Business").

As announced by the Company on 31 March 2021, with regard to the Company's long pursuit of its proposed acquisition of 63.11% of the registered capital of Henan Zhongnong Huasheng Agricultural Science and Technology Co., Ltd (河南中农华盛农业科技有限公司) (the "Target") with a view to diversify into business of agriculture (the "Proposed Acquisition"), the Company had on even date entered into a Sale and Purchase Agreement (the "SPA") with China Focus International Limited (中置国际有限公司) ("China Focus") and Profit Run Developments Limited (润辉发展有限公司) ("Profit Run") (collectively, "the Vendors") to acquire from these entities their respective shareholdings in the entire issued and paid-up share capital of Fully Rich International Investment Limited (广富国际投资有限公司) ("Fully Rich" or "Agri HoldCo"), which in turns owns 63.11% of the registered capital of the Target. The aggregate purchase consideration is satisfied by issuance and allotment of 162,000,000 ordinary shares of the Company ("Consideration Shares") (the "Proposed Issuance of Consideration Shares"). The Vendors are controlled by Chairman Guo.

The Proposed Acquisition is in line with the proposed business diversification and will be the Group's first strategic exposure and entry into the agriculture industry (the "Proposed Business Diversification").

2(b). FUNDAMENTAL ACCOUNTING CONCEPT

The Proposed Business Diversification, the Proposed Acquisition and the Proposed Issuance of Consideration Shares have been approved by the independent shareholders at the extraordinary general meeting held on 17 December 2021. On the same date, the Consideration Shares were issued and allotted, control has been transferred to the Group and the Proposed Acquisition was completed (the "Acquisition Date"). On the Acquisition date, Agri HoldCo became a wholly-owned subsidiary of the Company. The details of Agri Holdco, its 63.11% owned subsidiaries (i.e. the Target and its 4 wholly-owned subsidiaries) (collectively, "the Agri Sub-group") and the effect of the acquisition are disclosed in Note 10.

During the current financial year ended 31 December 2021, the Group would have recorded a loss for the year of RMB 17,243,000 ("pro-forma loss") had it not been a gain recognised on bargain purchase of RMB 56,053,000 (Note 10(a)) and a write back of impairment loss on financial assets of RMB 5,000,000 (Note 17) (2020: Nil and RMB 2,071,000 respectively) and would have recorded operating cash outflows of RMB 5,777,000 had it not been a cash inflow from disposal of quoted securities of RMB 41,369,000 (Note 13A). As at 31 December 2021, the current assets of the Group exceeded its current liabilities by only RMB 982,000. Included in current assets and current liabilities are amount due from related parties of RMB 11,736,000 (representing Chairman Guo's controlled entities) and external borrowings of RMB 28,280,000 respectively, mainly from newly acquired agriculture business. Agri Sub-group's net profit for the financial year 2021 was RMB 4,493,000, mainly due to adverse effects from Covid-19 and catastrophic flooding, which were not adequate to return the Group's pro-forma loss to profitability position.

Despite the above factors, the accompanying financial statements have been prepared on a going concern basis. Management's assessment of the Group's and the Company's ability to continue as a going concern includes the following key assumptions:

(a) The Group's newly acquired agriculture business will be able to generate operating profits and operating cash inflows in financial year 2022;

(b) The Group continues to obtain financial support from Chairman Guo, a controlling shareholder of the Group after the completion of acquisition of Agriculture business, to enable the Group to operate as a going concern and to meet its obligations as and when they fall due. In particular, Chairman Guo has agreed not to recall for payment of the aggregate amount owing to related parties, being his controlled entities, of RMB 19,915,000 within the next 12 months which has been classified as non-current liabilities (Note 18(iii));

(c) The Group had, on 3 March 2022, successfully completed Tranche A Placement exercise and raised gross placement proceeds amounting to S$1,470,000 (equivalent to approximately RMB 6,839,000) and the Group will seek shareholders' approval for the Tranche B amounting to S$1,505,000 (equivalent to approximately RMB 7,001,000) by June 2022 which will be subscribed by a director of the Company, an associate of Chairman Guo and a business partner;

(d) Relating to term loans included in current liabilities totaling RMB 23,000,000, as at the date of authorisation of these financial statements, the Group has managed to roll-over Loan 2 of RMB 5,000,000 for a year, and has obtained approval-in-principle for the roll-over of Loan 1 of RMB 8,000,000 and is in the progress of negotiating with the government agency (Loan 3) to restructure the short-term loan to be repayable beyond 12 months from date of restructuring. In addition, subsequent to the reporting date, the Agri Sub-group has also obtained non-legally binding Letter of Intent from a different bank in PRC to grant a facility up to RMB 20,000,000; and

2(b). FUNDAMENTAL ACCOUNTING CONCEPT (Continued)

(e) The Directors of the Company carried out a detailed review of the Group's cash flows forecast prepared by the management for the next 12 months. Based on the cash flows forecast, the Directors of the Company are of the opinion that there is adequate liquidity to finance the working capital requirements of the Group for the next 12 months.

In view of the above, the accompanying financial statements have been prepared on a going concern basis and no adjustment has been made to the financial statements to reflect the situation that assets may be realised other than in the normal course of business or at significantly different amount from that being currently recorded in the statements of financial position in the unlikely event that the Group and the Company cannot continue to operate on a going concern in the foreseeable future. In such circumstances, the Group and the Company may have to provide for further liabilities which may arise, and to reclassify non-current assets and liabilities as current assets and liabilities respectively.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below and are drawn up in accordance with the International Financial Reporting Standards ("IFRS"). The financial statements are presented in Chinese Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) as indicated, unless otherwise stated.

The preparation of the financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgement or complexity, are disclosed in this Note.

Adoption of new and revised standards

On 1 January 2021, the Group adopted the new or amended IFRS and Interpretations of IFRS ("IFRIC") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS and IFRIC. The adoption of these new or amended IFRS and IFRIC did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Descriptions	**Effective for annual periods beginning on or after**
Amendment to IFRS 16: *Covid-19 - related rent concessions beyond 30 June 2021*	1 April 2021
Amendments to IFRS 3: *Reference to Conceptual Framework*	1 January 2022
Amendments to IAS 16: *Property, Plant and Equipment - Proceeds before Intended Use*	1 January 2022
Amendments to IAS 37: *Onerous Contracts - Cost of Fulfilling a Contract*	1 January 2022
Annual Improvements to IFRSs 2018-2020	1 January 2022
- Amendments to IFRS 1 *First-time Adoption of FRS*	
- Amendments to IFRS 9 *Financial Instruments*	
- Amendments to Illustrative Examples accompanying IFRS 16 Leases	
- Amendments to IAS 41 Agriculture	
Amendments to IAS 1: *Classification of Liabilities as Current or Non-Current*	1 January 2023
IFRS 17: *Insurance Contracts*	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2: *Disclosures of Accounting Policies*	1 January 2023
Amendments to IAS 8: *Definition of Accounting Estimates*	1 January 2023
Amendments to IAS 12: *Deferred tax related to assets and liabilities arising from a single transaction*	1 January 2023
Amendment to IFRS 17: Initial Application of IFRS 17 and IFRS 9 - *Comparative Information*	1 January 2023
Amendments to IFRS 10 and IAS 28: *Sales or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application.

Group accounting

(i) Subsidiaries

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- had power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Group accounting (Continued)

(i) Subsidiaries (Continued)

(a) Basis of consolidation (Continued)

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Group accounting (Continued)

(i) Subsidiaries (Continued)

(a) Basis of consolidation (Continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(b) Acquisition of businesses

The acquisition method of accounting is used to account for business combinations by the Group. The Group determines that it has acquired a business when the acquired set of assets and activities includes, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement. Acquisition-related costs, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to recognise them either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets, at the date of acquisition.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Group accounting (Continued)

(i) Subsidiaries (Continued)

(b) Acquisition of businesses (Continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

(c) Disposals of subsidiaries or businesses

The assets and liabilities of the subsidiary, including any goodwill, are derecognised when a change in the Company's ownership interest in a subsidiary result in a loss of control over the subsidiary. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss. Subsequently, the retained interest is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Currency translation

(i) Functional and presentation currency

The individual financial statements of each entity are presented in the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company.

Transactions in a currency other than the functional currency ("foreign currency") are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of an item of property, plant and equipment including subsequent expenditure is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. When significant parts of property, plant and equipment is required to be replaced in intervals, the Group recognises such parts as individual assets with specific lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance expenses are recognised in profit or loss when incurred.

After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss.

Construction in progress includes all cost of construction and other direct costs. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Construction in progress is reclassified to the appropriate category of property, plant and equipment when complete and ready to use.

Construction in progress is not depreciated. All other items of property, plant and equipment are depreciated using the straight-line method to write-off the cost of the assets less estimated residual value over their estimated useful lives as follows:

	Useful lives (Years)	Estimated residual value as a percentage of cost (%)
Buildings	20 years	0% to 3%
Furniture, fixtures and equipment	3 to 10 years	0% to 5%
Motor vehicles	5 to 10 years	3% to 10%
Plant and machinery	5 to 15 years	0% to 5%
Leasehold improvements	Over the lease terms of 2 to 3 years	0%

The residual value, estimated useful life and depreciation method are reviewed, and adjusted as appropriate, at each reporting date to ensure that the amount, method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. Fully depreciated assets are retained in the financial statements until they are no longer in use.

The carrying amount of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on retirement or disposal is determined as the difference between any sales proceeds and the carrying amounts of the asset and is recognised in profit or loss within "Other income / (expenses)".

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bearer plants

Bearer plants related to agriculture activity are accounted for using the cost model within the scope of IAS 16. Bearer plants comprise mature and immature pomegranate plantations, which are measured as follows:

(a) Immature plantations are stated at costs which consists mainly of accumulated costs of land clearing, planting, fertilising, up-keeping and maintaining the plantation, and allocations of indirect overhead costs up to the time the plants become commercially productive and available for harvest. Costs also including capitalised borrowing costs and other charges incurred in connection with the financing of the development of immature plantations. In general, pomegranate trees take 5 years to reach maturity from the time seedlings are planted.

(b) Mature plantations are stated at costs less accumulated depreciation and impairment. Depreciation of mature plantations is computed on a straight-line basis over the estimated useful lives of 25 years post maturity.

The carrying values of the bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The useful life and depreciation method are reviewed at each reporting date and adjusted prospectively, if appropriate.

Bearer plants are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the bearer plant is included in profit or loss in the year the asset is derecognised.

Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised on a straight-line basis over the lease term of 30 years.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent on those from other assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets (Continued)

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecasts calculations are generally covering a period of five years. The value in use calculation is based on a forecasting future cash flow model. The cash flows are derived from the budget for the following 12 months and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. This increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

Financial assets and liabilities

(i) Initial recognition and measurement

Trade receivables are initially recognised when they are originated. Other financial assets and financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Trade receivables without financing component is initially measured at the transaction price in accordance with IFRS 15. Other financial assets or financial liabilities are initially recognised at fair value plus, in the case of financial assets or liabilities not at fair value through profit or loss, directly attributable transaction costs.

(ii) Classification and subsequent measurement

Financial assets

Financial assets are classified and subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, at the following categories:

- Amortised costs
- Fair value through Other Comprehensive Income (FVOCI) – Debt investments
- FVOCI – Equity investments
- Fair value through profit or loss (FVPL)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets and liabilities (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial assets (Continued)

Financial assets are not reclassified after initial recognition unless the Group changes its business model for managing financial assets, in which case such reclassification will be applied prospectively from the reclassification date.

Financial assets at amortised costs

Unless designated at FVPL, financial assets are measured at amortised costs if:

- It is held within a business model with an objective to hold the assets to collect contractual cash flows; and

- Its contractual cash flows comprise of solely principal and interest on the principal amount outstanding

These assets, mainly trade and other receivables, deposits, pledged bank deposits, amounts due from related parties and cash and cash equivalents, are subsequently measured at amortised costs using the effective interest rate method, which is reduced by impairment losses. Interest income, foreign exchange differences, and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

Unless designated at FVPL, a debt investment is measured at FVOCI if:

- It is held within a business model with objectives of both collecting contractual cash flows and selling financial assets; and

- Its contractual cash flows comprise of solely principal and interest on the principal amount outstanding

These assets are subsequently measured at fair value. Interest income calculated on effective interest rate method, foreign exchange differences and impairment are recognised in profit or loss. Other net gains and losses (including changes in fair value) are recognised in OCI. The cumulative amounts in OCI are reclassified to profit or loss upon derecognition.

Equity investments at FVOCI

Unless held-for-trading, the Group may irrevocably elect on initial recognition, on an investment-by-investment basis, to present subsequent changes of fair value of the equity investments in OCI.

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses (including changes in fair value) are recognised in OCI which will never be reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets and liabilities (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial assets (Continued)

Financial assets at FVPL

All financial assets not at amortised cost or FVOCI as described above are measured at fair value through profit or loss. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI to be measured at FVPL, if doing so eliminates or significantly reduce accounting mismatch that would otherwise arise.

Financial assets held for trading or are managed and whose performance is evaluated on a fair value basis would be mandatorily measured at FVPL.

These assets are subsequently measured at fair value. Net gains or losses, including any interest income or dividend income are recognised in profit or loss.

As at 31 December 2021 and 31 December 2020, the Group does not have the category of financial assets, at FVOCI, financial assets – Debt investments.

Financial liabilities

Financial liabilities are subsequently measured at amortised costs unless it is held for trading (including derivative liabilities), or designated as financial liabilities at FVPL on initial recognition to significantly reduce accounting mismatch or when a group of financial liabilities are managed whose performance is evaluated on a fair value basis.

Financial liabilities at amortised costs are subsequently measured at amortised costs using the effective interest rate method. Interest expense and foreign exchange differences are recognised in profit or loss. These financial liabilities mainly comprise accruals, trade and other payables, including amounts due to related parties and subsidiaries, and lease liabilities.

Financial liabilities at FVPL are measured at fair value with net gains and losses (including interest expense) recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

As at 31 December 2021 and 31 December 2020, the Group does not have other categories of financial liabilities except for financial liabilities at amortised cost.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets and liabilities (Continued)

(iii) Derecognition

Financial assets

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial assets. On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the derecognition date and the sum of the consideration received is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of the assets within the period generally established by regulation or convention in the marketplace concerned.

Financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. The Group also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount of the financial liabilities extinguished, or transferred and the consideration paid (including non-cash transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Group applies impairment model in IFRS 9 to measure the Expected Credit Losses (ECL) of the following categories of assets:

- Financial assets at amortised costs (trade and other receivables, deposits, pledged bank deposits, amounts due from related parties and cash and cash equivalents)
- Financial guarantee contracts

ECLs are probability-weighted estimates of credit losses, which are measured at the present value of all cash shortfalls (difference between the cash flows due to the Group in accordance with the contracts and the cash flows that the Group expects to receive), discounted at effective interest rate of the financial asset. The expected cash flows include cash flows from the sale of collaterals held, if any, or other credit enhancements that are integral to the contractual terms.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Simplified approach

The Group applies simplified approach to all trade receivables. Impairment loss allowance is measured at life time ECL, which represents ECLs that result from all possible default events over the expected life of a financial instrument ('life-time ECL'). The Group has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to those customers and the economic environment.

General approach

The Group applies general approach on all other financial instruments and financial guarantee contracts, and recognises a 12-month ECL on initial recognition. 12-months ECL are ECLs that result from possible default events within 12 months after the reporting date or up to the expected life of the instrument, if shorter.

Impairment loss allowance or reversals are recognised in profit or loss. Loss allowance on financial assets at amortised cost are deducted from the gross carrying amount of those asset.

Significant increase in credit risk (Stage 2)

For credit exposures for which there has been a significant increase in credit risk since initial recognition, impairment loss allowance is measured at life-time ECL. When a financial asset is determined to have a low credit risk at reporting date, the Group assumes that there has been no significant increase in credit risk since initial recognition. For other cases, the Group uses reasonable and supportable forward-looking information available without undue cost or effort to determine, at each reporting date, whether there is significant increase in credit risk since initial recognition. In assessing whether there has been significant increase in credit risks, the Group takes into account factors such as:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the debtor's ability to meet its debt obligations

- actual or expected significant adverse change in the regulatory, economic, or technological environment that are expected to cause a significant change in the debtor's ability to meet its debt obligations

- an actual or expected significant change in the operating results of the debtors

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 180 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

If credit risk has not increased significantly since initial recognition or if the credit quality improves such that there is no longer significant increase in credit risk since initial recognition, loss allowance is measured at 12-month ECL.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Definition of default

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligation in full, without recourse by the Group; or

- The financial asset is more than 180 days past due, unless otherwise indicated in credit risk note (Note 4(ii)).

The Group considers a financial asset to be in default when the customer or borrower is unlikely to pay its credit obligation in full, without recourse by the Group.

The Group considers a financial guarantee contract to be in default when the customer is unlikely to pay its loan obligations to the bank in full, without recourse by the Group.

Credit-impaired (Stage 3)

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;

- a breach of contract, such as a default or past due event;

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off the gross carrying amount of a financial assets to the extent that there is no realistic prospect of recovery, for example when the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the Group, or the debtor has been struck off.

Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in an active market (such as exchange traded and over-the-counter securities and derivatives) are based on quoted market prices at the reporting date. The quoted market prices used for financial assets and the financial liabilities are the current bid prices and the current asking prices respectively.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value estimation of financial assets and liabilities (Continued)

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each reporting date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair value of the financial instruments.

The carrying amounts of current financial assets and liabilities carried at amortised cost approximate their fair values.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in first-out method. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Consumables (comprising fertilisers, chemicals, packing materials and other supplies): purchase costs

- Work-in-progress and finished goods: cost of direct materials, direct labour and an attributable proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to be incurred for selling and distribution.

Completed properties for sale

Completed properties for sale are properties held for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation. Completed properties for sale are stated at the lower of cost and net realisable value. Cost is determined by apportionment of the total land costs, development costs and capitalised borrowing costs based on floor area of the unsold properties.

Net realisable value is determined by reference to the Group's estimates of the sales proceeds of properties sold in the ordinary course of business less costs to be incurred in marketing, selling and distribution based on prevailing market conditions.

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(i) As lessee

At the lease commencement date, the Group recognises a Right-of-Use (ROU) asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and low-value leases as described below.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

(i) As lessee (Continued)

ROU asset

ROU assets are initially measured at cost, which comprise initial amount of lease liability, any lease payment made at or before commencement date, plus initial direct costs incurred, less lease incentives received. Initial direct costs are costs that would not have been incurred if the lease had not been obtained.

Whenever the Group incurs obligations for costs to dismantle and remove a leased asset, restore the site or the underlying asset to the condition required by the terms and conditions of the lease contract, a provision is recognised and measured under IAS 37; and included in the carrying amount of the ROU assets to the extent that the costs relate to a ROU asset.

ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from commencement date to the earlier of end of lease terms and useful life of the ROU assets. In addition, the ROU assets are also adjusted for certain remeasurement of lease liability.

ROU assets are presented as a separate line item on the statement of financial position.

At commencement or modification of a contract that contains lease and non-lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease and non-lease component.

Lease liability

Lease liability is initially measured at the present value of lease payments discounted using interest rate implicit in the lease, or if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the incremental borrowing rate as the discount rate, which is estimated by reference to interest rates from various external financing sources for similar terms such as lease terms, type of assets leases and economic environment.

The following lease payments are included in the measurement of lease liability:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables

- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date

- Amount expected to be payable under residual value guarantees

- The exercise price of a purchase option if is reasonably certain to exercise the option, and

- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

(i) As lessee (Continued)

Lease liability (Continued)

Lease liability is measured at amortised cost using effective interest method. Remeasurement of lease liability (and corresponding adjustment to ROU asset, or to profit or loss when the ROU asset has been reduced to zero) is required when there is:

- a change in future lease payments arising from changes in an index or rate, in which case the initial discount rate is used;
- a change in the Group's assessment of whether it will exercise an extension or termination option, in which case a revised discount rate is used; or
- modification in the scope or the consideration of the lease that was not part of the original term and not accounted for as separate lease, in which case a revised discount rate at effective date of modification is used.

The Group presents the lease liabilities within "Borrowings" on the statements of financial position.

Exemption / exclusion

The following leases/ lease payments are not included in lease liabilities and ROU asset:

- The Group has elected not to recognise ROU asset and lease liabilities for short term leases (defined as leases with a lease term of 12 months or less). For such leases, the Group recognises the lease payments in profit or loss as an operating expense on a straight-line basis over the lease term.

Covid-19 Rent concessions

The Group has applied the practical expedients under *Amendments to IFRS 16: Covid-19 -Related Rent Concessions* and hence is not required to assess whether eligible rent concessions that are direct consequence of the Covid-19 are lease modifications. The Group applies the practical expedient to the office premises and recognises the effect in profit or loss as a reduction of lease expenses.

Provisions

General

A provision is recognised when the Group has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required for the Group to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions (Continued)

Onerous contract provision

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract is lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of expected costs of terminating the contract and the expected net cost of continuing the contract. Before such provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Financial guarantee

In accordance with industry practice, the Group provided guarantees to banks for mortgage loans taken by certain buyers of the Group's properties.

Financial guarantees issued are initially measured at fair value and the initial fair value is amortised over the life of the guarantees. Subsequent to initial measurement, the financial guarantees are measured at the higher of the amortised amount and the amount of expected loss computed using the ECL impairment methodology under IFRS 9. ECL for financial guarantees issued are measured as the expected payments to reimburse the banks less any amounts that the Company expects to recover from the buyers.

Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recorded at fair value, net of transaction costs and subsequently carried for at amortised costs using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within twelve months after the reporting date are included in current borrowings on the statement of financial position even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue.

Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. This includes those costs on borrowings acquired specifically to finance the development of pomegranate plantations, as well as those in relation to general borrowings for working capital purposes. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing cost are capitalised until the assets are substantially completed for their intended use or sale, i.e. when the bearer plants have matured. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interests and other costs that an entity incurs in connection with the borrowing of funds.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share capital and treasury shares

Proceeds from issuance of ordinary shares are classified as share capital in equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital.

When ordinary shares are reacquired ("treasury shares"), the amount of consideration paid including any directly attributable incremental costs is presented as a component within equity, until they are cancelled, sold or reissued. When treasury shares are subsequently cancelled, the cost of the treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company, if the shares are purchased out of earnings of the Company. When treasury shares are subsequently sold, or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury shares account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the non-distributable capital reserve of the Company.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customers, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Unless otherwise mentioned, the Group concludes that it is acting as a principal in the provision of goods or services in its contracts with customers.

<u>Sales of completed properties</u>

Under the transfer-of-control approach in IFRS 15, revenue from the sale of completed properties is recognised at the point in time when control over the properties is transferred to the customers. Control over the properties refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the properties.

The Group concludes that the revenue from sale of completed properties is recognised when all of the following criteria have been met:

- the sale and purchase agreement has been signed;
- the full payment is received from the customers and their financier; and
- the property is ready for handover to the customers, as stipulated in the sale and purchase agreement.

When physical possession of properties are not transferred solely due to the customers' delay in completing the hand-over procedures, the Group has deemed that the properties have been handed over to the customers as specifically provided for in the sale and purchase agreements. In such circumstances, even though the customers have not formally accepted the properties as they have yet to complete the inspection procedures, the Group assessed that this will not defer the transfer of control.

Sales deposit and instalments received from customers prior to the transfer of control are included in "Contract liabilities".

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and that the Group will comply with all the attached conditions. Where the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is amortised to profit or loss over a systematic basis over the expected useful life of the relevant asset.

When the grant relates to expenses, it is recognised in profit or loss as other income on a systematic basis in periods in which the related costs, for which it intended to compensate, are recognised as expenses, unless the conditions are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

Interest income

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the effective interest rates applicable.

Employees' benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Retirement benefits

The Group participates in the national schemes as defined by the laws of the countries in which it has operations.

People's Republic of China ("PRC")

The subsidiaries, incorporated and operating in the PRC, is required to provide certain retirement plan contribution to their employees under the existing PRC regulations. Contributions are provided at rates stipulated by the PRC regulations and are managed by government agencies, which are responsible for administering these amounts for the subsidiary's employees.

Obligations for contributions to defined contribution retirement plans are recognised as an expense in the period in which the related service is performed.

(iii) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been substantively enacted by the reporting date in the countries where the Group operates and generates taxable income. Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

All income from sale of properties in the PRC is subject to Land Appreciation Tax ("LAT") at progressive rates under the PRC tax laws and regulations. Management has to estimate the LAT progress rate to provide for LAT in accordance with the PRC tax laws and regulations. The management considered the provision of LAT, as disclosed in Note 35 to be adequate.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax assets to be recovered.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and the Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or the Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalent comprises cash on hand, deposits with financial institutions, and short-term, highly liquid investments readily convertible to known amounts of cash and subjected to an insignificant risk of changes in value.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn resources and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

Operating segments are reported in a manner consistent with the internal reporting provided to the Chairman, who is the chief operating decision maker, whose members are responsible for allocating resources and assessing performance of the operating segments.

Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Other than as disclosed in Note 11, there are no judgements made by management (apart from those involving estimations) in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Valuation of financial assets, at FVOCI

Management has measured the fair value of the financial assets, at FVOCI representing the unquoted equity investment of 40.15% in Sino Feng using valuation techniques including the discounted cash flow model. The inputs to these models are derived from observable data when possible, but when this is not feasible, a degree of judgement is required in establishing the fair value. The critical assumptions include significant judgement in estimating future cash flows, especially the iron ore selling price, license renewal period, discount rate, capital and operating expenditure, etc. Changes in these key assumptions could affect the reported fair value of financial assets, at FVOCI. The valuation technique and assumptions as well as the relevant sensitivity analysis are described in Note 11.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Critical accounting estimates, assumptions and judgments (Continued)

(b) Impairment of trade and other receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that the amounts of trade and other receivables are impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the value of any collateral pledged by the third parties, probability of insolvency or significant financial difficulties of the third parties and default or significant delays in payments.

Included in the total assets of the Group as at 31 December 2021 was trade receivables and other receivables with carrying amount of RMB 3,794,000 (2020: Nil) and RMB 1,137,000 (2020: RMB 1,742,000) respectively, which are stated after allowance made for impairment loss amounting to Nil and RMB 5,570,000 (2020: Nil and RMB 10,000,000) respectively. The factors considered by the management in individually determining that these balances were impaired are disclosed in Note 4(ii) and 17(i). Any change in the financial standing or probability of the recovery of such balances may result in adjustment to these carrying amounts within the next financial year.

(c) Impairment of investment in subsidiaries

When there is an indication that a subsidiary has suffered an impairment loss, for example the subsidiary is in capital deficit and has suffered operating losses; an assessment is made as to whether the investment in the subsidiary has suffered any impairment, in accordance with the stated accounting policy. An estimate on the recoverable amount is the higher of its fair value less costs to sell and its value in use. As at 31 December 2021, the total carrying amount of investment in subsidiaries is RMB 165,311,000 (2020: RMB 128,200,000), after net of impairment on Elegant Jade of RMB 464,334,000 (2020: RMB 464,334,000) provided since FY2017.

The carrying amount of investment in Elegant Jade (Note 10) amounting to RMB 128,200,000 (2020: RMB 128,200,000) is not further impaired during the current year, taking into account the balance due to Elegant Jade amounting to RMB 127,280,000 (2020: RMB 122,991,000) and its net assets position.

(d) Accounting for business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Significant judgement is involved in the identification and measurement of the acquired assets and liabilities. Management engaged external valuation expert to perform the PPA. For acquisition of Agriculture business during the year, as allowed by IFRS 3 Business Combinations, the fair values of the assets and liabilities have been determined on a provisional basis as the results of the independent valuations have not been finalised.

The details of the business combinations during the year are disclosed in Note 10(a).

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Critical accounting estimates, assumptions and judgments (Continued)

(e) Income taxes

Land Appreciation Tax ("LAT")

LAT is levied on properties developed by the Group for sale in the PRC, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, and relevant property development expenditures. The Group has been pre-paying LAT based on pre-determined rates. In view of the fully handover of remaining property units in current year, the condition to commence finalisation of LAT calculations with local tax authorities in the PRC has been fulfilled, the timing of which is at the discretion of the local tax authorities.

Until the finalisation of LAT calculation, the Group recognised LAT based on management's best estimates according to understanding of the tax laws, regulations and practices as advised by local tax expert. Given the uncertainties of the calculation basis of LAT to be interpreted by the local tax bureau may be different from the management estimates, the actual outcomes may be higher or lower than that estimated at the end of the reporting period.

If the estimated allowable deductible expenses increases / decreases by 3.00% (2020: 3.00%) from management's estimates, the Group expects the accumulated LAT expenses up to 31 December 2021 will decrease / increase by approximately RMB 4,461,000 (2020: RMB 3,455,000).

The carrying amount of the Group's LAT recoverable at the end of the reporting period was approximately RMB 2,850,000 (2020: RMB 3,210,000).

Corporate Income Tax ("CIT")

Significant estimates are involved in determining the Group's provision for income taxes, including the deductibility of certain expenses and construction costs. There are certain transactions and computations for which the ultimate tax determination is uncertain until the finalisation of CIT at the completion of the entire development project. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. LAT as calculated above will be an input for the CIT calculation and hence is subject to uncertainty. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax in the period in which such determination is made.

The carrying amount of the Group's CIT payable at the end of the reporting period was approximately RMB 5,811,000 (2020: CIT payable of RMB 6,347,000), which has been offset with the above LAT recoverable balance of RMB 2,850,000 (2020: RMB 3,210,000) to derive at the net income tax payable of RMB 2,961,000 as at 31 December 2021 (2020: RMB 3,317,000) presented on the statement of financial position.

Where the final tax outcome of LAT and CIT is different from the amounts that were initially recognised, such differences will impact the tax expense in the period in which such determination is made.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Critical accounting estimates, assumptions and judgments (Continued)

(e) Income taxes (Continued)

Deferred tax assets not recognised

The Group has unrecognised tax losses carried forward amounting to RMB 59,214,000 (2020: RMB 48,248,000). These losses relate to subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither temporary taxable differences nor any tax planning opportunities available that could support the recognition of any of these losses as deferred tax assets. The expiry dates of such tax losses are disclosed in Note 24.

4. FINANCIAL INSTRUMENTS

Categories of financial instruments

The following table sets out the financial instruments as at the reporting date:

	Group		Company	
	2021 RMB'000	**2020 RMB'000**	**2021 RMB'000**	**2020 RMB'000**
Financial assets				
Financial assets, at FVOCI	55,600	60,909	55,600	60,909
Financial assets, at FVPL	15,770	29,365	–	–
Financial assets at amortised cost	24,714	4,619	1,269	796
	96,084	94,893	56,869	61,705
Financial liabilities				
Financial liabilities at amortised cost	121,680	19,767	128,683	123,565

Financial risk management objectives and policies

(i) Market risk

(a) Foreign exchange risk

The Group does not have written risk management policies and guidelines. The directors of the Company meet periodically to analyse and formulate measurements to manage the Group's exposure to market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group does not hold or issue derivative financial instruments for hedging or speculative purposes. There has been no change during the financial year to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

4. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

The Group transacts business in various foreign currencies including United States dollar, Hong Kong dollar and Singapore dollar. At the end of the reporting date, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

Group 2021	Renminbi RMB'000	United States dollar RMB'000	Hong Kong dollar RMB'000	Singapore dollar RMB'000	Total RMB'000
Financial assets					
Trade receivables	3,794	–	–	–	3,794
Other receivables and deposits	1,384	–	9	–	1,393
Cash and cash equivalents	6,035	911	67	553	7,566
Pledged bank deposits	225	–	–	–	225
Financial assets, at FVPL – structured deposits	15,770	–	–	–	15,770
Amount due from related parties	11,736	–	–	–	11,736
	38,944	911	76	553	40,484
Financial liabilities					
Trade payables	5,576	–	–	–	5,576
Accrual and other payables	8,553	–	–	1,228	9,781
Borrowings - Term loans	26,074	–	–	–	26,074
Borrowings - Lease liabilities	57,224	–	–	–	57,224
Amounts due to related parties	23,025	–	–	–	23,025
	120,452	–	–	1,228	121,680
Net financial (liabilities) / assets	(81,508)	911	76	(675)	(81,196)
Less: Net financial liabilities denominated in the respective entities' functional currency	81,508	–	–	–	81,508
Foreign currency exposure	–	911	76	(675)	312

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

4. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

Group 2020	Renminbi RMB'000	United States dollar RMB'000	Hong Kong dollar RMB'000	Singapore dollar RMB'000	Total RMB'000
Financial assets					
Other receivables and deposits	1,950	–	–	–	1,950
Cash and cash equivalents	556	1,118	57	188	1,919
Pledged bank deposits	750	–	–	–	750
Financial assets, at FVPL – structured deposits	21,000	–	–	–	21,000
	24,256	1,118	57	188	25,619
Financial liabilities					
Trade payables	2,503	–	–	–	2,503
Accrual and other payables	14,422	–	–	399	14,821
Borrowings – Lease liabilities	481	–	–	–	481
Amounts due to a related party	–	34	–	–	34
Share–margin financing facility	1,928	–	–	–	1,928
	19,334	34	–	399	19,767
Net financial assets / (liabilities)	4,922	1,084	57	(211)	5,852
Less: Net financial assets denominated in the respective entities' functional currency	(4,922)	–	–	–	(4,922)
Foreign currency exposure	–	1,084	57	(211)	930

As the intragroup receivables and intragroup payables are denominated in Renminbi, which is the functional currency of all entities of the Group, hence the Group is not subject to material foreign currency risk on these balances.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

4. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

Company	Renminbi RMB'000	United States dollar RMB'000	Hong Kong dollar RMB'000	Singapore dollar RMB'000	Total RMB'000
2021					
Financial assets					
Cash and cash equivalents	–	711	50	491	1,252
Amounts due from related parties (non–trade)	17	–	–	–	17
	17	711	50	491	1,269
Financial liabilities					
Accruals and other payables	175	–	–	1,228	1,403
Amounts due to subsidiaries (non–trade)	127,280	–	–	–	127,280
	127,455	–	–	1,228	128,683
Net financial (liabilities) / assets	(127,438)	711	50	(737)	(127,414)
Less: Net financial liabilities denominated in the Company's functional currency	127,438	–	–	–	127,438
Foreign currency exposure	–	711	50	(737)	24
2020					
Financial assets					
Cash and cash equivalents	–	609	55	132	796
	–	609	55	132	796
Financial liabilities					
Accruals and other payables	175	–	–	399	574
Amounts due to subsidiaries (non–trade)	122,991	–	–	–	122,991
	123,166	–	–	399	123,565
Net financial (liabilities) / assets	(123,166)	609	55	(267)	(122,769)
Less: Net financial liabilities denominated in the Company's functional currency	123,166	–	–	–	123,166
Foreign currency exposure	–	609	55	(267)	397

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

4. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

Foreign exchange risk sensitivity analysis

The following table details the sensitivity to a 5% (2020: 5%) strengthening and weakening in the relevant foreign currencies against the Renminbi. 5% (2020: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the Group's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% (2020: 5%) change in foreign currency rates.

If the relevant foreign currencies weaken by 5% (2020: 5%) against the Renminbi, profit / (loss) for the year will increase / (decrease) by:

	United States dollar impact		Hong Kong dollar impact		Singapore dollar impact	
	2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
Group						
Profit / (Loss) for the year	(34)	41	(3)	2	25	(8)
Company						
Loss for the year	27	23	2	2	(28)	(10)

A 5% (2020: 5%) strengthening of the relevant foreign currencies against the Renminbi at 31 December would have had the equal but opposite effect on loss for the year on the basis that all other variables remained constant.

The movement of foreign exchange rate does not have any impact on the equity of the Company and the Group.

(b) Interest rate risk

As disclosed in Note 10(a) and Note 23, the newly acquired subsidiaries had existing financing facilities granted by banks and a government agency. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure. The Group constantly monitors its interest rate risk and does not utilise interest rate swap or other arrangements for trading or speculative purposes. As at 31 December 2021, there were no such arrangements, interest rate swap contracts or other derivative instruments outstanding.

The Group's interest–bearings assets are primarily pledged bank deposits (Note 20) which bear fixed interest rates. Summary quantitative data of the Group's interest–bearing financial liabilities, mainly term loans (2020: share margin facilities) can be found in part (iii) of this note.

4. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(b) Interest rate risk (Continued)

Interest in financial instruments subject to floating interest rates is repriced regularly. Interests on financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Group that are not included in the table in part (iii) of this note are not subject to interest rate risks.

Interest risk sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for non–derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting periods in the case of instruments that have floating rates. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If the interest rates had been 100 basis point higher or lower and all other variables were held constant, the Group's profit for the year ended 31 December 2021 would decrease / increase by RMB 103,000. This mainly attributable to the Group's exposure to interest rates on its variable rates borrowings.

(ii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. For financial assets, the Group adopts the policy of dealing only with high credit quality counterparties, which are considered to be low risk. Cash and cash equivalents (Note 21), financial assets, at FVPL – structured deposits (Note 12) and pledged bank deposits (Note 20) of the Group are placed with reputable financial institutions in Singapore, PRC and Hong Kong.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

4. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(ii) Credit risk (Continued)

Expected credit losses model under IFRS 9

The Group manages credit loss based on Expected Credit Losses (ECL) model. The Group and Company have the following financial assets (non–trade) subject to ECL:

Group	**Other receivables**			
	Stage–3	**Stage–2**	**Stage–1**	
	– Utility fees paid on behalf of customer RMB'000	**– Hongjing RMB'000**	**– Others RMB'000**	**Total RMB'000**
	(Note 17(ii))	**(Note 17(i))**	**(Note 17)**	**(Note 17)**
2021				
Gross amount of financial assets subject to ECL as at reporting date	–	5,000	1,137	6,707
Movement of life–time ECL:				
Balance at 1 January 2021	–	(10,000)	–	(10,000)
Recognised in profit or loss				
- ECL reversal arising from the recovery of balances	–	5,000	–	5,000
- ECL recognised	(570)	–	–	(570)
Written off	570	–	–	570
Balance at 31 December 2021	–	(5,000)	–	(5,000)
Carrying amounts of financial assets, representing net exposure as at reporting date	–	–	1,137	1,137

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

4. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(ii) Credit risk (Continued)

Expected credit losses model under IFRS 9 (Continued)

Group	Amount due from related parties		
	Stage–3	Stage–1	
	Property development segment RMB'000	Agriculture segment RMB'000	Total (Note 18) RMB'000
2021			
Gross amount of financial assets subject to ECL as at reporting date	154	11,736	11,890
Movement of life–time ECL:			
Balance at 1 January 2021	(158)	–	(158)
ECL reversal during the year, arising from the recovery of balances	4	–	4
Balance at 31 December 2021	(154)	–	(154)
Carrying amounts of financial assets, representing net exposure as at reporting date	–	11,736	11,736

Group	Other receivables			Amount due from related parties
	– Others	– Hongjing		
	Stage–1	Stage–2	Stage–3	Stage–3
	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 17)	(Note 17(i))	(Note 17(i))	(Note 18)
2020				
Gross amount of financial assets subject to ECL as at reporting date	742	11,000	–	158
Movement of life–time ECL:				
Balance at 1 January 2020 (Stage 3)	–	–	(12,038)	(503)
ECL reversal during the year, arising from the recovery of balances	–	–	2,038	33
Transfer from Stage–3 to Stage–2	–	(10,000)	10,000	–
ECL written–off during the year	–	–	–	312
Balance at 31 December 2020	–	(10,000)	–	(158)
Carrying amounts of financial assets, representing net exposure as at reporting date	742	1,000	–	–

4. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(ii) Credit risk (Continued)

Expected credit losses model under IFRS 9 (Continued)

General 3–stages approach is applied in the ECL assessment of the above financial assets. Upon initial application of IFRS 9, management is of the view that determining whether there has been a significant increase in credit risk since initial recognition would require undue cost or effort, and hence lifetime ECL is recognised as at each reporting date until derecognition.

<u>Other receivables due from Hongjing</u>

As at 31 December 2020, the Group considers the credit risk of the other receivables due from Hongjing to be reduced and has transferred the ECL from Stage 3 (credit–impaired) to Stage 2 (significant increase in credit risk) during 2020, taking into consideration that the Group and Hongjing has entered into agreement to repay balance owed by instalments and it has generally committed to it. Notwithstanding this, management considered balance of life–time ECL is still required as at 31 December 2020 as there was no further substantiating evidence or collaterals regarding its financial capabilities to repay the remaining amount of RMB 5,000,000 by June 2022.

As at 31 December 2021, balances owing by Hongjing is continued to be assessed as Stage 2 as it has substantially but not fully adhered to the agreed instalment plan as disclosed in Note 17(i).

<u>Amount due from related parties</u>

Management assessed that, as at 31 December 2021, there is low credit risk for the amount due from holding company and other related parties (representing Chairman Guo's controlled entities) recorded in the Agri Sub–group segment acquired during the year, in view that the Agri Sub–group owed higher balances to Chairman Guo's controlled entities (Note 18) and he personally guarantees the repayment of these receivables within the next 12 months.

<u>Trade receivables</u>

Trade receivables relates to Agri Sub–group newly acquired which trades with small numbers of customers such as fruit distributors and distribution platforms in PRC which has long term trading relationship. The Group presumes that the credit risk on trade receivables has increased significantly when the contractual payments are more than 180 days past due. The Group considers trade receivables are credit–impaired when the customers fail to make contractual payments within one year when due.

The carrying amount of financial assets recorded in the consolidated financial statements, represents the Group's maximum exposure to credit risk, except for the financial guarantees as follow.

4. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(ii) Credit risk (Continued)

Financial guarantees contracts issued

In addition, the Group is exposed to credit risk in relation to financial guarantees given to banks for certain buyers' mortgage loans. Please refer to Note 37(i) on the details of nature of guarantees and the assessment.

Management assesses that there are no material ECL on bank balances (Note 20 and 21), and rental and other deposits (Note 17).

Credit risk concentration

As at 31 December 2021, other than as disclosed elsewhere and in Note 37(i), the Group's significant credit risk exposure to single counterparty or group of counterparties having similar characteristics, are mainly described below:

– Cash and cash equivalents amounting to RMB 1,143,000 (2020: RMB 1,280,000) (Note 21) and pledged deposits amounting to RMB 225,000 (2020: RMB 750,000) (Note 20) are placed with 3 (2020: 2) of the 4 largest state–owned commercial banks in the PRC

– Investment in financial products classified as financial assets, at FVPL (Note 12) amounted to RMB 15,770,000 (2020: RMB 21,000,000) are invested with one of the top 20 commercial banks in the PRC

– Due from related parties amounting to RMB 11,622,000 (2020: Nil) (Note 18) owing to the holding company, in which Chairman Guo has controlling financial interest

– Top three balances of the Agri sub–group's customers represented 79% of the Group's total trade receivables

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

4. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(iii) Liquidity risk

The Group maintains sufficient cash and cash equivalents to finance their activities. The following table details the remaining contractual maturity for financial liabilities. The table is drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay and includes both interest and principal cash flows.

Group	**Weighted average effective interest rate**	**On demand or not later than 1 year**	**Later than 1 year and not later than 5 years**	**More than 5 years**
	%	**RMB'000**	**RMB'000**	**RMB'000**
2021				
Non–interest bearing liabilities:				
Trade and other payables		15,278	–	–
Amount due to related parties		34	22,991	–
Interest bearing liabilities:				
Lease liabilities (fixed rate)	7.18%	7,363	25,851	63,091
Term loans (fixed rate)	7% – 7.63%	11,257	1,792	–
Term loans (floating rate)	3.95% – 10.75%	13,821	–	–
Financial guarantee issued (Note 37(i)), net of bank deposits pledged	–	6,045	–	–
		53,798	50,634	63,091

Group	**Weighted average effective interest rate**	**On demand or not later than 1 year**
	%	**RMB'000**
2020		
Non–interest bearing liabilities:		
Trade and other payables		17,324
Amount due to related parties		34
Interest bearing liabilities:		
Lease liabilities (fixed rate)	11.00%	534
Share–margin financing facility	6.20%	2,048
Financial guarantee issued (Note 37(i)), net of bank deposits pledged	–	14,111
		34,051

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

4. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(iii) Liquidity risk (Continued)

	Company	
	2021	**2020**
	RMB'000	**RMB'000**
Repayable on demand or within 1 year		
Non–interest bearing liabilities	128,683	123,565

Capital risk management policies and objectives

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group's and Company's overall strategies remain relatively similar with that of 2020.

Fair value of financial instruments

(i) Fair value of financial instruments that are carried at fair value

Fair value hierarchy

The Company classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchies have the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table shows an analysis of financial instruments measured and carried at fair value by the level of fair value hierarchy:

Group		**Level 1**	**Level 2**	**Level 3**
		RMB'000	**RMB'000**	**RMB'000**
2021				
Financial assets, at FVOCI				
– Unquoted equity investment	(a)	–	–	55,600
Financial assets, at FVPL				
– Structured deposits	(b)	–	15,770	–
		–	15,770	55,600

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

4. FINANCIAL INSTRUMENTS (Continued)

Fair value of financial instruments (Continued)

(i) Fair value of financial instruments that are carried at fair value (Continued)

Group		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
2020				
Financial assets, at FVOCI				
– Unquoted equity investment	(a)	–	–	60,909
Financial assets, at FVPL				
– Structured deposits	(b)	–	21,000	–
– Quoted securities	(c)	8,365	–	–
		8,365	21,000	60,909

(a) For financial assets, at FVOCI, the fair value of the financial assets cannot be derived from active markets, the fair value was determined using valuation techniques, i.e. discounted cash flows model, which uses significant unobservable data. The inter–relationship of the significant unobservable inputs is disclosed in Note 11.

(b) For financial assets, at FVPL – structured deposits, the fair value of the financial product investment is evaluated based on published yield rate of the investment product at the reporting date (Note 12).

(c) For financial assets, at FVPL – quoted securities, the fair value of the financial assets is based on market prices of securities traded on exchange (Note 13).

Movements in Level 3 financial instruments measured at fair value

The following table presents the reconciliation for all financial instruments measured at fair value based on significant unobservable inputs (Level 3).

	Group	
	2021 RMB'000	2020 RMB'000
Financial assets, at FVOCI (Note 11)		
At beginning of the year	60,909	70,332
Fair value loss recognised in other comprehensive income	(5,309)	(9,423)
At end of the year	55,600	60,909

There has been no financial instrument transfer from Level 1 and Level 2 to Level 3 during financial year ended 31 December 2021 and 31 December 2020.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

4. FINANCIAL INSTRUMENTS (Continued)

Fair value of financial instruments (Continued)

(ii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of cash and cash equivalents, pledged bank deposits, trade and other receivables and payables, including amounts due from / (to) related parties, and term loans are reasonable approximation of fair value due to their short–term nature except as explained below:

- The fair value of fixed–rate borrowing repayable after next 12 months (Loan 5), discounted at market interest rate, approximates the carrying amount.

- In relation to the amount due to related parties which was classified as non–current liabilities, the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. However, the repayment scheduled in year 2023 and beyond was not determinable at this stage and hence fair value cannot be estimated.

(iii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

At the reporting date, there are no financial instruments under this category.

5. RELATED PARTY TRANSACTIONS

Some of the arrangements with related parties (as defined in Note 3) and the effects of these bases determined between the parties are reflected elsewhere in this report. In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year:

	Group	
	2021	**2020**
	RMB'000	**RMB'000**
Advance from a director [(i)]	–	1,000
Advance from related parties [(ii)]	6,020	–
(Repayment to) / Advances from a related party [(ii)]	(34)	34
Purchase from a related party [(ii)]	–	4

Note:

[(i)] The advance from a director has been fully paid as financial year ended 31 December 2020.

[(ii)] These related parties refer to certain entities which are controlled by a director of the Company.

The balances arising from the above transactions are unsecured, non–interest bearing and repayable on demand.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

5. RELATED PARTY TRANSACTIONS (Continued)

The remuneration of directors and other key management personnel ("KMP") of the Group during the financial years were as follows:

	Group	
	2021 RMB'000	2020 RMB'000
Short–term benefits	4,498	3,871
Post–employment benefits (defined contribution)	67	18
	4,565	3,889

6. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings RMB'000	Leasehold improvements RMB'000	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Plant and machinery RMB'000	Construction in progress RMB'000	Total RMB'000
Cost							
As at 1.1.2020	220	5,609	657	3,265	–	–	9,751
Additions	–	–	20	–	–	–	20
Disposals	–	–	(5)	–	–	–	(5)
As at 31.12.2020	220	5,609	672	3,265	–	–	9,766
As at 1.1.2021	220	5,609	672	3,265	–	–	9,766
Additions	–	–	6	–	–	–	6
Acquisition of subsidiaries (Note 10(a))	18,452	–	7,456	328	6,806	62	33,104
Write–off	–	(5,609)	–	–	–	–	(5,609)
As at 31.12.2021	18,672	–	8,134	3,593	6,806	62	37,267
Accumulated depreciation and impairment loss							
As at 1.1.2020	168	5,609	282	2,551	–	–	8,610
Charge for the year	3	–	105	269	–	–	377
Disposals	–	–	(5)	–	–	–	(5)
As at 31.12.2020	171	5,609	382	2,820	–	–	8,982
As at 1.1.2021	171	5,609	382	2,820	–	–	8,982
Charge for the year	10	–	100	100	–	–	210
Write–off	–	(5,609)	–	–	–	–	(5,609)
As at 31.12.2021	181	–	482	2,920	–	–	3,583
Net carrying value							
As at 31.12.2021	18,491	–	7,652	673	6,806	62	33,684
As at 31.12.2020	49	–	290	445	–	–	784

As at 31 December 2021, certain items of equipment with a carrying value of RMB 3,118,380 (2020: Nil) has been pledged to a finance company as security for financing facilities (Note 23).

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company	Furniture, fixtures and equipment RMB'000
Cost	
As at 1.1.2020, 1.1.2021 and 31.12.2021	11
Accumulated depreciation	
As at 1.1.2020	3
Charge for the year	2
As at 31.12.2020	5
As at 1.1.2021	5
Charge for the year	3
As at 31.12.2021	8
Net carrying value	
As at 31.12.2021	3
As at 31.12.2020	6

7. BEARER PLANTS

Group	Mature plantations RMB'000	Immature plantations RMB'000	Total RMB'000
Cost			
As at 1.1.2021	–	–	–
Acquisition of subsidiaries (Note 10(a))	45,403	97,089	142,492
As at 31.12.2021	45,403	97,089	142,492
Accumulated depreciation			
As at 1.1.2021 and as at 31.12.2021	–	–	–
Net carrying value			
As at 31.12.2021	45,403	97,089	142,492

As at 31 December 2021, the bearer plants solely arose from the acquisition of subsidiaries and are measured at acquiree's carrying amount at cost (taken to be provisional fair value, pending finalisation of acquisition accounting as disclosed in Note 10(a)), which will be the deemed cost in subsequent measurement.

Borrowing costs capitalised as the cost of immature plantations for the financial year ended 31 December 2021 amounted to RMB 274,000 (pre–acquisition period). The interest capitalised is the actual interest incurred on the borrowings to finance the development of pomegranate plantations.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

8. RIGHT–OF–USE ASSETS

Group	Leasehold land and buildings RMB'000	Leasehold building RMB'000	Total RMB'000
Cost			
As at 1.1.2020 and 1.1.2021	–	2,050	2,050
Write–off (i)	–	(2,050)	(2,050)
Acquisition of subsidiaries (Note 10(a)) (ii)	56,321	–	56,321
As at 31.12.2021	56,321	–	56,321
Accumulated depreciation and impairment loss			
As at 1.1.2020 and 1.1.2021	–	2,050	2,050
Write–off (i)	–	(2,050)	(2,050)
As at 31.12.2021	–	–	–
Net carrying value			
As at 31.12.2021	56,321	–	56,321
As at 1.1.2021	–	–	–

Notes:

(i) The Group leases office premises in Henan, PRC, for a term of 3 years. The ROU assets had been fully impaired since 31 December 2019 and have been written off during the year due to lapse of the lease. The Group entered into short–term lease of 1 year for remaining office leases (Note 34).

(ii) Brought in by the newly acquired agriculture business, the Group has taken over the lease contracts for various assets of leasehold land and building used in the agriculture operations in the PRC. Lease of land generally have lease terms ranging from 10 to 30 years with remaining lease term between 7 to 26 years as at 31 December 2021. The leases are non–cancellable and the renewal is subject to lessors' approval. The Group's bearer plants are planted and managed on the area which have obtained rights to cultivate, and the Group is restricted from assigning and subleasing the leased assets except for ROU assets for certain leasehold land with carrying amount of RMB 53,046,000.

Short–term leases and leases of low–value assets

The Group also has certain leases of office equipment with lease terms of less than 12 months or with low value. The Group applies "short–term lease" and "lease of low–value assets" recognition exemptions for these leases and recognise lease expenses on a straight–line basis in the profit or loss as disclosed in Note 34.

The corresponding lease liabilities are disclosed in Note 23 to the financial statements.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

9. LAND USE RIGHTS

	Group	
	2021 RMB'000	2020 RMB'000
Net carrying value		
At beginning of the year	43	45
Amortisation	(3)	(2)
At end of year	40	43

The Group has been granted land use rights over one plot of state–owned land in PRC where the Group's office resides for a lease term of 30 years.

During the financial year ended 31 December 2021, amortisation of RMB 3,000 (2020: RMB 2,000) has been charged to profit or loss.

10. SUBSIDIARIES

	Company	
	2021 RMB'000	2020 RMB'000
Unquoted equity shares, at cost	197,835	197,835
Deemed investment at cost (i)	378,795	378,795
Deemed investment in a subsidiary (ii)	15,904	15,904
Acquisitions during the year (Note 10(a))	37,111	–
	629,645	592,534
Less: Impairment	(464,334)	(464,334)
	165,311	128,200
Represented by:		
Investment in Elegant Jade	128,200	128,200
Investment in Fully Rich	37,111	–

Notes:

(i) Deemed investment at cost represents the amounts owing from subsidiaries which was neither likely nor plan to be recovered in the foreseeable future.

(ii) Deemed investment in a subsidiary arose from fair value of share options granted by the Company to the employees of its subsidiary for which there are no recharges.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

10. SUBSIDIARIES (Continued)

Particulars of the Company's subsidiaries as at 31 December 2021 and 31 December 2020 are as follows:

Name of companies	Principal activities	Country of incorporation and place of business	Effective equity held by the Group	
			2021	2020
			%	%
Held by the Company				
Elegant Jade Enterprises Limited ("Elegant Jade") (i) (ii)	Investment holding	British Virgin Islands	100	100
Nice Rhythms Limited (i) (ii)	Investment holding	British Virgin Islands	100	100
China Mining Singapore Pte. Ltd. (i)	Mining consultancy and investment holding	Singapore	100	100
Fully Rich International Investment Limited ("Fully Rich") or ("Agri HoldCo") (i) (ii)	Investment holding	Hong Kong	63.11 Note (a)	–
Direct / Indirect subsidiaries of Elegant Jade				
Zhengzhou Shengderun Mining Co., Ltd (formerly known as "Anyang Huilong Real Estate Co., Ltd") (i)	Investment holding	PRC	100	100
Xinxiang Huilong Real Estate Co., Ltd (i)	Property development and investment holding	PRC	100	100
Henan Sunshine Elegant Jade Real Estate Co., Ltd (i)	Investment holding	PRC	100	100
Zhengzhou KunChang Properties Co., Ltd (i)	Inactive	PRC	100	100
Xinxiang ZhengRong Real Estate Co., Ltd (i)	Dormant	PRC	–	70
Direct / Indirect subsidiaries of Fully Rich				
Henan Zhongnong Huasheng Agriculture Science and Technology Co. Ltd. (i)	Plantation, cultivation and selling of agricultural produce	PRC	63.11	–
Zhengzhou Rundong Fruit Forest Co., Ltd. (i)	Plantation, cultivation and selling of agricultural produce	PRC	63.11	–
Gongyi Zhongnong Huasheng Agricultural Science and Technology Co., Ltd. (i)	Plantation, cultivation and selling of agricultural produce	PRC	63.11	–
Henan Central Agriculture and Commerce Co., Ltd. (i)	Selling agricultural produce and processed agricultural products	PRC	63.11	–
Henan Zhongnong Huasheng Industrial Co., Ltd. (i)	Processing, packaging and refrigerating agricultural produce	PRC	63.11	–

Notes:

(i) Audited by Crowe Horwath First Trust LLP, for the purpose of expressing an opinion on the consolidated financial statements.

(ii) Not required to be audited by the law of the country of incorporation.

10. SUBSIDIARIES (Continued)

(a) Acquisition of subsidiaries

As disclosed in Note 2, on 17 December 2021, the Company completed the acquisition of 100% of the issued and paid–up share capital of Fully Rich International Investment Limited ("Agri HoldCo") through the issuance of 162,000,000 new ordinary Shares (the "Consideration Shares") to the Vendors or their nominees in the relevant proportions. The aggregate consideration for the acquisition was S$7.938 million (or approximately RMB 37.11 million) ("Purchase Consideration"), measured at the market price of S$0.049 per Consideration Share on the Acquisition Date.

Agri HoldCo owns 63.11% of the registered capital of the Henan Zhongnong Huasheng Agriculture Science and Technology Co. Ltd, which in turns owns 4 wholly–owned subsidiaries ("Agri Sub–group"), all of which are in agriculture business as disclosed above.

The Vendors are controlled by the Group's Chairman and Executive Director. As announced by the Company on 31 March 2021, the purchase consideration represents a discount of approximately 55% as compared to an independent valuation on the Agri Sub–group. Such discount gives rise to a bargain purchase on acquisition as disclosed below. The acquisition will help the Group develop a more consistent and stable revenue and further diversify its business.

<u>Provisional accounting of the acquisition of Agri Sub–group</u>

The independent valuation of the Agri Sub–group for the purpose of accounting for the business combination is in progress and expected to be completed subsequent to the authorisation of these financial statements. In view that the fair values as at Acquisition Date are not available pending the completion of the valuation, the carrying amounts in the acquiree's books as at Acquisition Date have been used as provisional amounts in the measurement of the identifiable assets acquired and liabilities assumed on a provisional basis.

Assets and liabilities of the Agri Sub–group, mainly the bearer plant and relevant depreciation and deferred tax liability, and correspondingly the gain on bargain purchase arising from this acquisition and non–controlling interests, will be adjusted on a retrospective basis when the purchase price allocation valuation is finalised.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

10. SUBSIDIARIES (Continued)

(a) Acquisition of subsidiaries (Continued)

The provisional fair value of the identifiable assets acquired and liabilities assumed, at Acquisition Date, are as follows:

	Agri HoldCo and its subsidiaries 17 Dec 2021
	RMB'000
Property, plant and equipment (Note 6)	33,104
Bearer plants (Note 7)	142,492
Right–of–use assets (Note 8)	56,321
Inventories (Note 14)	2,218
Cash and cash equivalents	3,284
Trade receivables	3,794
Other receivables	7,944
Amount due to related parties, net	(5,270)
Trade and other payables	(5,903)
Term loans (Note 23)	(33,674)
Lease liabilities (Note 23)	(57,224)
Total identifiable net assets acquired	147,086
Less: Non–controlling interests, measured at the proportionate share of the acquiree's net identifiable assets at Acquisition Date	(53,922)
Net identifiable net assets acquired	93,164
Purchase Consideration	37,111
Less: Fair value of identifiable net assets acquired	(93,164)
Gain on bargain purchase – Provisional amount, included in "Other Income" (Note 31)	(56,053)
Effect of the acquisitions of subsidiaries on cash flows	
Total Adjusted Purchase Consideration	37,111
Less: Non–cash consideration (issuance of Consideration Shares)	(37,111)
Consideration settled in cash	–
Add: Cash and cash equivalents of acquired subsidiaries	3,284
Net cash inflow on acquisition	3,284

Equity instruments issued as part of consideration transferred

In connection with the acquisition of 100% equity interest in Agri HoldCo, the Company issued 162,000,000 ordinary shares with a fair value of S$0.049 each. The fair value of these shares is the published price of the shares at the acquisition date.

Transaction costs

Transaction costs related to the acquisition of RMB 1,494,000 have been recognised in the "Administrative expenses" line item in the Group's profit or loss for the year ended 31 December 2021.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

10. SUBSIDIARIES (Continued)

(a) Acquisition of subsidiaries (Continued)

Trade and other receivables acquired

Trade receivables and other receivables acquired comprise of trade and other receivables with provisional fair values of RMB 3,794,000 and RMB 7,944,000 respectively.

For these trade receivables, gross contracted amount receivable was RMB 4,081,000, with the balance of RMB 287,000 representing the best estimate at the acquisition date of the contractual cash flows not expected to be collected, having been invoiced above one year.

Based on the subsequent receipts noted as of date of authorisation of these financial statements, and taking into account future purchases to be made from one of major customers and the ECL already provided in the book value, management is of the view that RMB 3,794,000 represents fair value at acquisition date.

Other receivables include other receivables with fair value and gross contracted amount of RMB 2,051,000 for which the Group expects to fully recover. The remaining balances represent prepaid taxes and advance payments for fertilisers and general materials and construction in progress.

Impact of the acquisition on profit or loss

The acquired business contributed insignificant amount of revenue and net profit for the period from the acquisition date to reporting date.

Had the business combination been effected at 1 January 2021, the revenue of the Group would have been approximately RMB 34,114,000, and the profit for the year for the Group would have been approximately RMB 48,236,000 (including the gain on bargain purchase of RMB 56,053,000), or the loss for the Group would have been approximately RMB 7,817,000 (if the gain on bargain purchase were to be excluded).

11. FINANCIAL ASSETS, AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

	Group and Company	
	2021	**2020**
	RMB'000	**RMB'000**
At beginning of the year	60,909	70,332
Changes in fair value recognised in other comprehensive income	(5,309)	(9,423)
At end of the year	55,600	60,909
Representing:		
Unquoted equity investments		
Investment in Sino Feng Mining S.àr.l. ("Sino Feng")	55,600	60,909

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

11. FINANCIAL ASSETS, AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI) (Continued)

Judgement on classification of this investment

In accordance with the shareholders' agreement dated on 30 April 2017 entered between Sino Feng, Sino–Africa Mining International Limited ("Sino–Africa") and the Company:

(a) The control and management of Sino Feng will vest in the board of directors, which is solely appointed by Sino–Africa. The Company is not entitled to have any board representation, and neither the constitution of Sino Feng allows the Company, owning less than majority of voting power, to appoint a director in a general meeting.

(b) Dividends will be solely proposed by the Board of Directors of Sino Feng.

On the other hand, the abovementioned shareholders' agreement also agreed that subsequent to the share purchase, no new funding contribution will be required from the Company for purpose of making or realising an investment or funding any other requirement of the mining business of Sino Feng.

Based on the above facts and circumstances and analysis of the rights and obligations held by the Company, the Company is not able to exercise control, joint control or significant influence over Sino Feng.

Upon initial adoption of IFRS 9 on 1 January 2019, the Group and the Company made an irrevocable election to measure the unquoted equity investments in Sino Feng at FVOCI as a strategic investment to tap into developed iron ore market in South Africa that has the potential to create long term value and returns. As a result, the investment is classified as financial asset at "Fair value through Other Comprehensive Income" (FVOCI).

Particulars of the Group's and Company's unquoted equity investment as at 31 December 2021 is as follows:

Unquoted investment	**Principal activities**	**Country of incorporation and place of business**	**Proportion (%) of ownership interests**	
			2021	**2020**
			%	**%**
Held by the Group and Company				
Sino Feng Mining International S.àr.l. ("Sino Feng")	Investment holding	Luxembourg	40.15	40.15
Held by Sino Feng, directly and indirectly				
Huixin Mining International Pty Limited	Investment holding	Republic of South Africa	100	100
Aero Wind Properties Pty Limited ("AWP")	Investment holding	Republic of South Africa	40	40

AWP holds a mining right granted by the relevant South African authority in respect of iron ore mine located in Thabazimbi district, Limpopo Province, South Africa (the "Thabazimbi Project"). The issuance of mining licence is pending settlement of rehabilitation deposit amounting to South African Rand 10,091,000 (equivalent to RMB 5,030,000) and provision of mining programme and surveyed plan. The initial mining right period is 20 years upon issuance of the mining licence.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

11. FINANCIAL ASSETS, AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI) (Continued)

Judgement on classification of this investment (Continued)

The Group has engaged AP Appraisal Limited, an independent Hong Kong based valuer, to evaluate the fair value of the Thabazimbi Project as at 31 December 2021. Based on income–based approach, the valuation estimated the future cash flows for the period of the estimated operating lifespan of the mine according to the resource estimation and a suitable discount rate in order to calculate the present value.

Valuation technique and assumptions

Different values of an independent variable would impact a particular dependent variable under a given set of assumptions, especially iron ore price, discount rate and total amount of resource adopted in the valuation. The discounted cash flows included 30 years of exploring and mining period with revenue generation from year 2026 and assumed the mining licence can be successfully renewed for 10 years upon expiry in 20th year. The key assumptions applied in discounted cash flows which are considered significant unobservable inputs are disclosed as below:

	Group and Company		Inter–relationship between input and fair value
	31 December 2021	31 December 2020	
Saleable product	61 million tonnes	61 million tonnes	Positive
Average selling price of per tonne of iron ore *	USD 89.37	USD 85.78	Positive
Operating expenditure per tonne	USD 41.18	USD 39.20	Inverse
Capital expenditure	USD 321 million	USD 325 million	Inverse
Discount or weighted average cost of capital rate	12.60%	11.50%	Inverse
Contingency allowance	15.00%	15.00%	Inverse
Minority discount	25.00%	25.00%	Inverse
Exchange rate (USD:RMB)	6.3757	6.5249	Positive

* Based on market–derived futures price for iron ore for the initial 4 years as at valuation date, thereafter projected based on median of 10 years historical prices.

Inter–relationship between key unobservable inputs and fair value measurement:

(i) Inverse: The unobservable inputs to the discounted cash flows model have an inverse relationship to the valuation, i.e. the higher the input, the lower the fair value.

(ii) Positive: The unobservable inputs to the discounted cash flows model have a positive relationship to the valuation, i.e. the higher the input, the higher the fair value.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

11. FINANCIAL ASSETS, AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI) (Continued)

Valuation technique and assumptions (Continued)

(iii) The estimated fair value would increase (decrease) if:

- Saleable product and selling price of iron ore were higher (lower)
- Operating and capital expenditure were lower (higher)
- Discount rate or weighted average cost of capital rate were lower (higher)
- Contingency allowance were lower (higher)
- Minority discount were lower (higher)
- Exchange rate were higher (lower)

Outcome of fair value measurement

Based on the valuation report issued by the valuer, the fair value of the financial assets at FVOCI as at 31 December 2021 is measured at RMB 55,600,000 (2020: RMB 60,909,000). The Group and the Company recognised a fair value loss amounting to RMB 5,309,000 (2020: RMB 9,423,000) during the current year. There has been no disposal of such equity investment designated at FVOCI during the financial year.

Sensitivity analysis

The change in fair value is most sensitive to the market demand and selling price for the future sales of iron ore during the 30 years of exploring and mining period, which is determined based on following key assumptions:

- The selling price is estimated using the forecast of futures commodity price of iron ore
- The discount rate for the equity interests is the weighted average cost of capital of a comparable mix of debt and equity.

The following table shows the impact on the fair value of the investment as at 31 December 2021 if the key assumptions (selling price or discount rate) deviate by 1% and 0.1% respectively:

Percentage change in iron ore price	Average iron ore price (USD / tonne)	Fair value of FVOCI (RMB)	Increase / (Decrease) in fair value loss (RMB)
+1%	USD 90.26 / tonne	60,392,000	(4,792,000)
0%	USD 89.37 / tonne	55,600,000	–
–1%	USD 88.48 / tonne	50,808,000	4,792,000

Absolute change in discount rate	Applied discount rate	Fair value of FVOCI (RMB)	Increase / (Decrease) In fair value loss (RMB)
+0.1%	12.70%	53,834,000	1,766,000
0%	12.60%	55,600,000	–
–0.1%	12.50%	57,397,000	(1,797,000)

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

11. FINANCIAL ASSETS, AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI) (Continued)

Sensitivity analysis (Continued)

The following table shows the impact on the fair value of the investment as at 31 December 2020 if the key assumptions (selling price or discount rate) deviate by 1% and 0.1% respectively:

Percentage change in iron ore price	Average iron ore price (USD / tonne)	Fair value of FVOCI (RMB)	Increase / (Decrease) in fair value loss (RMB)
+1%	USD 86.64 / tonne	66,073,000	(5,164,000)
0%	USD 85.78 / tonne	60,909,000	–
–1%	USD 84.93 / tonne	55,746,000	5,164,000

Absolute change in discount rate	Applied discount rate	Fair value of FVOCI (RMB)	Increase / (Decrease) In fair value loss (RMB)
+0.1%	11.60%	58,936,000	1,973,000
0%	11.50%	60,909,000	–
–0.1%	11.40%	62,921,000	(2,012,000)

12. FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS (FVPL) – STRUCTURED DEPOSITS

The financial asset at fair value through profit or loss as at 31 December was as follows:

	Group	
	2021 RMB'000	2020 RMB'000
At beginning of the year	21,000	2,740
Addition	29,920	47,850
Redemption	(35,184)	(29,639)
Changes in fair value recognised in profit or loss (Note 31)	34	49
At end of the year	15,770	21,000
Representing:		
– Non–principal protected financial products	15,770	21,000

The Group invested in non–principal protected financial products with a top 20 commercial banks in the PRC. The investment does not have any fixed maturity term or coupon interest rates or yield return. For those investment redeemed during the year, the yield earned was ranging from 1.40% to 2.80% per annum (2020: 2.15% to 3.00% per annum), amounting to approximately RMB 34,000 (2020: RMB 49,000) included in "Other income" (Note 31).

These financial assets are mandatorily measured at FVPL.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

13. FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS (FVPL) – QUOTED SECURITIES / SHARE–MARGIN FINANCING FACILIITY

In August 2020, the Group invested in quoted investments in Shenzhen Stock Exchange and Shanghai Stock Exchange through a trustee company with investments amounted to RMB 63,608,000 through a share–margin facility of RMB 36,191,000 bearing interest at 6.20% per annum. The share–margin financing facility was secured by the pledge of the quoted equity instruments to the trustee company, with a maximum leverage ratio of 1:1 against amount deposited.

During the current financial year, the Company has disposed these investments amounting to RMB 82,275,000 and repaid share–margin facility amounting to RMB 36,568,000. Correspondingly, the Group incurred fair value loss amounting to RMB 1,640,000, which was recognised in profit or loss as part of other expenses (Note 32).

(a) The movement of financial assets at FVPL in 2021 and 2020 was as follows:

	Group	
	2021	**2020**
	RMB'000	**RMB'000**
Quoted equity instruments in the PRC – held for trading		
At beginning of the year	8,365	–
Additions, net of amount financed by share–margin facility (Note A)	75,550	63,608
Disposals (Note A)	(82,275)	(52,105)
Fair value loss	(1,640)	(3,138)
At end of the year	–	8,365

These financial assets are held for trading and mandatorily measured at FVPL.

(b) The movement of share–margin financing facility in 2021 and 2020 was as follows:

	Group	
	2021	**2020**
	RMB'000	**RMB'000**
At beginning of the year	1,928	–
Additions – directly transferred to a trustee company to purchase quoted securities (Note A)	34,644	36,191
Repayment – financing cash outflows	(36,568)	(34,267)
Interest payable	(4)	4
At end of the year	–	1,928

Note A

	RMB'000	**RMB'000**
Purchase of quoted securities through a trustee company	(75,550)	(63,608)
Less:		
Drawdown of margin facility, directly transferred to a trustee company	34,644	36,191
Proceeds from disposal	82,275	52,105
Net cash operating inflow arising from investment of quoted securities	41,369	24,688

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

14. INVENTORIES

	Group 2021 RMB'000
Work–in–progress	330
Finished goods	493
Consumables:	
- Fuel, chemical and packing supplies	1,136
- Fertilisers and general materials	121
- Others	138
Total inventories (Note 10(a))	2,218

15. COMPLETED PROPERTIES FOR SALE

	Group	
	2021 RMB'000	2020 RMB'000
At cost	–	13,167
Less: Accumulated impairment loss	–	(4,182)
	–	8,985
Carrying amount represent net realisable value of:		
- Commercial units	–	8,347
- Townhouse units	–	536
- Basement units	–	102
	–	8,985

As disclosed in Note 3 (Critical Judgement) in 2020 Annual Report, the Group has entered into a bundled sales agreement with a third–party company, Henan Xinhong Property Agency Co., Ltd. ("Xinhong" or "the Agent") in FY2019 to engage Xinhong to act as sales and marketing agent for the remaining unsold completed properties.

During the current year, all remaining property units have been handed over to end customers or the Agent. The cost of completed properties recognised as expenses and included in "Cost of sales" amounted to RMB 8,985,000 (2020: RMB 2,719,000).

The details of the completed properties for sale, Xinxiang Sunny Town Project (新乡阳光新城项目), as at 31 December are as follows:

Property and address	Description	Remaining Tenure	Gross floor area (square metre) 2021	Gross floor area (square metre) 2020
Sunny Town Located at Xinxiang New District, Western District of Xinxiang, Henan Province, the PRC	Residential and Commercial	Residential: 70 years expiring in 2076 Commercial: 40 years expiring in 2046	–	7,904

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

16. TRADE RECEIVABLES

	Group
	2021
	RMB'000
Trade receivables (Note 10(a))	3,794

Trade receivables are unsecured, non-interest bearing and are generally on 45-60 days' credit terms.

17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
Advances to staff	102	20	–	–
Other receivables [i]	6,707	11,742	–	–
Less: Allowance for impairment (Note 4(ii))	(5,570)	(10,000)	–	–
	1,137	1,742	–	–
Prepayment [ii]	2,712	169	103	91
Prepaid rental [iii]	223	441	–	–
Rental deposits [iii]	154	188	–	–
Prepaid business and related tax	3,229	325	–	–
Prepaid construction costs [iv]	1,163	56	–	–
	8,720	2,941	103	91

Notes:

(i) Included in other receivables (gross) of the Group as at 31 December 2021 was an amount of RMB 5,000,000 (2020: RMB 11,000,000) due from Xinxiang Hongjing Zhiye Co., Ltd (新乡宏景置业有限公司)("Hongjing") for remaining proceeds for land disposal in Xinxiang City in FY 2013. Based on the latest supplementary agreement dated 23 December 2020, Hongjing agreed to settle the remaining amount of RMB 12,038,000 by (a) installments of RMB 9,038,000 by 31 December 2021, (b) the remaining RMB 3,000,000 by 30 June 2022; in consideration, Xinxiang will waive late payment penalty. The Group has received only RMB 7,038,000 by 31 December 2021, and the shortfall of 2021 instalment of RMB 2,000,000 remain unsettled as at the date of authorisation of these financial statements. Based on the recoveries, the Group has reversed impairment loss of RMB 5,000,000 (2020: RMB 2,038,000) during the current financial year, and the carrying amount of the balance after impairment loss is Nil (2020: RMB 1,000,000) as management considered no further reversals of impairment loss is necessary at the authorisation of these financial statements, in view of the lack of certainty of the subsequent payment from Hongjing and lack of substantiating evidence or collaterals for Hongjing's financial capabilities (Note 4(ii)).

Also included in other receivables as at 31 December 2021 was an amount of RMB 570,000 relating to utility fees paid on behalf of individual customers (house owners). During the year, management considered such amount is no longer recoverable in view of the remaining property units have been handover to end customers or the Agent during the current year.

(ii) Prepayment comprise upfront payments made to suppliers in relation to sub-contracting services and legal and professional services for the next financial year.

(iii) The rental paid in advance for short-term lease and rental deposit of the Group relate to the current corporate office located in Henan, PRC.

(iv) Prepaid construction costs relate to the advances paid to sub-contractors to construct new processing plant. Relevant capital commitment is disclosed in Note 37 (ii) to the financial statements.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

18. AMOUNTS DUE FROM / (TO) RELATED PARTIES (NON-TRADE)

	Group	
	2021 RMB'000	2020 RMB'000
Included in Current assets:		
Amounts due from holding company	11,622	158
Amounts due from other related parties [i]	268	–
Less: Allowance for impairment:		
At beginning of the year	(158)	(503)
Reversal arising from recovery of balances	4	33
Write-off for the year	–	312
At end of the year	(154)	(158)
	11,736	–
Included in Current liabilities:		
Amounts due to related parties – directors of subsidiaries [ii]	(34)	–
Amounts due to other related parties	–	(34)
Included in Non-current liabilities:		
Amounts due to related parties – KMP of subsidiaries [ii]	(3,076)	–
Amounts due to other related parties [ii]	(19,915)	–
	(23,025)	(34)

Notes:

(i) Amounts due from related parties are unsecured, non-interest bearing and repayable on demand.

These related parties (including holding company) refer to the entities in which Chairman Guo and a close member of his family have controlling financial interest.

(ii) Amounts due to related parties are unsecured and non-interest bearing. For an amount totalling RMB 22,715,000 due to KMP of subsidiaries and other related parties, the Group has unconditional right to defer repayments beyond 12 months as Chairman Guo and the KMP of a subsidiary have agreed and undertaken not to recall for payment for these balances within the next 12 months. The remaining balance in non-current liabilities owing to a KMP of subsidiaries of RMB 276,000 is due on 22 July 2023.

The other related parties refer to the entities controlled by Chairman Guo.

Impairment:

During the current financial year, a reversal of impairment of RMB 4,000 (2020: RMB 33,000) has been recognised in profit or loss (Note 4(ii)).

These non-trade balances are unsecured, non-interest bearing and repayable on demand.

19. AMOUNTS DUE TO SUBSIDIARIES (NON-TRADE)

These non-trade balances are unsecured, non-interest bearing and repayable on demand.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

20. PLEDGED BANK DEPOSITS

The Group has pledged certain deposits to the state-owned commercial banks in PRC to secure their grants of mortgage loans to the buyers of the Group's properties as disclosed in Note 37(i). These deposits carry interest rate ranging from 0% to 0.3% (2020: 0% to 0.3%) per annum. The pledged bank deposits will be released upon the issuance of ownership certificates of the mortgaged properties.

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
Cash at bank	7,544	1,884	1,252	796
Cash on hand	22	35	–	–
	7,566	1,919	1,252	796

As at 31 December 2021, the Group has cash and cash equivalents placed with banks in the People's Republic of China denominated in RMB amounting to approximately RMB 6,029,000 (2020: RMB 525,000). The RMB is not freely convertible into foreign currencies. Under the People's Republic of China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

22. ACCRUALS AND OTHER PAYABLES

	Group		Company	
	2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
Other payables				
- Construction cost payables (i)	2,085	648	–	–
- Others	6,339	4,875	1,332	500
Accrued expenses				
- Accrued business and related taxes	2,494	2,204	–	–
- Other accrued expenses (ii)	1,278	729	71	74
Deposits				
- Refundable deposits received in advance (iii)	–	8,569	–	–
	12,196	17,025	1,403	574

Notes:

(i) The amount represents retention sum yet to be settled for completed processing factory of the agriculture segment.

(ii) Other accrued expenses of the Group and the Company include directors' fees payable amounting to RMB 70,769 (2020: RMB 77,609).

(iii) Refundable deposits as at 31 December 2020 of RMB 8,569,000 represents balance collected from the Agent in a bundled sales arrangement of the Group's remaining completed properties for sale. As disclosed in Note 3 (Critical Judgement) in 2020 Annual Report and Note 15, during the current year, all remaining property units have been handed over to end customers or the Agent, therefore the refundable deposits received in prior year has been fully recognised as revenue and transferred to accrued sales tax amounting to RMB 8,150,000 (Note 30(a)) and RMB 419,000 respectively during the financial year.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

23. BORROWINGS

2021	Term loans RMB'000	Lease liabilities RMB'000	Total RMB'000
Current liabilities			
Due within one year	24,498	3,782	28,280
Non-current liabilities			
Due after one year less than five years	1,576	13,751	15,327
Due after five years	–	39,691	39,691
	1,576	53,442	55,018
	26,074	57,224	83,298

2020	Lease liabilities RMB'000
Current liabilities	
Due within one year	481

(i) Term loans

	Group 2021 RMB'000
Due within one year	
Loan 1 (Unsecured)	8,000
Loan 2 (Unsecured)	5,000
Loan 3 (Unsecured)	10,000
Loan 4 (Unsecured)	747
Loan 5 (Secured)	751
	24,498
Due after one year less than five years	
Loan 5 (Secured)	1,576

Loan 1 (Unsecured)
This term loan of RMB 8,000,000 bears interest at 0.150% per annum above the bank's 1-year loan prime rate (LPR) and is payable on 26 January 2022. The loan is secured by way of corporate guarantee by third-party guarantor company and personal guarantee by certain directors of the Group.

Subsequent to year end, the Group has obtained approval-in-principle from the bank to roll-over of this loan.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

23. BORROWINGS (Continued)

(i) Term loans (Continued)

Loan 2 (Unsecured)
This term loan of RMB 5,000,000 bears interest at 2.675% per annum above the bank's 1-year LPR and is payable on 4 February 2022. The loan is secured by way of corporate guarantee by third-party guarantor company.

Subsequent to year end, this loan has been successfully rolled-over for one year by the Group.

Loan 3 (Unsecured)
This unsecured term loan of the Group granted by a government agency in the PRC of RMB 10,000,000 is repayable on 26 April 2022 and bears interest at 7% per annum.

As at the date of this report, the Group is in the progress of negotiating with the government agency to restructure this short-term loan to be repayable beyond 12 months from date of restructuring.

Loan 4 (Unsecured)
The unsecured term loan of RMB 747,000 bears interest at 6.95% per annum above the bank's 1-year LPR and is repayable by June 2022.

Loan 5 (Secured)
This mortgage loan of RMB 2,327,000 was obtained by a subsidiary from a third-party finance company, which is secured by way of pledge over the Group's equipment (Note 6). The loan is repayable in equal instalments over 33 months till September 2024 and interest is payable at 7.63% per annum.

All the above loans pertain to the existing loans of the subsidiaries acquired during the current year (Note 10(a)).

(ii) Lease liabilities

The total cash outflows for the year for all lease contracts amounted to RMB 1,739,000 (2020: RMB 1,807,000), which includes short-term lease expenses not included in lease liabilities, as disclosed in Note 34.

Reconciliation of liabilities arising from financing activities

	As at 1 January 2021 RMB'000	Acquisition of subsidiaries * (Note 10(a)) RMB'000	Financing cash flows RMB'000	As at 31 December 2021 RMB'000
Borrowings				
Term loans	–	33,674	(7,600)	26,074
Lease liabilities	481	57,224	(481)	57,224
	481	90,898	(8,081)	83,298

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

23. BORROWINGS (Continued)

(ii) Lease liabilities (Continued)

	As at 1 January 2020 RMB'000	Financing cash flows RMB'000	Rent rebates * (Note 34) RMB'000	As at 31 December 2020 RMB'000
Borrowings				
Lease liabilities	1,286	(658)	(147)	481

* Represents non-cash movements

24. DEFERRED TAX ASSETS

The followings are the major deferred tax assets recognised by the Group, and the movements thereon, during the current financial year prior to offsetting are as follows:

	Impairment on completed properties for sale	
	RMB'000	RMB'000
At beginning of the year	1,045	1,302
Credit to profit or loss for the year (Note 35)	(1,045)	(257)
At end of the year	–	1,045

Unrecognised tax losses

The PRC subsidiaries have tax losses of approximately RMB 59,214,000 (2020: RMB 48,248,000) that is available for offset against its future taxable profits subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation.

The tax losses of the PRC subsidiaries expire by end of 5 years from the losses recorded, as follows:

	Group			
	2021		2020	
	RMB'000	Expiring in	RMB'000	Expiring in
Tax losses arising from financial year of:				
2016	–		2,195	2021
2017	8,539	2022	8,539	2022
2018	8,356	2023	8,356	2023
2019	12,896	2024	12,896	2024
2020	16,262	2025	16,262	2025
2021	13,161	2026	–	
	59,214		48,248	

Notes:

No deferred tax asset is recognised on the above unutilised tax losses due to uncertainty of its recoverability as the PRC subsidiary is dormant and has no income-generating assets or business.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

24. DEFERRED TAX ASSETS (Continued)

Unrecognised temporary differences relating to investment in a subsidiary

Temporary differences of RMB 73,986,000 (2020: RMB 75,726,000) have not been recognised for the withholding and other taxes that will be payable on the retained earnings of a PRC subsidiary when remitted to the Company as it is not probable that the subsidiary will declare dividends in view of the cash position.

The deferred tax liability not recognised for undistributed profits is estimated to be RMB 3,699,000 (2020: RMB 3,786,000).

25. ISSUED CAPITAL

	Group and Company			
	2021		2020	
	Number of ordinary shares	S$'000	Number of ordinary shares	S$'000
Authorised shares at beginning and end of the year	62,500,000,000	500,000	62,500,000,000	500,000

Movements of the issued and paid-up capital of the Group and the Company as follows:

	Group and Company			
	2021		2020	
	Number of ordinary shares	RMB'000	Number of ordinary shares	RMB'000
Issued and paid-up shares at beginning of the year	176,000,000[(i)]	7,083	146,700,000[(i)]	5,897
Issued during the year (Note 10(a))	162,000,000	6,059	29,300,000	1,186
Issued and paid-up shares at end of the year	338,000,000	13,142	176,000,000	7,083

On 26 August 2020, the Company completed the share placement to 5 individuals by issuing 29,300,000 ordinary shares for S$0.036 each in cash with a resulting share premium of RMB 4,151,000 (Note 26). The newly issued shares rank pari passu in all respects with previously issued shares. All issued ordinary shares are fully paid.

On 17 December 2021, in satisfaction of the consideration for the acquisition of subsidiaries (Note 10(a)), the Company issued and allotted 162,000,000 ordinary shares of S$0.008 each to the Vendors with a market value at S$0.049 (deemed issue price) each with a resulting share premium of RMB 31,052,000 (Note 26). The newly issued shares rank pari passu in all respects with previously issued shares.

Note:

(i) Inclusive of 11,500 treasury shares (Note 27).

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

26. SHARE PREMIUM

	Group and Company	
	2021	2020
	RMB'000	RMB'000
At beginning of the year (i) (ii) (iii) (iv)	228,745	224,594
Issued during the year (v)	31,052	4,151
At end of the year	259,797	228,745

Notes:

(i) Share premium of RMB 204,521,000 arose from the issue of shares pursuant to its initial public offer on SGX-ST.

(ii) Share premium of RMB 19,573,000 arose from the issue of 146,000,000 ordinary shares at an issue price of S$0.09 for the acquisition of Climbing Ace Limited and its subsidiaries in the financial year ended 31 December 2008.

(iii) Share premium of RMB 500,000 arose from the issue of 195,600,000 ordinary shares at an issue price of S$0.063 per share pursuant to a private share placement.

(iv) Share premium of RMB 4,151,000 arose from the issue of 29,300,000 ordinary shares at an issue price of S$0.036 per share pursuant to a private share placement.

(v) Share premium of RMB 31,052,000 arose from the issue of 162,000,000 ordinary shares at a deemed issue price of S$0.049 per share as the consideration for acquisition of subsidiaries (Note 10(a)), completed during the year.

Under the Companies Law (revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which a dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

27. TREASURY SHARES

	Group and Company			
	2021		2020	
	Number of ordinary shares	RMB'000	Number of ordinary shares	RMB'000
At beginning and end of the year	11,500	18	11,500	18

Treasury shares relate to ordinary shares of the Company that is held by the Company.

28. DISTRIBUTABLE RESERVE

The distribution reserve is in connection to the surplus arising from the Capital Reduction carried out in 2013.

29. FAIR VALUE DEFICIT

Fair value deficit arises from net changes in fair value of financial assets at FVOCI (Note 11). The deficit, which is relating to the equity investment designated to be measured at FVOCI, will be transferred to retained earnings / accumulated losses upon disposal of the respective investment.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

30. REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) The Group derives revenue from the sales of completed properties to customers at a point in time.

	Group	
	2021 RMB'000	2020 RMB'000
Sales of completed properties	8,207	3,156

(b) Contract liabilities mainly relates to advance consideration received from customers for sale of completed properties. Significant changes in the contract liabilities balance during the year are:

	Group	
	2021 RMB'000	2020 RMB'000
At beginning of the year	57	57
Consideration received from end customers during the year	775	3,156
Transferred from remaining balance of refundable deposits upon sales of units by the Agent	7,375	–
	8,150	3,156
Recognised as revenue	(8,207)	(3,156)
At end of the year	–	57
Revenue recognised in current year that was included in the contract liabilities balance at beginning of the year	57	–

31. OTHER INCOME

	Group	
	2021 RMB'000	2020 RMB'000
Bargain purchase on acquisition of subsidiaries (Note 10(a))	56,053	–
Fair value gain on financial assets, at FVPL – structured deposits (Note 12)	34	49
Gain on disposal of option to purchase of property [(i)]	–	1,000
Others	25	29
	56,112	1,078

Notes:

(i) As disclosed in prior year report Note 14(ii), this relates to a gain on disposal of the option to purchase of a new office premise in Henan, which was under construction.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

32. OTHER EXPENSES

	Group	
	2021 RMB'000	2020 RMB'000
Fair value loss on financial assets, at FVPL - quoted securities (Note 13)	1,640	3,138
Foreign exchange loss, net	33	676
Others	84	7
	1,757	3,821

33(a). FINANCE INCOME

	Group	
	2021 RMB'000	2020 RMB'000
Under effective interest rate method for financial assets at amortised cost		
- Interest income – bank balance	257	177

33(b). FINANCE EXPENSE

	Group	
	2021 RMB'000	2020 RMB'000
Interest expense on share-margin financing facility	71	147
Interest expense on lease liabilities	4	77
Others	–	13
	75	237

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

34. PROFIT / (LOSS) BEFORE TAX

In addition to the information disclosed elsewhere in the financial statements, this item is also determined after charging the following:

	Group	
	2021 RMB'000	2020 RMB'000
Directors' remuneration and fees:		
- Paid to directors of the Company	3,283	2,334
Staff costs (including Directors' remuneration and fees)		
- Short-term benefits	7,490	9,668
- Post-employment benefits: defined contribution	320	173
Audit fees:		
- auditors of the Company	784	512
Non-audit fees:		
- auditors of the Company	–	145
Depreciation of property, plant and equipment (Note 6)	210	377
Amortisation of land use rights (Note 9)	3	2
Entertainment expenses	259	483
Legal and professional fees	2,061	989
Lease expenses not included in lease liabilities:		
- Short-term leases [(i)]	1,258	1,296
Non-lease component under lease contract	139	275

Notes:

(i) Included within short-term lease expenses for prior year are COVID-19 related rent concessions received from lessors of RMB 463,000. This includes non-cash changes for lease liabilities amounting to RMB 147,000 in Note 23.

The short-term lease expenses for the next financial year payable on the existing leases or leases renewed at date of this report totaled RMB 1,105,000.

35. TAX EXPENSE

	Group	
	2021 RMB'000	2020 RMB'000
Deferred tax (Note 24)		
- Changes of temporary differences	1,045	257
Corporate income tax [(i)]		
- Over-provision in prior year	(394)	(12)
- Current year	(142)	–
Land appreciation tax [(ii)]		
- Current year	360	110
Current tax expense	(176)	98
Tax expense	869	355

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

35. TAX EXPENSE (Continued)

Notes:

Taxation of the Group comprises corporate income tax and land appreciation tax in the PRC.

(i) Corporate income tax is provided at the applicable income tax rate, subsidiaries of the Company established in the PRC are subject to the income tax rate of 25% (2020: 25%) of their assessable profits. No income tax was payable in respect to the subsidiary in Singapore, as it is dormant during the current and preceding years. The Company and certain subsidiaries operate from tax-free jurisdictions.

(ii) Under the provisional rules on LAT Implementation Rules of the PRC implemented on 27 January 1995, all gains from the sales or transfer of land use rights, buildings and their attached facilities in the PRC are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including all finance costs and all property development expenditures. There were certain exemptions available for the sale of ordinary residential properties if the appreciation values do not exceed 20% of the total deductible items (as defined in the relevant PRC tax laws). Sales of commercial properties are not eligible for such exemption.

(ii) Henan Provincial Tax Bureau ("HPTB") issued a Circular YuDiShuiFa [2010] No.28 ("Circular 28") on 1 May 2010 to follow through Circular 91 of the State Administration of Taxation ("SAT") and clarified the land appreciation tax administration in Henan Province, post Circular 91, from 1 May 2009 onwards. Under Circular 28, those property developers that have been approved by the tax bureau, prior to 1 May 2010, to settle the final land appreciation tax by a deemed-gain method should be allowed to apply this method for their land appreciation tax final settlement upon the approval by the in-charge tax bureau. The HPTB has also adjusted the deemed-gain rates to be a range from 1.5% to 4.5%, depending on the nature of transactions.

The tax expense for the year can be reconciled to the profit / (loss) before tax as follows:

	Group	
	2021	**2020**
	RMB'000	**RMB'000**
Accounting profit / (loss) before tax	44,679	(15,351)
Taxation at the PRC corporate income tax rate of 25% (2020: 25%)	11,170	(3,838)
Effect of different tax rates in tax-free jurisdiction	1,158	801
Effect of land appreciation tax	270	82
Effect of expenses not deductible for tax purpose	244	596
Effect of income not taxable for tax purpose	(15,263)	(509)
Deferred tax assets not recognised on tax losses	3,290	3,223
Tax expense for the year	869	355

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

36. EARNINGS / (LOSS) PER SHARE

	2021	2020
Profit / (Loss) attributable to equity holders of the Company (RMB'000)	43,810	(15,706)
Weighted average number of ordinary shares outstanding (excluding 11,500 treasury shares) for basic loss per shares ('000)	182,202	156,935
Basic and diluted [i] earnings / (loss) per share		
- RMB cents	24.04	(10.01)
- SGD cents [ii]	5.01	(2.00)

Notes:

(i) The Company has no dilutive potential ordinary shares for the financial year ended 31 December 2021 and 2010 and there was no ordinary share that may be issued upon the exercise of any share option outstanding as at 31 December 2021 and 2020.

(ii) Calculated based on average exchange rate of S$1: RMB 4:80 (2020: S$1: RMB 5.01).

37. CONTINGENT LIABILITIES AND COMMITMENTS

(i) Financial guarantee contracts issued

In accordance with industry practice, the Group provided guarantees to certain domestic PRC banks for mortgage loans taken by certain buyers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these buyers, the banks are entitled to deduct the amounts of due and outstanding mortgage payments (with accrued interests and penalties) from the bank balances of the Group pledged for this purpose (Note 20). The Group's guarantee periods commence from the dates of grants of the relevant mortgage loans and end at the earlier of (a) the execution of pledge of the individual property ownership certificate of the property purchased to the banks; and (b) full payments by the buyers. For one of the banks, the guarantee period ends 2 years after the execution of pledge of title. In the event that the Group repaid the defaulted mortgage loan of the buyers in full, the banks will transfer the pledge of title to the Group.

As at 31 December 2021, the notional amount of the mortgage loans guaranteed amounted to approximately RMB 6,270,000 (2020: RMB 14,861,000); and the Group's bank deposits amounting to RMB 225,000 (2020: RMB 750,000) has been pledged for this purpose (Note 20).

The Group does not charge any fees or premium to those buyers for the guarantees and determined that the fair value at inception cannot be reliably determined. Hence the financial guarantee contracts are measured at the amount of ECL determined based on IFRS 9. Based on the management's assessment, there is no material ECL on these financial guarantees, taking into account:

(a) The mortgage loans were made within the guidelines agreed between the Group and the banks, which does not exceed 50-70% of the total purchase price;

(b) For defaults during the periods prior to issuing of individual property ownership certificate, or situations whereby the Group repaid the bank in full, the Group is entitled to sell the properties as a recourse and the Group expects that the then market price of the underlying properties would be adequate to recover the loss;

(c) Low default rate in the past and the ability of the Group to obtain reimbursement from the defaulted house buyers for the Group's bank balances deducted by the banks.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

37. CONTINGENT LIABILITIES AND COMMITMENTS (Continued)

(i) Financial guarantee contracts issued (Continued)

There is no default reported during financial years 2021 and 2020 despite the coronavirus outbreak. Even though the on-going coronavirus outbreak might result in higher default rate, management does not expect material ECL on these financial guarantees in the next twelve months after the reporting date, taking into account of above (a) and (b).

(ii) Capital commitment

As at 31 December 2021, capital expenditure contracted for but not recognised in the financial statements, is as follows:

	Group
	2021
	RMB'000
Property, plant and equipment	
- Processing factory in progress	6,027

38. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chairman of the Group, who is the chief operating decision maker, in order to allocate resources to the segments and to assess their performance.

Information reported to the Group's Chairman for the purpose of resource allocation and assessment of performance is focused on segments with principal activities are as follows:

(i) Commercial and residential property development

Development of commercial and residential properties for sale.

(ii) Mining

Investment in mining business for capital gain or future dividend income.

(iii) Investment

The investments segment is the investment holding companies, which includes unallocated corporate functions, restructuring activities and inactive companies. Treasury investment activities, mainly investment in structured deposits (Note 12) and quoted securities (Note 13) are also included in this segment.

(iv) Agriculture (Newly acquired in December 2021)

Plantation and cultivation of pomegranate, as well as trading, distributing, importing and exporting agriculture products and agriculture-related products.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

38. SEGMENT INFORMATION (Continued)

(i) Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment:

Group	Mining RMB'000	Commercial and residential property development RMB'000	Investment RMB'000	Total RMB'000
2021				
Segment revenue from external customers	–	8,207	–	8,207
Segment income / (loss), representing Income / (loss) before tax	–	3,215	(14,589)	(11,374)
Gain on bargain purchase				56,053
Tax expense				(869)
Profit for the year				43,810

As disclosed in Note 10(a), the agriculture segment which was acquired on 17 December 2021, generated insignificant results for the current year.

Group	Mining RMB'000	Commercial and residential property development RMB'000	Investment RMB'000	Total RMB'000
2020				
Segment revenue from external customers	–	3,156	–	3,156
Segment income / (loss), representing income / (loss) before tax	–	2,102	(17,453)	(15,351)
Tax expense				(355)
Loss for the year				(15,706)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

38. SEGMENT INFORMATION (Continued)

(ii) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

Group	Agriculture RMB'000	Mining RMB'000	Commercial and residential property development RMB'000	Investment RMB'000	Total RMB'000
2021					
Segment assets	269,313	55,600	871	12,382	338,166
Consolidated segment assets					338,166
Segment liabilities	(112,227)	–	(9,582)	(5,247)	(127,056)
Consolidated segment liabilities					(127,056)
2020					
Segment assets	–	60,909	13,323	32,509	106,741
Consolidated segment assets					106,741
Segment liabilities	–	–	(18,182)	(6,983)	(25,165)
Consolidated segment liabilities					(25,165)

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible and financial assets attributable to each segment.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

38. SEGMENT INFORMATION (Continued)

(iii) Other segment information

	Agriculture RMB'000	Mining RMB'000	Commercial and residential property development RMB'000	Investment RMB'000	Total RMB'000
2021					
Amounts included in the measure of segment assets:					
Additions to property, plant and equipment	–	–	–	6	6
Financial assets, at FVPL - structured deposits	6,070	–	–	9,700	15,770
Financial assets, at FVOCI - unquoted equity	–	55,600	–	–	55,600
Amounts included in the measure of segment loss / (profit):					
Depreciation of property, plant and equipment	–	–	12	198	210
Impairment loss of other receivables	–	–	570	–	570
Reversal of impairment of amounts due from other receivables	–	–	(5,000)	–	(5,000)
Reversal of impairment of amounts due from related parties	–	–	–	(4)	(4)
Fair value loss on financial assets, at FVPL - quoted securities, net	–	–	–	1,640	1,640
Fair value gain on financial assets, at FVPL - structured deposits	–	–	–	(34)	(34)
Interest income	–	–	(2)	(255)	(257)
Interest expense	–	–	–	75	75
Fair value loss on financial assets, at FVOCI - changes in fair value	–	5,309	–	–	5,309

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

38. SEGMENT INFORMATION (Continued)

(iii) Other segment information (Continued)

	Mining RMB'000	Commercial and residential property development RMB'000	Investment RMB'000	Total RMB'000
2020				
Amounts included in the measure of segment assets:				
Additions to property, plant and equipment	–	–	20	20
Financial assets, at FVPL				
- structured deposits	–	–	21,000	21,000
- quoted securities	–	–	8,365	8,365
Financial assets, at FVOCI				
- unquoted equity	60,909	–	–	60,909
Amounts included in the measure of segment loss / (profit):				
Depreciation of property, plant and equipment	–	14	363	377
Gain on disposal of option to purchase of property	–	–	(1,000)	(1,000)
Reversal of impairment of amounts due from other receivables	–	(2,038)	–	(2,038)
Reversal of impairment of amounts due from related parties	–	(33)	–	(33)
Rent rebates and concessions	–	–	(147)	(147)
Fair value loss on financial assets, at FVPL - quoted securities, net	–	–	3,138	3,138
Fair value gain on financial assets, at FVPL - structured deposits	–	–	(49)	(49)
Interest income	–	(4)	(173)	(177)
Interest expense	–	–	237	237
Fair value loss on financial assets, at FVOCI - changes in fair value	9,423	–	–	9,423

(iv) Information about geographical areas

All Group's revenue and non-current assets are principally attributable in the PRC except for financial assets, at FVOCI amounted to RMB 55,600,000 (2020: RMB 60,909,000) which represents interest in an iron ore mine located in the South Africa.

39. SUBSEQUENT EVENTS

(a) On 3 March 2022, the Company announced the successful completion of Tranche A Placement exercise and raised gross placement proceeds amounting to S$1,470,000 (equivalent to approximately RMB 6,839,000) and the Group will seek shareholders' approval for the Tranche B amounting to S$1,505,000 (equivalent to approximately RMB 7,001,000) by June 2022.

(b) As announced by the Company on 21 March 2022, the Company, through its 63.11% owned subsidiary, Henan Central Agriculture and Commerce Co., Ltd. ("HCAC"), entered into an Initial Shareholders Agreement ("the Agreement") on 18 March 2022 with an independent third party, Henan Jiayouhui Internet Technology Co., Ltd. (河南嘉友汇网络科技有限公司, "JYT"), to jointly incorporate a company in PRC (the "Investee"), with an initial registered capital of RMB 10 million, to be contributed by HCAC and JYT in the proportion of 70:30 respectively. The primary purpose of Investee is to carry on the business of retailing and supply chain management in PRC principally via the internet concerning agricultural products and produce (processed or otherwise) sourced from the Group or elsewhere with a view to become one of the leading Henan-based internet supply chains in the foreseeable future.

ADDITIONAL INFORMATION REQUIRED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

(1) Use of Proceeds from Issue of 29,300,000 Ordinary shares in the Capital of the Company

On 26 August 2020, the Company completed a share placement for S$1,004,800 to five individuals through the issuance of 29,300,000 Shares at S$0.036 each for cash (the "**Net Placement Proceeds**") which resulted in an increase in the share premium account of the Company by RMB4,151,000. These newly issued Shares rank *pari passu* in all respects with the previously issued Shares.

Further to the announcements dated 5 November 2020, 26 February 2021, 12 August 2021 and 13 January 2022 made by the Company, S$1,004,800 of the Net Placement Proceeds had been fully utilized as follows:

Intended Purposes of the Net Placement Proceeds	Percentage allocated	Amount allocated S$	Utilized amount S$	Unutilized amount S$
For the growth, development and expansion of the existing businesses of the Group as well as the exploration of new business opportunities	30%	301,440	301,440	–
For working capital needs of the Group (including expenses relating to professional services and administration)	70%	703,360[1]	703,360[1]	–
	100%	**1,004,800**	**1,004,800**	**–**

Note:

(1) Breakdown as follows:

	S$
Staff remuneration	601,104
Travelling and entertainment	62,589
Office expenses	37,419
Others	2,248
	703,360

(2) Use of Proceeds from Issue of 35,000,000 Ordinary shares in the Capital of the Company

On 8 January 2022, the Company announced its entry into several subscription agreements with each of Whitewood Property Corp, Ms. Hu Xiaoning (胡晓宁), Mr. Zhou Tao (周涛), iFactors SPC – Asymmetric Opportunities SP ("**iFactors SP**"), Mr. Zhai Kebin (翟克彬)("**ZKB**")(the Chief Executive Officer of the Company) and Sino-Africa for the issue and allotment by the Company to them in aggregate of 70,000,000 new Shares (the "**Placement Shares**") on the terms and subject to the conditions of the relevant subscription agreement (the "**Placement**").

On 23 February 2022, the Company announced its receipt of the approval in-principle ("**AIP**") from the SGX-ST for the listing and quotation of an aggregate of 35,000,000 Placement Shares (the "**Tranche A Placement Shares**") to Whitewood Property Corp, Ms. Hu Xiaoning (胡晓宁) and Mr. Zhou Tao (周涛) (collectively, the "**Tranche A Subscribers**") at an issue price of S$0.042 per Tranche A Placement Share pursuant to the general share issue mandate to issue new Shares granted by Shareholders at the Company's annual general meeting held on 16 April 2021 (the "**Tranche A Placement**"). The Tranche A Placement Shares are issued and allotted on 3 March 2022. As at 7 April 2022, none of the net proceeds has been used.

The Company will be seeking Shareholders' approval for the issue and allotment by the Company to iFactors SP, ZKB and Sino-Africa (collectively, the "**Tranche B Subscribers**") in aggregate of 35,000,000 Placement Shares (the "**Tranche B Placement Shares**") at an issue price of S$0.043 per Tranche B Placement Share (the "**Tranche B Placement**") as:

(a) iFactors SP is an associate of Mr. Guo, who is the Executive Chairman and a Controlling Shareholder of the Company. Accordingly, iFactors SP falls within the restricted class of persons to whom the Company is prohibited from issuing Shares without specific shareholders' approval as provided for under Rules 804 and 812 of the Listing Manual;

(b) ZKB is an Executive Director and the Chief Executive Officer of the Company. Accordingly, ZKB falls within the restricted class of persons to whom the Company is prohibited from issuing Shares without specific shareholders' approval as provided for under Rules 804 and 812 of the Listing Manual; and

(c) the issue and allotment of the relevant number of Tranche B Placement Shares to Sino-Africa will be made pursuant to specific shareholders' approval having been obtained under Rule 805(1) of the Listing Manual.

STATISTICS OF SHAREHOLDINGS

As at 25 March 2022

Issued and Fully Paid-up Capital :	:	S$ 2,790,234 (equivalent to about RMB 13,142,000)
Share Premium	:	S$ 55,158,599 (equivalent to about RMB 259,797,000)
Total number of shares including treasury shares	:	373,000,000
Number of treasury shares	:	11,500
Total number of shares excluding treasury shares	:	372,988,500
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS AS AT 25 MARCH 2022

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	41	2.95	1,982	0.00
100-1,000	344	24.75	159,287	0.04
1,001-10,000	743	53.45	2,561,324	0.69
10,001-1,000,000	250	17.99	10,442,046	2.80
1,000,001 and above	12	0.86	359,835,361	96.47
Total	**1,390**	**100.00**	**373,000,000**	**100.00**

LIST OF 20 LARGEST SHAREHOLDERS AS AT 25 MARCH 2022

No.	Name	No. of Shares	% of Shares
1	MAYBANK SECURITIES PTE. LTD.	204,564,975	54.84
2	ABN AMRO CLEARING BANK N.V.	41,227,750	11.05
3	UOB KAY HIAN PTE LTD	26,480,375	7.10
4	GLOSSMEI LIMITED	18,250,000	4.89
5	GUO YINGHUI	17,985,000	4.82
6	WHITEWOOD PROPERTY CORP.	17,500,000	4.69
7	KGI SECURITIES (SINGAPORE) PTE. LTD	14,560,000	3.90
8	DB NOMINEES (SINGAPORE) PTE LTD	8,505,000	2.28
9	PHILLIP SECURITIES PTE LTD	5,324,349	1.43
10	DBS VICKERS SECURITIES (S) PTE LTD	2,312,712	0.62
11	WANG HAIYAN	1,763,250	0.47
12	CITIBANK NOMS SPORE PTE LTD	1,361,950	0.37
13	LI SHI	525,012	0.14
14	DBS NOMINEES PTE LTD	509,400	0.14
15	TEE WEE SIEN (ZHENG WEIXIAN)	492,875	0.13
16	YAP THIAM JOO	294,200	0.08
17	CHAN HOCK LYE	275,375	0.07
18	RAFFLES NOMINEES(PTE) LIMITED	270,312	0.07
19	TENG BENG CHYE	255,875	0.07
20	LIM CHOON CHWEE, PETER	246,400	0.07
	Total:	**362,704,810**	**97.24**

SUBSTANTIAL SHAREHOLDERS AS AT 25 MARCH 2022

Name of Substantial Shareholders	Direct Interest	% [1]	Deemed Interest	% [1]
Guo Yinghui[2]	17,985,000	4.82%	194,240,000	52.08%
Feng Li [3]	14,560,000	3.90%	197,665,000	52.99%
China Focus International Limited ("China Focus") [4]	179,680,000	48.17%	–	–
Profit Run Developments Limited ("Profit Run") [5]	–	–	25,677,000	6.88%

(1) Based on the issued share capital of 372,988,500 shares (excluding 11,500 treasury shares).

(2) Mr. Guo Yinghui is the spouse of Mdm. Feng Li and is deemed to be interested in: (a) the 14,560,000 shares registered in the name of KGI Fraser Securities Pte Ltd held for Mdm. Feng Li; and (b) the 179,680,000 shares registered in the name of Maybank Kim Eng Securities Pte Ltd held for China Focus (held for itself and as nominee of Profit Run).

(3) Mdm. Feng Li is the spouse of Mr. Guo Yinghui and is deemed to be interested in: (a) the 17,985,000 shares held by Mr. Guo Yinghui; and (b) the 179,680,000 shares registered in the name of Maybank Kim Eng Securities Pte Ltd held for China Focus (for itself and as nominee of Profit Run).

(4) The 179,680,000 Shares of China Focus are registered in the name of Maybank Kim Eng Securities Pte Ltd, out of which, 25,677,000 shares are held for China Focus as nominee of Profit Run. China Focus is an investment company incorporated in the British Virgin Islands on 25 November 2004, with Mr. Guo Yinghui and Mr. Guo Liang as its directors. As Mr. Guo Yinghui wholly owns China Focus and Profit Run is wholly-owned by a British national in trust for the benefit of Mr. Guo Yinghui, he and Mdm. Feng Li are therefore deemed to be interested in the 179,680,000 shares registered in the name of Maybank Kim Eng Securities Pte Ltd held for China Focus (for itself and as nominee of Profit Run).

(5) 25,677,000 shares are held by China Focus as nominee of Profit Run.

PUBLIC FLOAT

Based on information available to the Company as at 25 March 2022, approximately 42.95% of the issued ordinary shares (excluding treasury shares) of the Company are held in the hands of the public. Accordingly, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the seventeenth Annual General Meeting ("**AGM**") of China Mining International Limited will be convened and by electronic means on Friday, 29 April 2022 at 10 a.m. to transact the following businesses:-

Ordinary Business

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Directors' Statement and Report of the Auditors thereon. **(Resolution 1)**

2. To approve payment of Directors' Fee of S$200,000 (2021: S$200,000) for the year ending 31 December 2022 and the payment thereof on a quarterly basis in arrears. **(Resolution 2)**

3. To re-elect Mr Chan Siew Wei, a Director retiring pursuant to Article 86 of the Company's Constitution.
(Resolution 3)
(See Explanatory Note 1)

4. To note the retirement of Mr Guo Yinghui and Mr Ning Jincheng who are retiring as Directors pursuant to Article 86 of the Company's Constitution and do not seek re-election.
(See Explanatory Note 1)

5. To appoint Mr Guo Wenjun as a Director pursuant to Article 87 of the Company's Constitution.
(Resolution 4)
(See Explanatory Note 1)

6. To re-appoint Crowe Horwath First Trust LLP as Auditors of the Company and to authorise the Directors to re-negotiate and agree on their remuneration. **(Resolution 5)**

As Special Business

To consider, and if thought fit, to pass the following Ordinary Resolutions (with or without amendments): -

7. Authority to allot and issue shares

"That pursuant to Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

(a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and/or

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided always that:

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed fifty (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings), and for the purpose of this resolution, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for:

(aa) new shares arising from the conversion or exercise of convertible securities,

(bb) new shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and

(bb) any subsequent bonus issue, consolidation or subdivision of the Company's shares,

and adjustments in accordance with (aa) or (bb) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution, and

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

(Resolution 6)
(See Explanatory Note 2)

8. Renewal of the Share Buyback Mandate

"That:

a. for the purposes of the Listing Manual of the SGX-ST, the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire the issued ordinary shares fully paid in the capital of the Company (the "Shares") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), during the Relevant Period (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) on-market purchases, transacted on the SGX-ST through the ready market, and which may be transacted through one (1) or more duly licensed stockbrokers appointed by the Company for the purpose ("Market Purchases"); and/or

(i) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Listing Rules ("Off-Market Purchases").

(b) the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from passing of this Resolution and expiring on the earlier of:

  (i) the conclusion of the next Annual General Meeting of the Company ("Next AGM") or the date by which such Next AGM is required by law or the Articles of Association of the Company to be held;

  (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; and

  (iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by ordinary resolution of the Company in general meeting;

(c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded on the SGX-ST, immediately preceding the day on which a Market Share Purchase was made, or as the case may be, the date of the making of the offer pursuant to an Off-Market Purchase on an equal access scheme, and deemed to be adjusted for any corporate action that occurs during the relevant 5 Market-Day period and on the day on which a Market Purchase was made, or as the case may be, the date of the making of the offer pursuant to an Off-Market Purchase on an equal access scheme; and

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"**Highest Last Dealt Price**" means the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase;

"**Market Day**" means a day on which the SGX-ST is open for trading in securities;

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, 105% of the Average Closing Price; and

(ii) in the case on an Off-Market Purchase, 120% of the Highest Last Dealt Price, in either case, excluding related expenses of the purchase;

"**Prescribed Limit**" means the number of issued Shares representing ten per cent (10%) of the issued ordinary share capital, excluding treasury shares and subsidiary holdings, ascertained as at the date of passing of this Resolution, unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Cayman Companies Law, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered; and

"**Relevant Period**" means the period commencing from the date of the passing of the resolution to approve the renewal of the Share Buyback Mandate at the last AGM of the Company and expiring on the date the next AGM is held or is required by law or by the Articles of Association of the Company to be held, whichever is the earlier; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transaction contemplated by this Resolution. **(Resolution 7)**
(See Explanatory Note 3)

Any Other Business

9. To transact any other business which may be properly transacted at an Annual General Meeting.

By Order of the Board

Ms Foo Soon Soo and Mr Ho Kok Weng
Joint Company Secretaries
7 April 2022

Explanatory Notes: -

1. Mr Chan Siew Wei will upon re-election, remain as a member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. He will also continue as the Chairman of the Remuneration Committee.

   Mr Guo Yinghui will retire as the Chairman and an Executive Director of the Company pursuant to Article 86 of the Company's Constitution at the conclusion of this AGM. Mr Guo Yinghui, who has served on the Board as the Chairman and an Executive Director since the incorporation of the Company, has indicated that he, as part of the succession plan and renewal process of the Board, will not be seeking re-election so as to make way for Mr Zhai Kebin, the existing CEO and an Executive Director of the Company, to succeed him as the Chairman of the Board and for Mr Guo Wenjun to be appointed as the Deputy Chairman and an Executive Director of the Company.

   Pursuant to Regulation 87 of the Company's Constitution, Mr Guo Yinghui as a member of the Company, has proposed Mr Guo Wenjun for appointment as the Deputy Chairman and an Executive Director at the forthcoming AGM. Mr Guo Wenjun has accepted the nomination for his candidature. The Nominating Committee has reviewed Mr Guo Wenjun's suitability for appointment and nominates him for appointment as the Deputy Chairman and an Executive Director. The Board has accepted the Nominating Committee's recommendation.

   Mr Ning Jincheng will retire as an Independent Director pursuant to Article 86 of the Company's Constitution at the conclusion of this AGM. Mr Ning Jincheng, who has served on the Board for more than 9 years, has indicated that he will not be seeking re-election so as to comply with the Code of Corporate Governance, which, unless otherwise adequately explained by the Board, deems any independent director who serves for an aggregate period of more than 9 years to be not independent. Following his retirement, Mr Ning will also cease to be the Chairman of the Nominating Committee, a member of the Audit Committee and a member of the Remuneration Committee.

   Detailed information on Mr Chan Siew Wei and Mr Guo Wenjun pursuant to Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") is provided under "Additional information on directors seeking re-election and on person seeking appointment" contained in the Company's Annual Report for FY2021 (the "**Annual Report 2021**").

2. Resolution 7, if passed, will empower the Directors of the Company, effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of which up to twenty per centum (20%) may be issued other than on a pro-rata basis to existing shareholders of the Company

3. Resolution 8, if passed, will renew the Share Buyback Mandate and will authorize the Directors to purchase or otherwise acquire Shares on the terms and subject to the conditions of the Resolution. The rationale for, the authority and limitation on, the sources of funds to be used and the illustrative financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate based on the audited accounts of the Company and the Group for the financial year ended 31 December 2021 and certain assumptions are set out in greater detail in the Appendix enclosed together with the Annual Report 2021.

NOTICE OF ANNUAL GENERAL MEETING

NOTES on AGM:

1. The AGM will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the joint statement by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation of 1 October 2020 and the statement by the Singapore Exchange Regulation of 16 December 2021 which provides additional guidance on the conduct of general meetings.

2. **The Notice of AGM has been published on SGXNET and the Company's website at http://www.chinamining-international.com/ and can be downloaded from SGXNET. A printed copy of this Notice, the proxy form and other documents related to the AGM will NOT be despatched to shareholders.**

3. The Company is arranging for a live webcast of the AGM proceedings (the "**Live AGM Webcast**") which will take place on 29 April 2022 at 10:00 a.m. Members of the Company (other than the Central Depository (Pte) Limited ("**CDP**")) and Depositors who hold shares through CDP (collectively, the "**Shareholders**") will be able to watch the AGM proceedings through the Live AGM Webcast, the Company will not accept any physical attendance by Shareholders. Any shareholder seeking to attend the AGM physically in person will be turned away.

4. Shareholders will be able to participate in the AGM in following manner set out in the paragraphs below.

   (a) Live Webcast:

   (i) Shareholders may watch the AGM proceedings through the Live AGM Webcast. To do so, shareholders will need to register at https://complete-corp.com/chinamining-agm/ (the "**Registration Link**") by 10:00 a.m. on 27 April 2022 (the "**Registration Deadline**") to enable the Company to verify their status.

   (ii) Following verification, authenticated shareholders will receive an email by 10:00 a.m. on 28 April 2022 containing a link to access the live audio-visual webcast of the AGM proceedings as well as a toll-free telephone number to access the live audio-only stream of the AGM proceedings.

   (iii) Shareholders must not forward the above-mentioned link or telephone number to other persons who are not shareholders of the Company and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast.

   (iv) Shareholders who register by the Registration Deadline but do not receive an email response by 10:00 a.m. on 28 April 2022 may contact the Company by email to chinamining-agm@complete-corp.com.

   (b) Submission of Proxy Forms to Vote

   (i) A Shareholder who wishes to vote at the AGM may submit a proxy form to appoint the Chairman of the AGM to cast votes on his behalf.

   (ii) The proxy form (a copy of which is also attached hereto), duly completed and signed, must be submitted by:

   (aa) mail to the Company's Polling Agent, Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or

   (ab) email to chinamining-agm@complete-corp.com ,

   by no later than 10:00 a.m. on 27 April 2022, being 48 hours before the time fixed for the AGM.

   (iii) CPF or SRS investors who wish to vote should approach their respective CPF Agent Bank or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 5.00 p.m. on 19 April 2022) in order to allow sufficient time for their respective relevant intermediaries to in turn submit the proxy Form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.

   (iv) Please note that Shareholders will not be able to vote through the live webcast and can only vote with their proxy forms which are required to be submitted in accordance with the foregoing paragraphs.

   (c) Submission of Questions:

   (i) Shareholders may submit questions relating to the items on the agenda of the AGM via the Registration Link. All questions must be submitted by 10:00 a.m. on 14 April 2022.

   (ii) The Company will endeavour to address the substantial and relevant questions at or before the AGM. The responses to such questions from Shareholders will be posted on SGXNET by 25 April 2022 at 10 a.m. The minutes of the AGM, will be posted on the SGXNet and the Company's website within one month after the date of the AGM.

5. All documents (including the Annual Report 2021, the proxy Form and this Notice of AGM and the Appendix to this Notice of AGM or information relating to the business of the Annual General Meeting have been, or will be, published on SGXNet and the Company's website at http://www.chinamining-international.com/. Printed copies of the documents will not be despatched to members. Members and Investors are advised to check SGXNet and/or the Company's website regularly for updates.

Personal data privacy

By submitting an instrument appointing the Chairman of the AGM to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the proxies for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

CMI 中矿国际有限公司
CHINA MINING INTERNATIONAL LIMITED