



CHINA MINING INTERNATIONAL LIMITED

中矿国际有限公司

(Incorporated in the Cayman Islands)

(Company Registration No. CT-140095)

RESPONSE TO QUESTIONS FROM SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

The Board of Directors (the "**Board**") of China Mining International Limited (the "**Company**") refers to the list of questions received from the Securities Investors Association (Singapore) prior to the Annual General meeting ("**AGM**") held on 23 May 2023 which were addressed at the AGM. The questions and responses were set out below. No questions were received from the shareholders prior to or at the AGM.

Q1. The group diversified into the agriculture business via the 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) on 17 December 2021. Revenue for the group in the financial year ended 31 December 2022 amounted to RMB60.4 million, while the loss for the year was RMB (7.6) million.

- (i) Would management provide shareholders with a comprehensive overview of the recently acquired agriculture business during the annual general meeting, including visual materials such as photographs and videos showcasing its operations, plantations, warehouses, equipment, and products (pomegranates)? Additionally, please make this material available on SGXNet for the benefit of all shareholders.
- (ii) Can management (re)iterate its experience and track record in agriculture, specifically focusing on pomegranate cultivation, if any?
- (iii) What are the websites and/or social media pages associated with Henan Zhongnong Huasheng Agricultural Science and Technology Co., Ltd (PRC) (河南中农华盛农业科技有限公司) or its operating entities?
- (iv) Who are the group's primary customers?

Company's replies to Q1:

- (i) Please see the videos at the following 2 links by tapping the relevant link while pressing the "Ctrl" button:
https://mp.weixin.qq.com/s/KFNln_p93Bqp3aOViWroqg
https://mp.weixin.qq.com/s/2_Y83hM_y0MhqB31dWX_hg
- (ii) Please refer to Item 2.4.1 of the Company's Circular dated 2 December 2021.
- (iii) The social account of Henan Zhongnong Huasheng Agricultural Science and Technology Co., Ltd (PRC) (河南中农华盛农业科技有限公司) is "WSCA 中农华盛" which can be accessed via WeChat.
- (iv) Please refer to Item 4.3, entitled "*Valued Chain and Business relationships*", of the Sustainability Report as appeared on page 46 of the 2022 Annual Report.

Q2. The group's investment in Sino Feng Mining S.à.r.l. ("Sino Feng") was revalued at RMB56.8 million as at 31 December 2022. This valuation was based on an income-based approach, in which the valuer estimated the future cash flows over the projected operating lifespan of the mine, according to resource estimations, and applied an appropriate discount rate to calculate the present value. The underlying asset is the Thabazimbi iron ore mine located in the Thabazimbi district, Limpopo Province, South Africa. The group has completed the exploration phase and is awaiting the issuance of a mining license by the relevant authorities to commence the mining phase. The company stated that activities at the Thabazimbi Mine were temporarily suspended in FY2022.

- (i) Can the board/management provide an update on the Thabazimbi mine?
- (ii) Based on the valuation model utilised, when does the group anticipate the mine becoming operational and generating cash flow from its operations, i.e., through the sale of iron ore?
- (iii) What were the key findings from the completed exploration activities?
- (iv) What is the current working relationship between the group and Sino-Africa Mining International Limited, the controlling shareholder of the Thabazimbi Mine, concerning the mine? What is the estimated capital expenditure required for the Thabazimbi Mine, and how does Sino-Africa Mining International Limited plan to fund it?

The Company's replies to Q2:

- (i) Please refer to Section 9.1, entitled "*Financial assets at FVOCI*", of the unaudited results announcement of the Company for FY2022 released on 31 March 2023.
- (ii)-(iv) Please refer to Item 12, entitled "*Financial Assets, at fair value through other comprehensive income (FVOCI)*", of the audited financial statements for FY2022 as appeared on page 121 of the 2022 Annual Report. Following the execution of the shareholders' agreement dated 30 April 2017, the Company's investment in Sino Feng does not require it to make any new funding contribution, be it for the purpose of making or realising an investment or funding any other requirement of the mining business of Sino Feng, and, against which, the Company is not able to exercise control, joint control or significant influence over Sino Feng.

Q3. As noted in the corporate governance report, the company has deviated from Provisions 2.2, 2.3 and 3.1. Under Provision 2.2 of the Code of corporate governance 2018 (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. Provision 3.1 of the Code requires the chairman and the chief executive officer (“CEO”) to be separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the board for independent decision making. The company has stated the following justifications: - While the composition of the board does not comply with Provisions 2.2 and 2.3, the nominating committee (NC) and the board are of the view that there is still sufficient independence element within the board **as the board is small** [emphasis added] and the two independent directors made up two-fifth which is more than one-third of the board. - The board recognises the Code’s recommendation that the chairman and the chief executive officer should be separate persons to ensure an appropriate balance of power and authority, increased accountability, and greater capacity of the board for independent decision making. **Mr Zhai Kebin’s roles as chairman and CEO are distinct and separate** [emphasis added].

- (i) Can the NC elaborate further on the underlying reasons, if any, for the deviations from Provisions 2.2, 2.3 and 3.1 of the Code as required by Listing Rule 710?
- (ii) Based on the board/NC's justifications, do the independent directors believe that the board adhered to the "comply or explain" approach? Has the board selectively deviated from Provisions 2.2, 2.3, and 3.1 by essentially considering them not applicable to the group, for instance, by asserting that the board is small in size and that the Mr Zhai Kebin’s dual roles as chairman and CEO are distinct and separate?
- (iii) What is the progress made in identifying new independent directors?

Company’s replies to Q3:

- (i) Save as disclosed, there is no further underlying reason.
- (ii) Given the Group’s present relatively low turnover and the fact that it is in a loss-making position, the Independent Directors, taking cognizance of the need in keeping the size of the Board small and Mr Zhai Kebin’s dual roles as Chairman (in looking into matters concerning the shareholders) and CEO (in looking into matters concerning the Company) are distinct and separate, concurred with the Company’s stand in adhering to the “comply or explain” approach.
- (iii) The Company is in the midst of shortlisting possible candidates.

**BY ORDER OF THE BOARD
CHINA MINING INTERNATIONAL LIMITED**

Mr Zhai Kebin
Executive Chairman & CEO
23 May 2023