



CNMC

CNMC GOLDMINE HOLDINGS LIMITED

中色金礦有限公司

(Company Registration No.: 201119104K)

ENTRY INTO LONG-TERM SALES CONTRACT

1. INTRODUCTION

The Board of Directors (the “**Board**”) of CNMC Goldmine Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to inform that the Company’s wholly-owned subsidiary, CMNM Mining Group Sdn. Bhd. (“**CMNM**”), has on 22 December 2023, entered into a sales contract (the “**Contract**”) with Yuchen Resources Co., Limited (“**Yuchen**”) pursuant to which Yuchen shall purchase all lead, zinc and other concentrates or ore produced by CMNM at its Ulu Sokor concession for a ten-year period from 1 January 2024 to 31 December 2033.

2. INFORMATION ON YUCHEN

Yuchen is a company incorporated in Hong Kong, Special Administration Region of the People’s Republic of China, and is involved in the business of commodities trading. Yuchen is not unknown to the Group and has, through an affiliated company, been purchasing lead and zinc concentrates from the Group since early this year.

As of the date of this announcement, based on the information provided by Yuchen and their representatives, Yuchen holds 100 ordinary shares in the Company, which was acquired through an open market purchase.

3. SALIENT TERMS OF THE CONTRACT

Pursuant to the terms and conditions of the Contract, CMNM shall sell to Yuchen all lead, zinc and other concentrates or ore produced at its Ulu Sokor concession over a ten-year period from 1 January 2024 to 31 December 2033 based on prevailing prices as described under section 4 below.

The terms of sale for the lead and zinc concentrates will be reviewed by CMNM and Yuchen annually. During the ten-year period, should CMNM receive better price or other terms for the sale of lead and zinc concentrates from third party buyer(s) and Yuchen is unwilling or unable to match such better price or other terms, CMNM shall be at liberty to sell the lead and zinc concentrates to the aforesaid third-party buyer(s).

The sale of other concentrates or ore (apart from lead and zinc concentrates) to Yuchen shall be on a non-exclusive basis albeit Yuchen shall have the first right of refusal to purchase such other concentrates or ore at a price and upon terms to be agreed upon.

4. CONSIDERATION

The consideration for the sale of the lead, zinc and other concentrates or ore shall be based on the final content of the ore and calculated based on the prevailing prices published on the London Metal Exchange and/or the London Bullion Market Association.

For each shipment, Yuchen shall pay 95% of the provisional cargo value within one business day after receiving the draft bill of lading or a copy of the history container from CMNM, the balance of which will be paid within five business days of issue of invoice by CMNM. Upon confirmation of the final cargo value by the parties, balance payments or refunds shall be made within five business days of issue of final invoice by CMNM.

5. RATIONALE

The Board is of the view that the entry into the Contract is beneficial to the Group as the sales pursuant to the Contract should provide stable, recurrent and likely substantial revenue for a period of ten years.

6. FINANCIAL EFFECT

Although the Contract is not expected to have a significant impact on the Group's earnings per share and net tangible asset per share for the financial year ending 31 Dec 2023, given the remaining short tenure to the close of 2023, the Contract is expected to have a positive impact on the Group's earnings per share and net tangible asset per share for the financial year ending 31 Dec 2024.

7. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTEREST

None of the directors or substantial shareholders of the Company has any interest, directly or indirectly, in the Contract, other than through their respective shareholdings in the Company (if any).

By Order of the Board

Lim Kuoh Yang
Chief Executive Officer

22 December 2023

*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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