



CHINA MINING INTERNATIONAL LIMITED

中矿国际有限公司

(Company Registration No. CT-140095)

(Registered in the Cayman Islands)

GRANT OF EXTENSION OF TIME FOR THE HOLDING OF THE ANNUAL GENERAL MEETING (“AGM”) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (“FY2013”)

The board of directors of the Company (the “**Board**”) wishes to announce that pursuant to an application made by the Company for a waiver of the requirement under Rule 707(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Listing Manual**”) to hold the AGM within 4 months of the end of its financial year on 31 December 2013 and to extend the time for the holding of the AGM, the SGX-ST has in their correspondence on 28 April and 29 April 2014 granted an extension of time for the Company to convene its AGM by 31 May 2014 (the “**Extension**”), subject to the conditions as set out below.

Conditions

The Extension is subject to the following conditions:

- (a) the Company announcing the period of extension granted, stating clearly the reasons for seeking the extension of time and the conditions as required under Rule 107 of the Listing Manual, including disclosure on:
 - (i) the unannounced changes made to the agreement with Glossmei Limited (高士美有限公司) (“**Glossmei**”), including the deferment of payment terms and the release of security which had previously been given by Glossmei to the Company;
 - (ii) the deposit of RMB250.0 million paid towards the aborted Joint Tender (as defined below) to bid for a land in Beijing with Renhe Dongfang Investment (Beijing) Co., Ltd, why such a significant amount of deposit had to be made and the reasons why the auditors require more time to review this matter; and
 - (iii) the reasons why the auditors require more time to review the matter relating to Xinxiang Land which was sold in 2010. It was noted that the Company had sold the land for RMB52.1 million in 2010. Please explain why the Company has to provide for a full impairment of RMB 52.1 million for Xinxiang Land in FY2013 even though it had received a deposit of RMB 25.0 million from the buyer;
- (b) submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company and the articles and association of the Company; and
- (c) the Company convening the annual general meeting by 31 May 2014.

The Company has since submitted the written confirmation as required under item (b) above to the SGX-ST.

Reasons for requiring the Extension

The Company had applied for the Extension based on the following reasons:

1. Transactions with Glossmei

As announced on 28 February 2013, the Company and its subsidiaries (the “**Group**”) had divested its entire equity interest in a former associated company, Climbing Ace Limited (攀峰有限公司) (“**Climbing Ace**”), to Glossmei for RMB40.0 million. Together with an outstanding amount of approximately RMB68.3 million due to the Group at that time, the aggregate amount due from Glossmei then was RMB108.3 million (the “**Aggregate Sum Due**”). The Aggregate Sum Due decreased to RMB68.3 million as at 31 December 2013 after collections were received by the Group in 2013.

The Aggregate Sum Due was secured against 30,000 ordinary shares representing approximately 60% of the equity interest in Climbing Ace (the “**Climbing Ace Shares**”) held by Glossmei (the “**Charge**”) as well as a guarantee from Mr Guo Yinghui, the Chairman of the Company (the “**Guarantee**”). In order for Climbing Ace to apply for a bank loan to finance the Hainan land, Glossmei had requested the Group to lift the pledge in respect of the Climbing Ace Shares. Pursuant to a supplemental agreement entered into between Glossmei and Elegant Jade on 23 February 2014:

- (a) the pledge in respect of the Climbing Ace Shares was lifted; and
- (b) the repayment terms were deferred such that:
 - (i) RMB40.3 million shall be payable by 28 February 2014; and
 - (i) the remaining RMB28.0 million shall be payable by 31 December 2014.

In February 2014, the Company received an aggregate sum of RMB40.3 million from Glossmei via its controlling shareholder. Following such repayment, the amount payable from Glossmei decreased to RMB28.0 million (the “**Balance Due From Glossmei**”) as at the date of this Announcement.

In this connection, the Company requires time to provide the necessary documents and explanation to the auditors of the Company, Crowe Horwath First Trust LLP (**Auditors**), in order for them to:

- (a) assess the recoverability of the Balance Due From Glossmei;
- (b) in respect of the Charge, understand the reasons why Glossmei has yet to obtain the bank loan and the progress of the loan application; and
- (c) in respect of the Guarantee, assess the credit standing of Mr Guo Yinghui (Chairman of the Company) in honoring the Guarantee.

2. Tender for land in Beijing

In response to a sale by auction of a land parcel of approximately 176,549 sq m located at Daxin District, Huangcun Town, Beijing (北京市大兴区黄村镇) (the “**Beijing Land**”), the Company had (through its wholly-owned subsidiary, Beijing Zhongneng Huifeng Mining Trading Co., Ltd (北京中能汇丰矿业贸易有限公司) (“**Beijing Zhongneng**”) on 24 February 2014 entered into a tender cooperation agreement (合作投标协议) (“**Agreement**”) with Renhe Dongfang Investment (Beijing) Co., Ltd (仁和东方投资(北京)有限公司) (“**Renhe Dongfang**”), an unrelated third party, to jointly tender for the land use rights in respect of the Beijing Land at RMB1.7 billion (the “**Joint Tender**”), which is about 18.4% above the minimum tender price of RMB1.41 billion.

To qualify for the Joint Tender, a deposit of RMB420.0 million is required to be placed with the relevant authority. In this regard, the Company had in March 2014 remitted RMB250.0 million (the "**Tender Remittance**"), being Beijing Zhongneng's contribution in the joint venture, to Renhe Dongfang to enable Renhe Dongfang to place the deposit with the relevant authority. After the Tender Remittance, the Group's cash balance was estimated to be about RMB18.0 million, which, should there be any delay in the receipt of the Balance Due From Glossmei, may pose a going concern issue for the Group.

After taking into account, amongst others, the intense competition in respect of the Joint Tender and potential going concern issue of the Group, the Company had decided not to participate in the Joint Tender in April 2014. As at the date of this Announcement, the Tender Remittance had been refunded to the Company.

In this regard, notwithstanding the decision by the Company subsequent to 5 March 2014 not to participate in the Joint Tender and the refund on the Tender Remittance which has been fully received by the Company in April 2014, the Company requires time to provide the necessary documents and explanation to the Auditors in order for them to:

- (a) understand the Company's rationale and decision making process in respect of the Joint Tender; and
- (b) assess any going concern issue of the Group.

3. Xinxiang Land

On 15 November 2010, the Company's subsidiary, Xinxiang Huilong Real Estate Co., Ltd ("**Xinxiang Huilong**") entered into a sale and purchase agreement (the "**SPA**") with an unrelated third party (the "**Purchaser**") for the sale of a piece of land located at Xinxiang New District, Western District of Xinxiang city (the "**Xinxiang Land**") for a total cash consideration of approximately RMB52.1 million (the "**Consideration**") which was arrived at based on the "as-it-is" status of the Xinxiang Land as at the date of the SPA.

Of the Consideration, a cash deposit of RMB25.0 million (the "**Deposit**") had been received by Xinxiang Huilong, with the balance of approximately RMB27.1 million ("**Balance Consideration**") remains outstanding. The Balance Consideration is to be paid after the Purchaser has obtained the land use rights in respect of a suitable land parcels with rights to residential/commercial use in substitution for the Xinxiang Land (the "**Substituted Land**").

The relevant Chinese authorities took back the Xinxiang Land but have yet to compensate the Purchaser with the Substituted Land. Due to the protracted process and lack of visibility by the relevant Chinese authorities in fulfilling the compensation, the possibility that the Deposit might need to be refunded if the sale and purchase of the Xinxiang Land is not completed and as a matter of prudence, the Xinxiang Land could no longer be held as "Property under Development for Sale" in the balance sheet of the Group and was fully impaired by RMB52.1 million by the Group in the fourth quarter of 2013.

Notwithstanding the impairment made to the Xinxiang Land, the Purchaser, having already partially paid for the Deposit, still endeavours to work with the relevant Chinese authorities to secure the Substituted Land.

The Company requires time to provide the necessary documents and explanation to the Auditors, to allow the Auditors to re-assess the status of the above transaction, which if deemed completed, may require the Auditors to re-assess the need for the full impairment of the Xinxiang Land as at 31 December 2013.

By Order of the Board

Mr Libin
Chief Executive Officer
29 April 2014