

CNMC Back to Profitability in FY2021, Lifts Dividend Payout Ratio to 143%

- Total dividend of 0.8 Singapore cent a share proposed
- Cash and cash equivalents up 46% at US\$16.4m as at 31 December 2021

US\$	FY2021	FY2020	Change (%)
Revenue	32,879,433	23,876,916	37.7
EBITDA	8,113,549	(664,042)	N.M.
Profit / (Loss) After Tax	2,056,856	(4,784,459)	N.M.
Profit / (Loss) Attributable to Owners	1,715,258	(3,535,038)	N.M.

N.M. – Not Meaningful

SINGAPORE, 24 February 2022 – CNMC Goldmine Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) returned to profitability in the financial year ended 31 December 2021 (“**FY2021**”) and is offering to reward shareholders with more than what it earned for the entire year as a spike in gold production substantially boosted its cash position.

The gold producer made US\$1.72 million in profit attributable to shareholders in the financial year ended 31 December 2021, reversing a loss of US\$3.54 million in the financial year ended 31 December 2020 (“**FY2020**”). The turnaround came as revenue rose 38% to US\$32.88 million as it produced and sold more gold at its flagship Sokor mine in Malaysia’s Kelantan state.

A substantial drop in other expenses – mainly relating to a non-cash impairment recognised in the previous year for certain assets held by a subsidiary – also boosted the Group’s bottom line for FY2021.

Gold output at Sokor rose nearly 40% to 18,256 ounces in FY2021. Most of the increase came in the second half of the year (“**2H2021**”), when Covid-19 restrictions in Kelantan were eased to allow businesses to operate with a larger workforce capacity.

As output grew, all-in cost of production for every ounce of gold declined 10% to US\$1,483 in FY2021 from US\$1,650 in FY2020. The decline was more pronounced in 2H2021 – down almost 21% at US\$1,419 from US\$1,800 in the second half of FY2020.

The Group generated net cash of US\$8.73 million from operations last year. This boosted its cash and cash equivalents by 46% to US\$16.43 million as at 31 December 2021 from US\$11.26 million as at 31 December 2020.

With the overall improvement in its financial performance, the Group is proposing to pay a total dividend of 0.8 Singapore cent a share, comprising a final dividend of 0.2 cent and a

special dividend of 0.6 cent. The proposed dividends, which are subject to shareholders' approval at its upcoming annual general meeting in April 2022, represent a record payout ratio of 143%, sharply higher than its stated dividend policy of up to 30% of its net profits achieved in a financial year.

Expansion Plans

As part of efforts to boost gold production, the Group has commenced construction of two additional underground mining facility at Sokor which, when completed, will enable it to extract more higher-grade gold ore. This is in line with its plan to potentially increase the daily processing capacity of its carbon-in-leach (“CIL”) plant to up to 1,000 tonnes of ore as compared to 500 tonnes currently.

In the meantime, construction of a flotation plant at Sokor to process ore containing silver, lead and zinc is now in the final phase. The plant will be able to handle about 550 tonnes of ore daily and is expected to begin trial production in the second quarter of 2022, barring any unforeseen circumstances.

Mr Chris Lim, the Group's CEO, said: “The Covid-19 pandemic is still a concern but we have reasons to be hopeful as Malaysia is now in a better position to deal with it than a year or two ago. Having weathered multiple lockdowns in Kelantan and seemingly having finally turned the corner, we are taking steps to increase gold production and to expand our portfolio of mining assets to include silver, lead and zinc.”

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About CNMC Goldmine Holdings Limited **(Bloomberg: CNMC:SP; Reuters: CNMC.SI)**

CNMC Goldmine Holdings Limited (the “Company”) is the first Catalist-listed gold mining company on the Singapore Exchange Securities Trading Limited (the “SGX-ST”). Headquartered in Singapore, the Company and its subsidiaries (the “Group”) started operations in 2006 and are principally engaged in the exploration and mining of gold and the processing of mined ore into gold doré bars.

The Group is focused on developing the Sokor Gold Field Project, located in the State of Kelantan, Malaysia. Spanning an area of 10km², the project has identified five gold deposit regions, namely Manson's Lode, New Discovery, New Found, Sg. Ketubong and Rixen.

As at 31 December 2020, the Sokor Gold Field Project had JORC-compliant gold resources (inclusive of ore reserves) of 18.16 million tonnes at a grade of 1.5 g/t in the Measured, Indicated and Inferred categories for a



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total of 890,000 ounces. The project achieved its first gold pour on 21 July 2010. The Company also owns CNMC Pulai Mining Sdn. Bhd. and Kelgold Mining Sdn. Bhd., both of which are in Kelantan.

For more information on the Company, please visit www.cnmc.com.hk

This announcement has been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.

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