



CHINA MINING INTERNATIONAL LIMITED

中矿国际有限公司

(Incorporated in the Cayman Islands)

(Company Registration No. CT-140095)

REPLIES TO THE QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) IN CONNECTION WITH THE ANNOUNCEMENT MADE BY CHINA MINING INTERNATIONAL LIMITED (THE “COMPANY”) ON 12 MAY 2014 (THE “ANNOUNCEMENT”) CONCERNING THE EMPHASIS OF MATTER BY AUDITORS ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (“FY2013”)

Unless otherwise stated, all capitalized terms herein shall have the same meanings as that ascribed in the Announcement.

We append below our replies to the following queries raised by the SGX-ST on 20 May 2014 concerning the Announcement.

The SGX-ST’s Query 1

Xinxiang Land

We refer to the Company’s announcement on 12 May 2014 in relation to the audit adjustments by external auditors. It was disclosed that the Company’s subsidiary Xinxiang Huilong on 6 May 2014 entered into to a supplemental agreement (the “Supplemental Agreement”) with the Purchaser for the disposal of the Xinxiang Land in 2010. Pursuant to the Supplemental Agreement, the “Purchaser agreed to waive its rights on any possible resource to the Deposit (the “Waiver”) and shall continue to assume its responsibilities in procuring the Substituted Land from the relevant Chinese authorities and honor its obligations in settling the Balance Consideration via a payment schedule...”.

(a) It was noted that the Company proceeded to make full allowance on the Balance Consideration of RMB 27.1 million shortly after the Supplemental Agreement was entered into. Please provide the basis how the Company arrived at the conclusion that the Balance Consideration of RMB 27.1 million is potentially uncollectable, notwithstanding the Purchaser’s commitment to honour its obligations to settle the Balance Consideration. If the Company is aware of the uncollectability of the Balance Consideration when the Supplemental Agreement was entered into, please explain why it proceeded to enter into the Supplemental Agreement.

(b) Based on the Company’s disclosure, it is not clear who currently owns the Xinxiang Land. Please clarify. Please also explain clearly whether the Xinxiang Land has been transferred to the Purchaser. As the Company is making provision for full allowance on the Balance Consideration, please disclose whether the Xinxiang Land will be retained in the Company in the event that the Purchaser fails to fulfill its repayment obligations.

The Company’s reply

(a) The Supplemental Agreement was entered into by the Company with the Purchaser to: (i) procure the Waiver; and (ii) secure the fixed Payment Schedule in respect of the Balance

Consideration. Without procuring the Waiver and securing the fixed Payment Schedule via the Supplemental Agreement in improving the security position of the Company, the Company is left to face with the unknown prospects as to when the Balance Consideration would eventually be paid by the Purchaser, an event (contingent upon the procurement of the Substituted Land from the relevant Chinese authorities) in itself is plagued with uncertainties. Though the Company was not aware of any collectability issue concerning the Balance Consideration as at the date of signing of the Supplemental Agreement, in view that the Purchaser was not willing to provide the Auditors with information requested by the Auditors in supporting the financial strengths of the Purchase in servicing the Payment Schedule, a provision for full allowance on the Balance Consideration was made.

(b) Subsequent to the Supplemental Agreement, the Xinxiang Land (net of the Deposit) held by the Company had been replaced by a receivable equivalent to the Balance Consideration in the books of the Company. In other words, pursuant to the Supplemental Agreement, the Xinxiang Land was thereafter part of the assets of the Purchaser. Notwithstanding which, should the Purchaser fail to honor the Payment Schedule (regardless of whether the Purchaser procures the Substituted Land or not), the Company has the legal rights to enforce payment of the Balance Consideration from the Purchaser.

The SGX-ST's Query 2

Amount due from Glossmei

We refer to the announcement on 12 May 2014 with respect to the emphasis of matter by auditors on the Company's FY2013 financial statements. It was disclosed that on 5 May 2014, the Chairman of the Company, Mr Guo Yinghui (the "Guarantor"), executed a deed of guarantee in favor of the Company by pledging 110 million of the Company's shares owned by him "to secure the repayment of the Balance Due" (the "Guarantee") from Glossmei in relation to the disposal of Climbing Ace by the Company to Glossmei in February 2013.

(a) Please explain clearly the relationship between Glossmei and Mr Guo Yinghui and why Mr Guo Yinghui is providing the Guarantee on behalf of Glossmei.

The Company's reply

(a) There is no relation between Mr Guo Yinghui and Glossmei. Mr Guo Yinghui is providing the Guarantee as an added layer of protection in favor of the Company

BY ORDER OF THE BOARD

Mr Li Bin
Chief Executive Officer & Executive Director

23 May 2014