



**CNMC**

**CNMC GOLDMINE HOLDINGS LIMITED**

中色金礦有限公司

(Company Registration No.: 201119104K)

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## **Unaudited Financial Statement and Dividend Announcement For the Fourth Quarter and the Financial Year Ended 31 December 2016**

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*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 Catalyst. 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			Twelve Months Ended		
	31 December 2016 US\$ (Unaudited)	31 December 2015 US\$ (Unaudited)	Increase/ (Decrease) %	31 December 2016 US\$ (Unaudited)	31 December 2015 US\$ (Unaudited)	Increase/ (Decrease) %
<b>Revenue</b>	5,185,216	9,299,127	(44.2)	34,668,274	36,470,636	(4.9)
Other operating income	70,064	786,033	(91.1)	77,587	150,401	(48.4)
Changes in inventories	81,817	557,526	(85.3)	(160,279)	267,556	n.m.
Amortisation and depreciation	(971,477)	(1,174,035)	(17.3)	(4,526,517)	(3,985,961)	13.6
Employee benefits expenses	(737,708)	(1,148,444)	(35.8)	(3,056,955)	(2,727,262)	12.1
Key management remuneration	(1,034,557)	(834,983)	23.9	(3,015,078)	(2,491,172)	21.0
Marketing and publicity expenses	144,534	(53,797)	n.m.	(285,511)	(247,602)	15.3
Office and administration expenses	(227,301)	(95,005)	139.3	(399,945)	(301,870)	32.5
Professional fees	(111,186)	(123,778)	(10.2)	(517,555)	(590,341)	(12.3)
Rental expense on operating lease	(221,635)	(210,294)	5.4	(940,806)	(858,261)	9.6
Royalty and tribute fee expenses	(627,864)	(685,673)	(8.4)	(3,081,785)	(2,719,321)	13.3
Site and factory expenses	(1,409,693)	(1,678,945)	(16.0)	(5,586,595)	(5,750,974)	(2.9)
Travelling and transportation expenses	(75,146)	(42,331)	77.5	(265,349)	(179,520)	47.8
Other operating expenses	(2,378,909)	(344)	n.m.	(1,608,037)	(3,060,763)	(47.5)
<b>Results from operating activities</b>	<b>(2,313,845)</b>	<b>4,595,057</b>	<b>n.m.</b>	<b>11,301,449</b>	<b>13,975,546</b>	<b>(19.1)</b>
Finance income	255,303	146,036	74.8	1,008,455	472,877	113.3
Finance costs	(1,333)	(2,092)	(36.3)	(2,937)	(9,967)	(70.5)
<b>Net finance income</b>	<b>253,970</b>	<b>143,944</b>	<b>76.4</b>	<b>1,005,518</b>	<b>462,910</b>	<b>117.2</b>
<b>(Loss)/Profit before tax</b>	<b>(2,059,875)</b>	<b>4,739,001</b>	<b>n.m.</b>	<b>12,306,967</b>	<b>14,438,456</b>	<b>(14.8)</b>
Tax expenses	(129,197)	(655,496)	(80.3)	(791,517)	(1,009,573)	(21.6)
<b>(Loss)/Profit for the period/year</b>	<b>(2,189,072)</b>	<b>4,083,505</b>	<b>n.m.</b>	<b>11,515,450</b>	<b>13,428,883</b>	<b>(14.2)</b>
<b>Other comprehensive (loss)/income</b>						
Items that may be reclassified subsequently to profit or loss						
Exchange differences arising from consolidation of foreign subsidiaries	(20,839)	10,980	n.m.	(10,554)	(53,465)	(80.3)
<b>Total comprehensive (loss)/profit for the period/year</b>	<b>(2,209,911)</b>	<b>4,094,485</b>	<b>n.m.</b>	<b>11,504,896</b>	<b>13,375,418</b>	<b>(14.0)</b>
<b>(Loss)/Profit attributable to:</b>						
Owners of the Company	(1,936,562)	3,266,461	n.m.	9,087,610	10,666,397	(14.8)
Non-controlling interests	(252,510)	817,044	n.m.	2,427,840	2,762,486	(12.1)
<b>(Loss)/Profit for the period/year</b>	<b>(2,189,072)</b>	<b>4,083,505</b>	<b>n.m.</b>	<b>11,515,450</b>	<b>13,428,883</b>	<b>(14.2)</b>
<b>Total comprehensive (loss)/income attributable to:</b>						
Owners of the Company	(1,953,995)	3,275,648	n.m.	9,078,782	10,621,672	(14.5)
Non-controlling interests	(255,916)	818,837	n.m.	2,426,114	2,753,746	(11.9)
<b>Total comprehensive (loss)/income for the period/year</b>	<b>(2,209,911)</b>	<b>4,094,485</b>	<b>n.m.</b>	<b>11,504,896</b>	<b>13,375,418</b>	<b>(14.0)</b>

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

	Group					
	Three Months Ended			Twelve Months Ended		
	31 December 2016 US\$ (Unaudited)	31 December 2015 US\$ (Unaudited)	Increase/ (Decrease) %	31 December 2016 US\$ (Unaudited)	31 December 2015 US\$ (Unaudited)	Increase/ (Decrease) %
<b>(Loss)/Profit for the period/year is stated after charging/(crediting) the following:</b>						
Finance costs	1,333	2,092	(36.3)	2,937	9,967	(70.5)
Amortization and depreciation	971,477	1,174,035	(17.3)	4,526,517	3,985,961	13.6
Property, plant and equipment written off	-	-	-	100,070	3,159	n.m.
Gain on disposal of property, plant and equipment	-	-	-	-	(8,030)	(100.0)
Loss/(Gain) on foreign exchange						
- Unrealised	2,291,632	(680,966)	n.m.	1,455,456	3,000,618	(51.5)
- Realised	86,404	29,186	196.0	49,978	55,870	(10.5)

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 2016 US\$ (Unaudited)	31 December 2015 US\$ (Audited)	31 December 2016 US\$ (Unaudited)	31 December 2015 US\$ (Audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Exploration and evaluation assets	2,200,202	2,084,960	-	-
Mine properties	14,129,175	9,617,124	-	-
Property, plant and equipment	6,383,824	8,163,432	49,139	109,525
Investment in subsidiaries	-	-	8,306,587	8,306,587
<b>Total non-current assets</b>	<b>22,713,201</b>	<b>19,865,516</b>	<b>8,355,726</b>	<b>8,416,112</b>
<b>Current assets</b>				
Inventories	660,183	868,800	-	-
Trade and other receivables	1,396,635	832,096	14,595,386	8,469,129
Cash and cash equivalents	26,954,685	22,134,539	289,721	902,869
<b>Total current assets</b>	<b>29,011,503</b>	<b>23,835,435</b>	<b>14,885,107</b>	<b>9,371,998</b>
<b>Total assets</b>	<b>51,724,704</b>	<b>43,700,951</b>	<b>23,240,833</b>	<b>17,788,110</b>
<b>EQUITY</b>				
Share Capital	18,032,233	18,032,233	18,032,233	18,032,233
Treasury shares	(75,092)	(75,092)	(75,092)	(75,092)
Capital Reserve	2,824,635	2,824,635	-	-
Retained earnings/(Accumulated losses)	18,919,936	12,773,507	(769,255)	(1,228,256)
Translation reserves	(69,452)	(60,624)	-	-
	39,632,260	33,494,659	17,187,886	16,728,885
Non-controlling interest	5,914,349	4,551,057	-	-
<b>Total equity</b>	<b>45,546,609</b>	<b>38,045,716</b>	<b>17,187,886</b>	<b>16,728,885</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Loans and borrowings	57,689	100,429	-	-
Deferred tax liabilities	1,580,834	1,249,649	-	-
<b>Total non-current liabilities</b>	<b>1,638,523</b>	<b>1,350,078</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Loans and borrowings	38,514	42,613	-	-
Trade and other payables	2,791,469	2,998,863	5,489,579	539,293
Accrued rehabilitation costs	602,198	326,635	-	-
Dividend payable	1,029,647	916,800	563,368	518,541
Current tax liabilities	77,744	20,246	-	1,391
<b>Total current liabilities</b>	<b>4,539,572</b>	<b>4,305,157</b>	<b>6,052,947</b>	<b>1,059,225</b>
<b>Total Liabilities</b>	<b>6,178,095</b>	<b>5,655,235</b>	<b>6,052,947</b>	<b>1,059,225</b>
<b>Total equity and liabilities</b>	<b>51,724,704</b>	<b>43,700,951</b>	<b>23,240,833</b>	<b>17,788,110</b>

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

As at 31 December 2016		As at 31 December 2015	
Secured US\$	Unsecured US\$	Secured US\$	Unsecured US\$
38,514	-	42,613	-

**Amount repayable after one year**

As at 31 December 2016		As at 31 December 2015	
Secured US\$	Unsecured US\$	Secured US\$	Unsecured US\$
57,689	-	100,429	-

**Details of any collateral**

The Group's borrowings as at 31 December 2016 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 31 December 2016 amounted to US\$50,555 (31 December 2015: US\$161,311).

**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 2016 US\$ (Unaudited)	31 December 2015 US\$ (Unaudited)	31 December 2016 US\$ (Unaudited)	31 December 2015 US\$ (Unaudited)
<b>Operating activities</b>				
(Loss)/Profit for the period/year	(2,189,072)	4,083,505	11,515,450	13,428,883
Adjustments for:				
Depreciation of property, plant and equipment	638,225	600,412	2,577,608	2,310,394
Amortisation of mine properties	333,252	573,623	1,948,909	1,675,567
Property, plant and equipment written off	-	-	100,070	3,159
Gain in disposal of property, plant and equipment	-	-	-	(8,030)
Finance income	(255,303)	(146,036)	(1,008,455)	(472,877)
Finance costs	1,333	2,092	2,937	9,967
Unrealised loss/(gain) on foreign exchange	2,291,632	(680,966)	1,455,456	3,000,618
Tax expense	129,197	655,496	791,517	1,009,573
<b>Operating profit before working capital changes</b>	<b>949,264</b>	<b>5,088,126</b>	<b>17,383,492</b>	<b>20,957,254</b>
Changes in working capital:				
Inventories	(76,314)	(71,263)	208,617	(66,592)
Trade and other receivables	1,057,904	350,957	(1,291,616)	(374,461)
Trade and other payables	(5,053,969)	(1,390,983)	7,324	(440,938)
Cash generated from operations	(3,123,115)	3,976,837	16,307,817	20,075,263
Tax paid	(61,168)	(524)	(407,431)	(307,781)
Finance income received	255,303	146,036	1,008,455	472,877
Finance costs paid	(1,333)	(2,092)	(2,937)	(9,967)
<b>Net cash (used in)/generated from operating activities</b>	<b>(2,930,313)</b>	<b>4,120,257</b>	<b>16,905,904</b>	<b>20,230,392</b>
<b>Investing Activities</b>				
Purchases of property, plant and equipment	(104,378)	(711,430)	(893,769)	(2,901,578)
Proceeds from disposal of property, plant and equipment	-	-	-	8,030
Payment for exploration and evaluation assets, and mine properties	(717,913)	(1,164)	(5,509,391)	(1,252,930)
<b>Net cash used in investing activities</b>	<b>(822,291)</b>	<b>(712,594)</b>	<b>(6,403,160)</b>	<b>(4,146,478)</b>
<b>Financing activities</b>				
Dividend paid to equity holders of the Company	-	-	(2,888,371)	(2,154,829)
Dividend paid to non-controlling interests	(316,673)	(220,590)	(992,294)	(752,686)
Share buyback	-	-	-	(75,092)
Payment of finance lease liabilities	(10,273)	(10,354)	(47,457)	(67,538)
<b>Net cash used in financing activities</b>	<b>(326,946)</b>	<b>(230,944)</b>	<b>(3,928,122)</b>	<b>(3,050,145)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(4,079,550)</b>	<b>3,176,719</b>	<b>6,574,622</b>	<b>13,033,769</b>
Cash and cash equivalents at beginning of the period	33,488,347	18,314,830	22,134,539	12,339,714
Effect of exchange rate fluctuations on cash held	(2,454,112)	642,990	(1,754,476)	(3,238,944)
<b>Cash and cash equivalents in the statement of financial position</b>	<b>26,954,685</b>	<b>22,134,539</b>	<b>26,954,685</b>	<b>22,134,539</b>

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During the three months period ended 31 December 2016 (“4Q 2016”), the Group acquired property, plant and equipment with an aggregate cost of US\$111,421, compared to US\$847,079 for the corresponding three months period ended 31 December 2015 (“4Q 2015”). As at 31 December 2016, a total consideration of US\$7,043 for the acquisitions made in 4Q 2016 had yet to be paid, compared to US\$135,649 as at 31 December 2015 for the acquisitions in 4Q 2015.

The Group also acquired exploration and evaluation assets as well as mine properties in 4Q 2016 at an aggregate cost of US\$811,181 (4Q 2015: US\$115,418) of which US\$Nil (4Q2015: US\$94,540) were accrued rehabilitation costs. As at 31 December 2016, a total consideration of US\$93,268 for the acquisitions made in 4Q 2016 had yet to be paid, compared to US\$19,714 as at 31 December 2015 for the acquisitions in 4Q 2015.

During the financial year ended 31 December 2016 (“FY2016”), the Group acquired property, plant and equipment with an aggregate cost of US\$1,016,310 compared to US\$3,100,440 for the financial year ended 31 December 2015 (“FY2015”). As at 31 December 2016, a total consideration of US\$122,541 for the acquisitions made in FY2016 had yet to be paid, compared to US\$198,862 as at 31 December 2015 for the acquisitions in FY2015.

The Group also acquired exploration and evaluation assets as well as, mine properties in FY2016 at an aggregate cost of US\$6,576,202 (FY2015: US\$1,869,862), of which US\$290,284 related to accrued rehabilitation cost (FY2015: US\$307,677). As at 31 December 2016, a total consideration of US\$154,527 for the acquisitions made in FY2016 had yet to be paid, compared to US\$309,255 as at 31 December 2015 for the acquisitions made in FY2015.

As at 31 December 2016, the Group’s cash and cash equivalents amounted to US\$26.95 million (31 December 2015: US\$22.13 million), comprising currencies denominated in MYR, SGD and USD. Please refer to item 8(b) of this Announcement on cash flows analysis for further details.

The Group has no bank loans.

**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 US\$	Treasury Shares US\$	Capital reserve US\$	Translation reserves US\$	Retained earnings US\$	Total attributable to equity holders of the Company US\$	Non-controlling interests US\$	Total equity 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
<b>Total comprehensive income for the period:</b>								
Profit for the period	-	-	-	-	7,399,936	7,399,936	1,945,442	9,345,378
<b>Other comprehensive income for the period</b>								
Exchange difference	-	-	-	(53,912)	-	(53,912)	(10,533)	(64,445)
<b>Total comprehensive income for the period</b>	-	-	-	(53,912)	7,399,936	7,346,024	1,934,909	9,280,933
<b>Transactions with owners, recognized directly in equity</b>								
2014 Final and special dividend declared and paid	-	-	-	-	(1,158,409)	(1,158,409)	-	(1,158,409)
2015 First dividend declared by subsidiary to non-controlling interest	-	-	-	-	-	-	(233,330)	(233,330)
2015 First interim dividend declared	-	-	-	-	(534,157)	(534,157)	-	(534,157)
Share buyback	-	(75,092)	-	-	-	(75,092)	-	(75,092)
<b>Total transaction with owners</b>	-	(75,092)	-	-	(1,692,566)	(1,767,658)	(233,330)	(2,000,988)
<b>Balance as at 30 September 2015</b>	<b>18,032,233</b>	<b>(75,092)</b>	<b>2,824,635</b>	<b>(69,811)</b>	<b>10,025,953</b>	<b>30,737,918</b>	<b>4,354,147</b>	<b>35,092,065</b>
<b>Total comprehensive income for the period:</b>								
Profit for the period	-	-	-	-	3,266,461	3,266,461	817,044	4,083,505
<b>Other comprehensive income for the period</b>								
Exchange difference	-	-	-	9,187	-	9,187	1,793	10,980
<b>Total comprehensive income for the period</b>	-	-	-	9,187	3,266,461	3,275,648	818,837	4,094,485
<b>Transactions with owners, recognized directly in equity</b>								
2015 Second dividend declared by subsidiary to non-controlling interest	-	-	-	-	-	-	(220,590)	(220,590)
2015 Third dividend declared by subsidiary to non-controlling interest	-	-	-	-	-	-	(401,337)	(401,337)
2015 Second interim dividend declared	-	-	-	-	(518,907)	(518,907)	-	(518,907)
<b>Total transaction with owners</b>	-	-	-	-	(518,907)	(518,907)	(621,927)	(1,140,834)
<b>Balance as at 31 December 2015</b>	<b>18,032,233</b>	<b>(75,092)</b>	<b>2,824,635</b>	<b>(60,624)</b>	<b>12,773,507</b>	<b>33,494,659</b>	<b>4,551,057</b>	<b>38,045,716</b>



Group	Share capital US\$	Treasury Shares US\$	Capital reserve US\$	Translation reserves US\$	Retained earnings US\$	Total attributable to equity holders of the Company US\$	Non-controlling interests US\$	Total equity US\$
<b>Balance as at 1 January 2016</b>	18,032,233	(75,092)	2,824,635	(60,624)	12,773,507	33,494,659	4,551,057	38,045,716
<b>Total comprehensive income for the period:</b>								
Profit for the period	-	-	-	-	11,024,172	11,024,172	2,680,350	13,704,522
<b>Other comprehensive income for the period</b>								
Exchange difference	-	-	-	8,605	-	8,605	1,680	10,285
<b>Total comprehensive income for the period</b>	-	-	-	8,605	11,024,172	11,032,777	2,682,030	13,714,807
<b>Transactions with owners, recognized directly in equity</b>								
2015 Final and special dividend declared and paid	-	-	-	-	(1,761,742)	(1,761,742)	-	(1,761,742)
2016 First dividend declared by subsidiary to non-controlling interest	-	-	-	-	-	-	(277,362)	(277,362)
2016 First interim dividend declared	-	-	-	-	(608,088)	(608,088)	-	(608,088)
<b>Total transaction with owners</b>	-	-	-	-	(2,369,830)	(2,369,830)	(277,362)	(2,647,192)
<b>Balance as at 30 September 2016</b>	<b>18,032,233</b>	<b>(75,092)</b>	<b>2,824,635</b>	<b>(52,019)</b>	<b>21,427,849</b>	<b>42,157,606</b>	<b>6,955,725</b>	<b>49,113,331</b>
<b>Total comprehensive income for the period:</b>								
Loss for the period	-	-	-	-	(1,936,562)	(1,936,562)	(252,510)	(2,189,072)
<b>Other comprehensive income for the period</b>								
Exchange difference	-	-	-	(17,433)	-	(17,433)	(3,406)	(20,839)
<b>Total comprehensive income for the period</b>	-	-	-	(17,433)	(1,936,562)	(1,953,995)	(255,916)	(2,209,911)
<b>Transactions with owners, recognized directly in equity</b>								
2016 Second dividend declared by subsidiary to non-controlling interest	-	-	-	-	-	-	(316,673)	(316,673)
2016 Third dividend declared by subsidiary to non-controlling interest	-	-	-	-	-	-	(468,787)	(468,787)
2016 Second interim dividend declared	-	-	-	-	(571,351)	(571,351)	-	(571,351)
<b>Total transaction with owners</b>	-	-	-	-	(571,351)	(571,351)	(785,460)	(1,356,811)
<b>Balance as at 31 December 2016</b>	<b>18,032,233</b>	<b>(75,092)</b>	<b>2,824,635</b>	<b>(69,452)</b>	<b>18,919,936</b>	<b>39,632,260</b>	<b>5,914,349</b>	<b>45,546,609</b>

Company	Share capital US\$	Treasury shares US\$	Accumulated losses US\$	Total equity US\$
<b>Balance as at 1 January 2015</b>	18,032,233	-	(1,961,722)	16,070,511
Profit for the period	-	-	515,111	515,111
2014 Final and special dividend declared	-	-	(1,158,409)	(1,158,409)
2015 First interim dividend declared	-	-	(534,157)	(534,157)
Share buyback	-	(75,092)	-	(75,092)
<b>Balance as at 30 September 2015</b>	<b>18,032,233</b>	<b>(75,092)</b>	<b>(3,139,177)</b>	<b>14,817,964</b>
Profit for the period	-	-	2,429,828	2,429,828
2015 Second interim dividend declared	-	-	(518,907)	(518,907)
<b>Balance as at 31 December 2015</b>	<b>18,032,233</b>	<b>(75,092)</b>	<b>(1,228,256)</b>	<b>16,728,885</b>
<b>Balance as at 1 January 2016</b>	18,032,233	(75,092)	(1,228,256)	16,728,885
Profit for the period	-	-	583,191	583,191
2015 Final and special dividend declared	-	-	(1,761,742)	(1,761,742)
2016 First interim dividend declared	-	-	(608,088)	(608,088)
<b>Balance as at 30 September 2016</b>	<b>18,032,233</b>	<b>(75,092)</b>	<b>(3,014,895)</b>	<b>14,942,246</b>
Profit for the period	-	-	2,816,991	2,816,991
2016 Second interim dividend declared	-	-	(571,351)	(571,351)
<b>Balance as at 31 December 2016</b>	<b>18,032,233</b>	<b>(75,092)</b>	<b>(769,255)</b>	<b>17,187,886</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 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 (\$)	Share capital (US\$)
As at 31 December 2016 and 30 September 2016	407,293,000	22,890,024	18,032,233

As at 31 December 2016, the Company held 400,000 ordinary shares as treasury shares (31 December 2015: 400,000). The total number of issued shares of the Company (excluding treasury shares) as at 31 December 2016 and 31 December 2015 was 407,293,000.

Save as stated above, the Company did not have any outstanding options, convertible securities or treasury shares as at 31 December 2016 and 31 December 2015.

**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 2016 (Unaudited)	Company As at 31 December 2015 (Audited)
Total number of issued shares	407,693,000	407,693,000
Treasury shares	(400,000)	(400,000)
Total number of issued shares, excluding treasury shares	<u>407,293,000</u>	<u>407,293,000</u>

**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 as no treasury shares had been sold, transferred, disposed, cancelled or used in any other manner 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 Company's audited financial statements for the financial year ended 31 December 2015 ("FY2015").

**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 31 December		Twelve months ended 31 December	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(Loss)/Profit attributable to owners of the Company (US\$)	(1,936,562)	3,266,461	9,087,610	10,666,397
Weighted average number of ordinary shares	407,293,000	407,293,000	407,293,000	407,493,676
Basic (loss)/earnings per ordinary share:				
- US cents	(0.48)	0.80	2.23	2.62
- SG cents <sup>(1)</sup>	(0.66)	1.13	3.07	3.70

Note:-

- (1) Basic earnings per ordinary share translated at an exchange rate of USD/SGD 1.3785 and 1.4128 for period ended 31 December 2016 and 31 December 2015 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 2016	31 December 2015	31 December 2016	31 December 2015
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net asset value (US\$) <sup>(1)</sup>	39,632,260	33,494,659	17,187,886	16,728,885
Number of shares at the end of the period	407,293,000	407,293,000	407,293,000	407,293,000
Net asset value per share:				
- US cents	9.73	8.22	4.22	4.11
- SG cents <sup>(2)</sup>	14.07	11.62	6.10	5.81

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 1.4459 and 1.4138 as at 31 December 2016 and 31 December 2015 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 financial performance of the Group for 4Q 2016 and FY2016 and the comparative financial performance for 4Q 2015 and FY2015:

	4Q 2016	4Q 2015	Increase / (Decrease) %	FY2016	FY2015	Increase / (Decrease) %
Production volume of fine gold (ounces)	4,040.58	8,510.42	(52.5)	27,403.98	31,205.85	(12.2)
Sales volume of gold (ounces)	4,040.58	8,510.42	(52.5)	27,403.98	31,205.85	(12.2)
Revenue – Total (US\$'000)	5,185.22	9,299.13	(44.2)	34,668.27	36,470.64	(4.9)
Average realised gold price (US\$/ounce)	1,283.29	1,092.68	17.4	1,265.08	1,168.71	8.2

The Group's revenue decreased 44.2% to US\$5.19 million in 4Q 2016 from US\$9.30 million in 4Q 2015. For FY2016, the Group's revenue decreased 4.9% to US\$34.67 million from US\$36.47 million in FY2015. The fall was due to a decrease in the production and sales volume of fine gold but partly offset by an increase in average realised gold price in 4Q 2016 and FY2016 compared to 4Q 2015 and FY2015.

The decrease in production and sales volume of fine gold in FY2016 was a result of lower productivity due to the temporary stop work order ("SWO") received on 19 July 2016 and lower ore grades in 4Q2016.

## Other income or expenses

In 4Q 2016, the Group recorded net other expenses of US\$2.31 million, compared to a net other income of US\$0.79 million in 4Q 2015. This was due to an unrealised foreign exchange loss of US\$2.29 million in 4Q 2016, mainly arising from Malaysian Ringgit ("MYR")-denominated cash deposits, compared to an unrealised gain on foreign exchange of US\$0.68 million in 4Q 2015. The unrealised loss on foreign exchange was mainly due to the depreciation of MYR against USD.

For FY2016, the Group recorded net other expenses of US\$1.53 million, compared to US\$2.91 million in FY2015. This was due to an unrealised loss of US\$1.46 million in FY2016, mainly arising from MYR-denominated cash deposits, compared to an unrealised loss of US\$3.00 million in FY2015.

## 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 expenses.

Total operating expenses decreased by US\$0.30 million to US\$5.19 million in 4Q 2016 from US\$5.49 million in 4Q 2015. This was mainly due to a decrease in site and factory expenses by US\$0.27 million arising from lower chemical costs and reduced rock blasting work.

For FY2016, total operating expenses increased by 11.5% or US\$2.26 million to US\$21.84 million from US\$19.58 million in FY2015.

The increase in total operating expenses in FY 2016 was mainly due to the following:-

- Increase in depreciation and amortisation by US\$0.54 million. This was mainly due to higher amortisation of mine properties resulting from, *inter alia*, the one-time processing fee for the Sokor gold field project's 21-year mining lease extension. This one-time processing fee is amortised over the remaining period of the new lease, which expires on 31 December 2034;
- Increase in key management remuneration and employees' compensation by US\$0.85 million, mainly due to the annual increment of remuneration in January 2016 and higher performance bonus paid to key management and employees;
- Increase in changes in inventories by US\$0.43 million, mainly due to higher realisation of the cost of work-in-progress; and
- Increase in royalty and tribute fee expenses by US\$0.36 million due to an increase in royalty fees from 5% to 10% pursuant to the change in the regulations.

#### 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 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 2016 and FY2016 and their comparatives:

	4Q 2016	4Q 2015	US\$ / gold ounce sold Increase / (Decrease) %	FY2016	FY2015	Increase / (Decrease) %
<b>Sales volume of fine gold (ounces)</b>	<b>4,040.58</b>	<b>8,510.42</b>	<b>(52.5)</b>	<b>27,403.98</b>	<b>31,205.85</b>	<b>(12.2)</b>
Mining related costs	645	312	106.7	383	313	22.4
Royalty and tribute expenses	156	81	92.6	113	87	29.9
<b>Adjusted operating costs<sup>(1)</sup></b>	<b>801</b>	<b>393</b>	<b>103.8</b>	<b>496</b>	<b>400</b>	<b>24.0</b>
General and administrative costs	223	79	182.3	87	76	14.5
Capital expenditure	4	38	(89.5)	19	65	(70.8)
<b>All-in sustaining costs<sup>(2)</sup></b>	<b>1,028</b>	<b>510</b>	<b>101.6</b>	<b>602</b>	<b>541</b>	<b>11.3</b>
Capital exploration (non-sustaining)	1	-	n.m.	11	40	(72.5)
Capital expenditure (non-sustaining)	22	45	(51.1)	17	27	(37.0)
Mining lease extension	177	-	n.m.	189	-	n.m.
<b>All-in costs<sup>(3)</sup></b>	<b>1,228</b>	<b>555</b>	<b>121.3</b>	<b>819</b>	<b>608</b>	<b>34.7</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. 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 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.

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The all-in costs of US\$1,228 per ounce in 4Q 2016 were higher than the all-in costs of US\$555 per ounce in 4Q 2015. This was mainly due to the recognition of payments in relation to the extension of the Sokor mining lease to 31 December 2034, an increase in the rate for royalty fees, lower ore grades which resulted in lower sales volume of fine gold and higher general and administration costs.

The all-in costs of US\$819 per ounce in FY2016 were higher than the all-in costs of US\$608 per ounce in FY2015. This was mainly due to the recognition of payments in relation to the extension of the Sokor mining lease to 31 December 2034, an increase in the rate for royalty fees, the SWO, and lower ore grades which resulted in lower sales volume of fine gold.

#### Finance income and costs

Finance income and costs comprised interest income from fixed deposits and interest on finance lease. The Group recorded a net finance income of US\$0.25 million and US\$1.01 million in 4Q 2016 and FY2016 respectively. This was mainly due to the interest income earned from the placement of fixed deposits.

#### Tax expense

The Group incurred a tax expense of US\$0.13 million in 4Q 2016 compared to US\$0.66 million in 4Q 2015. The tax expense in 4Q 2016 was mainly due to the withholding tax on management fees.

For FY2016, the Group incurred a tax expense of US\$0.79 million compared to US\$1.01 million in FY2015. The lower tax expense was mainly due to lower profit for the year.

#### Profit after tax

The Group recorded a loss after tax of US\$2.19 million in 4Q 2016 compared to a profit after tax of US\$4.08 million in 4Q 2015. For FY2016, profit after tax declined 14.2% or US\$1.91 million to US\$11.52 million from US\$13.43 million in FY2015 due to the reasons stated above.

#### **(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

Mine properties increased by US\$4.51 million to US\$14.13 million as at 31 December 2016 from US\$9.62 million as at 31 December 2015, mainly due to the capitalisation of the one-time processing fees of US\$5.81 million for the 21-year mining lease extension, increase in rehabilitation costs of US\$0.29 million and drilling costs of US\$0.28 million. The overall increase was partially offset by amortisation expenses of US\$1.95 million.

Property, plant and equipment decreased by US\$1.78 million to US\$6.38 million as at 31 December 2016 from US\$8.16 million as at 31 December 2015, mainly due to the depreciation of property, plant and equipment of US\$2.70 million and a write-off of US\$0.10 million for property, plant and equipment. The decrease was partly offset by the addition of property, plant and equipment of US\$1.02 million.

Inventories decreased by US\$0.21 million to US\$0.66 million as at 31 December 2016 from US\$0.87 million as at 31 December 2015, mainly due to a decline of US\$0.16 million work-in-progress, resulting from higher realisation of the costs of work-in-progress.

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Trade and other receivables increased by US\$0.56 million to US\$1.39 million as at 31 December 2016 from US\$0.83 million as at 31 December 2015. This was mainly due to an increase of US\$0.59 million which relates to refundable deposits in connection with the mining lease extension.

### Liabilities

Total liabilities increased by US\$0.52 million to US\$6.18 million as at 31 December 2016 from US\$5.66 million as at 31 December 2015. This was mainly due to increase of US\$0.33 million in deferred tax liabilities as a result of an increase in the Group's equipment base, higher dividend payable and higher accrued rehabilitation costs. The increase was partially offset by a decrease in trade and other payables.

As at 31 December 2016, the Group had a positive working capital of US\$24.47 million compared to US\$19.53 million as at 31 December 2015.

### Cash flows

Net cash used in operating activities amounted to US\$2.93 million in 4Q 2016, compared to net cash of US\$4.12 million generated from operating activities in 4Q 2015. The net operating cash outflow was mainly due to operating profit before working capital changes of US\$0.95 million, adjusted for working capital outflows of US\$4.07 million, mainly attributable to the decrease in trade and other payables of US\$5.05 million and increase in inventories of US\$0.07 million, partially offset by a decrease in trade and other receivables of US\$1.05 million.

In FY2016, net cash generated from operating activities amounted to US\$16.91 million as compared to US\$20.23 million in FY2015. The net operating cash inflow was mainly due to the operating profit before working capital changes of US\$17.38 million, adjusted for working capital outflows of US\$1.08 million, mainly attributable to increase in trade and other receivables of US\$1.29 million, partially offset by the decrease in inventories of US\$0.21 million.

Net cash used in investing activities amounted to US\$0.82 million and US\$6.40 million in 4Q 2016 and FY2016 respectively, comprising payments to acquire property, plant and equipment as well as mine properties.

Net cash used in financing activities amounted to US\$0.33 million in 4Q 2016, mainly due to dividends of US\$0.32 million paid to non-controlling interests. In FY2016, net cash used in financing activities amounted to US\$3.93 million, mainly due to dividends of US\$2.89 million paid to equity holders of the Company and dividends of US\$0.99 million paid to non-controlling interests.

As at 31 December 2016, the Group had cash and cash equivalents of US\$26.95 million, representing an increase of US\$4.82 million from US\$22.13 million as at 31 December 2015.



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**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 4Q 2016 are consistent with the commentary under paragraph 10 of the Company's announcement of the financial statements for the three months ended 30 September 2016.

**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 have been edging higher since the beginning of 2017 after falling below US\$1,200/oz in the last two months of 2016. The rebound has come despite an interest rate hike by the US Federal Reserve ("Fed") in December 2016 and indications from the Fed of more rate increases this year.

The renewed interest in gold, which is widely regarded as a safe-haven asset, can be attributed to several factors, including concerns over global trade given the prospect of protectionist policies in the US with Mr Donald Trump as the new President. With key elections taking place this year in the Netherlands, France and Germany, and Britain's decision last year to leave the European Union ("EU") still fresh on the minds of investors worldwide, uncertainty over the future of the EU is also widely cited as a reason for the recent rebound in gold prices.

Notwithstanding the renewed interest in the precious metal, the Group's focus is still to increase production and minimise on costs. Barring any unforeseen circumstances, all-in costs of production in the foreseeable future is expected to be lower than the US\$1,228/oz for 4Q 2016 as the Group has fully paid the processing fee for the extension of the mining lease for the Sokor gold field in 4Q 2016.

The Group's planned subscription of shares for a 51% stake in Pulai Mining Sdn Bhd ("Pulai Mining") is on track for completion following the recent conclusion of due diligence. Once Pulai Mining becomes a subsidiary, the Group will commence geological exploration to find mineral resources that comply with the internationally accepted Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

**11. Dividend**

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

Yes.

Declared dividend

Name of Dividend	2 <sup>nd</sup> interim tax exempt dividend
Dividend Type	Cash
Dividend Amount per Share	S\$0.0020 per ordinary share
Tax Rate	Tax-exempt one-tier

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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\$0.00534 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 2017.

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

Name of Dividend	2 <sup>nd</sup> interim tax exempt dividend
Dividend Type	Cash
Dividend Amount per Share	S\$0.0018 per ordinary share
Tax Rate	Tax-exempt one-tier

Name of Dividend	Final tax exempt dividend
Dividend Type	Cash
Dividend Amount per Share	S\$0.0018 per ordinary share
Tax Rate	Tax-exempt one-tier

Name of Dividend	Special tax exempt dividend
Dividend Type	Cash
Dividend Amount per Share	S\$0.00405 per ordinary share
Tax Rate	Tax-exempt one-tier

- (c) **Date payable:**

The 2<sup>nd</sup> interim tax exempt dividend was paid to shareholders on 20 January 2017.

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) **Books closure date:**

The books closure date for the 2<sup>nd</sup> interim tax exempt dividend was on 30 December 2016.

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**

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 FY2016, 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.**

	Gold mining US\$	Other operations US\$	Inter-segment eliminations US\$	Total US\$
<b>Year ended</b>				
<b>31 December 2015</b>				
Revenue from external customers	36,470,636	-	-	36,470,636
Interest income	479,204	637,015	(643,342)	472,877
Management income	-	2,356,477	(2,356,477)	-
Interest expense	(653,309)	-	643,342	(9,967)
Amortization and depreciation	(3,922,234)	(63,727)	-	(3,985,961)
Reportable segment profit before tax	15,220,696	2,912,863	(3,695,103)	14,438,456
Segment assets	43,360,676	24,793,165	(24,452,890)	43,700,951
Capital expenditure*	4,956,573	13,729	-	4,970,302
Reportable segment liabilities	(18,683,244)	(1,708,660)	15,986,318	(4,405,586)
<b>Year ended</b>				
<b>31 December 2016</b>				
Revenue from external customers	34,668,274	-	-	34,668,274
Interest income	1,007,091	597,278	(595,914)	1,008,455
Management income	-	2,381,551	(2,381,551)	-
Interest expense	(598,851)	-	595,914	(2,937)
Amortization and depreciation	(4,461,705)	(64,812)	-	(4,526,517)
Reportable segment profit before tax	13,262,709	3,580,979	(4,536,721)	12,306,967
Segment assets	51,557,504	30,331,916	(30,164,716)	51,724,704
Capital expenditure*	7,588,086	4,426	-	7,592,512
Reportable segment liabilities	(19,385,057)	(6,904,605)	21,692,401	(4,597,261)

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

## Reconciliation of reportable segments assets and liabilities

	2016 US\$	2015 US\$
<b>Assets</b>		
Total assets for reportable segments	51,724,704	43,700,951
Unallocated assets	-	-
Combined total assets	<b>51,724,704</b>	<b>43,700,951</b>
<b>Liabilities</b>		
Total liabilities for reportable segments	(4,597,261)	(4,405,586)
Unallocated liabilities	(1,580,834)	(1,249,649)
Combined total liabilities	<b>(6,178,095)</b>	<b>(5,655,235)</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 FY2016, as contributed by the gold mining segment.

In FY2016, profit before tax from gold mining segment decreased to US\$13.26 million compared to US\$15.22 million in FY2015 due to the analysis 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 FY2016, profit before tax from other operations segment was US\$3.58 million as compared to US\$2.91 million in FY2015. This was mainly due to the higher dividend income received from the gold mining segment in FY2016.

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

	FY2016 US\$'000	FY2015 US\$'000	Increase/ (Decrease) %
<b>(a) Revenue</b>			
- first half	21,028.2	17,223.6	22.1
- second half	13,640.1	19,247.0	(29.1)
	<b>34,668.3</b>	<b>36,470.6</b>	<b>(4.9)</b>
<b>(b) Profit after tax</b>			
- first half	11,458.0	6,965.6	64.5
- second half	57.5	6,463.3	(99.1)
	<b>11,515.5</b>	<b>13,428.9</b>	<b>(14.2)</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			
	2016 US\$	2016 S\$	2015 US\$	2015 S\$
Ordinary shares (tax exempt one-tier)				
1 <sup>st</sup> Interim	608,088	814,586	534,157	733,127
2 <sup>nd</sup> Interim	571,351	814,586	518,907	733,127
Final <sup>(1)</sup>	563,368	814,586	542,074	733,127
Special <sup>(1)</sup>	1,504,192	2,174,945	1,219,668	1,649,537
<b>Total Annual Dividend</b>	<b>3,246,999</b>	<b>4,618,703</b>	<b>2,814,806</b>	<b>3,848,918</b>

<sup>(1)</sup> The proposed final and special tax exempt dividends are subject to shareholders' approval at the forthcoming annual general meeting of the Company.

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Sharon Ting Shu Hwei	38	Niece of Mr Choo Chee Kong, Executive Vice Chairman of the Company	Information Technology ("IT") and Administration Manager, responsible for the Company's IT and administrative functions, first appointed in 2011	No change during the year

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

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

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

In 4Q 2016, funds/ cash were 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	0.18	0.26
Payments for mining lease extension	4.74	4.30
Payments for machinery purchased in current and prior periods	0.06	0.09
Payments for diesel and other production materials purchased in current and prior periods	1.13	1.25
Royalty and tribute fees to government	0.39	1.03
Rental of equipment	0.22	0.22
Upkeep of equipment and motor vehicles	0.18	0.20
General working capital	1.30	1.59
<b>Total</b>	<b>8.20</b>	<b>8.94</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 2017 to 31 March 2017 (“1Q2017”)), the Group’s use of funds/cash for production activities are expected to be as follows:-

<b>Purpose</b>	<b>Amount (US\$ million)</b>
Exploration and evaluation activities	0.21
Payment for machinery purchased in current and prior quarter	0.15
Payment for diesel and other production materials purchased in current and prior quarter	1.23
Royalty fees to government	1.32
Rental of equipment	0.20
Upkeep of equipment and motor vehicles	0.19
General working capital	1.04
<b>Total</b>	<b>4.34</b>

The Group’s exploration plans from 1Q 2017 are as follows:-

(a) Geological Investigation

In the first quarter of 2017, our Geology Department will focus on preparing the materials for year 2016 reserve update, compiling the data obtained from the 2016 exploration season before starting any further investigation in the Sokor mine, Pulai concession.

Ulu Sokor area:

- i) Our Geology Department will be focusing on the preparation of necessary reporting materials for year 2016 mineral resource and ore reserve update report.

Pulai mining concession:

- i) Compiling of new geological data obtained throughout 2016 to plan for gold exploration activities.
- ii) Collaborating with University of Malaya to plan for geophysics survey on magnetite (iron ore) deposit.

Rock chip and float samples will be routinely collected and tested by the Group’s in-house laboratory. Geological investigation points and drillhole collars will be accurately surveyed by Real Time Kinematic (RTK) satellite investigation, using *CHC X91* GNSS receivers.

(b) Diamond drilling program

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

Our Geology Department will interpret on the assay data before resume drilling program.

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**19b. 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 information provided in item 19b above to be false or misleading in any material aspect.

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

**Details of exploration (including geophysical surveys), development and/or production activities undertaken by the Company and a summary of the expenditure incurred on those activities, including explanations 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 2016, the Group capitalised a total of US\$0.04 million for exploration and evaluation expenditures activities carried out during the financial period.

The Group carried out the following exploration activities in 4Q 2016:-

(a) Geological Investigation

Ulu Sokor area:

Geology Department investigated silver-bearing dark soil within the concession and collected 159 samples for assay.

Drilling activity was restarted in December 2016 to support production needs. 8 drillholes were conducted in Rixen deposit and another drillhole in New Found area. Trenching was conducted to investigate the dark soil but halted during the monsoon season.

Pulai concession:

Investigation into part of the geological structures and mineralisation with assistance from Pulai's geologists were carried out.

Lecturers and research students from the University of Malaya conducted a site visit to magnetite (iron ore) deposit in Pulai concession together with our Geology Department to survey and plan for a suitable and effective geophysics survey.

Pulai's in-house geologists were compiling the data obtained throughout the year, including assay results, geological structural studies, petrology identifications and maps to support exploration planning for 2017.

(b) Drilling Program

8 drillholes were completed in 4Q 2016 with a total footage of 501.98 m, and an ongoing drillhole which temporarily stopped at 80m for safety reason, due to heavy rain.

Drillholes details are shown in Table 1.

Table 1: Completed drillholes for 4Q 2016.

Drillholes	Designed locations		Completed depths (m)	Remarks
	Easting	Northing		
ZKR 8-1	443643	617420	60.43	
ZKR 8-2	443606	617420	66.23	
ZKR 8-3	443680	617418	60.43	
ZKR 10-1	443678	617470	60.43	
ZKR 10-2	443719	617478	60.43	
ZKR 10-3	443764	617475	60.43	
ZKR 10-4	443780	617480	67.95	
ZKR 7-7	443752	617394	65.65	
ZKF 0-4	443840	613307	ongoing	

(c) Half core sampling and analysis

A total of 638 half-core samples and 446 rock chip/ soil samples were analyzed by in-house laboratory, including 78 rock chip samples from Pulai concession, and 159 samples from Sokor mine.

**20b. 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 11 April 2016 despatched the qualified person's report on the updated mineral resource and ore reserve estimates as at 31 December 2015 ("QPR 2015") to update shareholders on its resource and reserve information. The QPR 2015 is contained in the Company's annual report for FY2015 ("AR 2015"). A soft copy of the AR 2015 is available for download on SGXNET and the Company's website.

The Company will provide updates on its reserves and resources in due course, in particular, in accordance with Rules 1204(23) of the Listing Manual (Section B: Rules of Catalist) of the SGX-ST, which requires the inclusion of a qualified person's report dated no earlier than the end of the Company's financial year, and a summary of reserves and resources as set out in Appendix 7D in its annual report for the financial year ended 31 December 2016.



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**21. Confirmation pursuant to Rule 720(1) of the Catalist Listing Manual**

The Company has procured undertakings from all its directors and executive officers under Rule 720(1).

**By Order of the Board**

Lim Kuoh Yang  
Chief Executive Officer

21 February 2017