



CNMC
CNMC GOLDMINE HOLDINGS LIMITED

中色金礦有限公司

(Company Registration No.: 201119104K)

EXECUTION OF NON-BINDING LETTER OF INTENT IN RELATION TO THE PROPOSED SUBSCRIPTION OF SHARES IN PULAI MINING SDN. BHD.

1. INTRODUCTION

The board of directors (the “**Board**”) of CNMC Goldmine Holdings Limited (“**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has entered into a non-binding letter of intent (the “**LOI**”) on 28 June 2016 with Pulai Mining Sdn. Bhd. (the “**Pulai Mining**”) in respect of the proposed subscription (the “**Proposed Subscription**”) of new shares in Pulai Mining representing 51% of the enlarged issued and paid-up share capital of Pulai Mining. The LOI is intended to be a basis for further negotiations and save for certain exclusivity and confidentiality clauses, the LOI does not constitute any legally binding obligation on the Company and Pulai Mining (collectively, the “**Parties**”).

2. INFORMATION ON PULAI MINING

Pulai Mining owns exploration and mining licenses with a combined license area of approximately 3,841.3 hectares (or 38.41 Square Kilometres) in the State of Kelantan, Malaysia; (a) one exploration licence of approximately 2,300 hectares, (b) seven gold mining licenses totalling approximately 1,166.19 hectares (or 11.7 Square Kilometres), (c) two iron ore mining licenses totalling approximately 359.7 hectares (or 3.6 Square Kilometres) and (d) one feldspar mining license for approximately 15.41 hectares (or 0.15 Square Kilometres).

3. OUTLINE OF PROPOSED SUBSCRIPTION

The LOI sets out the key understanding between the Parties in relation to the Proposed Subscription, which is subject to (a) the execution of a definitive Agreement for the Proposed Subscription (the “**Subscription Agreement**”) by the Parties pursuant to which the Company will acquire 51% of the enlarged issued and paid-up share capital of Pulai Mining, and (b) the conditions precedent in the Subscription Agreement including those set out at Section 6 below being fulfilled.

4. RATIONALE OF THE PROPOSED SUBSCRIPTION

The Proposed Subscription is in line with the Group’s corporate strategy to explore opportunities in the acquisition and development of other mining projects in Malaysia.

5. PURCHASE CONSIDERATION

The purchase consideration for the Proposed Subscription shall be RM\$13,800,000 (the "**Consideration**"). The Consideration was arrived at on a willing-buyer willing-seller basis after taking into account the existing exploration data, and previous gold production output of Pulai Mining.

6. CONDITIONS PRECEDENT

The obligation of Pulai Mining and the Company to enter into and complete the Subscription Agreement is subject to the fulfilment by the Parties on or prior to the date of completion of Proposed Subscription of, *inter alia*, the following conditions:

- (a) all approvals, consents, waivers, registration, or statements of no objection that are required by the Company and Pulai Mining by law, contract or practice, or by any governmental body or competent authorities having jurisdiction over the Proposed Subscription and the matters contemplated herein, including in particular the change of control of Pulai Mining;
- (b) completion by the Company and/or its professional advisers of all legal, commercial and financial due diligence investigations on Pulai Mining (the "**Due Diligence**") within two (2) months from the date of this LOI, and the results of such Due Diligence being satisfactory to the Company in the Company's sole and absolute discretion;
- (c) the Company being satisfied, in its sole and absolute discretion, that Pulai Mining has been carrying on its business in a satisfactory manner and in its usual course and that all material approvals and consents required for the ordinary course of business of Pulai Mining, including among others, the concessionary rights for the exploration, mining, extraction and removal of gold and other minerals at the Pulai Block within the state of Kelantan has been obtained and as at the date of Completion (the "**Completion Date**") remain valid and effective;
- (d) no event, occurrence, change or effect shall have occurred on or prior to the Completion Date that would in the sole and absolute discretion of the Company have a material adverse effect on Pulai Mining;
- (e) a written declaration from the directors of Pulai Mining in the form satisfactory to the Company that, as at the Completion Date, Pulai Mining is free of any debt or liability of any nature whatsoever, whether actual, contingent or otherwise, other than debts that have arisen in the ordinary course of business such as trade payables and sundry debts;

7. EXCLUSIVITY

The Parties shall have an exclusivity period (the "**Exclusivity Period**") of two (2) months commencing from the date of the LOI with the objective of entering into the Subscription Agreement and all other agreements ancillary thereto (collectively, the "**Definitive Agreements**").

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Mr. Choo Chee Kong is the executive vice chairman of the Company. As at the date of this announcement, Mr. Choo Chee Kong through his investment holding company, Messiah Limited, holds an indirect interest of less than 3% in the issued share capital of Pulai Mining. Mr. Choo Chee Kong will abstain from any resolutions by the Board in respect of the Proposed Subscription.

Save as disclosed in this announcement, none of the Directors or controlling shareholders of the Company (save through his shareholding in the Company, if any) has any interest, direct or indirect, in the Proposed Subscription.

9. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Subscription, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

10. FURTHER ANNOUNCEMENT

The Company will release further announcements to inform Shareholders when there are material developments in respect of the Proposed Subscription in due course.

11. CAUTIONARY STATEMENT

Shareholders and potential investors should exercise caution when trading in the shares of the Company. The Proposed Subscription is subject to the execution of the Definitive Agreements and conditions precedent to be fulfilled and there is no certainty or assurance that completion of the Proposed Subscription will take place. The Company will make the necessary announcements as and when there are further material developments on the Proposed Subscription and other matters contemplated by this announcement.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbroker, bank managers, solicitor or other professional advisers if they have any doubt about the actions that they should take

By Order of the Board

Lim Kuoh Yang
Chief Executive Officer

28 June 2016

This announcement has been prepared by CNMC Goldmine Holdings Limited (the “Company”) and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”) for compliance with the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement. The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.