



CHINA MINING INTERNATIONAL LIMITED

中矿国际有限公司

(Incorporated in the Cayman Islands)

(Company Registration No. CT-140095)

THE PROPOSED CONSOLIDATION OF EVERY EIGHT (8) EXISTING ORDINARY SHARES OF PAR VALUE S\$0.001 EACH IN THE CAPITAL OF THE COMPANY AS AT THE BOOKS CLOSURE DATE INTO ONE (1) ORDINARY SHARE OF PAR VALUE S\$0.008 IN THE CAPITAL OF THE COMPANY, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1. INTRODUCTION

The board of directors (the "**Board**" or the "**Directors**") of China Mining International Limited (the "**Company**", and together with its subsidiaries, the "**Group**"), wishes to announce that the Company proposes to undertake a share consolidation of every eight (8) existing ordinary shares of par value S\$0.001 each in the capital of the Company (the "**Existing Shares**") as at a books closure date to be determined by the Directors (as they deem fit in their absolute discretion) (the "**Books Closure Date**") into one (1) ordinary share of par value S\$0.008 in the capital of the Company (the "**Consolidated Share**"), fractional entitlements to be disregarded (the "**Proposed Share Consolidation**") and dealt with in the manner set out in paragraph 2.1 below.

2. THE PROPOSED SHARE CONSOLIDATION

2.1 General

Under the Proposed Share Consolidation, every eight (8) Existing Shares in the issued and authorised share capital of the Company (including treasury shares) as at the Books Closure Date will be consolidated into one (1) Consolidated Share, with effect from a date to be determined by the Directors as the date at and on which the Consolidated Shares will trade on the Mainboard of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in board lots of 100 Consolidated Shares (the "**Effective Trading Date**"). Each Consolidated Share will rank *pari passu* in all respects with each other, and will be traded in board lots of 100 Consolidated Shares.

Shareholders of the Company ("**Shareholders**") should note that, upon completion of the Proposed Share Consolidation, the number of Consolidated Shares which they will be entitled to, based on their holdings of the Existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractional entitlements to Consolidated Shares arising from the Proposed Share Consolidation will be disregarded and dealt with in such manner and on such terms as the Directors may, in their absolute discretion, deem fit in the best interests of the Company (including but not limited to aggregating all or any of the fraction of the Consolidated Shares and selling of the aggregated fractions of Consolidated Shares and the proceeds thereof paid to the Company for the Company's benefit and/or a purchase by the Company of any or all of the fractions of Consolidated Shares and the proceeds thereof be retained by the Company for the Company's benefit). Shareholders should note further that affected Shareholders will not be paid for any fractions of a Consolidated Share which are disregarded.

As at the date of this announcement, the Company has an issued and paid-up share capital of RMB5,897,000 comprising 1,173,600,000 Existing Shares (including treasury shares). Subject to Shareholders' approval being obtained for the Proposed Share Consolidation, on the assumption that there will be no new shares issued by the Company up to Books Closure Date, following the completion of the Proposed Share Consolidation, the Company will have

an issued and paid-up share capital of RMB5,897,000 not exceeding 146,700,000 Consolidated Shares (including treasury shares).

The Proposed Share Consolidation will have no impact on the dollar value of the issued and paid-up share capital of the Company. The Proposed Share Consolidation will also not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company and has no effect on the Shareholders' funds of the Group. Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding.

Shareholders who hold less than eight (8) Existing Shares as at the Books Closure Date will not be entitled to any Consolidated Shares and will no longer be Shareholders upon completion of the Proposed Share Consolidation. Such Shareholders who wish to remain as Shareholders upon completion of the Proposed Share Consolidation are advised to purchase additional Existing Shares so as to increase their number of Existing Shares held to a multiple of eight (8) Existing Shares prior to the Books Closure Date.

2.2 Rationale for the Proposed Share Consolidation

The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders for the following reasons:

(a) Compliance with the Minimum Trading Price Requirement

With effect from 2 March 2015, the SGX-ST implemented a minimum trading price ("MTP") requirement of S\$0.20 per share for shares of issuers listed on the Mainboard of the SGX-ST as a continuing listing requirement. A one-time transition period of 12 months from 2 March 2015 (i.e. until 1 March 2016) will be given to affected issuers to undertake corporate actions to meet the new requirement, and such issuers will only be placed on the watch-list if they are unable to meet the MTP requirement after this 12-month transition period. Issuers which are unable to take steps to raise its minimum trading price and exit the watch-list will be delisted after a 36-month period.

The Directors believe that the Proposed Share Consolidation would facilitate the Company's compliance with the MTP requirement.

(b) Reduction of the magnitude of volatility of the share price

As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), low traded share prices translate to higher transaction costs, relative to the trading price, for each trading of one board lot of shares of the Company. In addition, the low traded share price may encourage speculation in the shares of the Company, which may result in excessive share price volatility. The Board therefore believes that the Proposed Share Consolidation may serve to reduce the fluctuation in magnitude of the Company's market capitalisation and reduce the percentage transaction cost for trading in each board lot of shares of the Company.

(c) Increase in the market interest and attractiveness of the Company and its shares

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of shares outstanding resulting in a corresponding increase in the calculation of theoretical trading price per Consolidated Share and net tangible assets per Consolidated Share. The Proposed Share Consolidation may also increase the profile of the Company amongst the institutional investors and the coverage of the Company amongst research houses and fund managers.

However, Shareholders should note that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

2.3 Approvals and Conditions

The Proposed Share Consolidation is subject to, *inter alia*, the following:

- (a) the receipt of the in-principle approval from the SGX-ST for the dealing in, listing of and quotation for all the Consolidated Shares on the Mainboard of the SGX-ST; and
- (b) the approval of Shareholders for the Proposed Share Consolidation by an ordinary resolution at an extraordinary general meeting of the Company (the "EGM") to be convened.

An application will be made by the Company to obtain the SGX-ST's approval for the dealing in, listing of and quotation for the Consolidated Shares on the Mainboard of the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course.

3. DESPATCH OF CIRCULAR

Subject to the receipt of the in-principle approval from the SGX-ST, a circular containing, *inter alia*, the notice of EGM and further information on the Proposed Share Consolidation will be despatched to Shareholders in due course. **Meanwhile, Shareholders are advised to exercise caution when dealing in the Company's securities. When in doubt, Shareholders and potential investors are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.**

BY ORDER OF THE BOARD

Mr. Li Bin
CEO and Executive Director
21 July 2015