

APPENDIX DATED 08 MAY 2023

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

This appendix ("**Appendix**") is circulated to shareholders of China Mining International Limited (the "**Company**"), together with the Company's annual report for the year ended 31 December 2022 ("**Annual Report**"). Its purpose is to explain to shareholders of the Company the rationale for, and to provide information to shareholders of the Company, on the proposed renewal of the Share Buyback Mandate (as defined in this Appendix) to be tabled at the annual general meeting of the Company to be held by electronic means on 23 May 2023, 10 a.m. ("**Annual General Meeting**").

The Notice of the Annual General Meeting and the accompanying proxy form are enclosed with the Annual Report.

If you have sold or transferred all your shares in the capital of the Company, you should immediately forward this Appendix to the bank, stockbroker or agent through whom the sale or transfer, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.



CHINA MINING INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands on 30 September 2004)
Company Registration Number: CT-140095)

APPENDIX TO ANNUAL REPORT

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

TABLE OF CONTENTS

DEFINITIONS	3
LETTER TO SHAREHOLDERS	6
1. INTRODUCTION	6
2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE	6
3. THE TERMS OF THE MANDATE	7
4. STATUS OF PURCHASED SHARES UNDER THE SHARE BUYBACK MANDATE	9
5. SOURCE OF FUNDS FOR SHARE BUYBACK	10
6. FINANCIAL EFFECTS OF THE SHARE BUYBACK MANDATE	11
7. TAXATION	16
8. LISTING RULES	16
9. TAKE-OVER OBLIGATIONS	17
10. APPLICATION OF THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS	18
11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	21
12. SHARES PURCHASED BY THE COMPANY IN THE PREVIOUS 12 MONTHS	22
13. ANNUAL GENERAL MEETING	22
14. ACTION TO BE TAKEN BY SHAREHOLDERS	22
15. DIRECTORS' RECOMMENDATION	22
16. ABSTENTION FROM VOTING	22
17. DIRECTORS' RESPONSIBILITY STATEMENT	23
18. DOCUMENTS FOR INSPECTION	23

DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:

“2023 AGM”	:	The annual general meeting of the Company to be convened and held by electronic means on 23 May 2023 at 10 a.m.
“Act”	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
“AGM”	:	An annual general meeting of the Company
“Annual Report”	:	The annual report of the Company for the financial year ended 31 December 2022
“Appendix”	:	This appendix to the Annual Report as circulated to Shareholders dated 08 May 2023
“Approval Date”	:	Has the meaning ascribed to it in paragraph 3.1
“Articles”	:	The articles of association of the Company
“Board”	:	The Board of Directors of the Company
“Cayman Companies Law”	:	The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“CDP”	:	The Central Depository (Pte) Limited
“China Focus”	:	China Focus International Limited
“Company”	:	China Mining International Limited
“Directors”	:	The Directors of the Company as at the date of this Appendix
“EPS”	:	Earnings per share
“Feng Li”	:	Mdm Feng Li, the spouse of Mr Guo Yinghui
“FY”	:	The financial year ended or ending December 31
“Group”	:	The Company and its subsidiaries
“Guo Group”	:	Comprises Mr Guo Yinghui, Mdm Feng Li, China Focus and iFactors SP
“iFactors SP”	:	iFactors SPC – Asymmetric Opportunities SP. iFactors SP is a segregated portfolio within iFactors SPC (“iFactors”), a segregated portfolio company incorporated in the Cayman Islands. iFactors is wholly-owned by CLC Group, which is in turn wholly-owned by Mr. Guo Yinghui. The directors of iFactors are Mr. Guo Liang, who is the son of Mr. Guo Yinghui, and Ms. Li Ye, who is a personal friend of Mr. Guo Yinghui. iFactors is managed by CLC Asset Management Limited, a company incorporated in Hong Kong which is also wholly owned by CLC Group. Mr. Guo Yinghui is the executive chairman and a controlling shareholder of the Company
“Latest Practicable Date”	:	17 April 2023

DEFINITIONS

<i>“Listing Manual” or “Listing Rules”</i>	:	The listing manual of the SGX-ST, or the rules contained therein, as amended, modified or supplemented from time to time
<i>“LPS”</i>	:	Loss per Share
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“Market Purchase”</i>	:	Has the meaning ascribed to it in paragraph 3.3(a)
<i>“MAS”</i>	:	Monetary Authority of Singapore
<i>“Maximum Price”</i>	:	Has the meaning ascribed to it in paragraph 3.4
<i>“Memorandum”</i>	:	The memorandum of association of the Company
<i>“NTA”</i>	:	Net tangible assets
<i>“Off-market Purchase”</i>	:	Has the meaning ascribed to it in paragraph 3.3(b)
<i>“Profit Run”</i>	:	Profit Run Developments Limited (润辉发展有限公司).
<i>“Relevant Period”</i>	:	The period commencing from the date of the passing of the resolution to approve the renewal of the Share Buyback Mandate at the last AGM of the Company and expiring on the date the next AGM of the Company is held or is required by the Articles to be held, whichever is the earlier
<i>“RMB”</i>	:	Chinese Renminbi, the currency of the People’s Republic of China
<i>“Securities Account”</i>	:	A securities account maintained by a Depositor with CDP, but does not include a securities account maintained with a Depository Agent
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share Buyback Mandate”</i>	:	A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in the Appendix, the Cayman Companies Law, the Listing Manual, the Memorandum and the Articles, and any other laws and regulations as may for the time being be applicable
<i>“Shareholders”</i>	:	Registered holders of Shares
<i>“Shares”</i>	:	Ordinary shares in the capital of the Company
<i>“SIC”</i>	:	Securities Industry Council
<i>“Subsidiary Holdings”</i>	:	Shares referred to in sections 21(4), 21(4B), 21(6A) and 21(6C) of the Act
<i>“Substantial Shareholder”</i> :	:	A Shareholder who has an interest in not less than five per cent (5%) of the issued Shares
<i>“Take-over Code”</i>	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time

DEFINITIONS

“ <i>Treasury Shares</i> ”	:	11,500 treasury shares, with a par value of S\$0.008 each
“S\$”, “\$” and “ <i>Singapore cents</i> ”	:	Singapore dollar and cents, respectively
“%”	:	Per centum or percentage

The terms “**Depositors**”, “**Depository**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them, respectively, in section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine shall, where applicable, include the feminine and neuter gender and *vice versa*. References to persons shall, where applicable, include corporations.

For the purposes of this Appendix, unless otherwise indicated, S\$ shall be converted into RMB using the exchange rate of RMB5.15 to S\$1.00.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

LETTER TO SHAREHOLDERS

CHINA MINING INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands on 30 September 2004) (Company
Registration Number: CT-140095)

Directors:

Zhai Kebin (Chief Executive Officer and Executive Chairman)
Guo Wenjun (Deputy Executive Chairman)
Dong Lingling (Executive Director)
Lim Han Boon (Independent and Non-Executive Director)
Chan Siew Wei (Independent and Non-Executive Director)

Registered Office:

The offices of Conyers Trust
Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

08 May 2023

To: The Shareholders of the Company

Dear Sir/Madam,

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

1. INTRODUCTION

The purpose of this Appendix is to provide Shareholders with information pertaining to the proposed renewal of the Share Buyback Mandate, and to seek Shareholders' approval in respect of the same at the 2023 AGM.

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1 Rationale

In managing the business of the Group, the Directors constantly seek to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group. In addition to growth and expansion of the business, Share buybacks may be considered as one of the ways through which the return on equity of the Group may be enhanced.

The Share Buyback Mandate would provide the Company with the flexibility to purchase or acquire the Shares if and when circumstances permit, during the period when the Share Buyback Mandate is in force. It is an expedient, effective and cost-efficient way for the Company to return to its Shareholders surplus cash/funds over and above its ordinary capital requirements, if any, taking into account the Group's growth and expansion plans. In addition, the Share Buyback Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure and its dividend policy.

The Directors further believe that Share buybacks by the Company will help mitigate short-term market volatility, offset the effects of short-term speculation and bolster Shareholders' confidence. If and when circumstances permit, the Directors will decide whether to effect the Share buybacks via market purchases or off-market purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Directors will only carry out Share buybacks as and when they consider it to be in the best interest of the Company. The Directors do not propose to carry out Share buybacks to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity, the orderly trading of the Shares and/or the financial position of the Group.

LETTER TO SHAREHOLDERS

2.2 Mandate

Approval is being sought from Shareholders at the 2023 AGM for the renewal of the Share Buyback Mandate for the purchase or acquisition by the Company of its issued Shares. The latest renewal of the Share Buyback Mandate was approved by Shareholders at the last annual general meeting of the Company held on 29 April 2022. If approved, the Share Buyback Mandate will take effect from the date of the passing of the resolution to approve its renewal at the 2023 AGM and continue in force until the conclusion of the next AGM of the Company or such date as the next AGM is required by the Articles of the Company to be held, unless prior thereto, Share buybacks were carried out to the full extent mandated or the Share Buyback Mandate was revoked or varied by the Company in a general meeting. The Share Buyback Mandate may be put to Shareholders for renewal at each subsequent AGM of the Company.

3. THE TERMS OF THE MANDATE

The authority and limitations placed on the purchase or acquisition by the Company of Shares under the proposed Share Buyback Mandate, if renewed at the 2023 AGM, save as set out in paragraph 10.2, are similar in terms to those previously approved by Shareholders and, for the benefit of Shareholders, are summarised below:

3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares which may be purchased or acquired by the Company during the Relevant Period, is limited to that number of Shares representing not more than ten per cent (10%) of the issued share capital of the Company, excluding Treasury Shares and Subsidiary Holdings, ascertained as at the date of the AGM at which the Share Buyback Mandate is approved (the “**Approval Date**”), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Cayman Companies Law, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered.

As at the Latest Practicable Date, there are no Subsidiary Holdings.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date of S\$18,359,483, comprising 407,988,500 Shares, excluding Treasury Shares and Subsidiary Holdings, and assuming that no further Shares are issued at or prior to the 2023 AGM, not more than 40,798,850 Shares (representing ten per cent (10%) of the issued and paid-up share capital of the Company, excluding Treasury Shares and Subsidiary Holdings, as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate.

3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, from the

Approval Date up to the earliest of:

- (a) the conclusion of the next AGM or the date by which such AGM is required by the Articles to be held;
- (b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; and
- (c) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Company in general meeting.

LETTER TO SHAREHOLDERS

3.3 Manner of Purchase of Shares

Purchases or acquisitions of Shares may be made by way of, *inter alia*:

- (a) on-market purchases, transacted on the SGX-ST through the ready market, and which may be transacted through one (1) or more duly licensed stockbrokers appointed by the Company for the purpose (“**Market Purchases**”); and/or
- (b) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Listing Rules (“**Off-Market Purchases**”).

An equal access scheme must satisfy all the following conditions:

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares, to purchase or acquire the same percentage of Shares from such person;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (c) the terms of all the offers are the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that the offers may relate to Shares with different accrued dividend entitlements;
 - (ii) differences in consideration attributable to the fact that the offers may relate to Shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares after the Share purchases.

In addition, the Listing Rules provide that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed Share buyback;
- (d) the consequences, if any, of Share buybacks by the Company that will arise under the Takeover Code or other applicable take-over rules;
- (e) whether the Share buyback, if made, could affect the listing of the Shares on the SGX-ST;
- (f) details of any Share Buybacks made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

LETTER TO SHAREHOLDERS

3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Highest Last Dealt Price (as defined hereinafter),

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded on the SGX-ST, immediately preceding the day on which a Market Share Purchase was made, or as the case may be, the date of the making of the offer pursuant to an Off-Market Purchase on an equal access scheme, and deemed to be adjusted for any corporate action that occurs during the relevant 5 Market-Day period and on the day on which a Market Purchase was made, or as the case may be, the day of the making of the offer pursuant to an Off-Market Purchase on an equal access scheme; and

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“**Highest Last Dealt Price**” means the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase.

4. STATUS OF PURCHASED SHARES UNDER THE SHARE BUYBACK MANDATE

Under Cayman Companies Law, a company limited by shares may, if authorised to do so by its articles of association, purchase its own shares. However, if the articles of association do not authorise the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorised by an ordinary resolution of the company. The Company is authorised to purchase its own shares pursuant to Article 3(2) of the Articles.

At no time may a company purchase its own shares unless they are fully paid. A company may not purchase any of its shares if, as a result of the purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. Shares may be purchased out of profits of the Company, out of the share premium account or out of the proceeds of a fresh issue of shares made for the purposes of the purchase or (subject to Section 37 of the Cayman Companies Law) out of capital. A payment out of capital by a company for the purchase of its own shares is not lawful unless immediately following the date on which the payment out of capital is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

LETTER TO SHAREHOLDERS

Shares purchased by a company shall be treated as cancelled on purchase, unless (subject to the memorandum and articles of association of the company) the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase, and the amount of the company's issued share capital shall be diminished by the nominal value of those shares accordingly; but the purchase of shares by a company is not to be taken as reducing the amount of the company's authorised share capital.

Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares. However, notwithstanding the foregoing, the company shall not be treated as a member for any purpose and shall not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void. A treasury share shall not be voted, directly or indirectly, at any meeting of the company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Cayman Companies Law. Further, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made to the company, in respect of a treasury share. Shares may be allotted as fully paid bonus shares in respect of a treasury share and shares so allotted as fully paid bonus shares in respect of a treasury share shall be treated as treasury shares.

A company that holds treasury shares may at any time:

- (a) cancel the shares in accordance with the provisions of the company's articles of association or (in the absence of any applicable provisions in the company's articles of association) by a resolution of the directors and, if so cancelled, the amount of the company's issued share capital (but not its authorised share capital) shall be diminished by the nominal value of those shares accordingly; or
- (b) transfer the shares to any person, whether or not for valuable consideration (including at a discount to the nominal or par value of such shares).

Under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage and the value of the treasury shares in relation to the usage.

5. SOURCE OF FUNDS FOR SHARE BUYBACK

The Company may only apply funds for the purchase or acquisition of the Shares in accordance with the Articles and applicable laws and regulations in Singapore and the Cayman Islands. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Pursuant to the Cayman Companies Law, any payment made by the Company in consideration of the purchase or acquisition of its own Shares may only be made out of the profits of the Company, the share premium account, the proceeds of a fresh issue of Shares made for the purposes of the purchase or a payment out of capital as the Board may determine in accordance with the provisions of the Cayman Companies Law. A payment out of capital by a Cayman Islands company for the purchase of its own shares is not lawful unless immediately following the date on which the payment out of capital is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

LETTER TO SHAREHOLDERS

The Company may use internal sources of funds and/or external borrowings to finance the Company's purchase or acquisition of the Shares pursuant to the Share Buyback Mandate. The Directors will only carry out Share buybacks as and when they consider it to be in the best interest of the Company. The Directors do not propose to carry out Share buybacks to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity, the orderly trading of the Shares and/or the financial position of the Group.

6. FINANCIAL EFFECTS OF THE SHARE BUYBACK MANDATE

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate will depend on, *inter alia*, the number of Shares purchased or acquired, whether such purchase or acquisition is made out of profit or capital and the price paid for such Shares. The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 31 December 2022, are based on the following principal assumptions:

- (a) the purchase or acquisition of Shares pursuant to the Share Buyback Mandate had taken place on 1 January 2022 for the purpose of computing the financial effects on the LPS of the Group;
- (b) the purchase or acquisition of Shares pursuant to the Share Buyback Mandate had taken place on 31 December 2022 for the purpose of computing the financial effects on the Shareholders' equity, NTA per share and gearing of the Group and the Company;
- (c) the purchase or acquisition of shares pursuant to the Share Buyback Mandate are to be financed by external borrowings; and
- (d) transaction costs incurred for the purchase or acquisition of shares pursuant to the Share Buyback Mandate are insignificant and have been ignored for the purpose of computing the financial effects.

6.1 Purchase or Acquisition out of Capital

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount of distributable profits available for cash dividends by the Company will not be reduced. However, as the share premium account may be applied by the Company in paying distributions or dividends to Shareholders where immediately following the date on which the distribution or dividend is proposed to be paid, the Company shall be able to pay its debts as they fall due in the ordinary course of business, payment for the purchase or acquisition of Shares out of capital can affect the Company's ability to pay dividends out of the share premium account in that cash available to meet liabilities will be reduced.

6.2 Information as at the Latest Practicable Date

As at the Latest Practicable Date, the issued capital of the Company comprises 407,988,500 Shares, excluding Treasury Shares and Subsidiary Holdings. The Company has no outstanding unexercised Share options as at the Latest Practicable Date.

6.3 Proforma Financial Effects

For illustrative purposes and on the basis of the assumptions set out below, the proforma financial effect of the:

- (a) acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital and cancelled; and
- (b) acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital and held as treasury shares,

LETTER TO SHAREHOLDERS

on the audited financial statements of the Group for the financial year ended 31 December 2022 are set out below.

- (a) Purchases made entirely out of capital and Shares repurchased are cancelled

Market Purchase

For illustrative purposes only, in a market purchase, assuming that the Maximum Price is S\$0.047 for one Share, which is five per cent (5%) above the Average Closing Price immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 40,798,850 Shares (representing 10% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase under and during the duration of the Share Buyback Mandate), is approximately S\$1,917,546 (approximately RMB 9,875,362). On these assumptions and further assuming the purchase of Shares was financed by external borrowings, the effect of the purchase of Shares by the Company pursuant to the Share Buyback mandate on the LPS of the Group and the Shareholders' equity, NTA per Share and gearing of the Group and the Company is as follows:

	Group		Company	
	Per Audited Financial Statements (RMB'000)	After Share Buyback (RMB'000)	Per Audited Financial Statements (RMB'000)	After Share Buyback (RMB'000)
As at 31 December 2022				
Share capital	15,806	14,226	15,806	14,226
Distributable reserve	267,600	267,600	267,600	267,600
Share premium	271,358	263,063	271,358	263,063
Treasury Shares	(18)	(18)	(18)	(18)
Capital reserves	49,031	49,031	–	–
Fair value reserves	(13,664)	(13,664)	(13,664)	(13,664)
Non-controlling interest	45,114	45,114	–	–
Statutory reserve	312	312	–	–
Accumulated losses	(442,869)	(442,869)	(447,442)	(447,442)
Equity attributable to owners of the Company	192,670	182,795	93,640	83,765
Non-current assets	266,975	266,975	210,680	210,680
Current assets	50,044	50,044	978	978
Current liabilities	(58,675)	(68,550)	(118,018)	(127,893)
Non-current liabilities	(65,674)	(65,674)	–	–
NTA	192,670	182,795	93,640	83,765
Total borrowings	90,883	100,758	–	9,875
Loss after tax attributable to equity holders of the Company	(8,455)	(8,455)	(15,355)	(15,355)
Number of Shares outstanding as at 31 December 2022 ('000)	407,989	367,190	407,989	367,190
Weighted average number of Shares outstanding during the year ended at 31 December 2022 ('000)	386,317	345,518	386,317	345,518
Financial Ratios				
NTA per Share (Singapore cents) ⁽¹⁾	9.17	9.67	4.46	4.43
Gearing (%) ⁽²⁾	47.17	55.12	–	11.79
LPS (Singapore cents) ⁽³⁾	(0.45)	(0.50)	(0.81)	(0.91)

Notes

- (1) NTA per Share equals to equity attributable to owners of the Company divided by the number of Shares outstanding as at 31 December 2022. Calculated based on the exchange rate of RMB5.15 to S\$1.00 as at 31 December 2022.
- (2) Gearing equals to total interest-bearing borrowings expressed as percentage of total equity.
- (3) The LPS equals to loss attributable to owners of the Company divided by the weighted average number of Shares outstanding during the financial year ended 31 December 2022. Calculated based on the average exchange rate of RMB4.89 to S\$1.00.

LETTER TO SHAREHOLDERS

Off-Market Purchase

For illustrative purposes only, in an off-market purchase, assuming that the Maximum Price is S\$0.049 for one Share, which is twenty per cent (20%) above the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 40,798,850 Shares (representing 10% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase under and during the duration of the Share Buyback Mandate), is approximately S\$1,999,144 (approximately RMB 10,295,590). On these assumptions and further assuming the purchase of Shares was financed by external borrowings, the effect of the purchase of Shares by the Company pursuant to the Share Buyback mandate on the LPS of the Group and the Shareholders' equity, NTA per Share and gearing of the Group and the Company is as follows:

	Group		Company	
	Per Audited Financial Statements (RMB'000)	After Share Buyback (RMB'000)	Per Audited Financial Statements (RMB'000)	After Share Buyback (RMB'000)
As at 31 December 2022				
Share capital	15,806	14,226	15,806	14,226
Distributable reserve	267,600	267,600	267,600	267,600
Share premium	271,358	262,642	271,358	262,642
Treasury Shares	(18)	(18)	(18)	(18)
Capital reserves	49,031	49,031	–	–
Fair value reserves	(13,664)	(13,664)	(13,664)	(13,664)
Non controlling interest	45,114	45,114	–	–
Statutory reserve	312	312	–	–
Accumulated losses	(442,869)	(442,869)	(447,442)	(447,442)
Equity attributable to owners of the Company	192,670	182,374	93,640	83,344
Non-current assets	266,975	266,975	210,680	210,680
Current assets	50,044	50,044	978	978
Current liabilities	(58,675)	(68,971)	(118,018)	(128,314)
Non-current liabilities	(65,674)	(65,674)	–	–
NTA	192,670	182,374	93,640	83,344
Total borrowings	90,883	101,179	–	10,296
Loss after tax attributable to equity holders of the Company	(8,455)	(8,455)	(15,355)	(15,355)
Number of Shares outstanding as at 31 December 2022 ('000)	407,989	367,190	407,989	367,190
Weighted average number of Shares outstanding during the year ended at 31 December 2022 ('000)	386,317	345,518	386,317	345,518
Financial Ratios				
NTA per Share (Singapore cents) ⁽¹⁾	9.17	9.64	4.46	4.41
Gearing (%) ⁽²⁾	47.17	55.48	–	12.35
LPS (Singapore cents) ⁽³⁾	(0.45)	(0.50)	(0.81)	(0.91)

Notes

- (1) NTA per Share equals to equity attributable to owners of the Company divided by the number of Shares outstanding as at 31 December 2022. Calculated based on the exchange rate of RMB5.15 to S\$1.00 as at 31 December 2022.
- (2) Gearing equals to total interest-bearing borrowings expressed as percentage of total equity.
- (3) The LPS equals to loss attributable to owners of the Company divided by the weighted average number of Shares outstanding during the financial year ended 31 December 2022. Calculated based on the average exchange rate of RMB4.89 to S\$1.00.

LETTER TO SHAREHOLDERS

- (b) Purchases made entirely out of capital and Shares repurchased held as treasury shares

Market Purchase

For illustrative purposes only, in a market purchase, assuming that the Maximum Price is S\$0.047 for one Share, which is five per cent (5%) above the Average Closing Price immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 40,798,850 Shares (representing 10% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase under and during the duration of the Share Buyback Mandate), is approximately S\$1,917,546 (approximately RMB9,875,362). On these assumptions and further assuming the purchase of Shares was financed by external borrowings, the effect of the purchase of Shares by the Company pursuant to the Share Buyback mandate on the LPS of the Group and the Shareholders' equity, NTA per Share and gearing of the Group and the Company is as follows:

	Group		Company	
	Per Audited Financial Statements (RMB'000)	After Share Buyback (RMB'000)	Per Audited Financial Statements (RMB'000)	After Share Buyback (RMB'000)
As at 31 December 2022				
Share capital	15,806	15,806	15,806	15,806
Distributable reserve	267,600	267,600	267,600	267,600
Share premium	271,358	271,358	271,358	271,358
Treasury Shares	(18)	(9,893)	(18)	(9,893)
Capital reserves	49,031	49,031	–	–
Fair value reserves	(13,664)	(13,664)	(13,664)	(13,664)
Non controlling interest	45,114	45,114	–	–
Statutory reserve	312	312	–	–
Accumulated losses	(442,869)	(442,869)	(447,442)	(447,442)
Equity attributable to owners of the Company	192,670	182,795	93,640	83,765
Non-current assets	266,975	266,975	210,680	210,680
Current assets	50,044	50,044	978	978
Current liabilities	(58,675)	(68,550)	(118,018)	(127,893)
Non-current liabilities	(65,674)	(65,674)	–	–
NTA	192,670	182,795	93,640	83,765
Total borrowings	90,883	100,758	–	9,875
Loss after tax attributable to equity holders of the Company	(8,455)	(8,455)	(15,355)	(15,355)
Number of Shares outstanding as at 31 December 2022 ('000)	407,989	367,190	407,989	367,190
Weighted average number of Shares outstanding during the year ended at 31 December 2022 ('000)	386,317	345,518	386,317	345,518
Financial Ratios				
NTA per Share (Singapore cents) ⁽¹⁾	9.17	9.67	4.46	4.43
Gearing (%) ⁽²⁾	47.17	55.12	–	11.79
LPS (Singapore cents) ⁽³⁾	(0.45)	(0.50)	(0.81)	(0.91)

Notes

- (1) NTA per Share equals to equity attributable to owners of the Company divided by the number of Shares outstanding as at 31 December 2022. Calculated based on the exchange rate of RMB5.15 to S\$1.00 as at 31 December 2022.
- (2) Gearing equals to total interest-bearing borrowings expressed as percentage of total equity.
- (3) The LPS equals to loss attributable to owners of the Company divided by the weighted average number of Shares outstanding during the financial year ended 31 December 2022. Calculated based on the average exchange rate of RMB4.89 to S\$1.00.

LETTER TO SHAREHOLDERS

Off-Market Purchase

For illustrative purposes only, in an off-market purchase, assuming that the Maximum Price is S\$0.049 for one Share, which is twenty per cent (20%) above the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 40,798,850 Shares (representing 10% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase under and during the duration of the Share Buyback Mandate), is approximately S\$1,999,144 (approximately RMB10,295,590). On these assumptions and further assuming the purchase of Shares was financed by external borrowings, the effect of the purchase of Shares by the Company pursuant to the Share Buyback mandate on the LPS of the Group and the Shareholders' equity, NTA per Share and gearing of the Group and the Company is as follows:

	Group		Company	
	Per Audited Financial Statements (RMB'000)	After Share Buyback (RMB'000)	Per Audited Financial Statements (RMB'000)	After Share Buyback (RMB'000)
As at 31 December 2022				
Share capital	15,806	15,806	15,806	15,806
Distributable reserve	267,600	267,600	267,600	267,600
Share premium	271,358	271,358	271,358	271,358
Treasury Shares	(18)	(10,314)	(18)	(10,314)
Capital reserves	49,031	49,031	–	–
Fair value reserves	(13,664)	(13,664)	(13,664)	(13,664)
Non controlling interest	45,114	45,114	–	–
Statutory reserve	312	312	–	–
Accumulated losses	(442,869)	(442,869)	(447,442)	(447,442)
Equity attributable to owners of the Company	192,670	182,374	93,640	83,344
Non-current assets	266,975	266,975	220,680	220,680
Current assets	50,044	50,044	978	978
Current liabilities	(58,675)	(68,971)	(118,118)	(128,314)
Non-current liabilities	(65,674)	(65,674)	–	–
NTA	192,670	182,374	93,640	83,344
Total borrowings	90,883	101,179	–	10,296
Loss after tax attributable to equity holders of the Company	(8,455)	(8,455)	(15,355)	(15,355)
Number of Shares outstanding as at 31 December 2022 ('000)	407,989	367,190	407,989	367,190
Weighted average number of Shares outstanding during the year ended at 31 December 2022 ('000)	386,317	345,518	386,317	345,518
Financial Ratios				
NTA per Share (Singapore cents) ⁽¹⁾	9.17	9.64	4.46	4.41
Gearing (%) ⁽²⁾	47.17	55.48	–	12.35
LPS (Singapore cents) ⁽³⁾	(0.45)	(0.50)	(0.81)	(0.91)

Notes

- (1) NTA per Share equals to equity attributable to owners of the Company divided by the number of Shares outstanding as at 31 December 2022. Calculated based on the exchange rate of RMB5.15 to S\$1.00 as at 31 December 2022.
- (2) Gearing equals to total interest-bearing borrowings expressed as percentage of total equity.
- (3) The LPS equals to loss attributable to owners of the Company divided by the weighted average number of Shares outstanding during the financial year ended 31 December 2022. Calculated based on the average exchange rate of RMB4.89 to S\$1.00.

LETTER TO SHAREHOLDERS

Shareholders should note that the proforma financial effects set out above are for illustrative purposes only. Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to ten per cent (10%) of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten per cent (10%) of the issued Shares.

7. TAXATION

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the Share Buyback Mandate should consult their own professional advisers.

8. LISTING RULES

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement currently requires the inclusion of details of the total number of shares purchased, the purchase price per share and the highest and lowest prices paid for such shares, as applicable.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Buyback Mandate at any time after a price sensitive or trade sensitive development has occurred or if the Company has been the subject of a decision until the price sensitive or trade sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares through Market Purchases during the period commencing one month before the announcement of the Company’s half year and full year financial statements.

The Listing Rules also require a listed company to ensure that at least ten per cent (10%) of its shares is at all times held by the public. The “public”, as defined under the Listing Manual, are persons other than the directors, Substantial Shareholders, chief executive officers or controlling shareholders of a company and its subsidiaries, as well as associates of such persons.

As at the Latest Practicable Date, 168,959,300 Shares representing approximately 41.41% of the issued share capital (excluding Treasury Shares) of the Company are held in the hands of the public. In the event that the Company purchases the maximum of ten per cent (10%) of its issued ordinary share capital from such public Shareholders, the resultant percentage of Shares held by public Shareholders would be decreased to approximately 34.90%. Accordingly, the Company is of the view that there is a sufficient number of the Shares in public hands that would permit the Company to potentially undertake purchases or acquisitions of its Shares up to the full ten per cent (10%) limit pursuant to the Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

LETTER TO SHAREHOLDERS

9. TAKE-OVER OBLIGATIONS

Appendix 2 of the Take-over Code contains the Share Buyback Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

The following individuals and companies will be presumed to be acting in concert with each other, unless the contrary is established:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the above for the purchase of voting rights; and
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;
- (e) a financial or other professional adviser, including a stockbroker, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where the directors have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and

LETTER TO SHAREHOLDERS

- (h) the following persons and entities:
 - (i) an individual;
 - (ii) the close relatives of (i);
 - (iii) the related trusts of (i);
 - (iv) any person who is accustomed to act according to the instructions of (i);
 - (v) companies controlled by any of (i), (ii), (iii) or (iv); and
 - (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

For this purpose, ownership or control of at least 20 per cent (20%) but not more than 50 per cent (50%) of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders of the Company (including Directors of the Company) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and person acting in concert with them, being in aggregate less than thirty per cent (30%) before such purchase or acquisition, would increase to thirty per cent (30%) or more, or if the voting rights of such Directors and persons acting in concert with them are between thirty per cent (30%) and fifty per cent (50%) of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than one per cent (1%) in any period of six (6) months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to thirty per cent (30%) or more, or, if such Shareholder holds between thirty per cent (30%) and fifty per cent (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

10. APPLICATION OF THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS

As at Latest Practicable Date, Mr Guo Yinghui, a controlling Shareholder of the Company, and his spouse Mdm Feng Li, own 17,985,000 Shares and 14,560,000 Shares representing approximately 4.41% and 3.57% of the issued share capital (excluding Treasury Shares) of the Company, respectively. Pursuant to section 4 of the Securities and Futures Act (Chapter 289) of Singapore, Mr Guo Yinghui and Mdm Feng Li are each deemed interested in the 179,680,000 Shares held by China Focus (held for itself and as nominee of Profit Run) representing approximately 44.04% of the issued share capital (excluding Treasury Shares) of the Company by virtue of Mr Guo Yinghui's entire shareholding of the issued share capital of China Focus. Mr Guo Yinghui and Mdm Feng Li are each deemed interested in the 17,500,000 Shares held by iFactors SP representing approximately 4.27% of the issued share capital (excluding Treasury Shares) of the Company. iFactors SP is a segregated portfolio within iFactors, a segregated portfolio company incorporated in the Cayman Islands. iFactors is wholly-owned by CLC Group, which is in turn wholly-owned by Mr. Guo Yinghui. The directors of iFactors are Mr. Guo Liang, who is the son of Mr. Guo Yinghui, and Ms. Li Ye, who is a personal friend of Mr. Guo Yinghui. iFactors is managed by CLC Asset Management Limited, a

LETTER TO SHAREHOLDERS

company incorporated in Hong Kong which is also wholly-owned by CLC Group.

Mr Guo Yinghui, Mdm Feng Li, China Focus and IFactors SP, constituting the Guo Group, being presumed to be concert parties pursuant to the Take-over Code, in aggregate hold approximately 56.31% of the issued share capital (excluding Treasury Shares) of the Company.

Assuming that the Company purchases and cancels 40,798,850 Shares, (representing ten per cent (10%) of the total issued share capital (excluding Treasury Shares and Subsidiary Holdings) of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is allowed to purchase), the aggregate shareholding of the Guo Group will increase to 62.56%. If such purchase and cancellation takes place with the result that the Guo Group's aggregate shareholding increases by more than one per cent (1%) in any six-month period. When the Guo Group holds over 50%, no obligation normally arises from acquisitions by any member of the group. However, subject to certain considerations, the SIC may regard as giving rise to an obligation to make an offer any acquisition by a single member or sub-group of the group of voting rights sufficient to increase his/its holding to 30% or more or, if he/it already holds between 30% and 50%, by more than 1% in any six-month period and hence the Guo Group and persons in concert with them will, unless exempted, be obliged to make a general offer under Rule 14 of the Take-over Code.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of:

- (a) any other Substantial Shareholders or Directors (together with persons acting in concert with it or them) who may become obligated to make a mandatory take-over offer for the Company under the Share Purchase Mandate if the Company purchases up to the maximum 10% of the issued Shares under the Share Purchase Mandate. Further details of the interests of Directors and Substantial Shareholders are set out in paragraph 11; and
- (b) any fact(s) or factor(s) which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting Shares should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Buyback Mandate.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the SIC and/or their professional advisers at the earliest opportunity.

10.1 Shareholding of the Above Parties Before and After Share Purchases under the Share Buyback Mandate (For Illustrative Purposes Only)

Based on the shareholding interest of the parties listed above as at the Latest Practicable Date and assuming that:

- (a) the Company undertakes Share purchases under the Share Buyback Mandate up to the maximum of ten per cent (10%) of the issued share capital of the Company as permitted by the Share Buyback Mandate;
- (b) there is no change in the holding of Shares between the Latest Practicable Date and the date of the 2023 AGM;
- (c) no new Shares are issued following approval being received from Shareholders at the 2022 AGM for the Share Buyback Mandate; and
- (d) the above parties do not sell or otherwise dispose of their holding of Shares,

LETTER TO SHAREHOLDERS

their holding of Shares as at the date of the 2023 AGM and after the purchase by the Company of ten per cent (10%) of the issued share capital of the Company pursuant to the Share Buyback Mandate are as follows:

	Before Share Purchase (as at the date of the 2023 AGM)				After Share Purchase			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares (‘000)	%	Number of Shares (‘000)	%	Number of Shares (‘000)	%	Number of Shares (‘000)	%
Guo Yinghui ⁽¹⁾	17,985	4.41	211,740	51.90	17,985	4.90	211,740	57.67
Feng Li ⁽²⁾	14,560	3.57	215,165	52.74	14,560	3.97	215,165	58.60
China Focus ⁽³⁾	179,680	44.04	–	–	179,680	48.93	–	–
Guo Group ⁽⁴⁾	229,725	56.31	–	–	229,725	62.56	–	–

Notes:

- (1) The controlling Shareholder of the Company, Mr. Guo Yinghui is the spouse of Mdm. Feng Li and is deemed to be interested in: (a) the 14,560,000 Shares registered in the name of KGI Fraser Securities Pte Ltd held for Mdm. Feng Li; (b) the 179,680,000 Shares registered in the name of Maybank Kim Eng Securities Pte Ltd held for China Focus (held for itself and as nominee of Profit Run); and (c) the 17,500,000 Placement Shares held by iFactors SP, each representing 3.57%, 44.04% and 4.29% respectively of the issued share capital (excluding Treasury Shares) of the Company. iFactors SP is a segregated portfolio within iFactors, a segregated portfolio company incorporated in the Cayman Islands. iFactors is wholly-owned by CLC Group, which is in turn wholly-owned by Mr. Guo Yinghui. The directors of iFactors are Mr. Guo Liang, who is the son of Mr. Guo Yinghui, and Ms. Li Ye, who is a personal friend of Mr. Guo Yinghui. iFactors is managed by CLC Asset Management Limited, a company incorporated in Hong Kong which is also wholly-owned by CLC Group. Mr Guo Yinghui, is the spouse of Mdm Feng Li. Mr Guo Yinghui is deemed to be interested in the 14,560,000 Shares held by Mdm Feng Li, registered in the name of KGI Securities (Singapore) Pte. Ltd., and the 179,680,000 Shares held by China Focus (held for itself and as nominee of Profit Run), representing 3.57% and 44.04% respectively of the issued share capital (excluding Treasury Shares) of the Company.
- (2) Mdm. Feng Li is the spouse of Mr. Guo Yinghui and is deemed to be interested in: (a) the 17,985,000 Shares held by Mr. Guo Yinghui; (b) the 179,680,000 Shares registered in the name of Maybank Kim Eng Securities Pte Ltd held for China Focus (for itself and as nominee of Profit Run); and (c) the 17,500,000 Placement Shares held by iFactors SP, each representing 4.41%, 44.04%, and 4.29% respectively of the issued share capital (excluding Treasury Shares) of the Company.
- (3) The 179,680,000 Shares of China Focus are registered in the name of Maybank Kim Eng Securities Pte Ltd, out of which, 25,677,000 Shares are held for China Focus as nominee of Profit Run. China Focus is an investment company incorporated in the British Virgin Islands on 25 November 2004, with Mr. Guo Yinghui and Mr. Guo Liang as its directors. As Mr. Guo Yinghui wholly owns China Focus and Profit Run is wholly-owned by a British national in trust for the benefit of Mr. Guo Yinghui, he and Mdm. Feng Li are therefore deemed to be interested in the 179,680,000 Shares registered in the name of Maybank Kim Eng Securities Pte Ltd held for China Focus (for itself and as nominee of Profit Run), representing 44.04% of the issued share capital (excluding Treasury Shares) of the Company.
- (4) The Guo Group comprises Mr Guo Yinghui, Mdm Feng Li, China Focus and iFactors SP.

10.2 Exemption of the Guo Group from the Requirement to Make a General Offer

Pursuant to paragraph 3(a) of Appendix 2 to the Take-over Code, the Guo Group and persons acting in concert with them will be exempted from the requirement to make a general offer for the Company under Rule 14.1(b) of the Take-over Code in the event their aggregate percentage of total voting rights increases by more than one per cent (1%) in any 6-month period as a result of the Company acquiring its own shares under the Share Buyback Mandate, subject to the following conditions:

- (a) this Appendix contains advice to the effect that by voting for the resolution to approve the Share Buyback Mandate, Shareholders are waiving their right to a general offer at the required price from the Guo Group and persons acting in concert with them; and the names of the Guo Group and persons acting in concert with them and their voting rights at the time of the 2022 AGM and after the Share buyback are disclosed in this Appendix;
- (b) the resolution to approve the Share Buyback Mandate is approved by a majority of those Shareholders of the Company who are present and voting at the 2023 AGM on a poll who could not become obliged to make an offer for the Company as a result of the Share buyback;

LETTER TO SHAREHOLDERS

- (c) the Guo Group and persons acting in concert with them abstain from voting for the resolution to approve the Share Buyback Mandate and do not recommend to the Company's Shareholders to vote in favour of the resolution to approve the Share Buyback Mandate;
- (d) within seven (7) days after the passing of the resolution to approve the Share Buyback Mandate, Mr Guo Yinghui to submit to the SIC a duly signed form as prescribed by the SIC; and
- (e) the Guo Group and persons acting in concert with them have not acquired and will not acquire any Shares between the date on which they know that the announcement of the Share Buyback Mandate is imminent and the earlier of:
 - (i) the date on which the authority of the Share Buyback Mandate expires; and
 - (ii) the date on which the Company announces it has bought back such number of Shares as authorised by the Share Buyback Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with those purchased by the Company under the Share Buyback Mandate, would cause their aggregate voting rights in the Company to increase by more than one per cent (1%) in the preceding six (6) months.

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and the Substantial Shareholders of the Company as at the Latest Practicable Date, as recorded in the Company's Register of Directors' Shareholdings and the Register of Substantial Shareholders, respectively, are as follows:

Directors' Interests. The interests of the Directors in the Shares as at the Latest Practicable Date are set out below:

	Number of Shares ('000)			
	Direct Interest		Deemed Interest	
	('000)	%	('000)	%
Director				
Zhai Kebin ⁽¹⁾	8,750	2.14	–	–
Dong Lingling ⁽²⁾	554	0.14	–	–

Notes:

- (1) The shares of Mr Zhai Kebin are registered in the name of UOB Kay Hian Holdings Limited.
- (2) The shares of Ms Dong Lingling are registered in the name of Philip Securities Pte Ltd.

Save as disclosed above, none of the Directors has any direct interest in the share capital of the Company or any of its subsidiaries.

LETTER TO SHAREHOLDERS

Substantial Shareholders' Interests. The interests of the Substantial Shareholders in the Shares, as at the Latest Practicable Date are set out below:

Substantial Shareholder	Number of Shares ('000)			
	Direct Interest		Deemed Interest	
	('000)	%	('000)	%
Guo Yinghui ⁽¹⁾	17,985	4.41	211,740	51.90
Feng Li ⁽²⁾	14,560	3.57	215,165	52.74
China Focus ⁽³⁾	179,680	44.04	–	–
Profit Run ⁽⁴⁾	–	–	25,677	6.29

Notes:

- (1) The controlling Shareholder of the Company, Mr. Guo Yinghui is the spouse of Mdm. Feng Li and is deemed to be interested in: (a) the 14,560,000 Shares registered in the name of KGI Fraser Securities Pte Ltd held for Mdm. Feng Li; (b) the 179,680,000 Shares registered in the name of Maybank Kim Eng Securities Pte Ltd held for China Focus (held for itself and as nominee of Profit Run); and (c) the 17,500,000 Placement Shares held by iFactors SP, each representing 3.57%, 44.04% and 4.29% respectively of the issued share capital (excluding Treasury Shares) of the Company. iFactors SP is a segregated portfolio within iFactors, a segregated portfolio company incorporated in the Cayman Islands. iFactors is wholly-owned by CLC Group, which is in turn wholly-owned by Mr. Guo Yinghui. The directors of iFactors are Mr. Guo Liang, who is the son of Mr. Guo Yinghui, and Ms. Li Ye, who is a personal friend of Mr. Guo Yinghui. iFactors is managed by CLC Asset Management Limited, a company incorporated in Hong Kong which is also wholly-owned by CLC Group. Mr Guo Yinghui, is the spouse of Mdm Feng Li. Mr Guo Yinghui is deemed to be interested in the 14,560,000 Shares held by Mdm Feng Li, registered in the name of KGI Securities (Singapore) Pte. Ltd., and the 179,680,000 Shares held by China Focus (held for itself and as nominee of Profit Run), representing 3.57% and 44.04% respectively of the issued share capital (excluding Treasury Shares) of the Company.
- (2) Mdm. Feng Li is the spouse of Mr. Guo Yinghui and is deemed to be interested in: (a) the 17,985,000 Shares held by Mr. Guo Yinghui; (b) the 179,680,000 Shares registered in the name of Maybank Kim Eng Securities Pte Ltd held for China Focus (for itself and as nominee of Profit Run); and (c) the 17,500,000 Placement Shares held by iFactors SP, each representing 4.41%, 44.04%, and 4.29% respectively of the issued share capital (excluding Treasury Shares) of the Company.
- (3) The 179,680,000 Shares of China Focus are registered in the name of Maybank Kim Eng Securities Pte Ltd, out of which, 25,677,000 Shares are held for China Focus as nominee of Profit Run. China Focus is an investment company incorporated in the British Virgin Islands on 25 November 2004, with Mr. Guo Yinghui and Mr. Guo Liang as its directors. As Mr. Guo Yinghui wholly owns China Focus and Profit Run is wholly-owned by a British national in trust for the benefit of Mr. Guo Yinghui, he and Mdm. Feng Li are therefore deemed to be interested in the 179,680,000 Shares registered in the name of Maybank Kim Eng Securities Pte Ltd held for China Focus (for itself and as nominee of Profit Run), representing 44.04% of the issued share capital (excluding Treasury Shares) of the Company.
- (4) 25,677,000 Shares are held by for China Focus as nominee of Profit Run.

12. SHARES PURCHASED BY THE COMPANY IN THE PREVIOUS 12 MONTHS

In the last 12 months preceding the date of this Appendix, the Company has not purchased any Shares pursuant to the Share Buyback Mandate.

13. ANNUAL GENERAL MEETING

The 2023 AGM, which will be convened and by electronic means on 23 May 2023 at 10 a.m., for the purpose of considering, and if thought fit, passing with or without any modifications, the resolutions as set out in the Notice of AGM.

14. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who wish to participate in the AGM by voting (i) live and online (in real time) by the members or by their duly appointed proxy(ies) (other than the Chairman of the AGM); or (ii) by appointing the Chairman of the AGM as proxy to vote on their behalf at the AGM, should refer to Notice of AGM for further details.

LETTER TO SHAREHOLDERS

15. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed Share Buyback Mandate is in the best interests of the Company, and accordingly recommend Shareholders to vote in favour of the ordinary resolution relating thereto to be proposed at the 2023 AGM as set out in the Notice of AGM.

Shareholders are advised that by voting in favour of the Share Buyback Mandate, they will be waiving their rights to a general offer at the required price from the Guo Group and persons in concert with them, where only by reason of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate, the Guo Group's aggregate shareholding increases by more than one per cent (1%) in any six-month period.

16. ABSTENTION FROM VOTING

Mr Guo Yinghui, Mdm Feng Li and China Focus will abstain, and will procure their respective concert parties to abstain, from voting on the ordinary resolution relating to the proposed Share Buyback Mandate at the 2023 AGM and the Chairman of the AGM will also not accept nominations as proxies or otherwise for voting in respect of the said ordinary resolution at the 2023 AGM unless specific instruction has been given in the proxy form as to the manner in which votes are to be cast in respect of such ordinary resolution.

17. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

18. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company's Share Transfer Agent, KCK CorpServe Pte. Ltd., at 1 Raffles Place, One Raffles Place (Tower 2), #04-63 Singapore 048616 during normal business hours from the date of this Appendix up to and including the date of the 2023 AGM:

- (a) the Memorandum and Articles of the Company; and
- (b) the audited consolidated financial statements of the Group for FY2022.

Yours faithfully
For and on behalf of
The Board of Directors of China Mining International Limited

Mr Zhai Kebin
CEO and Executive Chairman