

CHINA MINING INTERNATIONAL LIMITED

中矿国际有限公司

(Company Registration No. CT-140095)

(Registered in the Cayman Islands)

AMENDED AND RESTATED CONDITIONAL SALE AND PURCHASE AGREEMENT ENTERED INTO BY THE COMPANY ON 31 DECEMBER 2014 IN RESPECT OF THE PROPOSED ACQUISITION AND PROPOSED DISPOSAL

All capitalised terms used and not defined herein shall have the same meanings given to them in the April 2014 Announcement (as defined below). For ease of reading, certain information found in the April 2014 Announcement have been repeated below.

1. INTRODUCTION

1.1 The board of Directors (the “**Board**”) of China Mining International Limited (the “**Company**” or “**Purchaser**”, and together with its subsidiaries, the “**Group**”) refers to the announcement released on 1 April 2014 (“**April 2014 Announcement**”) in relation to the conditional sale and purchase agreement dated 31 March 2014 (the “**Original Agreement**”) entered into between the Company (the “**Purchaser**”) and Guide True Limited (“**Guide True**”) and China Geological Exploration Holdings Limited (中国地质勘查控股有限公司) (“**CGE**”) (collectively, the “**Original Vendors**” and each, an “**Original Vendor**”) under which subject to the terms and conditions thereof, the Company agreed to purchase the entire issued and paid-up share capital of China Minerals Energy Limited (中國礦產能源有限公司) (the “**Target Company**”) (the “**Proposed Acquisition**”).

1.2 The Board wishes to announce that since the signing of the Original Agreement, as a consequence of further commercial discussions between the Vendors (as defined below) and the Purchaser, certain material developments as set out in Section 1.3 below have occurred. In view thereof, the Company has on 31 December 2014 entered into an amended and restated conditional sale and purchase agreement with the Original Vendors and the New Vendors (as defined below) (collectively the “**Vendors**”) (“**Amended and Restated SPA**”) to amend and restate in its entirety the terms of the Original Agreement and to supersede and replace the Original Agreement.

1.3 A summary of the material developments since the signing of the Original Agreement and the consequential key changes are as follow:

(a) Changes in the Target Company’s shareholdings

On 1 July 2014, the issued shares of the Target Company was increased from 100 shares of US\$1.00 each to 10,000 shares of US\$1.00 each (“**Sale Shares**”).

The shareholders of the Target Company will, on or prior to of the completion of the Amended and Restated SPA (“**Completion**”), change from CGE and Guide True then holding 51% and 49% of the equity interest of the Target Company respectively to the following:

| Name of shareholder of the Target Company | As at the date of the Original Agreement | | Pursuant to the increase in the issued shares of the Target Company | | On or prior to Completion | |
|--|--|--|---|--|--|--|
| | Number of issued shares held in the Target Company | Percentage of issued shares held in the Target Company (%) | Number of issued shares held in the Target Company | Percentage of issued shares held in the Target Company (%) | Number of issued shares held or to be held in the Target Company | Percentage of issued shares held in the Target Company (%) |
| CGE ⁽¹⁾ | 51 | 51.0 | 5,100 | 51.0 | 6,400 | 64.0 |
| Guide True ^{(1), (2), (3)} | 49 | 49.0 | 4,900 | 49.0 | 2,800 | 28.0 |
| China Shoushan Wealth Management Group Co., Limited (中国首善财富管理集团有限公司) ("China Shoushan") ⁽²⁾ | - | - | - | - | 500 | 5.0 |
| Violet Enterprises (Canada) Inc. ("Violet Enterprises") ⁽³⁾ | - | - | - | - | 300 | 3.0 |
| Total | 100 | 100.0 | 10,000 | 100.0 | 10,000 | 100.0 |

China Shoushan and Violet Enterprises shall be collectively referred to as the **"New Vendors"** and each, a **"New Vendor"**.

Notes:

- (1) On 31 December 2014, Guide True (as vendor) and CGE (as purchaser) entered into a conditional sale and purchase agreement pursuant to which Guide True agreed to transfer 1,300 Sale Shares representing 13.0% of the issued and paid-up share capital of the Target Company to CGE for a purchase consideration of S\$118,897,350. The purchase consideration was arrived at on a willing-buyer willing-seller basis based on approximately 13.0% of the Purchase Consideration (as defined in Section 2.5(ii) below).

The purchase consideration will be fully paid in cash and/or in kind (to be agreed by Guide True) within one (1) year from Completion.

It is intended that the transfer of the 1,300 Sale Shares will take effect on the completion of the aforementioned conditional sale and purchase agreement between Guide True (as vendor) and CGE (as purchaser), notwithstanding that the purchase consideration may not have been fully paid by CGE to Guide True on completion. As at the date of this announcement, the said share transfer has not been completed.

- (2) On 31 December 2014, Guide True (as vendor) and China Shoushan (as purchaser) entered into a conditional sale and purchase agreement pursuant to which Guide True agreed to transfer 500 Sale Shares representing 5.0% of the issued and paid-up share capital of the Target Company for a purchase consideration of S\$45,729,750. The consideration was arrived at on a willing-buyer willing-seller basis based on approximately 5.0% of the Purchase Consideration.

The purchase consideration will be satisfied in the following manner:

- (a) 10% of the purchase consideration will be paid in cash within 14 days of the completion of the agreement; and
- (b) the remaining 90% of the purchase consideration will be paid in full in cash within two (2) months from the date of the extraordinary general meeting of the Company to be convened to approve, *inter alia*, the Proposed Acquisition.

It is intended that the transfer of the 500 Sale Shares will take effect on the completion of the aforementioned conditional sale and purchase agreement between Guide True (as vendor) and

China Shoushan (as purchaser), notwithstanding that the purchase consideration may not have been fully paid by China Shoushan to Guide True on completion. As at the date of this announcement, the said share transfer has not been completed.

- (3) On 31 December 2014, Guide True (as vendor) and Violet Enterprises (as purchaser) entered into a conditional sale and purchase agreement pursuant to which Guide True transferred 300 Sale Shares representing 3.0% of the issued and paid-up share capital of the Target Company to Violet Enterprises for a purchase consideration of S\$27,437,850. The purchase consideration was arrived at on a willing-buyer willing-seller basis based on approximately 3.0% of the Purchase Consideration.

The purchase consideration will be satisfied in the following manner:

- (i) 10% of the purchase consideration will be paid in cash within 14 days of the completion of the agreement; and
- (ii) the remaining 90% of the purchase consideration will be paid in full in cash within two (2) months from the date of the extraordinary general meeting of the Company to be convened to approve, *inter alia*, the Proposed Acquisition.

It is intended that the transfer of the 300 Sale Shares will take effect on the completion of the aforementioned conditional sale and purchase agreement between Guide True (as vendor) and Violet Enterprises (as purchaser), notwithstanding that the purchase consideration may not have been fully paid by Violet Enterprises to Guide True on completion. As at the date of this announcement, the said share transfer has not been completed.

The changes to the shareholders of the Target Company and their shareholdings are due mainly to the following:

- (i) it is the intention of CGE to retain a majority stake of the enlarged group post Completion and the Proposed Compliance Placement; and
- (ii) the two new shareholders, China Shoushan and Violet Enterprises, have expressed their interest to invest in the Target Group.

(b) Exclusion of the Existing Iron Ore Interests from the Original Disposal Group

In view that an independent qualified person's report ("**IQPR**") and an independent valuation report ("**IVR**") are required to be prepared in accordance with the prescribed standards under the listing manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Listing Manual**") in connection with the proposed disposal of the Existing Iron Ore Interests and with a view to facilitate the completion of the Proposed Acquisition prior to 30 June 2015 (the "**Long Stop Date**"), the Original Vendors and the Purchaser have agreed to exclude the Existing Iron Ore Interests from the Disposal Group under the Original Agreement (the "**Original Disposal Group**"). Accordingly, the Existing Iron Ore Interests will remain as part of the enlarged group upon Completion.

In order to dispose of only the existing property business of the Group to Guide True (or its nominee), the Company intends to carry out an internal restructuring exercise ("**Purchaser Restructuring Exercise**") pursuant to which Nice Rhythms, a wholly-owned subsidiary of the Company as at the date of this announcement, will acquire 50% of the equity interest of Tian Cheng from Elegant Jade, also a wholly-owned subsidiary of the Company as at the date of this announcement. Accordingly, the Disposal Consideration under the Original Agreement has been amended.

Currently, Tian Cheng, through its subsidiaries, holds exploration rights over an iron ore mine located at Wang Ping village, Luanchuan County, Luoyang City, Henan Province, the PRC and Xinjiang Feng Shuo holds the exploration rights over an iron ore mine located at Ruoqiang County, Bayingolin Mongol Autonomous Prefecture, Xinjiang Uyghur Autonomous Region, the PRC. Please refer to Section 2.4 of the April 2014 Announcement for details on Tian Cheng and its subsidiaries.

The Purchaser Restructuring Exercise will not result in any net change to the Company's equity interests in the Existing Iron Ore Interests.

Subject to, among other things, the Company complying with the applicable laws, regulations and listing rules of the SGX-ST (including the preparation of an IQPR and an IVR in accordance with the prescribed standards under the Listing Manual) and obtaining all relevant approvals and consents, the Company intends to dispose of its interest in the Tian Cheng Group to an independent third party or Mr Guo Yinghui (or his associates) as soon as practicable after Completion taking into account the then prevailing market conditions. As at the date of this announcement, the Company is not in discussion with any party in relation to such disposal and no definitive agreement has been entered into.

(c) Inclusion of the Botswana Projects in the Target Group

To further improve the prospects of the Target Group, the Original Vendors have agreed to enlarge the Target Group to include 100% of the equity interest of Yukuang Botswana Limited (豫礦博茨瓦納有限公司) ("**Yukuang Botswana**"), a company incorporated in the British Virgin Islands, which in turn holds 100% of the equity interest of Centre's Alliance Mines (Proprietary) Limited ("**Centre's Alliance**"), a company incorporated in Botswana. Centre's Alliance currently holds the Botswana Projects (as defined in Section 2.3 below).

Pursuant to the terms of the Amended and Restated SPA, the Botswana Projects will be included as part of the Target Group and the purchase consideration thereof shall be nil.

As the Botswana Projects are in the pre-exploration phase, the relevant IQPR on the resource and reserves estimates and the related IVR will not be prepared in respect of the Botswana Projects for the purpose of the Proposed Acquisition.

As a term of the Amended and Restated SPA, Henan Yukuang Resources Development Group Ltd. (河南豫礦資源開發集團有限公司) ("**Yukuang Resources**"), through one of its subsidiaries, shall, on or before Completion, enter into a deed of indemnity to indemnify and keep indemnified a member of the enlarged group from and against all demands, claims, liabilities, losses, costs, encumbrances and expenses (actual or contingent), including all legal and other costs, charges and expenses whatsoever, up to and including 30 June 2014 (save for those reflected in the unaudited management accounts of Yukuang Botswana and Centre's Alliance for the six-month period ended 30 June 2014) that may be incurred by Yukuang Botswana and/or Centre's Alliance in connection with or arising from, *inter alia*, Yukuang Botswana, Centre's Alliance and the related prospecting licences, subject to a maximum amount of RM3.4 million, being the aggregate total assets of Yukuang Botswana and Centre's Alliance based on their unaudited management accounts as at 30 June 2014 ("**Yukuang Botswana Indemnity**").

(d) Amendments to the Original Purchase Consideration, Issue Price, number of Consideration Shares and the Original Disposal Consideration

The original purchase consideration of S\$1,001,447,532 under the Original Agreement has been amended to S\$914,595,000 pursuant to further negotiations between the Company and the Vendors.

The issue price of S\$0.090 per Consideration Share in partial satisfaction of the revised Purchase Consideration has been revised to **S\$0.085** per Consideration Share. The number of Consideration to be issued to the Vendors in connection with the Proposed Acquisition shall hence be an aggregate **10,277,941,176** Consideration Shares, instead of 10,311,487,594 Consideration Shares.

Please refer to Section 2.5(ii) below for further details.

The original disposal consideration under the Original Agreement has been amended from S\$73.41 million to S\$40.97 million, mainly due to the exclusion of the Existing Iron Ore Interests from the Original Disposal Group.

Please refer to Section 2.5(iii) below for further details.

2. AN OVERVIEW OF THE PROPOSED ACQUISITION, PROPOSED DISPOSAL AND RELATED TRANSACTIONS UNDER THE AMENDED AND RESTATED SPA

2.1 Information on the Vendors

(a) CGE

CGE is an investment holding company incorporated in the Cayman Islands.

As at the date of this announcement, CGE is a wholly-owned subsidiary of Henan Yukuang (Hongkong) Resources Exploitation Co., Limited (河南豫矿(香港)资源开发有限公司), which is in turn a wholly-owned subsidiary of Yukuang Resources. The Henan Bureau of Geo-exploration and Mineral Development (河南省地质矿产勘查开发局) (the “**Henan Bureau**”) indirectly holds 100% of the equity interest of Yukuang Resources through a public institution.

The Henan Bureau, a public institution (事业单位), is established and administered by the Henan Provincial Government. The Henan Bureau is primarily involved in (i) the overall supervision and management of the geological surveys and mineral resources exploration engagements assigned by the PRC Government and the Henan Provincial Government, (ii) the review and assessment of reports on the geological surveys and mineral resources exploration engagements and (iii) managing the employees involved in these activities.

(b) Guide True

Guide True is an investment holding company incorporated in the British Virgin Islands, and its ultimate shareholders are Mr. Guo Yinghui and his spouse, Ms Feng Li. As at the date of this announcement, Mr Guo Yinghui is the Executive Chairman and a controlling shareholder of the Company, holding in aggregate (direct and deemed interest) approximately 34.24% of the total number of issued and paid-up ordinary shares in the capital of the Company (“**Shares**”) (excluding treasury Shares).

(c) Violet Enterprises

Violet Enterprises is a company incorporated in Canada and is principally engaged in investment activities. As at the date of this announcement, it has an issued share capital of C\$1,000 comprising 10,000 ordinary shares and its current sole director and shareholder is Mr Song Yi.

Mr Song Yi is not an associate of, or related to (i) CGE, Guide True, China Shoushan and/or their respective associates, and (ii) any of the directors, executive officers, controlling or substantial shareholders and/or their respective associates of the Target Company or the Company.

(d) China Shoushan

China Shoushan is a company incorporated in Hong Kong and is principally engaged in investment activities. As at the date of this announcement, it has an issued share capital of HK\$10,000 comprising 10,000 ordinary shares and its directors are Mr Wu Zhengxin and Mr Xiong Zhibin and its sole shareholder is Mr Wu Zhengxin.

Each of Mr Wu Zhengxin and Mr Xiong Zhibin is not an associate of, or related to (i) CGE, Guide True, Violet Enterprises and/or their respective associates; and (ii) any of the directors, executive officers, controlling or substantial shareholders and/or their respective associates of the Target Company or the Company.

2.2 Information on the Target Group

Following the completion of the restructuring exercise to be undertaken by the Vendors in connection with the Proposed Acquisition (the “**Vendor Restructuring Exercise**”), it is envisaged that the Target Company will be the sole shareholder of the companies (collectively, the “**Target Group**”) which holds the Australia Project, Botswana Projects, Nigeria Project, Tajikistan Project and Xinjiang Projects (all as defined below). Please refer to **Appendix 1** for the group structure of the Target Group.

With the inclusion of the Botswana Projects, the Target Group is now in the business of exploration and mining of minerals and resources, including but not limited to iron ore, columbite, tin, copper and coal. Columbite is a ferro-manganese oxide mineral of niobium and a source of ferro-niobium.

2.3 Information on the Exploration and Mining Projects

Following the completion of the Vendor Restructuring Exercise, the Target Group will hold the following exploration and mining projects (collectively, the “**Exploration and Mining Projects**”):

- (a) the mining and exploration for columbite at the area of approximately 67.6 sq km located at the boundary of Toro LGA, Bauchi State, Nigeria, as specified in an exploration licence (EL 8613) and a mining lease (No. 016295ML) covering an area of approximately 11.6 sq km (“**Nigeria Concession Block**”) (“**Nigeria Project**”);
- (b) the mining for tin-copper at the area of approximately 86.83 hectares located approximately 76 km of Pentti Gio Kent, Tajikistan, as specified in a mining licence (No. BЭC № 0003479) (“**Tajikistan Concession Block**”) (“**Tajikistan Project**”);
- (c) 53% participating interest in a joint venture that holds the rights to explore for iron ore and manganese within an area of approximately 280.0 sq km located approximately 50 km south of Olary, South Australia as specified in an exploration licence (EL4664) (“**Australia Concession Block**”) (“**Australia Project**”);
- (d) the exploration for iron ore at:
 - (i) the area of approximately 13.1 sq km located in Tashkurgan Tajik Autonomous County, Kashi Prefecture, Xinjiang Uygur Autonomous Region, the PRC, as specified in an exploration permit (T65120081202020526) “Laobing Permit” (“**Xinjiang Concession Block 1**”); and
 - (ii) the area of approximately 18.4 sq km located in Tashkurgan Tajik Autonomous County, Kashi Prefecture, Xinjiang Uygur Autonomous Region, the PRC as specified in an exploration permit (T65120081202021966) “Zoukeben Permit” (“**Xinjiang Concession Block 2**”),(collectively, the “**Xinjiang Projects**”); and
- (e) the exploration for coal and coalbed methane at:
 - (i) the area of approximately 326 sq km located in Kweneng District, Botswana, Southern Africa, as specified in a prospecting licence No. 473/2009; and
 - (ii) the area of approximately 336 sq km located in Kweneng District, Botswana, Southern Africa, as specified in a prospecting licence No. 474/2009,(collectively, the “**Botswana Projects**”).

For the purpose of this announcement, Tajikistan Concession Block, Nigeria Concession Block, Australia Concession Block, Xinjiang Concession Block 1, Xinjiang Concession Block 2, Botswana Concession Block 1 and Botswana Concession Block 2 shall be referred to collectively as the “**Concession Blocks**”.

As at the date of this announcement, the Target Group has not commenced production of mineral resources.

2.4 Information on the Disposal Group

Pursuant to the completion of the Purchaser Restructuring Exercise, Elegant Jade will own the companies that hold the entire property business of the Group (Elegant Jade and such companies, collectively as the “**Disposal Group**”). Please refer to **Appendix 2** for the diagrammatic representation of the Disposal Group immediately upon the completion of the Purchaser Restructuring Exercise.

Based on the unaudited management accounts of the Disposal Group as at 31 October 2014, the consolidated net asset value of the Disposal Group, as adjusted for the Purchaser Restructuring Exercise and the special dividend declared by the Board on 31 October 2014 of S\$19.95 million (“**Adjusted NAV**”) is S\$39.11 million (equivalent to RMB185.99 million based on the agreed exchange rate of RMB1.00: S\$0.2103 as at 31 October 2014).

As at 31 October 2014, the underlying assets of the Disposal Group principally comprise, among other things:

- (i) the completed property units of the Xinxiang Sunny Town Project (新乡阳光新城项目) located at Xinxiang New District, Western District of Xinxiang, Henan Province, the PRC, consisting of 218 unsold residential units, 100 unsold commercial units and 284 unsold basement storage units, with a gross floor area of approximately 54,068 sq m; and
- (ii) cash and cash equivalents, prepayments and receivables.

2.5 Key terms of the Proposed Acquisition under the Amended and Restated SPA

(i) Sale and Purchase of the Sale Shares

On and subject to the terms and conditions of the Amended and Restated SPA, the Company will acquire from the Vendors the Sale Shares (and not part thereof only) shown opposite their respective names set out in the last column of the table in Section 1.3(a) of this announcement, free from all encumbrances and with the benefit of all rights, advantages, benefits and entitlements attaching and accruing thereto as at the date of the Amended and Restated SPA and thereafter (including the right to any dividends or other distributions declared and payable thereon on or after the date of the Amended and Restated SPA).

(ii) Purchase Consideration

The Vendors and the Purchaser agree that the aggregate consideration for the sale of the Sale Shares to the Purchaser shall be S\$914,595,000 (“**Purchase Consideration**”).

The Purchase Consideration was arrived at on a willing-buyer and willing-seller basis, after taking into account, *inter alia*, factors such as the preliminary findings of the Independent Valuers, the development status, unique mineral properties and specific location characteristics of the Exploration and Mining Projects.

The Independent Valuers will prepare final valuation reports (collectively referred to as the “**Final Valuation Reports**”) in respect of the Australia Project, the Nigeria Project, the Tajikistan Project and the Xinjiang Project in accordance with the requirements of the Listing Manual. The Final Valuation Reports will be set out in a circular to be despatched to the Shareholders in due course (“**Circular**”).

As mentioned above, the Botswana Projects will be acquired for nil consideration.

The Purchase Consideration shall be apportioned between the Vendors based on their respective shareholding percentage held in the Target Company on Completion, as follows:

| No. | Name of Vendor | Share of Purchase Consideration (S\$) |
|-----|--------------------|---------------------------------------|
| 1. | CGE | 585,340,800 |
| 2. | Guide True | 256,086,600 |
| 3. | China Shoushan | 45,729,750 |
| 4. | Violet Enterprises | 27,437,850 |
| | Total | 914,595,000 |

The Purchase Consideration will be satisfied as follows:

- (i) as to S\$40.97 million payable to Guide True, by the transfer to Guide True (or its nominees) of the 15,000 ordinary shares of US\$1.00 each representing 100% of the total issued and paid-up share capital of Elegant Jade held by the Company ("**Disposed Shares**") at the disposal consideration of S\$40.97 million ("**Disposal Consideration**"); and
- (ii) as to the remaining S\$873,625,000 payable to the Vendors, by the allotment and issuance of 10,277,941,176 new Shares (before the Proposed Share Consolidation) ("**Consideration Shares**") at the issue price of S\$0.085 for each Consideration Share ("**Issue Price**") on Completion, such Consideration Shares to be credited as fully paid, to the Vendors (or their respective nominees) as follows:

| Name of Vendor and/or nominee | Number of Consideration Shares |
|-----------------------------------|--------------------------------|
| CGE | 6,886,362,353 |
| Guide True | 2,530,783,529 |
| China Shoushan | 537,997,059 |
| Violet Enterprises | 322,798,235 |
| Total Consideration Shares | 10,277,941,176 |

The revised Issue Price of **S\$0.085** per Consideration Share represents a premium of 27.6% to the volume weighted average price of S\$0.0666 for each issued Share for trades transacted on the SGX-ST on 30 December 2014, being the full market day immediately preceding the date of the Amended and Restated SPA.

The Consideration Shares, when issued and allotted, shall rank *pari passu* in all respects with the then issued Shares save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Consideration Shares.

The Consideration Shares represent approximately (i) 875.8% of the Company's existing total number of issued Shares (excluding treasury Shares) as at the date of this announcement and (ii) 89.8% of the Company's enlarged total number of issued Shares (excluding treasury Shares) upon Completion (assuming no further Shares are issued prior to Completion).

(iii) Disposal Consideration

In arriving at the Disposal Consideration of S\$40.97 million, the Board took into account, *inter alia*, the preliminary findings on the business valuation of the Disposal Group as at 31

October 2014 of S\$60.92 million (equivalent to RMB289.68 million based on the agreed exchange rate of RMB1.00: S\$0.2103 as at 31 October 2014) as determined by Beijing Northern Yashi Assets Appraisal Co., Ltd (“**Beijing Yashi**”), as adjusted for the special dividend of S\$19.95 million declared by the Board on 31 October 2014.

The Disposal Consideration is subject to and conditional upon the business valuation of the Disposal Group to be set out in a final business valuation report in respect of the Disposal Group prepared by Beijing Yashi (“**Final Beijing Yashi Report**”) being no less than S\$60.92 million (equivalent to RMB289.68 million, based on the agreed exchange rate of RMB1.00: S\$0.2103 as at 31 October 2014).

As the Purchase Consideration of the Proposed Acquisition is to be partially satisfied by transferring the Disposed Shares to Guide True, there are no sale proceeds arising from the Proposed Disposal.

As the Disposal Group will be disposed at S\$40.97 million and the Adjusted NAV of the Disposal Group as at 31 October 2014 based on the unaudited management accounts of the Disposal Group as at 31 October 2014 is approximately S\$39.11 million, there is a gain of approximately S\$1.86 million to the Group arising from the Proposed Disposal.

(iii) Conditions Precedent, Long Stop Date and Completion

Completion is conditional upon, *inter alia*, the satisfaction (or waiver in accordance with the terms of the Amended and Restated SPA) on or before the Long Stop Date, of certain conditions (“**Conditions Precedent**”) as set out in **Appendix 3** of this announcement.

In the event that any of the Conditions Precedent set out in the Amended and Restated SPA is not fulfilled or waived on or before the Long Stop Date, or such other date as the Vendors and the Purchaser may mutually agree in writing, the Amended and Restated SPA (save for certain specified clauses) shall lapse and cease to have further effect and no party shall have any claim against the other parties, save in respect of any breach of certain specified clauses or any other antecedent breach of the Amended and Restated SPA.

(v) Indemnities in respect of Yukuang Botswana and Centre’s Alliance

As a term of the Amended and Restated SPA, a subsidiary of Yukuang Resources shall provide the Yukuang Botswana Indemnity.

2.6 **Proposed Compliance Placement**

Subject to and on Completion, it is now expected that CGE, Guide True and their associates will hold (directly and indirectly) an aggregate of approximately 85.7% of the enlarged total number of issued Shares (excluding treasury Shares) of the Company and “public” shareholders (as defined under the Listing Manual) will hold approximately 14.3% of the enlarged total number of issued Shares (excluding treasury Shares) of the Company immediately after the allotment and issuance of the Consideration Shares and after the Proposed Share Consolidation but before the Proposed Compliance Placement (“**Enlarged Share Capital**”). In that event, the Company will not comply with the minimum free float requirement under Rule 210(1)(a) of the Listing Manual. To meet such a requirement, the Company will carry out a compliance placement in the form of an allotment of new Shares following completion of the Proposed Acquisition and the Proposed Disposal (“**Proposed Compliance Placement**”).

2.7 **Proposed Share Consolidation**

Under Rule 1015(3)(d) of the Listing Manual, where the consideration for the acquisition of assets by an issuer is to be satisfied by the issue of shares, the issue price of each Share after adjusting for any share consolidation is required to be at least S\$0.50. Accordingly, in conjunction with the Proposed Acquisition, the Company proposes to undertake a share consolidation (the “**Proposed Share Consolidation**”) of such number of Shares into one (1)

consolidated Share (the “**Consolidated Share**”) to be determined in consultation with the Company’s financial adviser, taking into account the requirement under Rule 1015(3)(d) of the Listing Manual.

2.8 Moratorium

Subject to any specific waiver to be obtained from the SGX-ST, each of the Vendors shall comply with any applicable moratorium requirements imposed by the SGX-ST.

2.9 Proposed Waiver of a Mandatory General Offer

Subject to and on Completion, CGE will hold (directly and indirectly) approximately 60% of the Enlarged Share Capital.

Pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers (the “**Code**”) and Section 139 of the Securities and Futures Act (Chapter 289) of Singapore, CGE and parties acting in concert with it will be required to make a mandatory general offer for all the remaining Shares in issue not already owned or controlled by them at the highest price paid or agreed to be paid by any of them for the Shares in the preceding six (6) months.

It is a condition precedent to the Proposed Acquisition that the Securities Industry Council (“**SIC**”) grants CGE and its concert parties, and does not revoke or withdraw such grant, a waiver of their obligation to make a general offer under Rule 14 of the Code for all the Shares not owned or controlled by them and that independent Shareholders approve at a general meeting of the Company a whitewash resolution for the waiver of their right to receive such a mandatory general offer from CGE and its concert parties (the “**Whitewash Resolution**”).

2.10 Proposed Appointment of New Directors of the Company

Under the terms of the Amended and Restated SPA, the Company has agreed to effect the resignation of certain existing directors of the Company, namely, Dong Lingling, Zhang Xiaoying, Lim Han Boon, Ning Jincheng and Chan Siew Wei, and the appointment of such number of nominees of the Vendors as new directors of the Company on Completion. Information on such proposed appointments and service contracts (if any) will be set out in the Circular. As at the date of this announcement, the Company has not entered into any service contract with any person proposed to be appointed as Director in connection with the Proposed Acquisition.

2.11 Post-Completion Group Structure

The expected corporate structure of the enlarged group after Completion is set out in **Appendix 4** of this announcement.

3. RATIONALE FOR THE PROPOSED ACQUISITION AND THE PROPOSED DISPOSAL

Please refer to the April 2014 Announcement for the rationale for the Proposed Acquisition and the Proposed Disposal.

4. RELATIVE FIGURES AS SET OUT IN RULE 1006 OF THE LISTING MANUAL

Based on the unaudited consolidated management accounts of the Target Group for the financial year ended 31 December 2013 and the audited consolidated accounts of the Group for the financial year ended 31 December 2013, the **revised** Purchase Consideration and number of Consideration Shares the relative figures for the Proposed Acquisition and the Proposed Disposal computed on the bases set out in Rule 1006(a) to (e) of the Listing Manual are set out below.

4.1 Proposed Acquisition

The relative figures for the Proposed Acquisition as computed using the applicable bases of comparison set out in Rule 1006 of the Listing Manual are as follows:

| Rule 1006 | Basis | Relative Figure |
|-----------|--|--|
| (a) | Net asset value of the assets to be disposed of compared to the Group's net asset value | Not applicable to an acquisition of assets |
| (b) | The unaudited consolidated net loss of RMB28.1 million attributable to the Target Group for the financial year ended 31 December 2013, compared with the Group's audited consolidated net loss of RMB120.8 million for the financial year ended 31 December 2013 | 23.3% ⁽¹⁾ |
| (c) | The aggregate value of the consideration for the Proposed Acquisition as compared with the Company's market capitalisation as at 30 December 2014, being the full market day immediately preceding the date of the Amended and Restated SPA | 1,169.6% ⁽²⁾ |
| (d) | Number of Consideration Shares to be issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities of the Company previously in issue | 875.8% ⁽³⁾ |
| (e) | The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. | Not applicable to an acquisition of assets |

Notes:

(1) Net loss is defined as loss before income tax, minority interests and extraordinary items. For comparable basis, the relative figure has been calculated using the net loss of the Target Group and the Group for the same period of the financial year ended 31 December 2013.

Purely for illustrative purposes, had the relative figure been calculated based on the unaudited consolidated net loss of RMB28.1 million attributable to the Target Group for the financial year ended 31 December 2013, and the Group's latest announced unaudited consolidated net loss of RMB34.8 million for the 9-month financial period ended 30 September 2014, the relative figure under Rule 1006(b) would have been 80.7%.

(2) Based on (i) the Purchase Consideration of S\$914.6 million and (ii) the market capitalisation of S\$78.2 million of the Company as at 30 December 2014. The market capitalisation of the Company is derived by multiplying the number of Shares in issue (excluding treasury Shares) by the volume weighted average price of S\$0.0666 on 30 December 2014.

(3) Based on the aggregate number of Consideration Shares to be issued as set out in Section 2.5 of this Announcement, being 10,277.9 million, and the issued share capital of the Company of 1,173.5 million Shares (excluding treasury Shares) as at 30 December 2014.

As the relative figures under Rules 1006 (c) and (d) of the Listing Manual exceed 100%, and in view that CGE and its associates will hold (directly and indirectly) in aggregate 60.1% of the Enlarged Share Capital, resulting in a change in control of the Company, the Proposed Acquisition constitutes a "Reverse Take-over Transaction" as defined under Chapter 10 of the Listing Manual and will be subject, *inter alia*, to the approval of Shareholders and the SGX-ST.

4.2 Proposed Disposal

The relative figures for the Proposed Disposal based on **revised** Disposal Consideration as computed using the applicable bases of comparison set out in Rule 1006 of the Listing Manual are as follows:

| Rule 1006 | Basis | Relative Figure |
|-----------|--|--|
| (a) | Unaudited net asset value of the Disposal Group as at 30 September 2014, compared with the Group's latest announced unaudited consolidated net asset value as at 30 September 2014 | 83.4% ⁽¹⁾ |
| (b) | The unaudited consolidated net loss of RMB17.6 million attributable to the Disposal Group for the 9-month financial period ended 30 September 2014, compared with the Group's latest announced unaudited consolidated net loss of RMB34.8 million for the 9-month financial period ended 30 September 2014 | 50.6% ⁽²⁾ |
| (c) | The aggregate value of the consideration for the Proposed Disposal, compared with the Company's market capitalisation as at 30 December 2014, being the full market day immediately preceding the date of the Amended and Restated SPA | 52.4% ⁽³⁾ |
| (d) | Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue | Not applicable |
| (e) | The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. | Not applicable as the Proposed Disposal does not relate to the disposal of any mineral, oil or gas assets by a mineral, oil and gas company ⁽⁴⁾ |

Notes:

- (1) Net asset value is defined as total assets less total liabilities. Based on (i) the unaudited consolidated net asset value of the Disposal Group of RMB284.6 million as at 30 September 2014; and (ii) the Group's latest announced unaudited consolidated net asset value of RMB341.4 million as at 30 September 2014.
- (2) Net loss is defined as loss before income tax, minority interests and extraordinary items.
- (3) Based on (i) the revised Disposal Consideration of S\$41.0 million and (ii) the market capitalisation of S\$78.2 million of the Company as at 30 December 2014. The market capitalisation of the Company is derived by multiplying the number of Shares in issue (excluding treasury Shares) by the volume weighted average price of S\$0.0666 on 30 December 2014.
- (4) The Disposal Group constitutes the entire existing property business of the Group.

As the relative figures under Rules 1006 (a), (b) and (c) of the Listing Manual exceed 20%, the Proposed Disposal constitutes a "Major Transaction" as defined under Chapter 10 of the Listing Manual and will be subject to the approval of Shareholders. Completion of the Proposed Disposal is conditional upon, among other things, the approval of Shareholders being obtained for the Proposed Disposal and the Proposed Acquisition.

5. INTERESTED PERSON TRANSACTIONS

As at the date of this announcement, Mr Guo Yinghui is the Executive Chairman and a controlling shareholder of the Company has an aggregate interest (direct and deemed) of approximately 34.24% of the Company's total number of issue Shares (excluding treasury Shares), and Guide True's ultimate shareholders are Mr Guo Yinghui and his wife.

Pursuant to Chapter 9 of the Listing Manual, Guide True is regarded as an "interested person" and any transaction to be carried out by the Company with Guide True would constitute an "interested person transaction". Accordingly, the Proposed Acquisition and the Proposed Disposal would also constitute interested person transactions under Chapter 9 of the Listing Manual. Guide True and its associates will abstain from voting on the resolutions to be tabled at an extraordinary general meeting of the Company to be convened to approve such transactions and shall decline to accept appointment as proxy to vote unless the Shareholders concerned shall have given specific instructions as to the manner in which his votes are to be cast at the meeting.

As at the date of this announcement, excluding (i) transactions which are less than S\$100,000, and (ii) transactions that are exempted from compliance with Rules 905, 906 and 907 of the Listing Manual, there are no other interested person transactions entered into by the Group with Guide True or any other interested persons for the current financial year.

Please refer to April 2014 Announcement for further details.

6. FINANCIAL INFORMATION OF THE TARGET GROUP

A summary of the financial information of the Target Group is set out in **Appendix 5** of this announcement.

7. PROFORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION AND THE PROPOSED DISPOSAL

Please refer to **Appendix 6** of this announcement for certain proforma financial effects of the Proposed Acquisition and the Proposed Disposal.

8. FINANCIAL ADVISER

Canaccord Genuity Singapore Pte. Ltd. is the financial adviser to the Company in respect of the Proposed Acquisition, the Proposed Disposal and related transactions.

9. INDEPENDENT FINANCIAL ADVISER AND AUDIT COMMITTEE'S VIEW

Tata Capital Markets Pte. Ltd. (the "IFA") has been appointed as the independent financial adviser to the directors of the Company who are deemed independent for the purposes of the Proposed Acquisition, the Proposed Disposal and the Whitewash Resolution, and the IFA's opinion will be set out in the Circular.

The IFA will opine on, among other things, whether the Proposed Acquisition and the Proposed Disposal are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The Audit Committee's view on the Proposed Acquisition and the Proposed Disposal will also be set out in the Circular.

10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors or Controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition and the Proposed Disposal (other than in his capacity as a director or through their respective shareholdings in the Company).

11. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement (other than information relating to the Vendors, the Target Group and the Exploration and Mining Projects, including in particular, Sections 2.1, 2.2 and 2.3 and **Appendix 5** of this announcement) and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Proposed Disposal and the Proposed Compliance Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 announcement in its proper form and context.

The Vendors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement (only in respect of information relating to the Vendors, the Target Group and the Exploration and Mining Projects) constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Proposed Disposal, the Company and its subsidiaries, and the Vendors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Vendors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

12. CIRCULAR

Subject to the SGX-ST's approval, the Circular containing further information on the Proposed Acquisition, the Proposed Disposal, the Proposed Compliance Placement and such other transactions as contemplated in the Amended and Restated SPA, together with a notice of the extraordinary general meeting of the Company and enclosing the opinion of the IFA, will be despatched by the Company to Shareholders in due course.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection during normal business hours at (i) the office of the Company at 8 Temasek Boulevard #29-03, Suntec Tower Three, Singapore 038988; and (ii) the office of the Company's Share Registrar at KCK CorpServe Pte Ltd, 333 North Bridge Road, #08-00 KH KEA Building, Singapore 188721, for a period of three (3) months from the date of this announcement:

- (a) the Original Agreement; and
- (b) the Amended and Restated SPA.

14. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their Shares. Completion of the Proposed Acquisition and the Proposed Disposal is subject to numerous conditions including the completion and satisfactory outcome of due diligence. There is no certainty or assurance as at the date of this announcement that the Proposed Acquisition and the Proposed Disposal will be completed and/or that no further changes will be made to the terms of the Amended and Restated SPA. The Company will make the necessary announcements as and when there are further developments on the Proposed Acquisition and the Proposed Disposal.

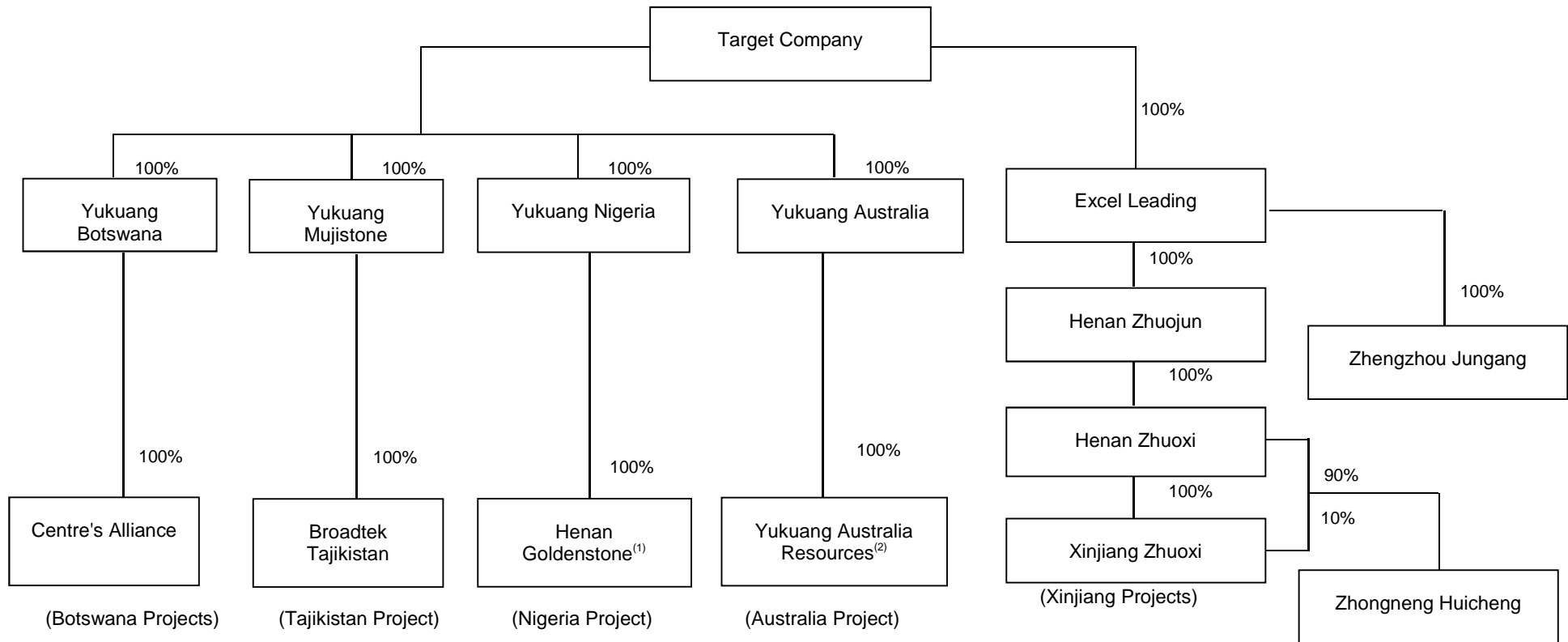
Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their legal, financial, tax or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Mr Li Bin
Chief Executive Officer
31 December 2014

APPENDIX 1

DIAGRAMMATIC REPRESENTATION OF THE TARGET GROUP COMPANIES IMMEDIATELY FOLLOWING THE VENDOR RESTRUCTURING EXERCISE

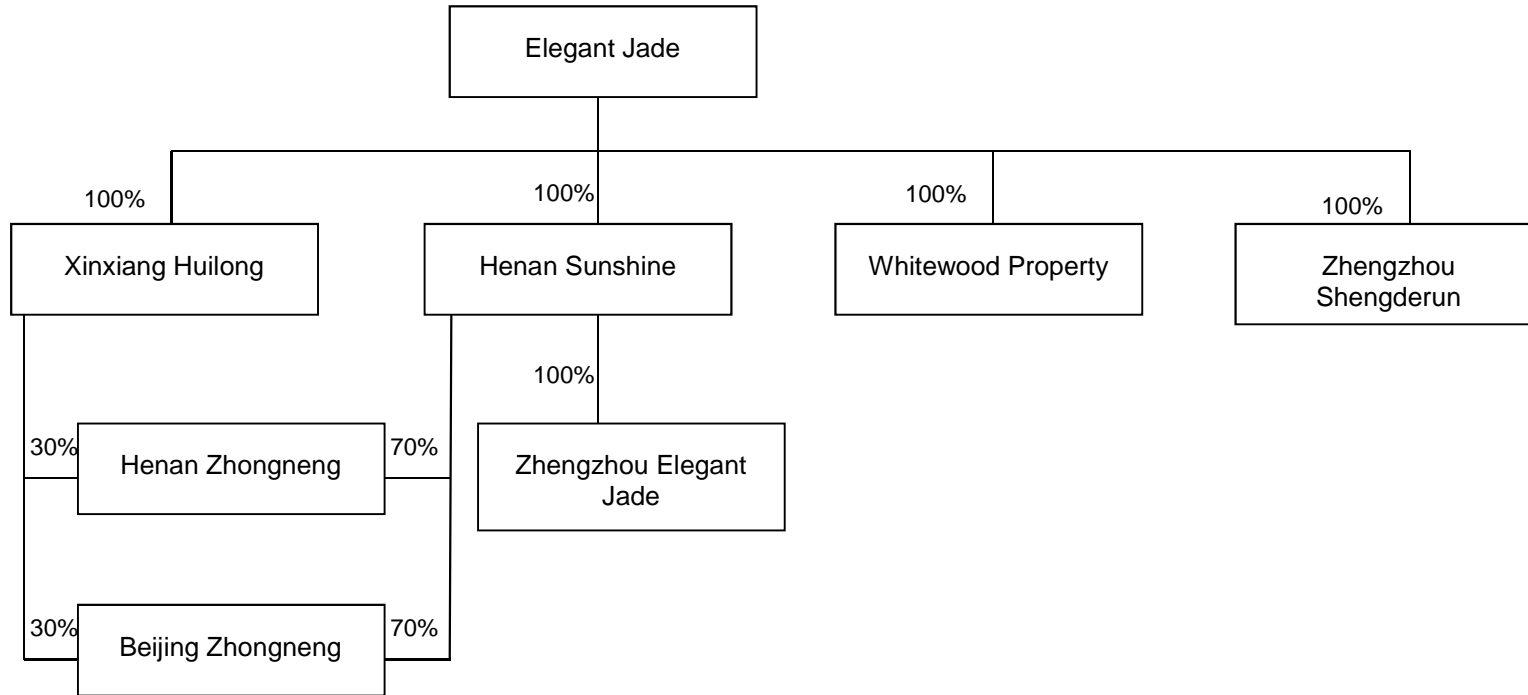


Notes:

- (1) In compliance with the Nigerian law which requires a minimum of two (2) shareholders in a company incorporated in Nigeria, Yukuang Nigeria currently holds 99.99% of the equity interest of Henan Goldenstone. Mr Deng Bin currently holds one share of Henan Goldenstone as a nominee of Yukuang Nigeria.
- (2) Yukuang Australia Resources holds a 53% participating interest in a joint venture that holds the rights to explore for iron ore and manganese at the Australia Concession Block.

APPENDIX 2

DIAGRAMMATIC REPRESENTATION OF THE SHAREHOLDING OF THE DISPOSAL GROUP



Appendix 3

Conditions Precedent

Completion of the sale and purchase of the Sale Shares is conditional upon, *inter alia*, the following:

- (a) the approval of the shareholders of the Purchaser in an extraordinary general meeting (**Purchaser's EGM**) for the following matters being obtained, and such approval not having been withdrawn or revoked as at the date of Completion:
 - (i) the Proposed Acquisition and the Proposed Disposal including the allotment and issuance of the Consideration Shares to the Vendors (or their respective nominees) and the transfer of the Disposed Shares to Guide True (or its nominees);
 - (ii) the Proposed Share Consolidation and the grant of a general mandate for the issue of the new Consolidated Shares;
 - (iii) the allotment and issuance of the Compliance Placement Shares;
 - (iv) the increase in the authorised share capital of the Purchaser (if required);
 - (v) the appointment of such number of nominees of the Vendors as new directors of the Purchaser and the reconstitution of the board of directors of the Purchaser in accordance in accordance with the Vendors' instructions;
 - (vi) the Purchaser's change of auditors to KPMG LLP;
- (b) the approval of the independent Shareholders being obtained at the Purchaser's EGM for the Whitewash Resolution;
- (c) the approval of the SGX-ST for the Proposed Acquisition and the Proposed Disposal, the clearance of the Purchaser's Circular by the SGX-ST and the issue of an in-principle approval from the SGX-ST for the listing and quotation of the Consideration Shares, the Compliance Placement Shares and the Consolidated Shares on the SGX-ST having been obtained and if such approval or issuance is subject to conditions, such conditions being reasonably acceptable to the Purchaser and if required by the SGX-ST, such conditions being fulfilled or satisfied before Completion, and such approval remaining in full force and effect;
- (d) the SIC having granted CGE and parties acting in concert with it a waiver (such waiver not having been revoked or withdrawn as at the Completion Date) of their obligation to make a mandatory offer under Rule 14 of the Code for the Purchaser's Shares not owned or controlled by them and from having to comply with the requirements of Rule 14 of the Code upon Completion and the issue and allotment of the Consideration Shares, subject to the passing of a Whitewash Resolution and if such waiver is subject to any condition or restriction imposed by the SIC, such condition and/or restriction being reasonably acceptable to the Purchaser;
- (e) the business valuation in respect of the Disposal Group as set out in the Final Beijing Yashi Report being no less than S\$60.92 million (equivalent to RMB289.68 million, based on the agreed exchange rate of RMB1.00: S\$0.2103 as at 31 October 2014);
- (f) all necessary approvals, consents, licences, permits, grants, waivers and exemptions (collectively, **Approvals**) for the Proposed Acquisition, the Proposed Disposal and any transactions contemplated under the Amended and Restated SPA including the Purchaser Restructuring Exercise and Vendor Restructuring Exercise (collectively "**Restructuring Exercise**") and to carry on the business of the Target Group being granted by third parties including all relevant government, governmental, quasi-governmental, supranational, statutory, regulatory, administrative, fiscal or judicial agency, authority, body, court, commission, department, exchange, tribunal or entity in Singapore, the British Virgin Islands, Botswana, the Cayman Islands, Hong Kong, the PRC, Australia, Republic of Tajikistan and

Nigeria to the Vendors, the Purchaser, the Target Group Companies and/or parties involved in the Restructuring Exercise (as the case may be) and where any such Approval is subject to conditions, such conditions being reasonably acceptable to the Vendors and/or the Purchaser, as the case may be, and if such conditions are required to be fulfilled before Completion, such conditions being fulfilled before Completion, and such Approvals remaining in full force and effect;

- (g) the Purchaser lodges the relevant notification in respect of the Proposed Acquisition and the Proposed Disposal to the Foreign Investment Review Board of Australia (**FIRB**) and the occurrence of one of the following:
- (i) the Purchaser receives a written notice under the Foreign Acquisitions and Takeovers Act 1975 (Cth), by or on behalf of the Treasurer of the Commonwealth of Australia stating or to the effect that that the Commonwealth Government does not object to the transactions contemplated by this agreement, either unconditionally or on terms that are acceptable to the Purchaser (acting reasonably); or
 - (ii) the Treasurer of the Commonwealth of Australia becomes precluded from making an order in relation to the subject matter of the Amended and Restated SPA and the transactions contemplated by it under the Foreign Acquisitions and Takeovers Act 1975 (Cth); or
 - (iii) if an interim order is made under the Foreign Acquisitions and Takeovers Act 1975 (Cth) in respect of the transactions contemplated by the Amended and Restated SPA, the subsequent period for making a final order prohibiting the transactions contemplated by this agreement elapses without a final order being made;
- (h) the purchase and transfer of the Sale Shares and the Disposed Shares upon the terms and conditions of the Amended and Restated SPA not being prohibited or restricted by any statute, order, rule, regulation, directive, guideline or request (whether or not having the force of law) promulgated by any legislative, executive or regulatory body or authority of Singapore, the British Virgin Islands, Botswana, the Cayman Islands, Hong Kong, the PRC, Australia, Republic of Tajikistan and Nigeria;
- (i) all necessary bank consents and other consents and other approvals (including all transactions contemplated by the Amended and Restated SPA and for change of control) having been obtained on terms and conditions acceptable to the Purchaser for the sale and purchase of the Sale Shares and the Disposed Shares such that Completion will not constitute an event of default or a breach, or result in the acceleration of indebtedness, or constitute or give rise to a prescribed event or a change in condition or position or otherwise, under the terms of any indebtedness or otherwise whatsoever at the date of Completion in respect of any Target Group Company or Disposal Group Company to or with any bank, financial institution, third party or authority;
- (j) the Proposed Acquisition and Proposed Disposal not being prohibited by and will not result in a breach of, any statute, order, rule, regulation, directive, guideline or request promulgated by, or any judgement or decree of, any legislative, executive, judicial or regulatory body or authority in Singapore, the British Virgin Islands, Botswana, the Cayman Islands, the PRC, Australia, Republic of Tajikistan, Nigeria or any other jurisdiction affecting any of the Purchaser, the Target Group Companies, the Vendors and/or the Disposal Group Companies;
- (k) the Purchaser and its professional advisers having undertaken and having completed its due diligence investigations in respect of each of the Target Group Companies, including but not limited to the affairs, operations, businesses, assets, liabilities (including tax liabilities), contracts, financial condition, accounts, results, prospects and the legal, accounting, financial and tax affairs of the Target Group Companies (**Purchaser's Due Diligence**), and the results of such due diligence investigations being satisfactory to the Purchaser in its absolute discretion;

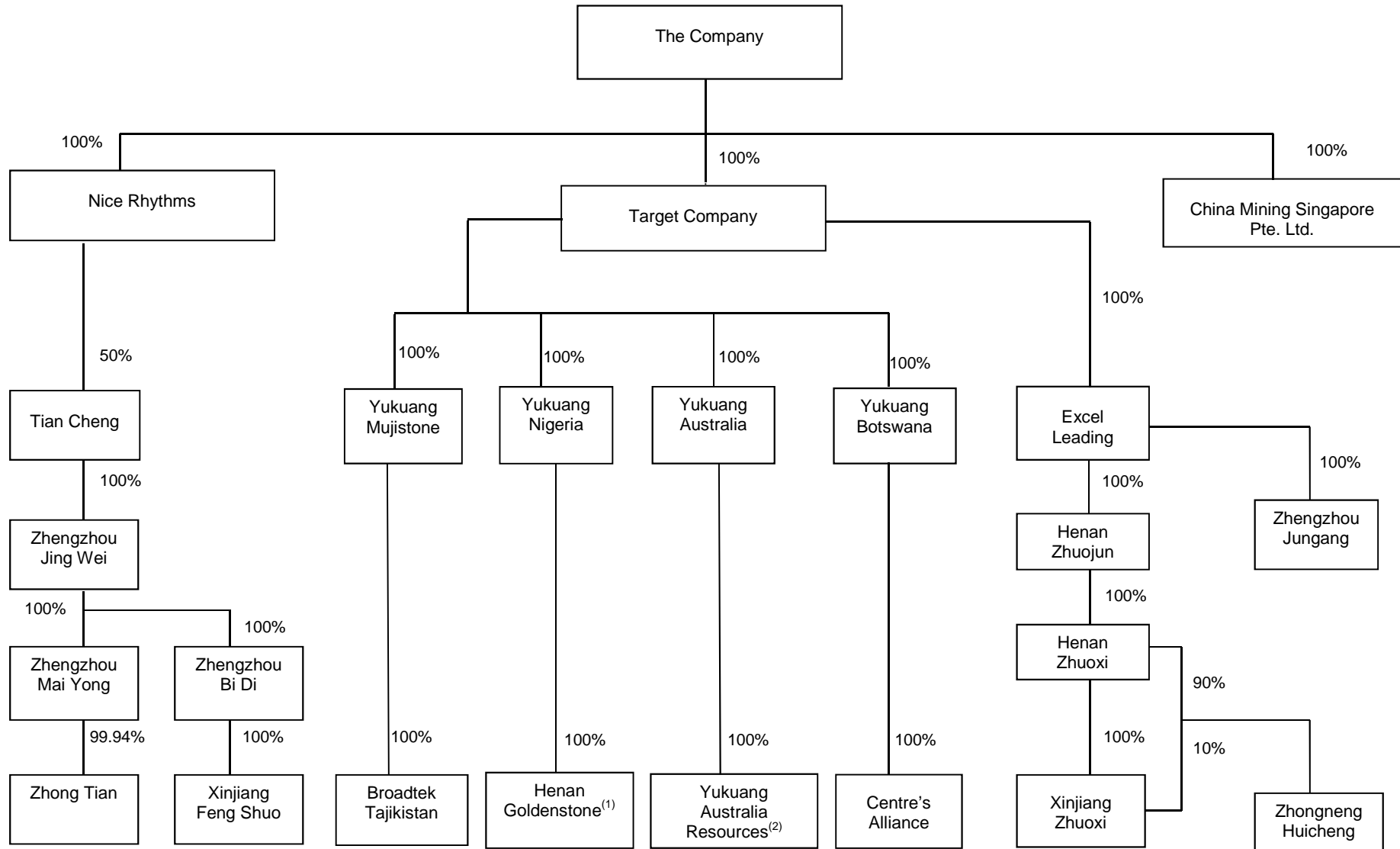
- (l) that all information and/or confirmations provided by each of the Target Group Companies and/or their respective officers and employees for purposes of the Purchaser's Due Diligence is not untrue or inaccurate or incomplete or misleading in any respect;
- (m) the Purchaser being satisfied with the outcome of the independent qualified person's reports and the independent valuation reports in respect of each of the Exploration and Mining Projects (excluding the Botswana Projects);
- (n) the Purchaser having obtained respective legal opinion(s) from legal counsels of the British Virgin Islands, Botswana, the Cayman Islands, Hong Kong, the PRC, Australia, Republic of Tajikistan and Nigeria and/or any other relevant jurisdiction acceptable to the Purchaser and relating to the Vendors, the Amended and Restated SPA and the transactions contemplated by the Amended and Restated SPA including but not limited to the following:
 - (i) that the sale and purchase of the Sale Shares and the Disposed Shares upon the terms and conditions of the Amended and Restated SPA is (A) legal, valid and binding against each of the Vendors in respect of the Sale Shares, and Guide True in respect of the Disposed Shares, and enforceable in accordance with its terms and (B) not being prohibited or restricted by any statute, order, rule, regulation, directive, guideline or request (whether or not having the force of law) promulgated by any legislative, executive or regulatory body or authority in the relevant jurisdictions;
 - (ii) that none of the Vendors is entitled to immunity on the grounds of sovereignty or otherwise from any legal action or proceeding which shall include suit, attachment prior to judgment, execution or other enforcement; and
 - (iii) that no consent, approval, waiver or order of any governmental, regulatory or judicial body or court of the relevant jurisdictions is required to enable the Vendors to enter into or observe or perform their respective obligations under the Amended and Restated SPA;
- (o) the Vendors' disclosure letter (if any) being to the satisfaction of the Purchaser in its absolute discretion;
- (p) there not having been at any time prior to or on Completion the occurrence of any of the following events:
 - (i) compulsory acquisition or notice of compulsory acquisition or intended acquisition of land affecting or which may affect the exploration and/or mining of any of the Exploration and Mining Projects (in whole or in part);
 - (ii) withdrawal of approval or additional restriction/condition on any of the exploration and/or mining permits/licences/concessions and/or any other approval, permit, consent, certificate, waiver, or notice or intention of such withdrawal of approval or additional restriction/condition which may adversely affect the exploration and/or mining of any of the Exploration and Mining Projects (in whole or in part);
 - (iii) liquidation, bankruptcy or insolvency of the Vendors or any of the Target Group Companies;
 - (iv) termination of any part of the business of any of the Target Group Companies;
 - (v) appointment of any assignee, receiver or liquidator for any part of the assets or business of any of the Vendors or of any of the Target Group Companies;
 - (vi) attachment, sequestration, execution or seizure of any part of the assets of any of the Vendors or of any of the Target Group Companies;
 - (vii) Material Adverse Change to any of the Exploration and Mining Projects on which the exploration and/or mining activities are or will be carried out by the Target Group. For

purposes of this Clause, **Material Adverse Change** means any change which causes a material or substantial part of any of the Concession Blocks to be inaccessible, unfit, hazardous or commercially infeasible for exploration and/or mining;

- (q) there being no changes to the business, financial conditions or operations of any Target Group Company since the date of the Amended and Restated SPA that would in the reasonable opinion of the Purchaser be likely to have an adverse effect on the turnover, profitability, financial position or prospects of the Target Group;
- (r) the Vendor Restructuring Exercise having been completed to the satisfaction of the Purchaser in its absolute discretion and remaining in full force and effect and not be amended, modified or varied;
- (s) the Purchaser Restructuring Exercise having been completed to the collective satisfaction of the Vendors in their absolute discretion and remaining in full force and effect and not be amended, modified or varied;
- (t) the Purchaser having obtained such undertakings, indemnities and/or agreements from any of the Vendors and their respective holding companies as may be required by the Purchaser and/or SGX-ST, such terms being satisfactory to the Purchaser in its absolute discretion and having been validly entered into on or before Completion (and remaining in full force and effect as at Completion), including but not limited to the Yukuang Botswana Indemnity; and
- (u) the Vendors' warranties and the Purchaser's warranties as set out in the Amended and Restated SPA remaining true, accurate and correct in all material respects.

Appendix 4

Post-Completion Group Structure



Notes:

- (a) In compliance with the Nigerian law which requires a minimum of two (2) shareholders in a company incorporated in Nigeria, Yukuang Nigeria currently holds 99.99% of the equity interest of Henan Goldenstone. Mr Deng Bin currently holds one share of Henan Goldenstone as a nominee of Yukuang Nigeria.
- (b) Yukuang Australia Resources holds a 53% participating interest in a joint venture that holds the rights to explore for iron ore and manganese at the Australia Concession Block.

Appendix 5

Financial information of the Target Group

A summary of the unaudited combined income statements of the Target Group based on the unaudited management accounts for the last three (3) financial years ended 31 December 2013 is set out below:

| Income Statement | 2013 RMB'000 | 2012 RMB'000 | 2011 RMB'000 |
|-------------------------|-------------------------|-------------------------|-------------------------|
| Revenue | - | - | - |
| Loss before income tax | 28,098 | 10,150 | 2,403 |
| Net loss for the year | 28,098 | 10,150 | 2,403 |

A summary of the unaudited consolidated financial positions of the Target Group as at 31 December 2011, 31 December 2012 and 31 December 2013 are set out below:

| Balance Sheet | 31 December 2013 RMB'000 | 31 December 2012 RMB'000 | 31 December 2011 RMB'000 |
|------------------------|---|---|---|
| Total assets | 444,594 | 396,931 | 291,473 |
| Total liabilities | 70,261 | 404,604 | 294,475 |
| Net asset value | 374,333 | (7,673) | (3,002) |

Appendix 6

Proforma Financial Effects of the Proposed Acquisition and the Proposed Disposal

The proforma financial effects of the Proposed Acquisition and the Proposed Disposal on the Group are set out below. The objective is to illustrate what the historical information might have been had the Proposed Acquisition and the Proposed Disposal been completed at an earlier date. However, such information is not necessarily indicative that the results of operations or the financial positions as illustrated would have been attained had the Proposed Acquisition and the Proposed Disposal been completed at an earlier date. The financial effects before the Proposed Acquisition and the Proposed Disposal are based on the audited consolidated income statement and financial positions of the Group for the financial year ended 31 December 2013 and the proforma financial effects after the Proposed Acquisition and the Proposed Disposal are based on the unaudited proforma consolidated management accounts of the Group for the financial year ended 31 December 2013. For the purpose of illustrating the financial effects of the Proposed Acquisition and the Proposed Disposal, the financial effects are based on, *inter alia*, the following assumptions:

- (a) the Group's proforma loss and loss per Share were computed assuming that the Proposed Acquisition and the Proposed Disposal were completed on 1 January 2013;
- (b) the Group's proforma share capital and net asset value were computed assuming that the Proposed Acquisition and the Proposed Disposal were completed on 31 December 2013;
- (c) the aggregate 10,277,941,176 Consideration Shares were issued at the Issue Price of S\$0.085 for each Consideration Share on 1 January 2013;
- (d) there is no adjustment to the Purchase Consideration; and
- (e) the difference between the fair value of the shares deemed to have been issued by the Target Group and the fair value of the Group identifiable net assets received, the difference is treated in its entirety as a payment for stock exchange listing and expensed as it is incurred (the "**Stock Exchange Listing Expenses**"). As the Stock Exchange Listing Expenses will be determined at the completion of the Proposed Acquisition and the Proposed Disposal, the eventual amounts could be materially different from the amount derived based on the assumption used.

Share Capital

| As at 31 December 2013 | No. of Shares | S\$'000 |
|--|--|----------------|
| Issued and paid-up share capital before the Proposed Acquisition and the Proposed Disposal (par value of S\$0.001 per Share) | 1,173,508,000 (excluding treasury Shares) | 1,173.5 |
| Add: Issue of Consideration Shares (par value of S\$0.001 per Share) | 10,277,941,176 | 10,277.9 |
| Issued and paid-up share capital after the Proposed Acquisition and the Proposed Disposal | 11,451,449,176 | 11,451.4 |

Loss per Share

| | Before the Proposed Acquisition and the Proposed Disposal | After the Proposed Acquisition and the Proposed Disposal |
|---|--|---|
| Consolidated loss after tax for the financial year ended 31 December 2013 (RMB'000) | (129,686) | (525,414) |
| Weighted average number of Shares (excluding treasury shares) | 1,173,508,000 | 11,451,449,176 |
| Loss per Share (Singapore cents) ⁽¹⁾ | (2.24) | (0.93) |

Note:

- (1) Calculated based on the average exchange rate for financial year ended 31 December 2013 at S\$1.00: RMB4.94.

Net Assets Value ("NAV")

| | Before the Proposed Acquisition and the Proposed Disposal | After the Proposed Acquisition and the Proposed Disposal |
|---|--|---|
| Consolidated NAV as at 31 December 2013 (RMB'000) | 377,357 | 439,318 |
| Number of Shares | 1,173,508,000 | 11,451,449,176 |
| NAV per Share (Singapore cents) | 6.69 | 0.80 |

Note:

- (1) Calculated based on the exchange rate as at 31 December 2013 of S\$1.00: RMB4.81.