

CNMC Goldmine's FY2019 Earnings More Than Double to US\$4.44M; Full-Year Dividend Up 4-Fold

- Total FY2019 dividend of 0.8 Singapore cent a share translates into 54% payout ratio
- Cash and cash equivalents of US\$16.02m as at 31 December 2019; no bank borrowings

US\$	FY2019	FY2018	Change (%)	4Q2019	4Q2018	Change (%)
Revenue	39,098,825	39,547,621	(1.1)	7,601,138	12,605,676	(39.7)
Results from operations	6,407,804	4,132,801	55.0	96,686	2,771,291	(96.5)
EBITDA	11,100,990	9,170,047	21.1	1,239,453	4,205,719	(70.5)
Net profit	5,472,450	3,011,116	81.7	266,746	1,949,937	(86.3)
Profit attributable to owners	4,440,330	1,681,210	164.1	244,004	1,254,192	(80.5)

SINGAPORE, 21 February 2020 – CNMC Goldmine Holdings Limited (“CNMC”, and together with its subsidiaries, the “Group”) intends to pay out more than half of its earnings for last year as dividends after reporting a more than two-fold increase in profit attributable to shareholders.

The gold producer proposed today a final dividend of 0.2 Singapore cent a share and a special payout of 0.4 Singapore cent a share, both subject to shareholders’ approval at its upcoming annual general meeting in April. Together with an interim dividend of 0.2 Singapore cent a share paid out two months ago, the total dividend per share for the financial year ended 31 December 2019 (“FY2019”) will amount to 0.8 Singapore cent, up from 0.2 Singapore cent for the previous year (“FY2018”). This represents a record payout ratio of 54%, up from 36% in FY2018.

Financial Highlights

The Group’s FY2019 earnings rose to US\$4.44 million from US\$1.68 million in FY2018. The increase was due mainly to the absence of US\$1.99 million in expenses incurred in FY2018 for CNMC’s proposed Hong Kong dual listing, which did not materialise in the end.

Revenue in FY2019 was US\$39.10 million, slightly less than the all-time high of US\$39.55 million generated in the previous year. While the Group produced and sold less gold in FY2019 – 28,137 ounces compared to a record 31,473 ounces in FY2018 – average selling prices increased as gold prices were higher. The drop in production was due to lower ore grade from open pit mining.



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With the decline in output, the Group's all-in cost for every ounce of gold sold rose to US\$1,166 in FY2019 from US\$1,050 in FY2018. The increase in all-in costs was also driven by higher capital expenditure in non-sustaining operation resulting from construction work-in-progress of underground mining facility and production expansion infrastructure.

For similar reasons, revenue for the fourth quarter of 2019 ("4Q2019") declined to US\$7.60 million from US\$12.61 million as compared to the fourth quarter of the previous year ("4Q2018"), with output and sales volume down by half to 5,079 ounces of fine gold from 10,198 ounces over the same periods. The Group made an attributable profit of US\$0.24 million in 4Q2019, down from US\$1.25 million in 4Q2018.

Outlook

As disclosed on 31 January 2020, underground mining at the Group's flagship Sokor gold field in Malaysia's Kelantan state has been disrupted by the COVID-19 outbreak originating from Wuhan, the capital of China's Hubei province. More than half of CNMC's underground mining crew have yet to return to Kelantan after having gone home to Hubei for Chinese New Year celebrations. With no official word on when China and Malaysia will lift travel restrictions imposed in the wake of the viral outbreak, the Group is unsure of the affected workers' length of absence and expects the commencement of underground mining operations to be further delayed.

Mr Chris Lim, the Group's CEO, said: "Hiring new workers to fill this manpower gap is not feasible at this juncture as it can take substantial time and resources to put together an experienced, fully-equipped underground mining crew. We are also unable to deploy some of our open-pit mining crew to our underground mining operations as they do not have the full expertise to mine underground. That said, underground mining is expected to be a key growth driver in the long term as the higher-grade gold ore that can be extracted will boost overall production."

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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 2018, the Sokor Gold Field Project had JORC-compliant gold resources (inclusive of ore reserves) of 17.91 million tonnes at a grade of 1.6 g/t in the Measured, Indicated and Inferred categories for a total of 914,000 ounces. The project achieved its first gold pour on 21 July 2010.

The Company also owns a 51% stake in CNMC Pulai Mining Sdn. Bhd., which is authorised to mine gold, iron ore and feldspar on an approximately 38.4km² brownfield site in Kelantan. CNMC Pulai Mining Sdn. Bhd. has 11 exploration and mining licences. The Company also owns KelGold Mining Sdn. Bhd., which has rights to explore for gold, iron ore and other minerals in Kelantan.

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

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

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