



CNMC

CNMC GOLDMINE HOLDINGS LIMITED

中色金礦有限公司

(Company Registration No.: 201119104K)

Unaudited Financial Statement and Dividend Announcement For the Second Quarter Ended 30 June 2015

*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.*

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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			Six Months Ended		
	30 June 2015 US\$ (Unaudited)	30 June 2014 US\$ (Unaudited)	Increase/ (Decrease) %	30 June 2015 US\$ (Unaudited)	30 June 2014 US\$ (Unaudited)	Increase/ (Decrease) %
Revenue	9,376,301	8,265,854	13.4	17,223,613	13,380,386	28.7
Other operating income	61,884	1,275	n.m.	65,982	45,575	44.8
Changes in inventories	152,986	(48,205)	n.m.	(72,502)	(77,811)	(6.8)
Amortisation and depreciation	(976,402)	(741,583)	31.7	(1,846,762)	(1,244,596)	48.4
Employees' compensation	(536,933)	(399,654)	34.3	(1,036,485)	(709,951)	46.0
Key management remuneration	(560,983)	(367,776)	52.5	(1,114,607)	(789,364)	41.2
Marketing and publicity expenses	(14,337)	(10,815)	32.6	(84,315)	(15,466)	445.2
Office and administration expenses	(96,243)	(68,339)	40.8	(173,675)	(141,564)	22.7
Professional fees	(185,474)	(174,654)	6.2	(320,540)	(325,343)	(1.5)
Rental expense on operating lease	(231,781)	(164,493)	40.9	(435,054)	(213,036)	104.2
Royalty fee expenses	(691,927)	(633,162)	9.3	(1,292,997)	(1,038,694)	24.5
Site and factory expenses	(1,496,164)	(1,706,087)	(12.3)	(2,832,076)	(2,709,614)	4.5
Travelling and transportation expenses	(66,662)	(57,285)	16.4	(103,939)	(89,845)	15.7
Other operating expenses	(296,008)	(14,689)	n.m.	(925,120)	(7,228)	n.m.
Results from operating activities	4,438,257	3,880,387	14.4	7,051,523	6,063,449	16.3
Finance income	105,812	952	n.m.	200,171	1,026	n.m.
Finance costs	(2,476)	(6,564)	(62.3)	(5,655)	(27,835)	(79.7)
Net finance income/(costs)	103,336	(5,612)	n.m.	194,516	(26,809)	n.m.
Profit before tax	4,541,593	3,874,775	17.2	7,246,039	6,036,640	20.0
Tax (expense)/credit	(112,505)	1,620,923	n.m.	(280,473)	1,010,950	n.m.
Profit for the period	4,429,088	5,495,698	(19.4)	6,965,566	7,047,590	(1.2)
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Exchange differences arising from consolidation of foreign subsidiaries	(5,174)	4,797	n.m.	(21,725)	7,558	n.m.
Total comprehensive income for the period	4,423,914	5,500,495	(19.6)	6,943,841	7,055,148	(1.6)
Profit attributable to:						
Owners of the Company	3,594,202	4,439,712	(19.0)	5,570,049	5,701,332	(2.3)
Non-controlling interests	834,886	1,055,986	(20.9)	1,395,517	1,346,258	3.7
Profit for the period	4,429,088	5,495,698	(19.4)	6,965,566	7,047,590	(1.2)
Total comprehensive income attributable to:						
Owners of the Company	3,589,873	4,443,724	(19.2)	5,551,874	5,707,654	(2.7)
Non-controlling interests	834,041	1,056,771	(21.1)	1,391,967	1,347,494	3.3
Total comprehensive income for the period	4,423,914	5,500,495	(19.6)	6,943,841	7,055,148	(1.6)

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

	Group					
	Three Months Ended			Six Months Ended		
	30 June 2015 US\$ (Unaudited)	30 June 2014 US\$ (Unaudited)	Increase / (Decrease) %	30 June 2015 US\$ (Unaudited)	30 June 2014 US\$ (Unaudited)	Increase / (Decrease) %
Profit for the financial period is stated at after charging / (crediting) the following:						
Finance costs	2,476	6,564	(62.3)	5,655	27,835	(79.7)
Amortisation and depreciation	976,402	741,583	31.7	1,846,762	1,244,596	48.4
Deposit written off	-	-	-	-	1,166	n.m.
Property, plant and equipment written off	-	-	-	443	-	n.m.
Loss/(Gain) on foreign exchange	295,720	14,689	n.m.	924,389	(28,142)	n.m.
Gain on disposal of property, plant and equipment	(8,030)	(1,027)	681.9	(8,030)	(1,027)	681.9

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	
	30 June 2015 US\$ (Unaudited)	31 December 2014 US\$ (Audited)	30 June 2015 US\$ (Unaudited)	31 December 2014 US\$ (Audited)
ASSETS				
Non-current assets				
Exploration and evaluation assets	3,723,289	4,990,395	-	-
Mine properties	7,923,708	6,517,394	-	-
Property, plant and equipment	7,809,598	7,568,558	131,288	159,967
Investment in subsidiaries	-	-	8,044,787	8,044,787
Total non-current assets	19,456,595	19,076,347	8,176,075	8,204,754
Current assets				
Inventories	957,417	802,208	-	-
Trade and other receivables	2,623,444	612,757	7,233,528	6,688,479
Cash and cash equivalents	16,224,412	12,339,714	881,606	2,023,789
Total current assets	19,805,273	13,754,679	8,115,134	8,712,268
Total assets	39,261,868	32,831,026	16,291,209	16,917,022
EQUITY				
Share capital	18,032,233	18,032,233	18,032,233	18,032,233
Capital reserve	2,824,635	2,824,635	-	-
Retained earnings/(Accumulated losses)	8,730,223	4,318,583	(2,404,097)	(1,961,722)
Translation reserves	(34,074)	(15,899)	-	-
	29,553,017	25,159,552	15,628,136	16,070,511
Non-controlling interests	3,811,205	2,652,568	-	-
Total equity	33,364,222	27,812,120	15,628,136	16,070,511
LIABILITIES				
Non-current liabilities				
Loans and borrowings	138,412	175,594	-	-
Deferred tax liabilities	680,436	542,186	-	-
Total non-current liabilities	818,848	717,780	-	-
Current liabilities				
Loans and borrowings	48,157	73,033	-	-
Trade and other payables	4,364,758	3,156,530	663,073	384,248
Accrued rehabilitation costs	421,938	289,990	-	-
Dividend payable	226,489	761,029	-	462,263
Current tax liabilities	17,456	20,544	-	-
Total current liabilities	5,078,798	4,301,126	663,073	846,511
Total liabilities	5,897,646	5,018,906	663,073	846,511
Total equity and liabilities	39,261,868	32,831,026	16,291,209	16,917,022

1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

As at 30 June 2015		As at 31 December 2014	
Secured US\$	Unsecured US\$	Secured US\$	Unsecured US\$
48,157	-	73,033	-

Amount repayable after one year

As at 30 June 2015		As at 31 December 2014	
Secured US\$	Unsecured US\$	Secured US\$	Unsecured US\$
138,412	-	175,594	-

Details of any collateral

The Group's borrowings as at 30 June 2015 comprised finance lease liabilities, which were secured on the Group's motor vehicles and plant and equipment. The net carrying amounts of the motor vehicles and plant and equipment as at 30 June 2015 amounted to US\$207,460 (31 December 2014: US\$366,599).

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		Six Months Ended	
	30 June 2015 US\$ (Unaudited)	30 June 2014 US\$ (Unaudited)	30 June 2015 US\$ (Unaudited)	30 June 2014 US\$ (Unaudited)
Operating activities				
Profit for the financial period	4,429,088	5,495,698	6,965,566	7,047,590
Adjustments for:				
Depreciation of property, plant and equipment	569,231	482,022	1,176,834	857,837
Amortisation of mine properties	407,171	259,561	669,928	386,759
Gain on disposal of property, plant and equipment	(8,030)	(1,027)	(8,030)	(1,027)
Property, plant and equipment written off	-	-	443	-
Finance income	(105,812)	(952)	(200,171)	(1,026)
Finance cost	2,476	6,564	5,655	27,835
Tax expense/(credit)	112,505	(1,620,923)	280,473	(1,010,950)
Operating profit before working capital changes	5,406,629	4,620,943	8,890,698	7,307,018
Changes in working capital:				
Inventories	(193,110)	61,337	(155,209)	53,872
Trade and other receivables	(1,026,033)	(610,031)	(2,010,687)	(182,454)
Trade and other payables	59,117	(404,115)	200,649	(758,052)
Cash generated from operations	4,246,603	3,668,134	6,925,451	6,420,384
Finance income received	105,812	952	200,171	1,026
Tax paid	(1,113)	-	(3,088)	(4,598)
Finance cost paid	(2,476)	(6,564)	(5,655)	(27,835)
Net cash generated from operating activities	4,348,826	3,662,522	7,116,879	6,388,977
Investing activities				
Purchase of property, plant and equipment	(608,413)	(633,581)	(1,170,375)	(1,561,468)
Proceeds from disposal of property, plant and equipment	8,030	6,266	8,030	6,266
Payment for exploration and evaluation assets, and mine properties	(45,287)	(167,846)	(91,491)	(251,659)
Net cash used in investing activities	(645,670)	(795,161)	(1,253,836)	(1,806,861)
Financing activities				
Dividend paid to equity holders of the Company	(1,158,409)	(324,605)	(1,620,672)	(649,455)
Dividend paid to non-controlling interests	-	-	(298,766)	-
Payment of finance lease liabilities	(15,829)	(29,609)	(37,182)	(37,913)
Repayment of convertible loan	-	(1,144,630)	-	(1,144,630)
Net cash used in financing activities	(1,174,238)	(1,498,844)	(1,956,620)	(1,831,998)
Net increase in cash and cash equivalents	2,528,918	1,368,517	3,906,423	2,750,118
Cash and cash equivalents at beginning of the period	13,700,668	3,584,987	12,339,714	2,195,323
Effect of exchange rate fluctuations on cash held	(5,174)	(1,410)	(21,725)	6,653
Cash and cash equivalents at end of the period	16,224,412	4,952,094	16,224,412	4,952,094
Pledged fixed deposits	-	801,558	-	801,558
Cash and cash equivalents in the statement of financial position	16,224,412	5,753,652	16,224,412	5,753,652

During the three months period ended 30 June 2015 (“2Q 2015”), the Group acquired property, plant and equipment with an aggregate cost of US\$815,991 as compared to US\$755,062 for the corresponding three months period ended 30 June 2014 (“2Q 2014”). As at 30 June 2015, a total consideration of US\$207,578 for the acquisitions made in 2Q 2015 had yet to be paid, as compared to US\$121,481 as at 30 June 2014 for the acquisitions in 2Q 2014.

The Group also acquired exploration and evaluation assets, and mine properties at an aggregate cost of US\$690,246 in 2Q 2015 (2Q 2014: US\$839,813) of which US\$82,269 (2Q 2014: US\$82,658) relates to accrued rehabilitation cost. As at 30 June 2015, a total consideration of US\$562,690 for the acquisitions made in 2Q 2015 had yet to be paid, as compared to US\$589,309 as at 30 June 2014 for the acquisitions in 2Q 2014.

As at 30 June 2015, the Group’s cash and cash equivalents amounted to US\$16.22 million (30 June 2014: US\$4.95 million, excluding pledged fixed deposits), comprising currencies denominated in MYR and SGD. Please refer to item 8(b) on cash flows analysis for further details.

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

	Share capital	Capital reserve	Translation reserves	Accumulated losses	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
Group (Unaudited)	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Balance as at 1 January 2014	18,032,233	2,824,635	(752)	(6,639,065)	14,217,051	325,046	14,542,097
Total comprehensive income for the period:							
Profit for the period	-	-	-	1,261,620	1,261,620	290,272	1,551,892
Other comprehensive income for the period							
Exchange difference	-	-	2,310	-	2,310	451	2,761
Total comprehensive income for the period	-	-	2,310	1,261,620	1,263,930	290,723	1,554,653
Balance as at 31 March 2014	18,032,233	2,824,635	1,558	(5,377,445)	15,480,981	615,769	16,096,750
Total comprehensive income for the period:							
Profit for the period	-	-	-	4,439,712	4,439,712	1,055,986	5,495,698
Other comprehensive income for the period							
Exchange difference	-	-	4,012	-	4,012	785	4,797
Total comprehensive income for the period	-	-	4,012	4,439,712	4,443,724	1,056,771	5,500,495
Transactions with owners, recognised directly in equity							
Final dividend declared and paid	-	-	-	(324,605)	(324,605)	-	(324,605)
Dividend declared to non-controlling interests	-	-	-	-	-	(177,327)	(177,327)
Total transactions with owners	-	-	-	(324,605)	(324,605)	(177,327)	(501,932)
Balance as at 30 June 2014	18,032,233	2,824,635	5,570	(1,262,338)	19,600,100	1,495,213	21,095,313

Group (Unaudited)	Share capital	Capital reserve	Translation reserves	Retained earnings	Total attributable to equity holders of the Company	Non- controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Balance as at 1 January 2015	18,032,233	2,824,635	(15,899)	4,318,583	25,159,552	2,652,568	27,812,120
Total comprehensive income for the period:							
Profit for the period	-	-	-	1,975,847	1,975,847	560,631	2,536,478
Other comprehensive income for the period							
Exchange difference	-	-	(13,846)	-	(13,846)	(2,705)	(16,551)
Total comprehensive income for the period	-	-	(13,846)	1,975,847	1,962,001	557,926	2,519,927
Balance as at 31 March 2015	18,032,233	2,824,635	(29,745)	6,294,430	27,121,553	3,210,494	30,332,047
Total comprehensive income for the period:							
Profit for the period	-	-	-	3,594,202	3,594,202	834,886	4,429,088
Other comprehensive income for the period							
Exchange difference	-	-	(4,329)	-	(4,329)	(845)	(5,174)
Total comprehensive income for the period	-	-	(4,329)	3,594,202	3,589,873	834,041	4,423,914
Transactions with owners, recognised directly in equity							
Final dividend declared and paid	-	-	-	(1,158,409)	(1,158,409)	-	(1,158,409)
Dividend declared to non-controlling interests	-	-	-	-	-	(233,330)	(233,330)
Total transactions with owners	-	-	-	(1,158,409)	(1,158,409)	(233,330)	(1,391,739)
Balance as at 30 June 2015	18,032,233	2,824,635	(34,074)	8,730,223	29,553,017	3,811,205	33,364,222

Company	Share capital US\$	Accumulated losses US\$	Total equity US\$
Balance as at 1 January 2014	18,032,233	(3,059,898)	14,972,335
Loss for the period	-	(5,042)	(5,042)
Balance as at 31 March 2014	18,032,233	(3,064,940)	14,967,293
Profit for the period	-	663,430	663,430
Final dividend declared and paid	-	(324,605)	(324,605)
Balance as at 30 June 2014	18,032,233	(2,726,115)	15,306,118
Balance as at 1 January 2015	18,032,233	(1,961,722)	16,070,511
Loss for the period	-	(136,178)	(136,178)
Balance as at 31 March 2015	18,032,233	(2,097,900)	15,934,333
Profit for the period	-	852,212	852,212
Final and special dividend declared and paid	-	(1,158,409)	(1,158,409)
Balance as at 30 June 2015	18,032,233	(2,404,097)	15,628,136

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares of the issuer, if any, against total number of issued shares excluding treasury shares 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.

	Number of shares	Share capital (S\$)	Share capital (US\$)
As at 30 June 2015 and 31 March 2015	407,693,000	22,890,024	18,032,233

There was no change in the Company's share capital from 31 March 2015 up to 30 June 2015.

The Company did not have any outstanding options, convertibles or treasury shares as at 30 June 2015 and as at 30 June 2014.

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 30 June 2015	Company As at 31 December 2014
Total number of issued shares excluding treasury shares	407,693,000	407,693,000

The Company did not have any treasury shares as at 30 June 2015 and 31 December 2014.

1(d)(iv) A statement showing all sales, transfers, disposal, 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.

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 qualifications or emphasis of a matter)

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 financial year ended 31 December 2014.

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 adopted a number of new Financial Reporting Standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 January 2015. The adoptions of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group for the current financial period reported on.

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 30 June (Unaudited)		Six months ended 30 June (Unaudited)	
	2015	2014	2015	2014
Profit attributable to owners of the Company (US\$)	3,594,202	4,439,712	5,570,049	5,701,332
Weighted average number of ordinary shares	407,693,000	407,693,000	407,693,000	407,693,000
Basic earnings per ordinary share:				
- US cents	0.88	1.09	1.37	1.40
- SG cents ⁽¹⁾	1.19	1.37	1.85	1.76
Adjusted weighted average number of ordinary shares ⁽²⁾	407,693,000	408,199,993	407,693,000	409,586,522
Diluted earnings per ordinary share:				
- US cents	0.88	1.09	1.37	1.39
- SG cents ⁽¹⁾	1.19	1.37	1.85	1.74

Note:-

(1) Basic/diluted earnings per ordinary share translated at an exchange rate of USD/SGD 1.3472 and 1.2539 for period ended 30 June 2015 and 30 June 2014 respectively.

(2) Adjusted for the weighted average number of ordinary shares of 506,993 and 1,893,522 shares for 2Q 2014 and for the six months period ended 30 June 2014, which may be allotted and issued upon the conversion of the Convertible Loan at S\$0.44 per share.

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	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Net asset value (US\$) ⁽¹⁾	29,553,017	25,159,552	15,628,136	16,070,511
Number of shares at the end of the period	407,693,000	407,693,000	407,693,000	407,693,000
Net asset value per share:				
- US cents	7.25	6.17	3.83	3.94
- SG cents ⁽²⁾	9.79	8.16	5.17	5.21

Note:-

(1) Net asset value represents total assets less total liabilities and non-controlling interests.

(2) Net asset value per share translated at an exchange rate of USD/SGD 1.3503 and 1.3229 for period ended 30 June 2015 and 31 December 2014 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

Illustrated below is the summary of the comparative financial performance of the Group for 2Q 2015 and 2Q 2014:

	2Q 2015	2Q 2014	Increase / (Decrease) %
Production volume of fine gold (ounces)	7,876.55	6,470.24	21.7
Sales volume of fine gold (ounces)	7,876.55	6,470.24	21.7
Revenue – Total (US\$'000)	9,376.30	8,265.85	13.4
Average realised gold price (US\$/ounce)	1,190.41	1,277.52	(6.8)

Despite the decrease in average realised price of gold by 6.8% in 2Q 2015 as compared to 2Q 2014, the Group's revenue recorded an increase of 13.4% to US\$9.38 million in 2Q 2015 as compared to US\$8.27 million in 2Q 2014. The increase was due to the significant increase in the production and sales volume of fine gold in 2Q 2015, which increased by 21.7% to 7,876.55 ounces in 2Q 2015 as compared to 6,470.24 ounces in 2Q 2014. The increase in production volume was due to higher productivity derived from the three leaching yards.

Other income or expenses

In 2Q 2015, the Group recorded a net other expenses of US\$234,124, as compared to US\$13,414 in 2Q 2014. This was mainly due to a loss on foreign exchange of US\$295,720 in 2Q 2015 as compared to US\$14,689 in 2Q 2014. The loss on foreign exchange was mainly due to the depreciation of Malaysia Ringgit against the US Dollar.

Operating expenses

Operating expenses comprised mainly costs incurred for changes in inventories, site and factory expenses, amortisation costs for mine properties, depreciation expenses for property, plant and equipment, rental expenses on operating lease, royalty and tribute fees paid to the Kelantan State authorities, remuneration for employees and management, and other general administrative and marketing expenses.

Total operating expenses increased by US\$0.33 million or 7.6% from US\$4.37 million in 2Q 2014 to US\$4.70 million in 2Q 2015.

The increase in total operating expenses was mainly due to the following:-

- Increase in depreciation and amortisation by US\$0.23 million or 31.7%. This was mainly due to the increase in the Group's equipment base; and
- Increase in key management remuneration and employees' compensation by US\$0.33 million or 43.1%, mainly due to the accrual of performance bonus to key management and employees in 2Q 2015 and annual increment of remuneration in January 2015; but such increase in operating expenses in 2Q 2015 was offset by the changes in inventories which recorded a credit balance of US\$0.15 million as compared to a debit balance of US\$0.05 million. This was mainly due to the lower realisation of the cost of work-in-progress.

Non-FRS Performance Measures

The Group adopted 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 World Gold Council guidelines. The Company believes these performance measures more fully define the total costs associated with its gold production, however, these performance measures have no standardized 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 2Q 2015 and 2Q 2014:

	US\$ / gold ounce sold		
	2Q 2015	2Q 2014	Increase / (Decrease) %
Sales volume of fine gold (ounces)	7,876.55	6,470.24	21.7
Mining related costs	291	373	(22.0)
Royalty and tribute expenses	88	98	(10.2)
Adjusted operating costs⁽¹⁾	379	471	(19.5)
General and administrative costs	55	54	1.9
Capital expenditure	28	60	(53.3)
All-in sustaining costs⁽²⁾	462	585	(21.0)
Capital exploration (non-sustaining)	6	26	(76.9)
Capital expenditure (non-sustaining)	49	38	28.9
All-in costs⁽³⁾	517	649	(20.3)

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- (1) Adjusted operating costs includes production costs such as mining production and maintenance costs, royalties, and operating costs such as storage, net of by-product credits. The increase of gold ounces sold resulted in lower cost per gold ounce sold as fixed costs portion remains constant. 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 those 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.

Lower all-in costs in 2Q 2015 as compared to 2Q 2014 was due to greater economies of scale from higher sales of fine gold and lower capital expenditure in the current financial reporting period.

The all-in costs of US\$517 per ounce in 2Q 2015 were also lower than the all-in costs of US\$616 per ounce in 1Q 2015. This was due to the higher sales of fine gold in the current financial reporting period and lower payment for capital exploration (under non-sustaining costs), resulting from the lower exploration activities undertaken in the first half of 2015 (please refer to the Company's 1Q 2015 financial results announcement dated 12 May 2015 for the Group's all-in costs in 1Q 2015).

Finance income and costs

Finance income and costs comprised interest income from fixed deposits, interest on finance lease and interest on loans and borrowings. The Group recorded a net finance income of US\$0.10 million in 2Q 2015, as compared to a net finance costs of US\$0.01 million in 2Q 2014 mainly due to the interest income earned from placement of fixed deposit.

Tax (expense)/credit

The Group incurred a tax expense of US\$0.11 million in 2Q 2015, as compared to a tax credit of US\$1.62 million in 2Q 2014. The tax credit in 2Q 2014 was mainly due to the over-provision for tax of US\$1.71 million in 1Q 2014 and FY2013, prior to the pioneer status incentive being granted to the Company on 14 May 2014, by the Malaysian Investment Development Authority which entitles the Group's Sokor Gold Project to 100% income tax exemption on its statutory income for a period of 5 years from 1 July 2013 to 30 June 2018 ("Pioneer Status Incentive").

Profit after tax

The Group's profit after tax in 2Q 2014 had benefited from a one-off tax reversal of US\$1.71 million due to the Pioneer Status Incentive mentioned above. The profit after tax increased by 16.9% or US\$0.64 million to US\$4.43 million in 2Q 2015 as compared to US\$3.79 million in 2Q 2014, if the one-off tax reversal of US\$1.71 million was excluded in 2Q 2014.

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

Assets

Exploration and evaluation assets decreased by US\$1.27 million from US\$4.99 million as at 31 December 2014 to US\$3.72 million as at 30 June 2015, mainly due to the transfer of US\$1.92 million from exploration and evaluation assets to mine properties. The decrease was partially offset by the exploration and evaluation activities of US\$0.65 million undertaken in the 6 months financial period ended 30 June 2015.

Mine properties increased by US\$1.40 million from US\$6.52 million as at 31 December 2014 to US\$7.92 million as at 30 June 2015, mainly due to the transfer from exploration and evaluation assets of US\$1.92 million coupled with the increase in rehabilitation costs of US\$0.15 million. The increase was partially offset by amortisation of US\$0.67 million.

Property, plant and equipment increased by US\$0.24 million from US\$7.57 million as at 31 December 2014 to US\$7.81 million as at 30 June 2015, mainly due to the additions of property, plant and equipment of US\$1.53 million, such as the construction of the new production line and the acquisition of excavators. The increase was partially offset by the depreciation of the property, plant and equipment.

Inventories increased by US\$0.16 million from US\$0.80 million as at 31 December 2014 to US\$0.96 million as at 30 June 2015 mainly as a result of the increase in work in progress of US\$0.22 million, offset by the decrease in consumables of US\$0.06 million.

Trade and other receivables increased by US\$2.01 million from US\$0.61 million as at 31 December 2014 to US\$2.62 million as at 30 June 2015. This was mainly due to:

- An increase in trade receivables from US\$Nil as at 31 December 2014 to US\$1.37 million as at 30 June 2015. The Group had subsequently received full payment for the balance of US\$1.37 million in early July 2015; and
- An increase of US\$0.68 million was mainly attributable to cost incurred in facilitating the large scale mining and lease term extension.

Liabilities

Total liabilities of the Group increased by US\$0.88 million from US\$5.02 million as at 31 December 2014 to US\$5.90 million as at 30 June 2015. This was mainly due to:

- An increase in trade and other payables of US\$1.21 million as a result of the acquisition of plant and equipment and higher production activities; and
- An increase in accrued rehabilitation costs of US\$0.13 million, mainly due to the accrual in 2Q 2015.

The increase in total liabilities was partially offset by the decrease in dividend payable of US\$0.53 million. This was mainly due to the Company's payment of the 2nd interim dividend of S\$611,540 (equivalent to US\$462,263) for the financial year ended 31 December 2014 on 20 January 2015.

As at 30 June 2015, the Group had a positive working capital of US\$14.73 million as compared to a positive working capital of US\$9.45 million as at 31 December 2014.

Cash flows

Net cash generated from operating activities amounted to US\$4.35 million in 2Q 2015, as compared to US\$3.66 million in 2Q 2014. The net operating cash inflow was mainly due to the operating profit before working capital changes of US\$5.41 million and interest received of US\$0.10 million, adjusted for working capital outflows of US\$1.16 million, mainly attributable to the increase in inventories of US\$0.19 million and increase in trade and other receivables of US\$1.03 million, partially offset by the decrease in trade and other payables of US\$0.06 million.

Net cash used in investing activities amounted to US\$0.65 million in 2Q 2015, mainly comprising payments to acquire property, plant and equipment as well as exploration and evaluation assets.

Net cash used in financing activities amounted to US\$1.17 million in 2Q 2015 which was mainly due to the final and special dividend for financial year ended 31 December 2014 paid to equity holders of the Company of US\$1.16 million.

As at 30 June 2015, the Group had a cash and cash equivalents of US\$16.22 million, representing an increase of US\$11.27 million from US\$4.95 million (excluding pledged fixed deposits) as at 30 June 2014.

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

The actual results for 2Q 2015 are consistent with the commentary under paragraph 10 of the Company's announcement of the financial statements for the three months financial period ended 31 March 2015.

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.

Gold prices continue to face downward pressure amidst expectations that the US Federal Reserve will raise interest rates this year.

Despite this price pressure on gold, the Group is cautiously optimistic about its prospects in the foreseeable future due to its production strategy and continued efforts to improve operational efficiencies and reduce costs at its mine in north-eastern Malaysia.

The Group's all-in cost of production declined from US\$725 per ounce in FY2014 to US\$583 per ounce in 1H 2015. This improvement of 19.6% over the last six months underscores our continued focus on containing and reducing production costs. Although the recent weakness of the Malaysian ringgit has resulted in unrealised foreign exchange losses on translation, this has also benefited CNMC as gold are sold in US dollars while costs are mostly denominated in local currency. The combined efforts have resulted in a healthy 48% profit before tax margin in 2Q 2015, offering the Group a high margin of safety, even amidst lower gold prices.

With a proven track record and experience in operating its current mine, the Group is exploring opportunities to expand its portfolio, including acquiring projects in Malaysia and possibly other markets in the region.

11. Dividend

- (a) **Current Financial Period Reported On:** Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	1 st Interim Tax Exempt Dividend
Dividend Type	Cash
Dividend Amount per Share	S\$0.0018 per ordinary shares
Tax Rate	Tax-exempt one-tier

- (b) **Corresponding Period of the Immediately Preceding Financial Year:** Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend	1 st Interim Tax Exempt Dividend
Dividend Type	Cash
Dividend Amount per Share	S\$0.0015 per ordinary shares
Tax Rate	Tax-exempt one-tier

- (c) **Date payable:**

8 September 2015

- (d) **Books closure date:**

28 August 2015

12. If no dividend has been declared/recommended, a statement to that effect

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 2Q 2015, the Group did not enter into any IPT of more than S\$100,000.

Additional Disclosure Required for Mineral, Oil and Gas companies**14a. Rule 705 (6)(a) of the Catalyst Listing Manual****i. Use of funds/cash for the quarter:-**

In 2Q 2015, funds/cash was mainly used for the following production activities, as compared to the projections:-

Purpose	Amount (US\$ million) <i>Actual Usage</i>	Amount (US\$ million) <i>Projected Usage</i>
Exploration and evaluation activities	0.40	1.38
Payments for machinery purchased in current and prior periods	0.65	0.24
Payments for diesel and other production materials purchased in current and prior periods	1.42	0.72
Royalty and tribute fees to government	0.66	0.58
Rental of equipment	0.22	0.16
Upkeep of equipment and motor vehicles	0.22	0.17
General working capital	0.74	0.50
Total	4.31	3.75

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 July 2015 to 30 September 2015 ("3Q 2015")), the Group's use of funds/cash for production activities are expected to be as follows:-

Purpose	Amount (US\$ million)
Exploration and evaluation activities	0.77
Payment for machinery purchased in current and prior quarter	0.42
Payment for diesel and other production materials purchased in current and prior quarter	1.34
Royalty fees to government	0.64
Rental of equipment	0.20
Upkeep of equipment and motor vehicles	0.22
General working capital	0.77
Total	4.36

The Group's exploration plans from 1 July 2015 to 30 September 2015 are as follows:-

(a) Geological Investigation

The geological investigation directions for next quarter are:

- i) to increase the Mineral Resources through diamond core drilling program in known gold deposits namely Rixen, Manson, New Discovery;
- ii) to verify the anomaly areas based on previous geophysical survey results through trenching work; and

- iii) Explore the areas between New Found (potential new deposit area whereby more exploration work need to be carried before JORC Code can be established for this deposit, if any) and New Discovery lodes.

Rock chip and float samples will be routinely collected and tested by the Group's in-house laboratory. The geological investigation points and drillhole collars will be accurately surveyed by electronic distance measurement ("EDM") equipment using NTS662 total station instruments.

(b) Diamond drilling program

Diamond core drilling will be fulfilled by Sinomine Resource Exploration Sdn. Bhd., using three diamond rigs capable of drilling NQ drill core size to 1,000 meters in depth.

Drilling activities will be focused on extension of existing lodes and to verify anomalies of previous geophysical and geochemical surveys.

Table 1: Planned drillholes for Rixen deposits

Drillholes	Designed locations		Designed depths (m)	Remarks
	X	Y		
ZKR41-2	618294	443960	180	Optional
ZKR35-2	618144	443522	150	Optional
ZKR31-2	618044	443537	120	Optional
ZKR13-8	617544	444320	350	Optional
ZKR9-6	617454	444262	270	Mandatory
ZKR9-7	617454	444362	320	Optional
ZKR5-10	617344	444343	350	Mandatory
ZKR1-9	617244	444337	350	Optional
ZKR107-6	617144	444279	270	Optional
ZKR121-5	616724	443971	220	Mandatory
ZKR121-6	616724	444109	250	Optional
ZKR121-7	616724	444208	350	Optional
ZKR129-7	616624	444164	350	Optional
ZKR137-5	616524	444018	250	Optional
ZKR137-6	616524	444116	350	Optional
ZKR145-5	616424	444027	350	Optional
ZKR145-6	616424	444127	380	Optional
ZKR149-8	616374	444107	250	Mandatory
ZKR173-3	616074	444060	350	Optional
ZKR181-3	615974	444054	350	Optional

Table 2: Planned drillholes for Manson deposits

Drillholes	Designed locations		Designed depths (m)	Remarks
	X	Y		
ZKM1-10	444621	613403	100	Optional
ZKM108-3	444694	613698	100	Mandatory
ZKM108-4	444765	613574	120	Mandatory
ZKM108-5	444790	613530	150	Optional
ZKM110-4	444828	613565	140	Optional
ZKM110-5	444734	613727	120	Optional
ZKM112-4	444871	613591	150	Mandatory
ZKM112-5	444896	613548	170	Mandatory
ZKM112-6	444775	613756	120	Optional
ZKM114-4	444817	613783	100	Optional
ZKM114-5	444904	613633	120	Optional
ZKM114-6	444929	613590	130	Optional

14b. Rule 705 (6)(b) of the Catalyst Listing Manual

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

15a. Rule 705 (7)(a) of the Catalyst 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 2Q 2015, the Group capitalised a total of US\$0.60 million for exploration and evaluation expenditures activities carried out during the financial period.

The Group carried out the following exploration activities in 2Q 2015:-

(a) Geological Investigation

Geological investigation was focused on the core drill sampling results from drilling activities carried out in 4 gold deposit areas known as Rixen, Manson and New Discovery and New Found. Core samples were collected and sent to SGS for analysis. Trenching was carried out to expose the outcrops before continue to drilling activity. Rock chip samples were collected and tested by in-house laboratory.

(b) Drilling Program

A total of 25 drill holes, comprising total footage of 2993.03 meters were completed in 3 gold deposit areas known as Rixen, New Discovery and New Found (see Table 3 and 4 for details). Several sections of mineralized and altered zones were revealed in these holes and the cores were split for sampling after geologic logging. After each drill hole was finished, the collar locations were accurately surveyed by electronic distance measurement (EDM) equipment using NTS662 total station instruments.

Table 3: Completed drillholes for Rixen deposits

Drillholes	Designed locations		Depths (m)
	X	Y	
ZKR129-5	443957	616624	149.89
ZKR121-4	443921	616724	130.00
ZKR25-4	443537	617894	87.54
ZKR31-1	443616	618044	117.47
ZKR35-1	443574	618144	100.17
ZKR137-4	443928	616524	122.80
ZKR145-4	443927	616424	195.83
ZKR157-9	444005	616274	186.37
ZKR113-7	443901	616844	106.63
ZKR173-2	443961	616074	169.92
ZKR1-8	444234	617244	223.67
ZKR129-6	444061	616624	194.68
ZKR41-1	444111	618294	106.08
ZKR181-2	443954	615974	190.86
Total	Total depth as 2081.91m/14holes		

Table 4: Completed drillholes for New Found and New Discovery deposits

Drillholes	Designed locations		Depths (m)
	X	Y	
ZKF101-3	443860	613430	117.92
ZKN10-1	443860	613480	57.39
ZKN7-6	443900	613535	60.39
ZKN10-2	443945	613490	40.75
ZKF105-1	443638	613300	82.99
ZKF101-5	443586	613137	75.43
ZKF103-3	443514	613231	90.39
ZKF1-3	443945	613430	73.79
ZKF103-1	443604	613225	114.19
ZKF103-2	443659	613235	138.99
ZKF103-4	443554	613225	58.89
Total	Total depth as 911.12m/11holes.		

(c) Half core sampling and analysis

A total of 648 half core samples were delivered to in-house laboratory for Au, Ag, Cu, Pb and Zn for analysis before making next drillhole planning.

15b. Rule 705 (7)(b) of the Catalist Listing Manual

Update on its reserves and resources, where applicable, in accordance with the requirements set out in Practice Note 4C, including a summary of reserves and resources as set out in Appendix 7D.

The Company had on 13 April 2015 despatched the qualified person's report on the updated mineral resource and ore reserve estimates as at 31 December 2014 ("QPR 2014") to update shareholders on its resource and reserve information. The QPR 2014 is contained in the Company's annual report for FY2014 ("AR 2014"). Soft copy of the AR 2014 is available for download on the SGXNET and the Company's website.

There were no material updates on the QPR 2014 as at 30 June 2015.

16. Confirmation pursuant to Rule 705(5) of the Catalist Listing Manual

The Board confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the second quarter ended 30 June 2015 to be false and misleading in any material aspect.

By Order of the Board

Lim Kuoh Yang
Chief Executive Officer

11 August 2015