



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 BY THE SINGAPORE EXCHANGE REGULATION RELATING TO THE COMPANY'S ANNUAL REPORT FOR FY2021

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 18 April 2022 relating to its annual report for the financial year ended 31 December 2021 (“**FY2021**”) (the “**2021 Annual Report**”), and appends its corresponding replies as follows:

SGX RegCo’s query 1:

Provision 8.1 of the Code of Corporate Governance 2018 (the “**Code**”) states that “The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

- (a) each individual director and the CEO; and
- (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code, the provision from which it has varied, explain the reason for variation and provide an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 8.1 of the Code with regard to the disclosure of the amounts of remuneration of each individual director and the CEO. No explanations were provided for in the Company’s FY2021 annual report on how it is consistent with the intent of Principle 8 of the Code, in respect of the remuneration of its independent directors. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company’s remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Company’s Response

While the exact remuneration of the Directors and CEO is not given, the level and composition of the remuneration packages of the Directors and CEO (expressed in percentage terms) are provided on page 26 of the 2021 Annual Report (the “**Disclosure**”).

In respect of the remuneration of the Executive Directors and CEO

The Board would like to reiterate that the Disclosure will balance the interest of the Company and, consistent with the intent of Principle 8 of the Code, provide shareholders of the Company (the “**Shareholders**”) with an adequate appreciation of the remuneration packages of the Executive Directors and CEO in view of the following considerations as stated on page 26 of the 2021 Annual Report:

- (a) the Executive Directors, who sit on the Board, hold executive positions in the Group’s key subsidiaries in China. As there is no requirement for corporations in China to disclose the detailed remuneration of individual directors and executives, any detailed disclosures in Singapore beyond the Disclosure would affect the confidentiality of the Executive Directors’ remuneration in China, and the Chinese subsidiaries concerned would then be put in a position of unequal treatment concerning the confidentiality of their employees’ remuneration and their executives who are on the Board would then be disadvantaged unfairly; and

- (b) given the highly competitive conditions in the market place where poaching of executives is not uncommon, it is not in the interest of the Company to disclose the remuneration of individual Executive Directors beyond the Disclosure.

In respect of the remuneration of the Independent Directors

The Independent Directors have no service contract with the Company and receive only Directors' fees based on their level of contributions, responsibilities, effort and time spent for serving on the Board.

The total Directors' fees for the Independent Directors are S\$200,000 which will be tabled as Resolution 2 at the forthcoming annual general meeting to be convened on 29 April 2022 for Shareholders' approval as set out in the Notice of the Annual General Meeting ("**AGM**") dated 7 April 2022.

The Board wishes to highlight that the total Directors' fees have remained at S\$200,000 for the past few years despite increasing level of governance oversight by the Independent Directors to ensure that the Company complies with the listing rules and relevant regulations. In addition, the Board, including the Independent Directors, had in 2021 spent considerable amount of time and efforts to see the Company through the diversification of the Group's core businesses to include the new agricultural business with the acquisition of the entire issued share capital of Fully Rich International Investment Limited (as announced by the Company on 17 December 2021).

The Board believes that the Disclosure in respect of the remuneration of the individual Independent Directors in the remuneration band of within S\$250,000 (expressed as 100% of Directors' fees) and the total Independent Directors' fees of S\$200,000 in the Notice of the AGM will balance the interest of maintaining the confidentiality for each individual Independent Director and still provide the Shareholders with an adequate appreciation of their remuneration and is consistent with the intent of Principle 8 of the Code.

SGX RegCo's query 2

Listing Rule 1207(19b) states that the annual report must contain enough information for a proper understanding of the performance and financial conditions of the issuer and its principal subsidiaries, including at least a statement whether and how the issuer has complied with the following best practices on dealings in securities: an officer should not deal in his company's securities on short-term considerations.

Please clarify whether and how Listing Rule 1207(19b) has been complied with.

Company's Response

The Company wishes to confirm that it has in place a policy prohibiting dealings in the Company's securities by Directors and employees of the Group:

- (a) one month before the announcement of its half year and full year unaudited financial statements ("**non-dealing period**");
- (b) on short term considerations; and
- (c) when in possession of unpublished price-sensitive or trade-sensitive information.

Two weeks before each non-dealing period, the Company Secretary will notify the Directors and CEO of the Company's share trading prohibition policy and the management of the Company will also ensure that employees of the Group are duly informed of the same.

Based on the foregoing, the Company is in compliance with Rule 1207(19b).

BY ORDER OF THE BOARD

Mr Khai Kebin
CEO & Executive Director

19 April 2022