



**CHINA MINING INTERNATIONAL LIMITED**

中矿国际有限公司

(Incorporated in the Cayman Islands)

(Company Registration No. CT-140095)

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**REPLY TO QUERIES RAISED BY THE SINGAPORE EXCHANGE IN RESPECT OF THE COMPANY'S UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

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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 Securities Trading Limited (“**SGX-ST**”) in connection with the announcement made by the Company on 12 August 2021 concerning its unaudited interim financial statements for the six-month period ended 30 June 2021 (“**1H2021**”) (the “**1H2021 Interim Results Announcement**”) in respect of the financial year ending 31 December 2021 (“**FY2021**”), and appends its corresponding responses as follows:

**SGX-ST's Query (a):**

*(a) Please elaborate on the status of the Company's projects, including completed ones, in FY2021.*

**The Company's Response:**

As at the date of this announcement, the Group's projects (including completed ones) comprised:

1. the completed properties for sale in respect of the Xinxiang Sunny Town Project located at the Xinxiang City of the Henan Province, the People's Republic of China (“**PRC**”) (新乡阳光新城项目) (the “**Xinxiang Project**”); and
2. the financial assets (at fair value through other comprehensive income (FVOCI)) held as investment by the Group in an iron ore mine located in the Thabazimbi district of the Republic of South Africa (“**South Africa**”) (the “**Thabazimbi Project**”).

Status of the Xinxiang Project

As disclosed on page 16 of the 1H2021 Interim Results Announcement, with a view to clear the balanced units of the Xinxiang Project, which are located at corners or relatively not so ideal sites of the Project and/or are relatively not so ideal in their laid out (the “**Balanced Units**”), the Group entered into a bought deal arrangement with an independent third party (the “**Third Party**”) in 2019 to sell these Balanced Units at a mutually agreed reduced total price, derived based on the reduced sale price of each of the Balanced Units, relative to the prevailing market prices; sales would be recognised by the Group as and when any of these Balanced Units is sold to an end buyer through the Third Party or the Company's wholly-owned subsidiary Xinxiang Huilong Real Estate Co Ltd (新乡辉龙置业有限公司) (the “**Bought Deal Arrangement**”). As at 30 June 2021, the Balanced Units, comprising mainly one townhouse, 34 basement storage units and 18 commercial units, carried a book value of RMB9.0 million.

Status of the Thabazimbi Project

As disclosed on page 98 of the Annual Report of the Company for FY2020 (the “**2020 Annual Report**”), pursuant to the shareholders' agreement entered between the Group and Sino-Africa Mining International Limited (“**Sino-Africa**”), the controlling shareholder of the Thabazimbi Project, on 30 April 2017, no new funding contribution will be required of the Group for the purpose of making or realising an investment or funding any other requirement of the Thabazimbi Project. Neither is the Group able to exercise control, joint control or significant influence over its investment in the Thabazimbi Project. As at the date of this announcement, the Thabazimbi Project has completed its exploration phase and awaits the issuance of mining licence by the relevant authorities for the commencement of the mining phase. The initial mining right period of the Thabazimbi Project is expected to be 20 years upon the issuance of the said mining licence, the procurement of which is subject to the settlement of the rehabilitation deposit, amounting to South African

Rand 10,091,000 (equivalent to RMB5.03 million), as well as the provision of mining program and surveyed plan to the relevant authorities by Sino-Africa. Due to the ongoing and escalating Covid-19 pandemic situation in South Africa, the said rehabilitation deposit has had yet been placed by Sino-Africa and the activities at the Thabazimbi Project were temporarily halted.

**SGX-ST's Query (b):**

*(b) It is disclosed on page 11 of the financial statements that, "The issuance of mining licence for the Thabazimbi Project is pending the settlement of the rehabilitation deposit amounting to South African Rand 10,091,000 (equivalent to RMB5.03 million) as well as the provision of mining program and surveyed plan. The initial mining right period is 20 years upon issuance of the said mining licence." Please disclose the status of settlement of the rehabilitation deposit and the provision of mining program and surveyed plan.*

**The Company's Response:**

Please refer to the Company's response to Query (a) above.

**SGX-ST's Query (c):**

*It is disclosed on page 17 of the financial statements that, "The decrease in other receivables, deposits and prepayments was due mainly to bad debts of RMB1.0 million written back in FY2020." Please explain how the bad debts of RMB1.0 million written back has resulted in a decrease in other receivables, deposits and prepayments, including the relevant double entries. Please also explain the basis for the amount written back of impairment of financial assets of RMB2,000,000.*

**The Company's Response:**

The other receivables, deposits and prepayments of the Group decreased by RMB1.2 million (the "Decrease") from RMB2.9 million as at 31 December 2020 (the "Other Receivables Balance as at 31 December 2020") to RMB1.7 million as at 30 June 2021 (the "Other Receivables Balance as at 30 June 2021"). The Other Receivables Balance as at 31 December 2020 was the result of a bad debt written back of RMB2.0 million (the "FY2020 Bad Debt Written Back") and a cash collection of RMB1.0 million (the "FY2020 Cash Collection") with a resultant net effect of an increase of RMB1.0 million (the "Other Receivables FY2020 Resultant Net Effect"). The Other Receivables Balance as at 30 June 2021 was the result of a bad debt written back of RMB2.0 million (the "1H2021 Bad Debt Written Back") and a cash collection of RMB2.0 million (the "1H2021 Cash Collection") with a resultant nil net effect ("Other Receivables 1H2021 Resultant Net Effect"). Accordingly, the Decrease was mainly attributed to the difference of RMB1.0 million (the "Difference"), being the difference between the Other Receivables FY2020 Resultant Net Effect and the Other Receivables 1H2021 Resultant Net Effect.

The accounting double entries in connection with the Other Receivables Balance as at 31 December 2020 in FY2020 are as follows:

Dr	Cash and cash equivalents (attributed to the FY2020 Cash Collection)	RMB1.0 m	
Dr	Other receivables, deposits and prepayment (attributed to the FY2020 Bad Debt Written Back net of the FY2020 Cash Collection)	RMB1.0 m	
Cr	Profit and loss (attributed to the FY2020 Bad Debt Written Back)		RMB2.0 m

The accounting double entries in connection with the Other Receivables Balance as at 30 June 2021 in 1H2021 are as follows:

Dr	Cash and cash equivalents (attributed to the 1H2021 Cash Collection)	RMB2.0 m	
Dr	Other receivables, deposits and prepayment (attributed to the 1H2021 Bad Debt Written Back net of the 1H2021 Cash Collection)	-	
Cr	Profit and loss (attributed to the 1H2021 Bad Debt Written Back)		RMB2.0 m

The impairment write-back of RMB2,000,000 in question is the 1H2021 Bad Debt Written Back, and the underlying asset thereof (the "Impaired Receivable") relates to a debt due from a buyer (of a piece of land (located in the Xinxiang City of the Henan Province, the PRC) sold by the Group) which had been fully written-off since the financial year ended 31 December 2013 in view of the significant uncertainty of collection then. Notwithstanding the full write-off of the Impaired Receivable, the Group has had over the years been actively pursuing the buyer concerned for payment of the outstanding and the pursue efforts have yielded some

positive results as evidenced by the FY2020 Cash Collection and the 1H2021 Cash Collection. As at 30 June 2021, the Impaired Receivable stood at a nil book value.

**SGX-ST's Query (d):**

*Please disclose the breakdown and nature of the Group's accruals and other payables of RMB16,266,000 and RMB17,025,000 as at 30 June 2021 and 31 December 2020 respectively.*

**The Company's Response:**

Breakdowns of the accruals and other payables of the Group as at 30 June 2021 and 31 December 2020 are provided as follows:

	<b>The Group</b>	
	<b>30 Jun 2021</b>	31 Dec 2020
	<b>RMB'000</b>	RMB'000
<b>Other payables</b>		
Construction cost payables	<b>648</b>	648
Received on behalf of third parties	<b>72</b>	72
Property management fee payable	<b>305</b>	305
Certificate fee payable	<b>1,154</b>	1,154
Others	<b>1,392</b>	1,812
<b>Accrued expenses</b>		
Accrued business and related taxes	<b>2,180</b>	2,204
Other accrued expenses	<b>416</b>	729
<b>Deposits</b>		
Refundable deposits received in advance	<b>10,099</b>	10,101
	<b>16,266</b>	17,025

**SGX-ST's Query (e):**

*Please explain why interest income amounted to only RMB21,000 during the financial period ended 30 June 2021 when the Company has significant cash and bank balance amounting to RMB23,973,000.*

**The Company's Response:**

Interest incomes aggregating RMB123,000, pursuant to fixed deposits placed with financial institutions, due in July 2021 and August 2021 and attributed to 1H2021 (the "**July and Aug 2021 Interest Incomes**"), were received by the Group subsequent to 30 June 2021. Had the July and Aug 2021 Interest Incomes been accrued in 1H2021, the interest income registered in 1H2021 would have been RMB144,000 (instead of only RMB21,000).

**BY ORDER OF THE BOARD**

**Mr Zhai Kebin**  
**CEO & Executive Director**

15 September 2021