



CHINA MINING INTERNATIONAL LIMITED

中矿国际有限公司

(Incorporated in the Cayman Islands)

(Company Registration No. CT-140095)

CLARIFICATION ANNOUNCEMENT IN RESPONSE TO QUERIES RAISED BY THE SINGAPORE EXCHANGE REGULATION RELATING TO THE COMPANY'S ANNUAL REPORT FOR FINANCIAL YEAR ENDED 31 DECEMBER 2023 DATED 10 JUNE 2024 ("ANNUAL REPORT")

The board of directors (the "**Board**") of China Mining International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the questions raised by the Singapore Exchange Regulation ("**SGX RegCo**") on 11 June 2024 relating to the Annual Report.

The Board appends below its corresponding replies to the questions raised by SGX RegCo:

SGX RegCo's Query 1:

1) Please provide the Board's assessment on the Group's ability to continue as a going concern and the basis for its assessment

The Company's Response:

The Board refers to Note 2.2 of the financial statements (pages 72 to 73 of the Annual Report). For ease of reference, the relevant section is append below:

During the current financial year ended 31 December 2023, the Group has recorded a net loss of RMB 84,532,000 (2022: RMB 7,579,000) and operating cash outflows of RMB 2,870,000 (2022: RMB 1,165,000). As at 31 December 2023, the Group and the Company had net current liabilities of RMB 22,532,000 (2022: RMB 8,631,000) and RMB 120,372,000 (2022: RMB 117,040,000) respectively. As of that date, the Group's cash and cash equivalents amounted to RMB 7,353,000, while its current liabilities stood at RMB 43,648,000 (inclusive of external term loans payable of RMB 26,291,000 which are due within the next 12 months).

Despite the above factors, the accompanying financial statements have been prepared on a going concern basis. Management's assessment of the Group and the Company's ability to continue as a going concern includes the following key assumptions:

- (a) The Group's agriculture business is expected to generate operating profits and operating cash inflows in financial year 2024, following a challenging FY2023. The performance in FY2023 was significantly impacted by adverse weather conditions and land reclamation issues resulting in the write off of bearer plants;
- (b) The Group continues to receive financial support from Mr Guo Yinghui, a controlling shareholder of the Company, enabling to operate as a going concern and meet its obligations as and when they fall due. Mr Guo Yinghui has agreed not to recall the aggregate amount of RMB 3,354,000 owing to his controlled entities (Classified as non-current liabilities within the next 12 months, and to provide additional funds should the Group requires working capital. In addition, subsequent to reporting date, one of Mr Guo Yinghui's controlled entities has entered into a loan agreement to provide interest free loan of up to RMB 10,000,000 to the Group for a period of 18 months from date of drawn down and received by the Group;
- (c) The Group holds a 40.15% interest in Sino Feng Mining Sarl ("**Sino Feng**"), an unquoted investment classified as a financial asset at fair value through other comprehensive income (FVOCI). Sino Feng has an underlying interest in Aero Wind Properties Pty Ltd ("**AWP**"), which holds mining rights to an iron ore mine in South Africa (in which the Group has an

- effective interest of 16.06%). As announced by the Company via SGXNET on 21 May 2024 and 30 May 2024, the majority shareholder of Sino Feng, via Sino Feng's wholly-owned subsidiary, has entered into an agreement to dispose of its interest in AWP. The Group expects to receive USD 6,000,000 (approximately RMB 43,000,000) from the transaction, which will be sufficient to repay the current portion of bank borrowings and fund the Group's operation for at least the next 12 months from reporting date;
- (d) The Group's Loan 3 from a government agency, initially with a 3 year term that matured in April 2022, includes an option that allows the Group to extend the loan for a further 3 years. Although the Group is also confident of successful renewal of Loan 1 amounting to RMB 10,000,000 which is due on 21 June 2024. Additionally, subsequently to the reporting date, the Agri Sub-group received a non-legally binding letter of intent from a different PRC bank for a facility of up to RMB 20,000,000; and
- (e) The directors of the Company conducted a detailed review of the Group's cash flows forecast prepared by the management for the next 12 months ending 31 December 2024. Based on the cash flows forecast, the directors of the Company are confident that, considering the factors mentioned above, the Group has sufficient liquidity to meet its working capital requirements for the next 12 months ending 31 December 2024.

In view of the above, the accompanying financial statements have been prepared on a going concern basis and no adjustments has been made to the financial statements to reflect the situation that assets may be realised other than in the normal course of business or at significantly different amount from that being currently recorded in the statements of financial position in the unlikely event that the Group and the Company cannot continue to operate on a going concern in the foreseeable future. In such circumstances, the Group and the Company may have to provide for further liabilities which may arise, and to reclassify non-current assets and liabilities as current assets and liabilities respectively.

Based on the foresaid assessment, the Board is of the view that the going concern assumption is appropriate for the preparation of the Group's financial statements.

SGX RegCo's Query 2:

Please provide the Board's opinion and its basis as to whether Company's securities should be suspended pursuant to Listing Rule 1303(3)

The Company's Response:

The Board is of the view that the Group can continue to operate as a going concern with the assessment as append in query 1 above. Henceforth, there is no requirement for the Company's securities to be suspended pursuant to Listing Rule 1303(3).

SGX RegCo's Query 3:

Please provide the Board's assessment whether the Company has made all material disclosures to ensure that its Shares can continue to be traded in an orderly manner, and the basis for its assessment.

The Company's Response:

The Board confirmed that they have made all material disclosures to ensure that its shares can continue to be traded in an orderly manner. The Company had on 10 June 2024 released its Annual Report, including all relevant notes and disclosures. The Company will continue to update Shareholders via SGXNET whenever there are material developments.

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

Mr Guo Wenjun
Deputy Chairman & Executive Director
14 June 2024