



CHINA MINING INTERNATIONAL LIMITED

中矿国际有限公司

(Incorporated in the Cayman Islands)

(Company Registration No. CT-140095)

REPLY TO THE QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE “SGX-ST”) IN CONNECTION WITH THE ANNUAL REPORT OF CHINA MINING INTERNATIONAL LIMITED (THE “COMPANY”) AND ITS SUBSIDIARIES (THE “GROUP”) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (“FY2014”) (THE “2014 ANNUAL REPORT” REPLIES)

With reference to the captioned subject, the Board of Directors of the Company (the “Board”) appends the Company’s reply to the following queries raised by the SGX-ST on the 2014 Annual Report:

SGX-ST’s Query 1

Paragraph 2.4 of the Code of Corporate Governance 2012 (the “Code”) states that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. In doing so, the Board should also take into account the need for progressive refreshing of the Board. The Board should also explain why any such director should be considered independent.

We note that Mr Lim Han Boon and Mr Ning Jincheng have served on the Board beyond nine years from the date of their first appointment of 9 December 2005. Please elaborate on the rigorous review and the factors taken into account by the Board in relation to their assessment that Mr Lim Han Boon and Mr Ning Jincheng are considered “independent”, particularly Mr Lim Han Boon who is due for re-election at the annual general meeting to be held on 15 April 2015.

The Company’s reply

Mr Lim Han Boon and Mr Ning Jincheng, who were both appointed as Independent Directors of the Company on 9 December 2005, have each served the Board beyond nine years. Taking into account the views of the NC, 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 to have regard to the Director’s contribution in terms of professionalism, integrity, objectivity and ability to exercise independence of judgment in his deliberation in the interest of the Company. The Board is of the view that the Independent Directors have over the years developed significant insights in the Group’s business and operations, and can continue to provide significant and valuable contribution objectively to the Board as a whole. The Independent Directors, particularly Mr Lim, have also been instrumental in instilling and inculcating a culture of good corporate governance within the Group. Mr Lim and Mr Ning have confirmed that they have no association with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors’ independent business judgment. After taking into account all these factors, the Board (with Mr Lim and Mr Ning on abstention) concurred that Mr Lim and Mr Ning are independent. Mr Lim Han Boon who is due for re-election at the annual general meeting to be held on 15 April 2015 has been nominated by the NC for re-election. He

will upon re-election, continue to serve as the Chairman of the Audit Committee ("AC") and as member of the Nominating and Remuneration Committees.

SGX-ST's Query 2

As required by Rule 1207(12) of the Listing Manual, please make disclosures as recommended in paragraph 9.3 of the Code of Corporate Governance 2012 (the "Code") or otherwise explain the reason(s) for the deviation from the following Code recommendations. Paragraph 9.3 of the Code states that the Company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO)

The Company's reply

The key management of the Company only comprise four personnel, who are not Directors or the CEO, as disclosed in page 9 of the 2014 Annual Report. Further to the disclosures under page 19 of the Company's 2014 Annual Report, the aggregate total remuneration paid to the top four key management personnel, who are not Directors or the CEO, amounted to RMB2.25 million for FY2014.

SGX-ST's Query 3

Paragraph 11.3 of the Code of Corporate Governance 2012 (the "Code") states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report. As recommended in paragraph 11.3 of the Code and pursuant to Rule 710 of the Listing Manual, please make disclosures on the Board's comments on the adequacy and effectiveness of the Company's risk management systems or otherwise explain the reason(s) for the deviation from the following Code recommendations.

The Company's reply

Further to the disclosures under page 19 of the Company's 2014 Annual Report, based on the internal controls established and maintained by the Group, work performed by the external auditors and reviews performed by management, various Board committees and the Board, the Audit Committee and the Board are of the opinion that the Group's internal controls including financial, operation, compliance, information technology controls, compliance and risk management systems, were adequate as at 31 December 2014.

SGX-ST's Query 4

It was disclosed on page 35 that "Barring any unforeseen circumstances that are beyond the control of the Company, the directors and management of the Company are cautiously confident of the success of the proposed RTO..." Please clarify what does the underlined statement means.

The Company's reply

The Company and the other parties to the amended and restated conditional sale and purchase agreement entered into on 31 December 2014 in respect of the Proposed RTO Transaction (the "Amended and Restated SPA"), after taking into account of the views expressed by the Singapore Exchange Securities Trading Limited ("ST-SGX") following the pre-clearance of issues relating to the Proposed RTO Transaction by the Company with the SGX-ST, are currently working on possible revised terms to the Amended and Restated SPA, which may include, but not limited to, the portfolio of the exploration and mining projects that will form part of the group of companies to be acquired by the

Company pursuant to the Proposed RTO Transaction (the "Target Group"). Notwithstanding which, the completion of the Proposed RTO is still subject to the fulfillment of many precedent conditions, and there can be no assurance of its completion or, if it were to be eventually completed, as to the length of time required to do so.

SGX-ST's Query 5

It was disclosed on page 74 that "RMB441,000 was due from related parties and RMB27,214,000 was due to related parties". Please clarify whether the listing rules on Interested Person Transactions, Chapter 9 of the SGX Listing Manual apply and the bases supporting the views.

The Company's reply

The amount of RMB441,000 due from related parties (the "Amount Due From RPs") was in connection with certain professional fees paid by the Company on behalf of some subsidiaries of the Target Group for the on-going preparation of the reverse takeover transaction as announced by the Company on 11 July 2013 and 1 April 2014 (the "Proposed RTO"). The said amount was unsecured, non-interest bearing and repayable on demand.

The amount of RMB27,214,000 due to related parties (the "Amount Due To RPs") was in connection with certain professional fees paid by China Focus International Limited (the "China Focus"), an investment company with Mr Guo Ying Hui and Madam Feng Li as its directors, on behalf of the Company for the on-going preparation of the Proposed RTO. The said amount was unsecured, non-interest bearing and repayable on demand.

Netting the Amount Due From RPs against the Amount Due To RPs results in a net amount of RMB26,773,000 due by the Company to related parties (the "Net Amount Due To RPs").

The Audit Committee and the Board are of the view that the interest-free Net Amount Due to RPs is not prejudicial to the interests of the Company and its minority shareholders and do not contravene any listing rules on Interested Person Transactions pursuant to Chapter 9 of the SGX-ST Listing Manual.

SGX-ST's Query 6

It was disclosed on page 76 that "The cash and banks balances of the Group as at 31 December 2014 comprise of the proceeds of the placement carried out on 18 November 2011 having not been utilised but to be conserved towards the working capital of the Group." To disclose the total amount of proceeds raised, the intended use of proceeds, the balance amount unutilized and the reasons such balance remains unutilized.

The Company's reply

The Board refers to the announcements made by the Company on 30 September 2011, 31 October 2011, 8 November 2011 and 17 November 2011 concerning the net placement proceeds of S\$12,290,000 raised from the issuance of 195.6 million new ordinary shares for S\$0.063 each (the "Placement").

The Board would like to update shareholders that, as at the date of this announcement, the proceeds from the Placement have yet been utilized, but shall be conserved for the expansion of the Group's business in the mining sector and the working capital needs of the Group.

SGX-ST's Query 7

It was disclosed on page 66 that “China Mining Singapore Pte Ltd was audited by Prudential Public Accounting Corporation for statutory purpose and by Crowe Horwath First Trust LLP (“Crowe Horwath”) for the purpose of expressing an opinion on the consolidated financial statements.” To explain the reasons why this Singapore incorporated subsidiary was not audited by Crowe Horwath and to elaborate how have Listing Rules 715 and 716 been complied with?

The Company's reply

As China Mining Singapore Pte Ltd (“CMS”) is an inactive subsidiary of the Company and for cost saving purposes, the Company engaged a separate Singapore-based audit firm, Prudential Public Accounting Corporation (the “Prudential”) to carry out a statutory audit on CMS.

The Audit Committee and the Board are satisfied that the appointment of Prudential (in auditing CMS) would not compromise the overall standard and effectiveness of the audit of the Group.

Accordingly, the Company has complied with Listing Rules 715 and 716 of the SGX-ST Listing Manual.

BY ORDER OF THE BOARD

Mr Li Bin
CEO and Executive Director

14 April 2015