

AUDIT ADJUSTMENTS BY THE EXTERNAL AUDITORS IN RESPECT OF THE FINANCIAL RESULTS OF CHINA MINING INTERNATIONAL LIMITED (THE "COMPANY") AND ITS SUBSIDIARIES (THE "GROUP") FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 ("FY2012") (THE "AUDIT ADJUSTMENTS")

Unless otherwise stated, all capitalized terms herein shall have the same meanings as that ascribed in the announcement made by the Company on 1 March 2013 (the "Announcement")

The Board of Directors of the Company (the "Board") would like to inform that, following the audit carried out by the External Auditors of the Company (the "Auditors") subsequent to the Announcement of the unaudited financial results of the Group for FY2012 (the "Announced Results"), the Auditors had proposed the Audit Adjustments which had been agreed to and accepted by the Board.

It shall be highlighted that the Audit Adjustments, which relate solely to compliance with the International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS"), do not arise due to shortcoming in the book keeping of accounts of the Group.

The financial results of the Group for FY2012, based on the Announced Results and subsequent to the Audit Adjustments, are tabulated as follows:

In respect of the Consolidated Statement of Financial Position of the Group as at 31 December 2012

	Post Audit Adjustments	Based on the Announced Results	Change		Note
	31 December 2012 RMB'000	31 December 2012 RMB'000	RMB'000	%	
Non-current assets					
Property, plant and equipment	4,139	15,694	(11,555)	(74)	1
Land use rights	60	60	-	-	-
Investment in joint venture	155,250	155,250	-	-	-
	<u>159,449</u>	<u>171,004</u>	(11,555)	(74)	-
Current Assets					
Non-assets held for sales	40,000	40,000	-	-	-
Completed properties for sale	159,222	156,518	2,704	2	2
Properties under development for sale	74,382	74,382	-	-	-
Prepayments and other receivables	87,871	90,521	(2,650)	(3)	3
Income tax recoverable	69	69	-	-	-
Amount due from joint venture	2,543	2,543	-	-	-
Amount due from related parties	1,455	1,455	-	-	-
Financial assets at fair value through profit or loss	37,355	37,355	-	-	-
Cash and bank balances	183,990	183,990	-	-	-
Pledged bank deposits	7,392	7,392	-	-	-
	<u>594,279</u>	<u>594,225</u>	54	N/M	-
Total Assets	<u>753,728</u>	<u>765,229</u>	(11,501)	(2)	-
Current Liabilities					
Trade payables	25,094	25,094	-	-	-
Accrual and other payables	55,523	55,523	-	-	-
Share-margin financing facilities	19,192	19,192	-	-	-
Income tax payables	52,022	47,273	4,749	10	4

Sales and rental deposits	86,174	86,174	-	-	-
Amount due to joint venture	1,264	1,264	-	-	-
Amount due to joint venture partner	11	11	-	-	-
	<u>239,280</u>	<u>234,531</u>	4,749	10	-
Non-current Liabilities					
Deferred tax liabilities	<u>7,405</u>	<u>7,405</u>	-	-	-
	<u>7,405</u>	<u>7,405</u>	-	-	-
Net Assets	<u>507,043</u>	<u>523,293</u>	(16,250)	(3)	-
Capital and Reserves					
Issued capital	368,358	368,358	-	-	-
Accumulated losses	(134,922)	(118,672)	16,250	14	-
Share premium	224,594	224,594	-	-	-
Capital reserve	49,031	49,031	-	-	-
Treasury shares	<u>(18)</u>	<u>(18)</u>	-	-	-
Equity attributable to owners of the Company	507,043	523,293	-	-	-
Minority Interests	<u>-</u>	<u>-</u>	-	-	-
	<u>507,043</u>	<u>523,293</u>	(16,250)	(3)	-

"N/M" denotes "not meaningful"

In respect of the Consolidated Statement of Comprehensive Income of the Group for FY2012

	Post Audit	Based on the	Change		Note
	Adjustments	Announced Results	RMB'000	%	
	31 December 2012 RMB'000	31 December 2012 RMB'000			
Revenue	90,093	90,093	-	-	-
Cost of sales	<u>(59,655)</u>	<u>(59,655)</u>	-	-	-
Gross profit	30,438	30,438	-	-	-
Impairment loss on:					
Completed properties for sale	(6,863)	(9,567)	(2,704)	(28)	2
Investment in joint ventures	(151,185)	(151,185)	-	-	-
Property, plant and equipment	(11,555)	-	11,555	N/M	1
Write back on impairment on:					
Completed properties for sale	507	507	-	-	-
Selling and distribution expenses	(2,774)	(2,774)	-	-	-
General and administrative expenses	(42,091)	(39,769)	2,322	7	3
Other income	27,493	40,776	(13,283)	(33)	5
Other expense	(24,396)	(24,074)	322	1	5
Share of losses of joint ventures	(287)	(287)	-	-	-
Share of losses of associates	-	(5,654)	(5,654)	N/M	6
Finance income	13,283	-	13,283	N/M	5
Finance cost	<u>(4,625)</u>	<u>(4,619)</u>	6	N/M	5
Loss before tax	(172,055)	(166,208)	5,847	4	-
Tax income/(expense)	<u>1,424</u>	<u>6,173</u>	(4,749)	(77)	4
Loss from continuing operations	(170,631)	(160,035)	10,596	7	-
Loss from discontinued operations	<u>(28,537)</u>	<u>(25,140)</u>	3,397	13	6
Loss for the year, representing total comprehensive loss for the year	<u>(199,168)</u>	<u>(185,175)</u>	13,993	8	-

"N/M" denotes "not meaningful"

In respect of the summarized sections of the Consolidated Statement of Cash Flows of the Group for FY2012 as affected by the Audit Adjustments

	Post Audit Adjustments	Based on the Announced Results	Change		Note
	31 December 2012 RMB'000	31 December 2012 RMB'000	RMB'000	%	
Net cash from operating activities	3,050	7,119	(4,069)	(57)	7
Net cash from investing activities	105,712	77,752	27,960	(36)	8
Net cash used in financing activities	(25,283)	(136,583)	(111,300)	(81)	9

Notes:

- In respect of the Audit Adjustments made in impairing the capitalized costs incurred in connection with the renovation of the new administrative office of the Group in Beijing, as the net book value of the office as at 31 December 2012 exceeds its present value-in-use.
- In respect of the Audit Adjustments made in reversing the recognised impairment loss in connection with Shining Shopping Mall II, which was subsequently disposed by the Group in January 2013.
- In respect of the Audit Adjustments made in writing off certain other receivables following some haircut settlements.
- In respect of the Audit Adjustments made in providing for additional income tax in one of the Group's wholly-owned subsidiaries, due to the exclusion of certain non-tax-deductible expenses.
- In respect of the Audit Adjustments made due to re-classification with no impact to the Consolidated Statement of Comprehensive Income of the Group for FY2012.
- In respect of the Audit Adjustments made in connection with the Group's adoption of the new and amended IFRS 12 – Deferred Tax: Recovery of Underlying Assets, the applicable details of which are summarized as follows:

The Amendments to IAS 12 Deferred Tax: Recovery of Underlying Assets are effective for annual periods beginning on or after 1 January 2012. The Amendments to IAS 12 apply to the measurement of deferred tax liabilities and assets arising from investment properties measured using the fair value model under IAS 40 Investment Property, including investment property acquired in a business combination and subsequently measured using the fair value model. For the purposes of measuring deferred tax, the Amendments introduce a rebuttable presumption that the carrying amount of an investment property measured at fair value will be recovered entirely through sale. The presumption can be rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits over time, rather than through sale.

The Group adopts the Amendments to IAS 12 in respect of its investment in Shining Shopping Mall I (the "Investment Property"), as the Investment Property was intended at the onset to be recovered through sale, though a disposal of which was concluded in November 2012 as mentioned in the Announcement. The adoption of Amendments to IAS 12 on a retrospective basis consequently results in a material increase in the deferred tax liabilities of the Group by RMB16.5 million (the "Deferred Tax Liabilities") for the comparative period commencing from 1 January 2011. With the valuation of the Investment Property being impaired in FY2011, RMB14.2 million of the Deferred Tax Liabilities was written off (the "Deferred Tax Liabilities Write-Off Due To Impairment") in FY2011. With the Investment Property disposed in November 2012, the balance of the Deferred Tax Liabilities of RMB2.3 million was written off (the "Deferred Tax Liabilities Write-Off Due To Disposal") in FY2012.

The effects of adopting the Amendments to IAS 12 on the Consolidated Statement of Comprehensive Income and the Statement of Financial Position of the Group in prior years are summarized as follows:

	The Group		
	31 December 2012	31 December 2011 (Restated)	1 January 2011 (Restated)
	RMB'000	RMB'000	RMB'000
Increase / (decrease):			
<u>Statement of Financial Position</u>			
Deferred tax liabilities	-	2,257	16,489 ^(a)
Retained earnings	-	(2,257)	(16,489) ^(a)
<u>Consolidated Statement of Comprehensive Income</u>			
Income tax expense	(2,257) ^(c)	(14,232) ^(b)	-
Loss for the year	(2,257) ^(c)	(14,232) ^(b)	-

Notes:

- (a) Being the Deferred Tax Liabilities.
- (b) Being the Deferred Tax Liabilities Write-Off Due To Impairment.
- (c) Being the Deferred Tax Liabilities Write-Off Due To Disposal.

For FY2012, the Deferred Tax Liabilities Write-Off Due To Disposal was further netted off against RMB5.7 million, being a re-classification of the Group's share of losses of its 40%-owned associate, Tian Cheng Holding Limited, following the disposal of the said associate in February 2013 as announced by the Company on 28 February 2013, with the resultant net effect of RMB3.4 million being recognized in the Group's loss from discontinued operations.

- 7. As a consequence to the Audit Adjustments mentioned in items 1 to 6 above.
- 8. As a consequence to the Audit Adjustments mentioned in items 1 to 6 above.
- 9. As a consequence to the Audit Adjustments mentioned in items 1 to 6 above.

BY ORDER OF THE BOARD
Mr Li Bin
CEO & Executive Director

10 April 2013