

China Mining International Limited

(formerly known as Sunshine Holdings Limited)

Company Registration No. CT-140095

REPLIES TO THE QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") IN RESPECT OF THE COMPANY'S RESULTS ANNOUNCEMENT FOR THE THREE-MONTH FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012 ("Q3 2012")

Unless otherwise stated, all capitalized terms herein shall have the same meanings as that ascribed in the unaudited results announcement of China Mining International Limited (the "Company", and together with its subsidiaries, the "Group") for Q3 2012 as made by the Company on 14 November 2012 (the "Announcement").

We append below our replies to the following queries raised by the SGX-ST on 21 November 2012 concerning the Announcement.

The SGX-ST's query 1

The Group has 'amounts due from a related party' of RMB 64.481m in its balance sheet as at 30 September 2012. With respect to this, please elaborate on the following:-

(i) Whether these amounts are trade related;

The Company's reply

As disclosed in Notes 9(ii) and 38(ii) to the audited consolidated financial statements of the Company contained in the Company's 2011 Annual Report, the 'non-current portion of other receivables of RMB60.445 million as at 31 December 2011' (being the comparative to the figure in question of RMB64.481 million as at 30 September 2012 (the "Receivables")), though non-trade in nature, were attributed principally to the following transactions which were carried out in the ordinary course of business of the Group:

1. The disposal of the entire equity interest in Hainan Sunshine Elegant Jade Real Estates Co Ltd (海南阳光美基投资开发有限公司) ("Hainan EJ"), which owns the plot of land located in Haikou, Hainan Province with a land size area of about 78,642 square metres (the "Hainan Land"), to Xinxiang Shi An Tai Commerce Co., Ltd ("XSAT") (新乡市安泰商贸有限公司), a wholly-owned subsidiary of Climbing Ace Limited, in 2008 (the "First Disposal") (as detailed in the announcement made by the Company on 16 July 2008); and
2. The disposal of an 11% equity interest in Climbing Ace Limited to Glossmei Limited ("Glossmei"), an existing substantial shareholder of the Company with an equity interest of 12.44%, in 2010 for cash (the "Second Disposal"), thereby reducing the Group's equity interest in Climbing Ace Limited from 51% to the present 40% as a consequence (as detailed in the announcement made by the Company on 11 November 2010).

Supplementing the above, kindly note the following:

1. The First Disposal was not a related party transaction as it took place prior to Glossmei having any interest in the Group or in Climbing Ace Limited;
2. The Second Disposal was a related party transaction when it took place as then Climbing Ace Limited was 49% and 51% respectively owned by Glossmei and the Group;
3. Since the completion of the Second Disposal, the Receivable is no longer a related party transaction and had been re-classified from 'amounts due from a related party' to 'other receivables' in the Company's 2011 Annual Report (the "Reclassification") and shall therefrom continue to be treated in the same manner. Accordingly and with reference to the Announcement which did not reflect the Reclassification, a revised consolidated balance sheet of the Company based on the Reclassification (with the relevant amendments highlighted) as at 30 September 2012 (against comparatives as at 31 December 2011) is provided in the attached Appendix A;

(ii) Noting that these amounts due were only slightly higher than the amounts at 31 December 2011, please explain whether this is due to non-payment and/or slow-payment of overdue amounts.

The Company's reply

The slight increase in amounts due from a related party from RMB60.445 million as at 31 December 2011 to RMB64.481 million as at 30 September 2012 was attributed to the amortization of the fair value of long-term receivables (such as the Receivables) as required by the accounting standards. Based on contractual agreement the Receivable will be fully settled in 2013.

The SGX-ST's query 2

Please elaborate on the reasons for the higher average selling price obtained for the property units sold in 3Q 2012 compared to units sold in 3Q 2011 despite the cooling off measures in China.

The Company's reply

Notwithstanding the prevailing cooling off measures targeting soaring property prices generally throughout China, to avoid any hard landing of the Chinese economy which appears to be slowing down in recent months, certain moderate easing monetary policies were cautiously allowed and implemented by some provincial governments, including Henan, resulting in increased mortgage financing activities. As a consequence of which coupled with the fact that the units sold in Q3 2012 comprised more high-rise residential units which command higher gross profit margins relative to that in Q3 2011, the Group's enjoyed higher average selling price for the property units sold in 3Q 2012 compared to the units sold in 3Q 2011.

BY ORDER OF THE BOARD

Mr Li Bin
Chief Executive Officer & Director

23 November 2012

APPENDIX A

The change is highlighted in grey.

	The Group		The Company	
	30 September 2012 RMB'000	31 December 2011 RMB'000	30 September 2012 RMB'000	31 December 2011 RMB'000
Non-current assets				
Property, plant and equipment	12,220	8,620	1	3
Land use rights	60	62	-	-
Investment properties	131,139	131,139	-	-
Other Receivables	64,481	60,445	-	-
Investments in subsidiaries	-	-	213,738	213,738
Investments in associates	48,297	51,811	-	-
Equity accounted investment in joint ventures	306,502	306,722	-	-
	562,699	558,799	213,739	213,741
Current assets				
Completed properties for sale	158,534	190,970	-	-
Properties under development for sale	87,779	68,250	-	-
Trade receivables	-	399	-	-
Prepayments and other receivables	28,494	34,094	-	-
Amounts due from subsidiaries	-	-	493,897	497,115
Amounts due from related parties	9,334	9,333	-	-
Amounts due from joint ventures	1,293	-	-	-
Income tax recoverable	1,558	1,568	-	-
Available for sale financial assets	-	16,000	-	-
Financial assets at fair value through profit or loss	9,957	-	-	-
Pledged bank deposits	6,744	5,354	-	-
Cash and cash equivalents	48,935	100,565	277	1,978
	352,628	426,533	494,174	499,093
Current liabilities				
Trade payables	35,891	48,204	-	-
Sales and rental deposits	74,119	91,755	-	-
Accruals and other payables	43,333	49,433	174	1,284
Amount due to subsidiaries	-	-	665	665
Amounts due to related parties	16,686	15,807	10,888	10,888
Amounts due to joint venture partner	2,191	10,402	-	-
Income tax payables	52,262	50,005	-	-
	224,482	265,606	11,727	12,837
Net current assets	128,146	160,927	482,447	486,256
	690,845	719,726	696,186	699,997
Capital and reserves				
Issued capital	368,358	368,358	368,358	368,358
Share premium	224,594	224,594	224,594	224,594
Treasury Shares	(18)	(18)	(18)	(18)
Capital reserve	49,031	49,031	-	-
Retained earnings	37,640	66,503	103,252	107,063
Equity attributable to owners of the Company	679,605	708,468	696,186	699,997
Non-controlling interests	-	-	-	-
Total equity	679,605	708,468	696,186	699,997
Non-current liabilities				
Deferred tax liabilities	11,240	11,258	-	-
	11,240	11,258	-	-
	690,845	719,726	696,186	699,997