



CNMC

CNMC GOLDMINE HOLDINGS LIMITED

中起金礦有限公司

(Company Registration No.: 201119104K)

## Unaudited Financial Statement and Dividend Announcement For the Fourth Quarter and the Financial Year Ended 31 December 2019

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group					
	Three Months Ended			Twelve Months Ended		
	31 December 2019 US\$ (Unaudited)	31 December 2018 US\$ (Unaudited)	Increase/ (Decrease) %	31 December 2019 US\$ (Unaudited)	31 December 2018 US\$ (Audited)	Increase/ (Decrease) %
<b>Revenue</b>	7,601,138	12,605,676	(39.7)	39,098,825	39,547,621	(1.1)
Other operating income	358,119	585,102	(38.8)	256,909	824,302	(68.8)
Changes in inventories	169,345	(306,812)	n.m.	(137,839)	210,650	n.m.
Amortisation and depreciation	(1,142,767)	(1,434,428)	(20.3)	(4,693,186)	(5,037,246)	(6.8)
Employee benefits expenses	(1,075,824)	(1,336,982)	(19.5)	(4,380,053)	(4,530,629)	(3.3)
Key management remuneration	(817,482)	(1,187,268)	(31.1)	(3,192,260)	(3,341,632)	(4.5)
Marketing and publicity expenses	(130,932)	(141,890)	(7.7)	(449,385)	(623,413)	(27.9)
Office and administration expenses	(109,938)	(85,919)	28.0	(365,094)	(286,699)	27.3
Professional fees	(58,566)	(215,272)	(72.8)	(575,949)	(856,134)	(32.7)
Rental and other lease expenses	(504,436)	(487,174)	3.5	(1,911,323)	(1,785,562)	7.0
Royalty and tribute fee expenses	(1,059,188)	(1,556,042)	(31.9)	(4,923,821)	(5,146,631)	(4.3)
Site and factory expenses	(3,032,290)	(3,156,989)	(3.9)	(11,946,794)	(12,064,650)	(1.0)
Travelling and transportation expenses	(100,493)	(85,114)	18.1	(365,304)	(360,140)	1.4
Listing expenses	-	(204,419)	n.m.	-	(1,986,197)	n.m.
Other operating expenses	-	(221,178)	n.m.	(6,922)	(430,839)	(98.4)
<b>Total expenses</b>	<b>(7,504,452)</b>	<b>(9,834,385)</b>	<b>(23.7)</b>	<b>(32,691,021)</b>	<b>(35,414,820)</b>	<b>(7.7)</b>
<b>Results from operating activities</b>	<b>96,686</b>	<b>2,771,291</b>	<b>(96.5)</b>	<b>6,407,804</b>	<b>4,132,801</b>	<b>55.0</b>
Finance income	132,299	127,477	3.8	556,136	550,532	1.0
Finance costs	(22,964)	(19,924)	15.3	(89,605)	(90,243)	(0.7)
<b>Net finance income</b>	<b>109,335</b>	<b>107,553</b>	<b>1.7</b>	<b>466,531</b>	<b>460,289</b>	<b>1.4</b>
<b>Profit before tax</b>	<b>206,021</b>	<b>2,878,844</b>	<b>(92.8)</b>	<b>6,874,335</b>	<b>4,593,090</b>	<b>49.7</b>
Tax credit/(expenses)	60,725	(928,907)	n.m.	(1,401,885)	(1,581,974)	(11.4)
<b>Profit for the period/year</b>	<b>266,746</b>	<b>1,949,937</b>	<b>(86.3)</b>	<b>5,472,450</b>	<b>3,011,116</b>	<b>81.7</b>
<b>Other comprehensive income</b>						
Items that may be reclassified subsequently to profit or loss						
Exchange differences arising from consolidation of foreign subsidiaries	(10,010)	7,510	n.m.	(5,332)	22,398	n.m.
<b>Total comprehensive profit for the period/year</b>	<b>256,736</b>	<b>1,957,447</b>	<b>(86.9)</b>	<b>5,467,118</b>	<b>3,033,514</b>	<b>80.2</b>
<b>Profit attributable to:</b>						
Owners of the Company	244,004	1,254,192	(80.5)	4,440,330	1,681,210	164.1
Non-controlling interests	22,742	695,745	(96.7)	1,032,120	1,329,906	(22.4)
<b>Profit for the period/year</b>	<b>266,746</b>	<b>1,949,937</b>	<b>(86.3)</b>	<b>5,472,450</b>	<b>3,011,116</b>	<b>81.7</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	229,494	1,243,664	(81.5)	4,433,543	1,679,062	164.0
Non-controlling interests	27,242	713,783	(96.2)	1,033,575	1,354,452	(23.7)
<b>Total comprehensive income for the period/year</b>	<b>256,736</b>	<b>1,957,447</b>	<b>(86.9)</b>	<b>5,467,118</b>	<b>3,033,514</b>	<b>80.2</b>

## 1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

	Group					
	Three Months Ended			Twelve Months Ended		
	31 December 2019 US\$ (Unaudited)	31 December 2018 US\$ (Unaudited)	Increase/ (Decrease) %	31 December 2019 US\$ (Unaudited)	31 December 2018 US\$ (Audited)	Increase/ (Decrease) %
<b>Profit for the period/year is stated after charging/(crediting) the following:</b>						
Finance costs	22,964	19,924	15.3	89,605	90,243	(0.7)
Amortisation and depreciation	1,142,767	1,434,428	(20.3)	4,693,186	5,037,246	(6.8)
Property, plant and equipment written off	-	117,927	n.m.	-	117,927	n.m.
Gain on disposal of property, plant and equipment	-	-	n.m.	(6,647)	(135,026)	(95.1)
(Gain)/Loss on foreign exchange						
- Unrealised	(214,181)	60,211	n.m.	(79,123)	232,875	n.m.
- Realised	(102,036)	43,057	n.m.	(71,969)	74,416	n.m.
Reversal of tax penalty estimate of a subsidiary	-	(428,501)	n.m.	-	(428,501)	n.m.
Change in fair value of derivative financial instrument of a subsidiary	-	(127,860)	n.m.	-	(127,860)	n.m.
Striking off of subsidiaries	-	69,881	n.m.	-	69,881	n.m.

n.m. -- not meaningful

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	Group		Company	
	31 December	31 December	31 December	31 December
	2019 US\$ (Unaudited)	2018 US\$ (Audited)	2019 US\$ (Unaudited)	2018 US\$ (Audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Exploration and evaluation assets	9,200,562	9,843,698	-	-
Mine properties	16,660,862	14,071,703	-	-
Property, plant and equipment	17,153,666	13,030,161	77,157	135,748
Right-of-Use assets (Note 1)	132,392	-	110,811	-
Investment in subsidiaries (Note 2)	-	-	11,450,263	11,450,251
Deferred tax assets	249,968	-	-	-
Mine Rehabilitation Fund	672,302	672,302	-	-
<b>Total non-current assets</b>	<b>44,069,752</b>	<b>37,617,864</b>	<b>11,638,231</b>	<b>11,585,999</b>
<b>Current assets</b>				
Inventories	1,870,128	2,008,247	-	-
Trade and other receivables	1,507,980	2,972,381	12,811,262	11,428,791
Cash and cash equivalents	16,016,461	17,910,184	175,166	167,479
<b>Total current assets</b>	<b>19,394,569</b>	<b>22,890,812</b>	<b>12,986,428</b>	<b>11,596,270</b>
<b>Total assets</b>	<b>63,464,321</b>	<b>60,508,676</b>	<b>24,624,659</b>	<b>23,182,269</b>
<b>EQUITY</b>				
Share Capital	18,032,233	18,032,233	18,032,233	18,032,233
Preference shares	2,800	2,800	-	-
Capital Reserve	3,111,892	3,111,892	(13,860)	(13,860)
Retained earnings/(Accumulated losses)	23,595,320	20,442,393	(292,414)	(1,983,437)
Translation reserves	29,608	36,395	-	-
	44,771,853	41,625,713	17,725,959	16,034,936
Non-controlling interests	7,380,123	7,106,887	-	-
<b>Total equity</b>	<b>52,151,976</b>	<b>48,732,600</b>	<b>17,725,959</b>	<b>16,034,936</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Loans and borrowings	762,280	722,937	-	-
Derivative financial instrument	27,516	27,222	-	-
Deferred tax liabilities	-	202,089	-	-
Lease liabilities (Note 1)	13,905	-	8,390	-
Rehabilitation Obligations	2,047,695	1,681,476	-	-
<b>Total non-current liabilities</b>	<b>2,851,396</b>	<b>2,633,724</b>	<b>8,390</b>	<b>-</b>
<b>Current liabilities</b>				
Loans and borrowings	64,290	61,135	-	-
Trade and other payables	6,750,528	7,189,033	6,793,787	7,147,333
Dividend payable	534,482	1,052,957	-	-
Current tax liabilities	989,724	839,227	(8,883)	-
Lease liabilities (Note 1)	121,925	-	105,406	-
<b>Total current liabilities</b>	<b>8,460,949</b>	<b>9,142,352</b>	<b>6,890,310</b>	<b>7,147,333</b>
<b>Total liabilities</b>	<b>11,312,345</b>	<b>11,776,076</b>	<b>6,898,700</b>	<b>7,147,333</b>
<b>Total equity and liabilities</b>	<b>63,464,321</b>	<b>60,508,676</b>	<b>24,624,659</b>	<b>23,182,269</b>

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### Note 1

With effect from 1 January 2019 and in line with SFRS(I) 16, the Group recognises certain of its leases that were previously classified as operating leases as Right-of-Use (“ROU”) assets and lease liabilities. Lease arrangements that fall outside the scope of SFRS(I) 16 are generally recognised in the statement of profit or loss. Please refer to section 5 for further details.

### Note 2

On 28 June 2019, the Company announced that it had subscribed for 51 ordinary shares for a total cash consideration of MYR51 in a newly incorporated Malaysian company, CNMC Mining Sdn. Bhd. (“CNMC Mining”), whose principal activity is that of providing underground mining services. Pursuant to the investment, CNMC Mining became a 51%-owned subsidiary of the Company.

## **1(b)(ii) Aggregate amount of group’s borrowings and debt securities**

### **Amount repayable in one year or less, or on demand**

<b>As at 31 December 2019</b>		<b>As at 31 December 2018</b>	
<b>Secured US\$</b>	<b>Unsecured US\$</b>	<b>Secured US\$</b>	<b>Unsecured US\$</b>
64,290	121,925	61,135	-

### **Amount repayable after one year**

<b>As at 31 December 2019</b>		<b>As at 31 December 2018</b>	
<b>Secured US\$</b>	<b>Unsecured US\$</b>	<b>Secured US\$</b>	<b>Unsecured US\$</b>
160,234	615,951	127,319	595,618

### **Details of any collateral**

The Group’s secured borrowings as at 31 December 2019 comprised hire purchase liabilities, which are secured over the Group’s motor vehicles. The net carrying amounts of the motor vehicles as at 31 December 2019 amounted to US\$223,147 (31 December 2018: US\$196,707).

The Group’s unsecured borrowings as at 31 December 2019 comprised a convertible loan issued by a subsidiary and lease liabilities recognised on adoption of SFRS(I) 16.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group			
	Three Months ended		Twelve Months ended	
	31 December 2019 US\$ (Unaudited)	31 December 2018 US\$ (Unaudited)	31 December 2019 US\$ (Unaudited)	31 December 2018 US\$ (Audited)
<b>Operating activities</b>				
Profit for the period/year	266,746	1,949,937	5,472,450	3,011,116
Adjustments for:				
Depreciation of property, plant and equipment	831,712	808,391	3,193,838	3,115,805
Depreciation of right-of-use assets	29,798	-	119,242	-
Amortisation of mine properties	281,257	626,037	1,380,106	1,921,441
Property, plant and equipment written off	-	117,927	-	117,927
Gain on disposal of property, plant and equipment	-	-	(6,647)	(135,026)
Finance income	(132,299)	(127,477)	(556,136)	(550,532)
Finance costs	22,964	19,924	89,605	90,243
Unrealised (gain)/loss on foreign exchange	(214,181)	60,211	(79,123)	232,875
Tax (credit)/expenses	(60,725)	928,907	1,401,885	1,581,974
Equity-settled share-based payment transactions	-	-	-	547,520
Striking off of subsidiaries	-	69,881	-	69,881
Reversal of tax penalty estimate of a subsidiary	-	(428,501)	-	(428,501)
Change in fair value of derivative financial instrument of a subsidiary	-	(127,860)	-	(127,860)
<b>Operating profit before working capital changes</b>	<b>1,025,272</b>	<b>3,897,377</b>	<b>11,015,220</b>	<b>9,446,863</b>
Changes in working capital:				
Inventories	(9,567)	365,183	138,119	(995,118)
Trade and other receivables	1,531,930	1,094,000	1,462,290	(1,574,685)
Trade and other payables	(922,731)	(640,172)	(1,688,101)	(66,438)
Cash generated from operations	1,624,904	4,716,388	10,927,528	6,810,622
Tax refund	-	-	320,320	-
Tax paid	(582,410)	(483,161)	(2,195,622)	(851,409)
Finance income received	132,299	127,477	556,136	550,532
Finance costs paid	(22,964)	(19,924)	(89,605)	(90,243)
<b>Net cash generated from operating activities</b>	<b>1,151,829</b>	<b>4,340,780</b>	<b>9,518,757</b>	<b>6,419,502</b>
<b>Investing Activities</b>				
Purchases of property, plant and equipment	(873,329)	(1,226,647)	(6,787,713)	(5,071,105)
Proceed from disposal of property, plant and equipment	-	-	6,647	135,026
Payment for exploration and evaluation assets, and mine properties	(380,775)	(229,147)	(1,993,675)	(1,533,703)
<b>Net cash used in investing activities</b>	<b>(1,254,104)</b>	<b>(1,455,794)</b>	<b>(8,774,741)</b>	<b>(6,469,782)</b>
<b>Financing activities</b>				
Dividend paid to equity holders of the Company	(598,575)	-	(1,197,476)	(617,974)
Dividend paid to non-controlling interests	(264,701)	-	(1,401,755)	(374,680)
Payment of hire purchase liabilities	(14,514)	(21,339)	(69,487)	(57,552)
Payment of lease liabilities	(29,313)	-	(117,567)	-
Share buyback	-	-	-	(360,535)
<b>Net cash used in financing activities</b>	<b>(907,103)</b>	<b>(21,339)</b>	<b>(2,786,285)</b>	<b>(1,410,741)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,009,378)</b>	<b>2,863,647</b>	<b>(2,042,269)</b>	<b>(1,461,021)</b>
Cash and cash equivalents at beginning of the period/year	16,738,255	15,063,235	17,910,184	19,491,957
Effect of exchange rate fluctuations on cash held	287,584	(16,698)	148,546	(120,752)
<b>Cash and cash equivalents in the statement of financial position</b>	<b>16,016,461</b>	<b>17,910,184</b>	<b>16,016,461</b>	<b>17,910,184</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

Group	Share capital	Treasury Shares	Preference Shares	Capital reserve	Translation reserves	Retained earnings	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
(Audited)	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>Balance as at 1 January 2018</b>	18,032,233	(200,845)	2,800	3,125,752	(21,508)	19,504,023	40,442,455	6,754,793	47,197,248
<b>Total comprehensive income for the period:</b>									
Profit for the period	-	-	-	-	-	427,018	427,018	634,161	1,061,179
<b>Other comprehensive income for the period</b>									
Exchange difference	-	-	-	-	8,380	-	8,380	6,508	14,888
<b>Total comprehensive income for the period</b>	-	-	-	-	8,380	427,018	435,398	640,669	1,076,067
<b>Transactions with owners, recognized directly in equity</b>									
2017 Final dividend declared and paid	-	-	-	-	-	(617,974)	(617,974)	-	(617,974)
Share buyback	-	(360,535)	-	-	-	-	(360,535)	-	(360,535)
Treasury shares reissued pursuant to performance share plan	-	561,380	-	(13,860)	-	-	547,520	-	547,520
<b>Total transaction with owners</b>	-	200,845	-	(13,860)	-	(617,974)	(430,989)	-	(430,989)
<b>Balance as at 30 September 2018</b>	<b>18,032,233</b>	<b>-</b>	<b>2,800</b>	<b>3,111,892</b>	<b>(13,128)</b>	<b>19,313,067</b>	<b>40,446,864</b>	<b>7,395,462</b>	<b>47,842,326</b>
<b>Total comprehensive income for the period:</b>									
Profit for the period	-	-	-	-	-	1,254,192	1,254,192	695,745	1,949,937
<b>Other comprehensive income for the period</b>									
Exchange difference	-	-	-	-	(10,528)	-	(10,528)	18,038	7,510
<b>Total comprehensive income for the period</b>	-	-	-	-	(10,528)	1,254,192	1,243,664	713,783	1,957,447
<b>Transactions with owners, recognized directly in equity</b>									
2018 First dividend declared by subsidiary to non-controlling interest	-	-	-	-	-	-	-	(982,899)	(982,899)
2018 Preference shares dividend declared by subsidiary	-	-	-	-	-	(124,866)	(124,866)	(29,289)	(154,155)
Striking off of subsidiaries	-	-	-	-	60,051	-	60,051	9,830	69,881
<b>Total transaction with owners</b>	-	-	-	-	60,051	(124,866)	(64,815)	(1,002,358)	(1,067,173)
<b>Balance as at 31 December 2018</b>	<b>18,032,233</b>	<b>-</b>	<b>2,800</b>	<b>3,111,892</b>	<b>36,395</b>	<b>20,442,393</b>	<b>41,625,713</b>	<b>7,106,887</b>	<b>48,732,600</b>

Group	Share Capital	Treasury shares	Preference shares	Capital reserve	Translation reserves	Retained earnings	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
(Unaudited)	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>At 1 January 2019</b>	18,032,233	-	2,800	3,111,892	36,395	20,442,393	41,625,713	7,106,887	48,732,600
<b><u>Total comprehensive income for the period:</u></b>									
Profit for the period	-	-	-	-	-	4,196,326	4,196,326	1,009,378	5,205,704
<b>Other comprehensive income</b>									
Exchange differences arising on consolidation of foreign subsidiaries	-	-	-	-	7,723	-	7,723	(3,045)	4,678
<b>Total comprehensive income for the period</b>	-	-	-	-	7,723	4,196,326	4,204,049	1,006,333	5,210,382
<b><u>Transactions with owners, recognized directly in equity</u></b>									
Final dividend declared for year ended 31 December 2018	-	-	-	-	-	(598,901)	(598,901)	-	(598,901)
2019 First interim dividend declared and payable by a subsidiary to non-controlling interest	-	-	-	-	-	-	-	(225,530)	(225,530)
2019 Preference shares dividend declared by subsidiary	-	-	-	-	-	(31,729)	(31,729)	(7,442)	(39,171)
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	12	12
<b>Total transactions with owners</b>	-	-	-	-	-	(630,630)	(630,630)	(232,960)	(863,590)
<b>At 30 September 2019</b>	<b>18,032,233</b>	<b>-</b>	<b>2,800</b>	<b>3,111,892</b>	<b>44,118</b>	<b>24,008,089</b>	<b>45,199,132</b>	<b>7,880,260</b>	<b>53,079,392</b>
<b><u>Total comprehensive income for the period:</u></b>									
Profit for the period	-	-	-	-	-	244,004	244,004	22,742	266,746
<b>Other comprehensive income for the period</b>									
Exchange differences arising on consolidation of foreign subsidiaries	-	-	-	-	(14,510)	-	(14,510)	4,500	(10,010)
<b>Total comprehensive income for the period</b>	-	-	-	-	(14,510)	244,004	229,494	27,242	256,736
<b><u>Transactions with owners, recognized directly in equity</u></b>									
First interim dividend declared for year ended 31 December 2019	-	-	-	-	-	(598,575)	(598,575)	-	(598,575)
2019 Interim dividends declared and payable by subsidiaries to non-controlling interest	-	-	-	-	-	-	-	(513,727)	(513,727)
2019 Preference shares dividend declared by subsidiary	-	-	-	-	-	(58,198)	(58,198)	(13,652)	(71,850)
<b>Total transactions with owners</b>	-	-	-	-	-	(656,773)	(656,773)	(527,379)	(1,184,152)
<b>At 31 December 2019</b>	<b>18,032,233</b>	<b>-</b>	<b>2,800</b>	<b>3,111,892</b>	<b>29,608</b>	<b>23,595,320</b>	<b>44,771,853</b>	<b>7,380,123</b>	<b>52,151,976</b>

Company	Share capital US\$	Treasury shares US\$	Capital Reserve	Accumulated losses US\$	Total equity US\$
<b>At 1 January 2018</b>	18,032,233	(200,845)	-	(1,981,118)	15,850,270
Loss for the period	-	-	-	(2,316,990)	(2,316,990)
2017 Final dividend declared and paid	-	-	-	(617,974)	(617,974)
Share buyback	-	(360,535)	-	-	(360,535)
Treasury shares reissued pursuant to performance share plan	-	561,380	(13,860)	-	547,520
<b>At 30 September 2018</b>	<b>18,032,233</b>	<b>-</b>	<b>(13,860)</b>	<b>(4,916,082)</b>	<b>13,102,291</b>
Profit for the period	-	-	-	2,932,645	2,932,645
<b>At 31 December 2018</b>	<b>18,032,233</b>	<b>-</b>	<b>(13,860)</b>	<b>(1,983,437)</b>	<b>16,034,936</b>
<b>At 1 January 2019</b>	<b>18,032,233</b>	<b>-</b>	<b>(13,860)</b>	<b>(1,983,437)</b>	<b>16,034,936</b>
Profit for the period	-	-	-	797,879	797,879
Final dividend declared for year ended 31 December 2018	-	-	-	(598,901)	(598,901)
<b>At 30 September 2019</b>	<b>18,032,233</b>	<b>-</b>	<b>(13,860)</b>	<b>(1,784,459)</b>	<b>16,233,914</b>
Profit for the period	-	-	-	2,090,620	2,090,620
First interim dividend declared for year ended 31 December 2019	-	-	-	(598,575)	(598,575)
<b>At 31 December 2019</b>	<b>18,032,233</b>	<b>-</b>	<b>(13,860)</b>	<b>(292,414)</b>	<b>17,725,959</b>

**1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	Number of shares	Share capital (S\$)	Share capital (US\$)
As at 31 December 2019	407,693,000	22,890,024	18,032,233
As at 31 December 2018	407,693,000	22,890,024	18,032,233

There were no changes in the share capital of the Company from 30 September 2019 up to 31 December 2019.

The Company did not have any outstanding options, convertible securities, treasury shares or subsidiary holdings as at 31 December 2019 and 31 December 2018.



**1(d)(iii) To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	Company As at 31 December 2019 (Unaudited)	Company As at 31 December 2018 (Audited)
Total number of issued shares	407,693,000	407,693,000

The Company did not have any treasury shares as at 31 December 2019 and 31 December 2018.

**1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter)**

Not applicable.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the year ended 31 December 2018.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group applied SFRS(I) 16 initially on 1 January 2019, using the modified retrospective approach. The comparative information was not restated and had been prepared in accordance with the requirements of SFRS(I) 1-17. The Group also applied the practical expedient to recognise amounts of ROU assets equal to their lease liabilities as at 1 January 2019. Lease arrangements falling outside the scope of SFRS(I) 16 are generally recognised in the statement of profit or loss.

Other than the effect of the matter as described above, the adoption of the new and revised standards did not have any material effect on the financial performance or position of the Group.

**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	Group			
	Three months ended 31 December		Twelve months ended 31 December	
	2019 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2018 (Audited)
Profit attributable to owners of the Company (US\$)	244,004	1,254,192	4,440,330	1,681,210
Weighted average number of ordinary shares	407,693,000	407,693,000	407,693,000	406,843,216
Basic and diluted earnings per ordinary share <sup>(1)</sup> :				
- US cents	0.06	0.31	1.09	0.41
- SG cents <sup>(2)</sup>	0.08	0.42	1.49	0.55

Note:-

- (1) Diluted earnings per share is the same as basic earnings per share due to the absence of any dilutive financial instruments for the three months and twelve months period ended 31 December 2019 and 31 December 2018 respectively.
- (2) Basic earnings per ordinary share translated at an average exchange rate of USD/SGD 1.3648 and 1.3457 for period ended 31 December 2019 and 31 December 2018 respectively.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year**

	Group		Company	
	31 December 2019 (Unaudited)	31 December 2018 (Audited)	31 December 2019 (Unaudited)	31 December 2018 (Audited)
	Net asset value (US\$) <sup>(1)</sup>	44,771,853	41,625,713	17,725,959
Number of shares at the end of the period (excluding treasury shares)	407,693,000	407,693,000	407,693,000	407,693,000
Net asset value per share:				
- US cents	10.98	10.21	4.35	3.93
- SG cents <sup>(2)</sup>	14.81	13.94	5.87	5.37

Note:-

- (1) Net asset value represents total assets less total liabilities and non-controlling interests.
- (2) Net asset value per share translated at a closing exchange rate of USD/SGD 1.3490 and 1.3656 as at 31 December 2019 and 31 December 2018 respectively.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors;**

Revenue

Below is the summary of the financial performance of the Group for 4Q 2019 and FY2019 and the comparative financial performance for 4Q 2018 and FY2018:

	4Q 2019	4Q 2018	Increase / (Decrease) %	FY2019	FY2018	Increase / (Decrease) %
Production volume of fine gold (ounces)	5,078.71	10,197.98	(50.2)	28,136.79	31,473.07	(10.6)
Sales volume of gold (ounces)	5,078.71	10,197.98	(50.2)	28,136.79	31,473.07	(10.6)
Revenue – Total (US\$'000)	7,601.14	12,605.68	(39.7)	39,098.83	39,547.62	(1.1)
Average realised gold price (US\$/ounce)	1,496.67	1,236.10	21.1	1,389.60	1,256.55	10.6

The decrease in revenue was due to lower production and sales volume of fine gold in 4Q 2019 and FY2019, as a result of lower ore grade from open pit mining. The decrease in sales volume was mitigated by a rise in average realised gold price during 4Q 2019 and FY2019.

Other income and expenses

In 4Q 2019 and FY2019, the Group recorded a decrease in "net other operating income"<sup>1</sup> compared to 4Q 2018 and FY2018. The decrease was attributable mainly to (i) a favourable variance due to an foreign exchange gain recorded in 4Q 2019 and FY2019 as compared to an foreign exchange loss in 4Q 2018 and FY2018, derived from its MYR-denominated cash deposits; (ii) an unfavourable variance due to smaller gain on disposal of plant and equipment recorded in FY2019 compared to FY2018; and (iii) an absence of reversal of Pulai's tax penalty accrual and favourable change in the fair value of a derivative financial instrument of a subsidiary in 4Q 2018 and FY2018.

Operating expenses

The decrease in total operating expenses in 4Q 2019 and FY2019 was mainly due to:

- decrease in site and factory expenses resulting mainly from the lower average price of diesel, as well as lower repair and maintenance expenses;
- overall decrease in royalty and tributes to the Kelantan State authorities resulting from the decrease in sales of gold dore bars;
- decrease in amortisation and depreciation mainly due to lower production of fine gold;
- decrease in professional fees resulting from management initiative in cost savings measures;
- decrease in key management remuneration and employees' compensation arising from lower performance bonus paid to key management and employees; and
- lower changes in inventories mainly attributable to higher work-in-progress balances as at 31 December 2019 compared to the immediate previous quarter as at 30 September 2019 and 31 December 2018 respectively.

<sup>1</sup> i.e. Other operating income less Other operating expenses

## Non-FRS Performance Measures

The Group adopts adjusted operating costs per ounce, all-in sustaining costs per ounce and all-in costs per ounce as non-FRS performance measures in accordance with the World Gold Council guidelines. The Company believes these performance measures better define the total costs associated with its gold production. However, these performance measures have no standardised meaning. Accordingly, they are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with FRS. The Company reports these measures on sales volume of fine gold.

Summarised below is the information on the Group's all-in sustaining costs and all-in costs in 4Q 2019 and FY2019 and their comparatives:

	4Q 2019	4Q 2018	US\$ / gold ounce sold Increase / (Decrease) %	FY2019	FY2018	Increase / (Decrease) %
<b>Sales volume of fine gold (ounces)</b>	<b>5,078.71</b>	<b>10,197.98</b>	<b>(50.2)</b>	<b>28,136.79</b>	<b>31,473.07</b>	<b>(10.6)</b>
Mining related costs	849	504	68.5	634	561	13.0
Royalty and tribute expenses	209	153	36.6	175	164	6.7
<b>Adjusted operating costs<sup>(1)</sup></b>	<b>1,058</b>	<b>657</b>	<b>61.0</b>	<b>809</b>	<b>725</b>	<b>11.6</b>
General and administrative costs	218	147	48.3	153	133	15.0
Capital expenditure	9	56	(83.9)	47	125	(62.4)
<b>All-in sustaining costs<sup>(2)</sup></b>	<b>1,285</b>	<b>860</b>	<b>49.4</b>	<b>1,009</b>	<b>983</b>	<b>2.6</b>
Capital exploration (non-sustaining)	34	21	61.9	45	31	45.2
Capital expenditure (non-sustaining)	128	64	100	112	36	211.1
<b>All-in costs<sup>(3)</sup></b>	<b>1,447</b>	<b>945</b>	<b>53.1</b>	<b>1,166</b>	<b>1,050</b>	<b>11.0</b>

- (1) Adjusted operating costs include production costs such as mining production and maintenance costs, royalties, and operating costs such as storage, net of by-product credits. These costs may vary from quarter to quarter, depending on the seasonal or cyclical factors, including among others, rainy season and grade of gold extracted from the ore.
- (2) All-in sustaining costs include adjusted operating costs and sustaining capital expenditure, corporate general and administrative expenses, exploration expense, reflecting the full cost of gold production from current operations.
- (3) Include all-in sustaining costs and non-sustaining costs. Non-sustaining costs are costs incurred for the new operations and costs related to construction of the new production facility for the existing operations where these projects will materially increase production in future.

The all-in costs in 4Q 2019 and FY2019 were 53.1% and 11.0% higher respectively, mainly due to the decrease in sales of fine gold along with higher capital expenditure for non-sustaining operations resulting from construction work-in-progress of an underground mining facility and expansion of production infrastructure.

### Tax credit/(expenses)

CMNM Mining Group Sdn Bhd ("CMNM"), the main operating subsidiary of the Group, was enjoying a 100% tax exemption on its statutory income derived from the sale of gold doré bars under the Pioneer Status Incentive Scheme in Malaysia until its expiry on 30 June 2018. As such, for accounting purposes, the Group has been accruing for tax expenses on its profits from the sale of gold doré bars based on the normal corporate tax rate in Malaysia of 24% with effect from 1 July 2018.

For 4Q 2019, the tax credit was mainly due to an increase in deferred tax assets recognised for taxable temporary differences for depreciation and amortisation and accruals incurred.

For FY2019, the Group's lower effective tax rate of 20.4% was mainly due to the refund of withholding tax paid on management fees for prior years by the Malaysia tax authorities and relevant reversal of tax provisions made previously, mitigated by the effect of (i) deferred tax assets not recognised for tax losses incurred by certain subsidiaries on grounds of prudence; (ii) withholding taxes on management fees and interest income derived from CMNM; and (iii) certain non-deductible items for tax purposes.

#### Profit after tax

Excluding the impact of unrealised foreign exchange differences, the refund and reversal of taxes as described above, expenses incurred in relation to the Company's proposed dual listing of its shares on the Main Board of the Stock Exchange of Hong Kong Limited in 4Q 2018 and FY2018, the grant of performance shares to deserving employees, as well as the reversal of Pulai's tax penalty accrual in FY2018, the Group would have recorded a profit of US\$0.05 million and US\$4.65 million for 4Q 2019 and FY2019 respectively, as compared to US\$1.79 million and US\$5.34 million in 4Q 2018 and FY2018, representing a decrease of 97.1% and 13.0% respectively.

	4Q 2019 US\$	4Q 2018 US\$	FY2019 US\$	FY2018 US\$
Profit before tax	206,021	2,878,844	6,874,335	4,593,090
Tax credit/(expenses)	60,725	(928,907)	(1,401,885)	(1,581,974)
Profit after tax	266,746	1,949,937	5,472,450	3,011,116
Unrealised foreign exchange (gain)/loss ("A")	(214,181)	60,211	(79,123)	232,875
Refund of withholding tax for prior years and relevant reversal of provision made previously ("B")	-	-	(744,795)	-
Listing expenses ("C")	-	204,419	-	1,986,197
Share based expenses ("D")	-	-	-	539,451
Reversal of Pulai's tax penalty accrual ("E")	-	(428,501)	-	(428,501)
<b>Profit after tax excluding A to E</b>	<b>52,565</b>	<b>1,786,066</b>	<b>4,648,532</b>	<b>5,341,138</b>

#### **(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

The comparative performance of the assets and liabilities listed below is based on financial statements as at 31 December 2019 and 31 December 2018.

#### Assets

The decrease in exploration and evaluation assets was mainly due to the transfer of US\$1.96 million from exploration and evaluation assets to mine properties. The decrease was partially mitigated by exploration and evaluation activities of US\$1.27 million undertaken during the twelve months ended 31 December 2019.

The increase in mine properties was mainly due to the reason stated above, coupled with the increase in rehabilitation costs of US\$0.36 million and drilling costs of US\$1.66 million. The overall increase in mine properties was partially offset by amortisation expenses of US\$1.38 million.

The increase in property, plant and equipment was mainly due to the on-going construction of a new flotation plant, expansion of production infrastructure and an

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underground mining facility for the Group's operations and purchase of equipment and vehicles of US\$7.45 million. This increase was partly offset by depreciation of US\$3.33 million.

The decrease in trade and other receivables was mainly due to majority of the sales proceeds from gold pour for December 2019 being received as at year end.

#### Liabilities

The decrease in total liabilities was mainly due to the decrease in dividends payable of US\$0.52 million, trade and other payables of US\$0.44 million as well as the absence of deferred tax liabilities of US\$0.20 million.

The aforementioned decrease was partly offset by the increase in rehabilitation obligations of US\$0.4 million arising from the increase in the estimated costs for future rehabilitation, the increase in current tax liabilities of US\$0.2 million where the Pioneer Status Incentive Scheme in Malaysia expired on 30 June 2018 and lease liabilities due to the adoption of SFRS(I) 16.

As at 31 December 2019, the Group had positive working capital of US\$10.93 million compared to US\$13.75 million as at 31 December 2018.

#### Cash flows

The net operating cash inflows in 4Q 2019 amounting to US\$1.15 million were mainly due to operating profit before working capital changes of US\$1.03 million, adjusted for the decrease in trade and other payables of US\$0.92 million and tax paid of US\$0.58 million, the decreases in trade and other receivables of US\$1.53 million and net finance income received of US\$0.11 million.

In FY2019, net operating cash inflows amounted to US\$9.52 million as compared to US\$6.42 million in FY2018, mainly due to operating profit before working capital changes of US\$11.02 million, adjusted for the decrease in trade and other payables of US\$1.69 million and tax paid of US\$2.20 million, partially offset by the decreases in trade and other receivables of US\$1.46 million, net finance income received of US\$0.47 million, withholding tax refunds of US\$0.32 million as well as, decreases in inventories of US\$0.14 million.

Net cash used in investing activities amounted to US\$1.25 million and US\$8.77 million in 4Q 2019 and FY2019 respectively, comprising payments to acquire property, plant and equipment for the on-going construction of the underground mining structure, expansion of production infrastructure and a new flotation plant as well as mine properties and exploration and evaluation assets.

Net cash used in financing activities amounted to US\$0.91 million and US\$2.79 million in 4Q 2019 and FY2019 respectively, mainly due to dividends paid to equity holders of the Company, dividends paid to non-controlling interests and payment made for lease liabilities during the financial year.

As at 31 December 2019, the Group had cash and cash equivalents of US\$16.02 million, representing a decline of US\$1.89 million from US\$17.91 million as at 31 December 2018.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

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As disclosed in paragraph 8, the decrease in production of gold is due to lower ore grade obtained from open pit mining during the fourth quarter. Accordingly, revenue slightly decrease in FY2019 as compared to FY2018.

Aside from the abovementioned, there is no material deviation in the actual results for the fourth quarter ended 31 December 2019 from what was previously discussed under paragraph 10 of the announcement of the Company's financial results for the third quarter ended 30 September 2019.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Open-pit mining remains the Group's primary source of revenue generation, even as it endeavours to commence extraction of high-grade gold ore through underground mining as soon as practicable. As disclosed on 31 January 2020, underground mining operations at the Sokor gold field have been disrupted by the COVID-19 outbreak that started in China's Hubei province, with more than half of the crew at CNMC Mining, the Group's underground mining subsidiary, temporarily prohibited from returning to Kelantan after they went home to Hubei for the Chinese New Year celebrations. It remains unclear when these workers will be able to return to Kelantan as there has been no official announcement on when travel restrictions imposed by China and Malaysia will be lifted in view of the viral outbreak.

Hiring new workers to fill this manpower gap is not feasible at this juncture as it may take substantial time and resources to put together an experienced, fully-equipped underground mining crew. The Group is also unable to deploy some of its open-pit mining crew to its underground mining operations as they do not have the full expertise to mine underground. Notwithstanding the current uncertainty, underground mining is a key engine of growth for the Group in the long term given its potential to yield high-grade ore, which is expected to translate into increased gold production.

The Group is still working with the relevant authorities in Malaysia to obtain the necessary permits to install a national grid power line at Sokor. This will pave the way for the Group to reduce its carbon footprint as well as energy bill for its mining operations in Kelantan. The Group is still seeking to obtain relevant tax incentives for profits from the sale of gold bars, after its five-year tax exemption period under Malaysia's Pioneer Status Incentive Scheme ended in June 2018.

The Group remains in discussion with the relevant Malaysian authorities to secure the necessary permits for the construction of a flotation plant for the production of silver, lead and zinc. As previously disclosed, production of these industrial metals is expected to begin in 2021, barring any unforeseen circumstances.

Following recent amendments to Rule 705(2) of the Catalist Rules which took effect from 7 February 2020, the Company is not required and therefore has decided not to continue with the quarterly reporting of its financial results (as set out in Appendix 7C of the Catalist Rules) subsequent to this results announcement. In its deliberations, the Board has considered, inter alia, compliance efforts required for the quarterly reporting of its financial results. For the avoidance of doubt, the Company will continue to comply with Rule 705(6) and Rule 705(7) of the Catalist Rules and provide the disclosures required for mineral, oil and gas companies on a quarterly basis.

The Company will announce its next set of financial results for the half year ending 30 June 2020 on or before 14 August 2020.

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The Board would like to assure Shareholders that the Company will continue complying with its continuing disclosure obligations to keep Shareholders updated of any material developments in its affairs as and when appropriate.

## 11. Dividend

### (a) *Current Financial Period Reported On*

***Any dividend recommended for the current financial period reported on?***

Yes

Proposed dividends

Name of Dividend	Final tax exempt dividend
Dividend Type	Cash
Dividend Amount per Share	S\$0.0020 per ordinary share
Tax Rate	Tax-exempt one-tier

Name of Dividend	Special tax exempt dividend
Dividend Type	Cash
Dividend Amount per Share	S\$0.0040 per ordinary share
Tax Rate	Tax-exempt one-tier

The proposed dividends are subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held in April 2020.

### (b) *Corresponding Period of the Immediately Preceding Financial Year*

***Any dividend declared for the corresponding period of the immediately preceding financial year?***

Yes, declared dividend as announced on 30 April 2019.

Name of Dividend	Final tax exempt dividend
Dividend Type	Cash
Dividend Amount per Share	S\$0.0020 per ordinary share
Tax Rate	Tax-exempt one-tier

### (c) *The date the dividend is payable.*

The proposed final and special tax exempt dividends, if approved at the forthcoming annual general meeting of the Company, will be paid at a date to be announced in due course.

### (d) *The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.*

The books closure date for the proposed final and special tax exempt dividend will be announced at a later date.



12. **If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

Not applicable.

13. **If the group has obtained a general mandate from shareholders for interested person transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate from its shareholders for IPT. In FY2019, the Group did not enter into any IPT of more than S\$100,000 in value.

14. **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	<b>Gold Mining US\$</b>	<b>Other operations US\$</b>	<b>Inter-segment eliminations US\$</b>	<b>Total US\$</b>
<b>Financial Year ended 31 December 2018</b>				
Revenue from external customers	39,547,621	-	-	39,547,621
Interest income	621,123	340,332	(410,923)	550,532
Management fee	1,773,544	3,557,599	(5,331,143)	-
Interest expense	(501,166)	-	410,923	(90,243)
Amortisation and depreciation	(4,981,903)	(55,343)	-	(5,037,246)
Reportable segment profit before tax	7,350,978	821,857	(3,579,745)	4,593,090
Reportable segment assets	60,365,565	34,657,090	(34,513,979)	60,508,676
Capital expenditure*	8,620,464	181,252	(43,836)	8,757,880
Reportable segment liabilities	(25,116,563)	(12,392,555)	25,935,131	(11,573,987)
<b>Financial Year ended 31 December 2019</b>				
Revenue from external customers	39,098,825	-	-	39,098,825
Interest income	537,536	86,134	(67,534)	556,136
Management fee	1,592,159	3,350,031	(4,942,190)	-
Interest expense	(152,898)	(5,024)	68,317	(89,605)
Amortisation and depreciation	(4,526,122)	(167,064)	-	(4,693,186)
Reportable segment profit before tax	7,973,229	2,457,066	(3,555,960)	6,874,335
Reportable segment assets	61,273,833	39,100,420	(37,159,900)	63,214,353
Capital expenditure*	11,081,959	5,432	(354,575)	10,732,816
Reportable segment liabilities	(24,474,125)	(15,065,293)	28,227,073	(11,312,345)

\* Capital expenditure consists of additions of property, plant and equipment, mine properties and, exploration and evaluation assets.

## Reconciliation of reportable segments assets and liabilities

	2019 US\$	2018 US\$
<b>Assets</b>		
Total assets for reportable segments	63,214,353	60,508,676
Unallocated assets	249,968	-
Combined total assets	<b>63,464,321</b>	<b>60,508,676</b>
<b>Liabilities</b>		
Total liabilities for reportable segments	(11,312,345)	(11,573,987)
Unallocated liabilities	-	(202,089)
Combined total liabilities	<b>(11,312,345)</b>	<b>(11,776,076)</b>

## Geographical Segment

The operations of the Group are principally located in Malaysia.

### 15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

The Group has one reportable business segment which is gold mining - exploration, development, mining and marketing of gold.

Other operations include investment holding and provision of corporate services.

Please refer to Section 8 of this Announcement for analysis of revenue in FY2019, as contributed by the gold mining segment.

In FY2019, profit before tax from gold mining segment increased to US\$7.97 million compared to US\$7.35 million in FY2018 due to the reasons stated under Section 8 of this Announcement.

Revenue from other operations segment consists mainly of dividend income, inter-company interest and management fee charged by the holding company to the gold mining segment.

In FY2019, profit before tax from other operations segment was US\$2.46 million as compared to US\$0.82 million in FY2018. This was mainly due to the absence of listing expenses in FY2019.

### 16. Breakdown of Group's revenue and profit/(loss) after tax for first half year and second half year

	FY2019 US\$'000	FY2018 US\$'000	Increase/ (Decrease) %
<b>(a) Revenue</b>			
- first half	20,382.9	15,411.1	32.3
- second half	18,715.9	24,136.5	(22.5)
	<b>39,098.8</b>	<b>39,547.6</b>	<b>(1.1)</b>
<b>(b) Profit after tax</b>			
- first half	2,861.3	431.0	563.9
- second half	2,611.1	2,580.1	1.2
	<b>5,472.4</b>	<b>3,011.1</b>	<b>81.7</b>

**17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	Year ended 31 December			
	2019 US\$	2019 S\$( <sup>1</sup> )	2018 US\$	2018 S\$( <sup>1</sup> )
Ordinary shares (tax exempt one-tier)				
1 <sup>st</sup> Interim	598,575	815,386	-	-
Final <sup>(1, 2)</sup>	604,437	815,386	597,090	815,386
Special <sup>(1, 2)</sup>	1,208,875	1,630,772	-	-
<b>Total Annual Dividend</b>	<b>2,411,887</b>	<b>3,261,544</b>	<b>597,090</b>	<b>815,386</b>

(1) Based on an exchange rate of USD/SGD 1.3490 and 1.3656 for period ended 31 December 2019 and 31 December 2018 respectively.

(2) The proposed final and special tax exempt dividends are subject to shareholders' approval at the forthcoming annual general meeting of the Company.

**18. Persons occupying a managerial position who is a relative of a director, pursuant to Rule 704(10)**

None of the persons occupying managerial positions in the Group is a relative of a director or chief executive officer or substantial shareholder of the Company.

**Additional Disclosure Required for Mineral, Oil and Gas companies**

**19a. Rule 705 (6)(a) of the Catalist Listing Manual**

**i. Use of funds/cash for the quarter:-**

In 4Q 2019, funds/cash was mainly used for the following production activities, as compared to the projections:-

Purpose	Amount (US\$ million)	Amount (US\$ million)
	Actual Usage	Projected Usage
Exploration and evaluation activities	0.90	1.02
Payments for plant and machinery	0.68	1.16
Payments for diesel and other production materials	2.65	2.96
Royalty and tribute fees to government	1.15	1.36
Rental of equipment	0.50	0.54
Upkeep of equipment and motor vehicles	0.31	0.33
General working capital	1.71	2.07
<b>Total</b>	<b>7.90</b>	<b>9.44</b>

**ii. Projection on the use of funds/cash for the next immediate quarter, including principal assumptions:-**

For the next immediate quarter (financial period from 1 January 2020 to 31 March 2020 (“1Q 2020”)), the Group’s use of funds/cash for production activities is expected to be as follows:-

Purpose	Amount (US\$ million)
Exploration and evaluation activities	0.76
Payments for plant and machinery	0.21
Payments for diesel and other production materials	2.71
Royalty and tribute fees to government	1.18
Rental of equipment	0.55
Upkeep of equipment and motor vehicles	0.43
General working capital	3.20
<b>Total</b>	<b>9.04</b>

The Group’s exploration plans 1Q 2020 are as follows:-

**(a) Geological Investigation**

The Geology Department plans to carry out exploration activities in Ulu Sokor and Pulai concessions. Details of these exploration plans are as follows:

Ulu Sokor concession:

- i) Continue core drilling activities in Sg. Amang area to identify and establish control in the Southern part of mineralization.
- ii) Embark on core drilling activities around Rixen Central to verify the base metal mineralization at shallow limestone layer, and to explore potential gold mineralization at the deeper silicified zone.
- iii) Continue core drilling activities in Sejana area 50m – 100m eastwards from the center of discovered geochemistry anomalies.
- iv) Start core drilling activities in Ketubong deposit at 160m eastwards of major orebody with the aim of verifying reoccurrence of orebody.
- v) Continue core drilling activities in the Western boundary of New Found lode to determine the change in geological occurrence.
- vi) Embark on core drilling activities in Tiger area to verify anomalies identified during geochemistry survey.

Pulai concession:

- i) Continue core drilling activities at feldspar mine to improve feldspar resource evaluation.

Kelgold concession:

- i) No exploration activities planned for 1Q 2020 as previous exploration data are currently under review.

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(b) Diamond drilling program

Diamond core drilling will be fulfilled by exploration drilling sub-contractor, using diamond rigs capable of drilling NQ drill core size to 1,000 meters in depth.

Drilling activity for 1Q 2020 will be carried out in Ulu Sokor concession and Pulai feldspar mine. Geology Department may revise the drilling plan from time to time based on the assay result of each drillhole.

**19b. Rule 705 (6)(b) of the Catalist Listing Manual**

The Board confirms that to the best of its knowledge, nothing has come to its attention which may render the information provided in item 19a above to be false or misleading in any material aspect.

**20. Rule 705 (7) of the Catalist Listing Manual**

**Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Company and a summary of the expenditure incurred on those activities, including explanation for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated;**

In 4Q 2019, the variance between budgeted and actual costs was a result of the deferment of on-going construction of a new flotation plant.

In 4Q 2019, the Group capitalised a total of US\$0.98 million for exploration and evaluation expenditures incurred during the financial period.

The Group carried out the following exploration activities in 4Q 2019:-

(a) Geological Investigation

Ulu Sokor concession:

Five drillholes were completed in Sg. Amang area to further verify the accuracy of anomaly and extension of base metal mineralization intersected in previous drillholes.

And ten drillholes were completed in New Found deposit to track the extension of porphyry-dyke controlled orebody.

Pulai concession:

Five drillholes were completed in feldspar mine for resource evaluation.

Kelgold concessions:

Trenching activities in southwestern anomaly zone ended in October 2019. One trench was completed with footage of 250m.

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(b) Drilling Program

In 4Q 2019, fifteen drillholes were completed in Sokor concession with total footage of 2,326.03m and five drillholes were carried out in Pulai feldspar mine with total footage of 1,046.9m. No drilling activity was carried out in Kelgold concession.

Completed drillholes details for the Ulu Sokor concession are shown in Table 1:

Table 1: Completed drillholes in Ulu Sokor concession for 4Q 2019

Drillhole	Designed locations		Completed depths (m)	Dip(°)
	Easting	Northing		
ZKSAX6-7	445069.70	617859.62	157.05	70
ZKF2-3	443937.78	613346.34	198.43	70
ZKSAX6-6	445095.77	617802.64	91.27	70
ZKF4-2	443974.53	613341.43	153.43	70
ZKSAX6-8	445024.74	617982.04	131.00	80
ZKF4-3	444015.33	613334.11	204.43	70
ZKSAX12-1	445148.76	617832.52	117.35	70
ZKF5-3	444060.29	613323.43	177.53	80
ZKF1-3	443884.53	613313.56	132.93	60
ZKSAX12-2	445148.58	617832.79	162.00	78
ZKF1-5	443880.57	613329.46	156.15	72
ZKF2-4	443957.78	613380.06	153.43	70
ZKF8-1	444075.10	613307.41	193.93	70
ZKF6-2	444091.44	613326.23	150.43	75
ZKF6-3	444074.28	613270.25	146.67	70

Completed drillholes details for the Pulai's feldspar mine are shown in Table 2:

Table 2: Completed drillholes in Pulai feldspar mine for 4Q 2019

Drillhole	Designed locations		Completed depths (m)	Dip(°)
	Easting	Northing		
ZK0-1	441890.54	530781.58	241.65	80
ZK8-1	442089.73	530668.32	247.4	90
ZK10-1	441996.80	530619.06	188.93	90
ZK12-1	441748.01	531157.18	117.42	90
ZK12-2	442022.50	530714.19	251.5	90

(c) Half core sampling and analysis

In-house laboratory analyzed 1,899 half core samples in 4Q 2019, and 147 trench samples. 143 half core samples from Pulai feldspar mine were sent to third party independent laboratory for analysis.

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**21. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual**

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

**By Order of the Board**

Lim Kuoh Yang  
Chief Executive Officer

21 February 2020

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.*

*This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the 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 Gillian Goh, Director, Head of Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).*