
PROPOSED SUBSCRIPTION OF AN AGGREGATE OF 234,701,600 NEW ORDINARY SHARES IN THE CAPITAL OF CHINA MINING INTERNATIONAL LIMITED (THE “PROPOSED SUBSCRIPTION”)

1. INTRODUCTION

- 1.1 The Board of Directors of China Mining International Limited (the “**Company**”) wishes to announce that it has on 15 April 2013 entered into two conditional subscription agreements (collectively the “**Subscription Agreements**” and each, a “**Subscription Agreement**”), one with each of Mr. Chang Wanxin and Mr. Zhang Wanmao (collectively the “**Subscribers**” and each, a “**Subscriber**”), for the subscription by each Subscriber of 117,350,800 new ordinary shares, amounting to an aggregate of 234,701,600 new ordinary shares (collectively the “**New Shares**” and each, a “**New Share**”) in the capital of the Company at S\$0.0306 per New Share (the “**Subscription Price**” and the subscription, the “**Proposed Subscription**”).
- 1.2 The New Shares when issued and fully paid will rank *pari passu* in all respects with the existing ordinary shares in the capital of the Company (the “**Shares**”), except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of completion of the Proposed Subscription (the “**Completion Date**”).
- 1.3 The Subscription Price represents a discount of 10% to the weighted average price of S\$0.0340 per Share for trades done on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 15 April 2013, which is the full market day on which the Subscription Agreements were entered into.
- 1.4 The New Shares represent 20% of the existing issued share capital (excluding treasury shares) of the Company as at the date of this Announcement and approximately 16.66% (with each Subscriber holding approximately 8.33%) of the enlarged issued share capital (excluding treasury shares) of the Company after the Proposed Subscription. The New Shares are intended to be issued pursuant to the general mandate obtained at the annual general meeting of the Company held on 27 April 2012 (“**AGM**”). The general mandate obtained at the AGM authorised and empowered the Directors of the Company to, *inter alia*, issue Shares in the Company not exceeding 50% of the total number of issued Shares (excluding treasury shares) of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders shall not exceed 20% of the total number of issued Shares (excluding treasury shares) (“**General Mandate**”). The proposed issue and allotment of the New Shares to the Subscribers at the Subscription Price are within the limits of the General Mandate obtained at the AGM.

No. of Shares issued as at the date of AGM (excluding treasury shares)	1,173,508,000
No. of Shares that may be issued other than on a pro-rata basis to existing Shareholders pursuant to the General Mandate	234,701,600 (being 20% of 1,173,508,000)
No. of New Shares proposed to be allotted and issued to the Subscribers	234,701,600
Balance no. of Shares that may be issued other than on a pro-rata basis to existing Shareholders pursuant to the General Mandate	0

2. ABOUT THE SUBSCRIBERS

The Subscribers are private entrepreneurs and high net worth investors.

Further details of the Subscribers, how the Subscribers were identified and the rationale for the placement to the Subscribers are as follows:

Subscriber	No. of New Shares	Details on how the Subscriber identified	Rationale for placing to the Subscriber
Mr. Chang Wanxin	117,350,800	Mr. Chang Wanxin was invited to subscribe for 117,350,800 New Shares by Mr. Guo Yinghui, the Executive Chairman of the Company.	To allow the Company to raise funds. The Company intends to utilise the funds raised for expansion of its business and/or working capital.
Mr. Zhang Wanmao	117,350,800	Mr. Zhang Wanmao was invited to subscribe for 117,350,800 New Shares by Mr. Guo Yinghui, the Executive Chairman of the Company.	To allow the Company to raise funds. The Company intends to utilise the funds raised for expansion of its business and/or working capital.

3. USE OF PROCEEDS AND RATIONALE FOR THE PLACEMENT TO THE SUBSCRIBERS

3.1 When the New Shares are issued and allotted in full, the gross proceeds (the “**Proceeds**”) from the Proposed Subscription are expected to be approximately S\$7,181,868 (the “**Subscription Sum**”) (approximately RMB35,909,340, based on the average exchange rate at S\$1.00 : RMB5 as at 15 April 2013). The Subscription Sum shall be paid in its Renminbi denominated equivalent in immediately available funds to a bank account in the People’s Republic of China, as notified by the Company to the Subscribers, prior to the date of completion of the Proposed Subscription.

3.2 The rationale for the placement to the Subscribers is to allow the Company to raise funds. The Company intends to utilise the net Proceeds as follows:

Use of proceeds	Percentage allocation
Business expansion of the Company’s mining business sector	90%
General working capital	10%

3.3 Pending utilisation, the Proceeds may be deposited with banks and/or financial institutions or invested in short-term money markets and/or marketable securities, as the Directors may deem appropriate in the interests of the Company in their sole discretion.

3.4 The Company will make periodic announcements on the use of the Proceeds as and when the proceeds are materially disbursed, and provide a status report on the use of the Proceeds in the Company’s annual report.

4. CONDITIONS PRECEDENT

The completion of the Proposed Subscription is conditional, *inter alia*, upon:-

- (a) approval in-principle for the listing and quotation of the New Shares on the Official List of the SGX-ST being obtained from the SGX-ST and not revoked or amended as at the Completion Date and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Subscriber;
- (b) the Mandate being valid, subsisting and adequate for the purposes of the issue of the New Shares as at the Completion Date;
- (c) the issue and subscription of the New Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Subscription Agreements by any applicable legislative, executive or regulatory body or authority of Singapore and the Cayman Islands;
- (d) there having been no occurrence of any event or discovery of any fact rendering any of the warranties in the Subscription Agreements untrue or incorrect in any material respect as at the Completion Date as if they had been given again on the Completion Date;
- (e) the Company and the Subscribers not being in breach of any of the undertakings and the covenants in the Subscription Agreements as at the Completion Date; and
- (f) the proposed capital reorganisation, additional details of which are set out in the Company's announcement to Shareholders dated 19 October 2012 and the circular to shareholders dated 16 November 2012 (the "**Proposed Capital Reorganisation**"), being completed as at the Completion Date. The Proposed Capital Reorganisation is conditional upon, inter alia, an order being made by the Grand Court of the Cayman Islands confirming the reduction of the issued and paid-up share capital of the Company and the registration by the Registrar of Companies of the Cayman Islands of such order of the Court.

5. FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION

5.1 The proforma financial effects of the Proposed Subscription are set out below, computed based on the audited financial statements of the Group for the financial year ended 31 December 2012 and the following assumptions are intended for illustration purposes only. They are neither indicative of the actual financial effects of the Proposed Subscription on the consolidated net tangible assets ("**NTA**") per Share and consolidated loss per Share ("**LPS**") of the Company nor are they reflective of the future financial position and performance of the Group:-

- (a) for the purpose of the consolidated statement of comprehensive income, the Proposed Subscription was completed on 1 January 2012; and
- (b) for the purpose of the consolidated balance sheet, the Proposed Subscription was completed on 31 December 2012.

5.2 Share Capital

As at 31 December 2012, the issued and paid up capital of the Company comprised 1,173,508,000 Shares, excluding treasury shares (including treasury shares: 1,173,600,000). If and when the New Shares are allotted and issued in full, the existing issued and paid-up share capital of the Company will comprise 1,408,209,600 Shares, excluding treasury shares.

5.3 NTA

The Proposed Subscription would have decreased the NTA per Share of the Company from 8.39 Singapore cents before the completion of the Proposed Subscription to 7.49 Singapore cents after the completion of the Proposed Subscription, amounting to a decrease of approximately 0.90 Singapore cents per Share of the Company as illustrated below:

	Before the Proposed Subscription	After the Proposed Subscription
NTA of the Group (net of non-controlling interests) as at 31 December 2012 (RMB '000)	507,043	542,952
NTA per Share of the Company as at 31 December 2012 (Singapore cents) ⁽¹⁾	8.39	7.49

Note:

- (1) Calculated based on the exchange rate of S\$1 : RMB5.15 and an issued share capital of 1,173,508,000 Shares (excluding treasury shares) as at 31 December 2012 before the completion of the Proposed Subscription and 1,408,209,600 Shares after the completion of the Proposed Subscription.

5.4 LPS

The Proposed Subscription would have decreased the LPS of the Company from 3.35 Singapore cents before the completion of the Proposed Subscription to 2.79 Singapore cents after the completion of the Proposed Subscription, amounting to a decrease of approximately 0.56 Singapore cents per Share of the Company as illustrated below:

	Before the Proposed Subscription	After the Proposed Subscription
Loss of the Group (after tax and minority interests) attributable to equity holders of the Company (RMB '000)	199,168	199,168
LPS of the Company (Singapore cents) ⁽¹⁾	3.35	2.79

Note:

- (1) Calculated based on the average exchange rate of S\$1 : RMB5.06 for the financial year ended 31 December 2012 and based on the issued share capital of 1,173,508,000 Shares (excluding treasury shares) as at 31 December 2012 before the Proposed Subscription and 1,408,209,600 Shares as at 31 December 2012 after the Proposed Subscription.

6. GENERAL

- 6.1 None of the New Shares will be placed with any of the persons set forth in Rule 812(1) of the SGX-ST Listing Manual.
- 6.2 Save as disclosed in this Announcement and any subsequent announcements made by the Company in relation to the Proposed Subscription, none of the Directors of the Company have (i) any interest, direct or indirect in the Proposed Subscription; and (ii) any connection (including any business relationship) with either of the Subscribers.
- 6.3 Save as disclosed in this Announcement and any subsequent announcements made by the Company in relation to the Proposed Subscription, the Directors are not aware of any substantial shareholder of the Company having (i) any interest, direct or indirect, in the Proposed Subscription; and (ii) any connection (including any business relationship) with any of the Subscribers, and has not received any notification of (i) any interest in this transaction; or (ii) any such connection to the Subscribers from any substantial shareholder.
- 6.4 The Proposed Subscription would not result in any transfer of controlling interest in the Company.

- 6.5 The Company will be submitting an application to the SGX-ST for the listing and quotation of the New Shares.
- 6.6 Further announcements will be made on the Proposed Subscription as and when appropriate.

By Order of the Board
Mr. Li Bin
CEO & Executive Director

15 April 2013