



CNMC Goldmine Holdings Limited

4Q2016 & FY2016 Results Briefing

22 February 2017

(These presentation slides are available on the Company's corporate website www.cnmc.com.hk)

4Q2016

Financial Highlights

Financial Highlights

Income statement	4Q 2016	4Q 2015	Change
Revenue (US\$' million)	5.19	9.30	↓ -44.2%
Results from operating activities (US\$' million)	(2.31)	4.60	n.m.
Net (loss)/profit (US\$' million)	(2.19)	4.08	n.m.
Net profit (excluding FX Impact) (US\$' million)	0.10	3.40	↓ -97.1%
Net (loss)/profit margin	-42.2%	43.9%	n.m.
Net profit margin (excluding FX Impact)	1.9%	36.6%	↓ -34.7%
(Loss)/Earnings per share (US cents)	(0.48)	0.80	n.m.
(Loss)/Earnings per share (SG cents)	(0.66)	1.13	n.m.

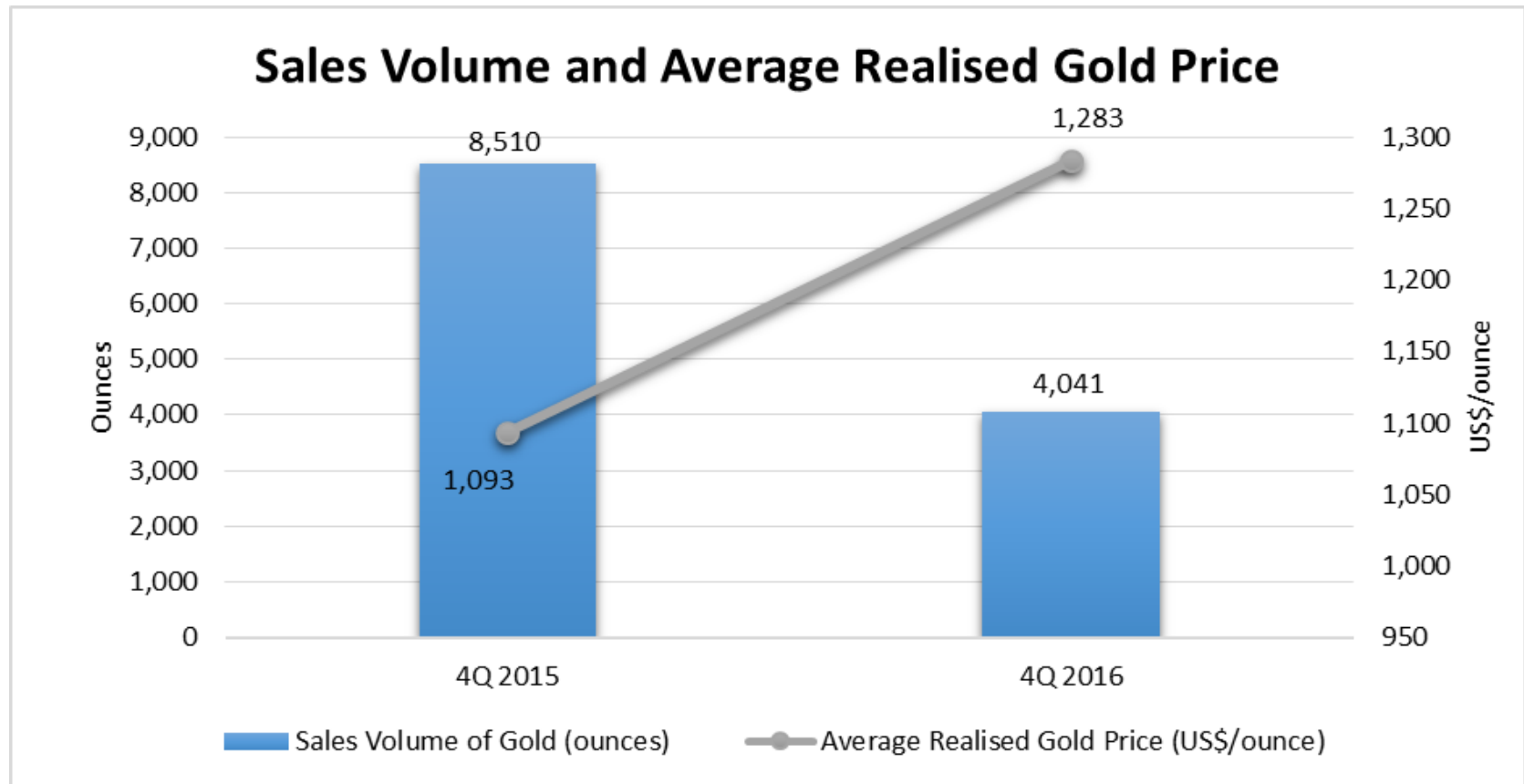
**Net assets
value of
US\$39.63
million**

**Current
ratio of
6.39**

**Debt/Equity
ratio of
0.002**

**Net cash
position of
US\$26.86
million**

Revenue



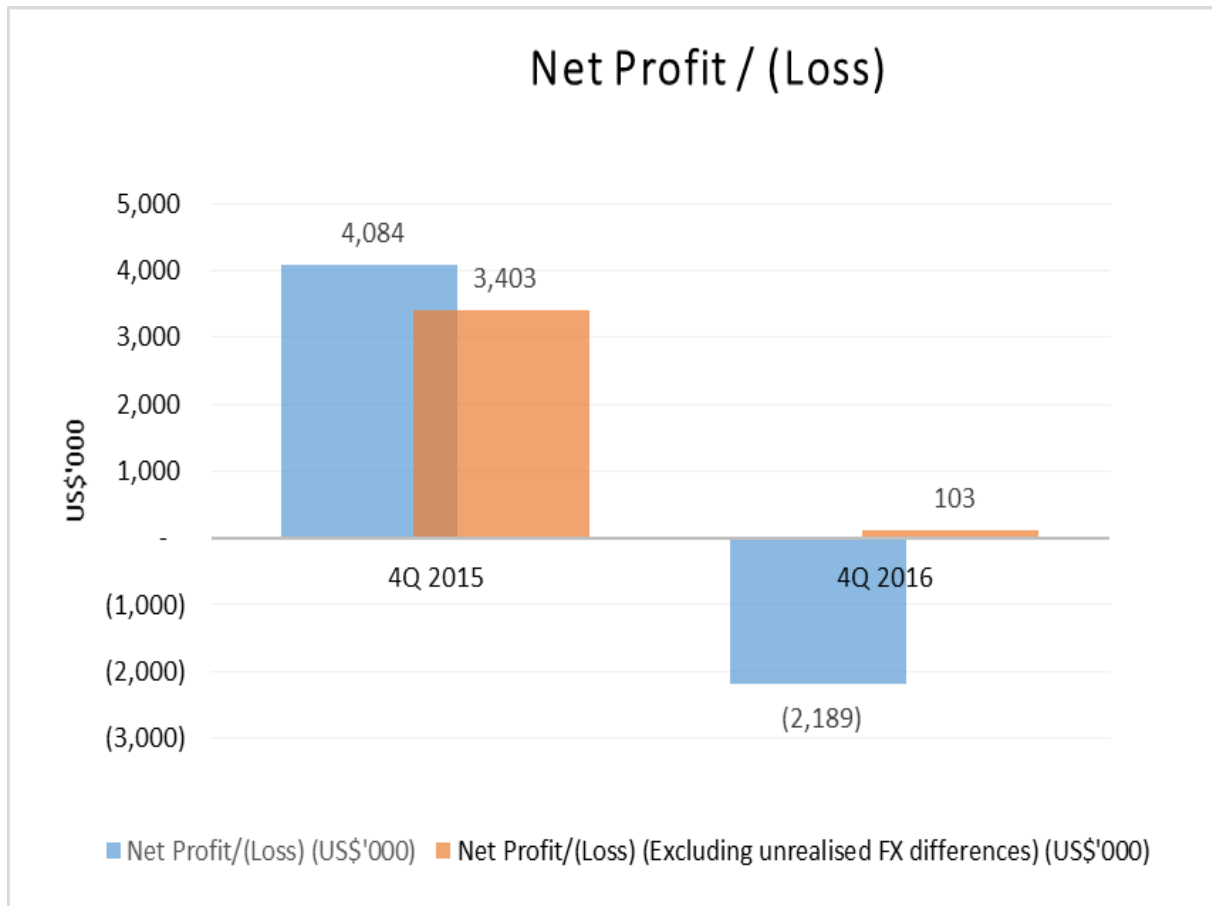
Revenue fell 44%:

↓ Sales volume of fine gold, from 8,510 ounces to 4,041 ounces

Partly offset by

↑ Average realized gold price, from US\$1,093/ounce to US\$1,283/ounce

Net (Loss) / Profit



**4Q 2016
Net Cash
outflow:
US\$4.08
million**

**4Q 2015
Net Cash
inflow:
US\$3.18
million**

Recorded a net loss of US\$2.19 million in 4Q2016 compared to a net profit of US\$4.08 million in 4Q2015 due mainly to the decrease in production and sales volume of fine gold and foreign-exchange impact.

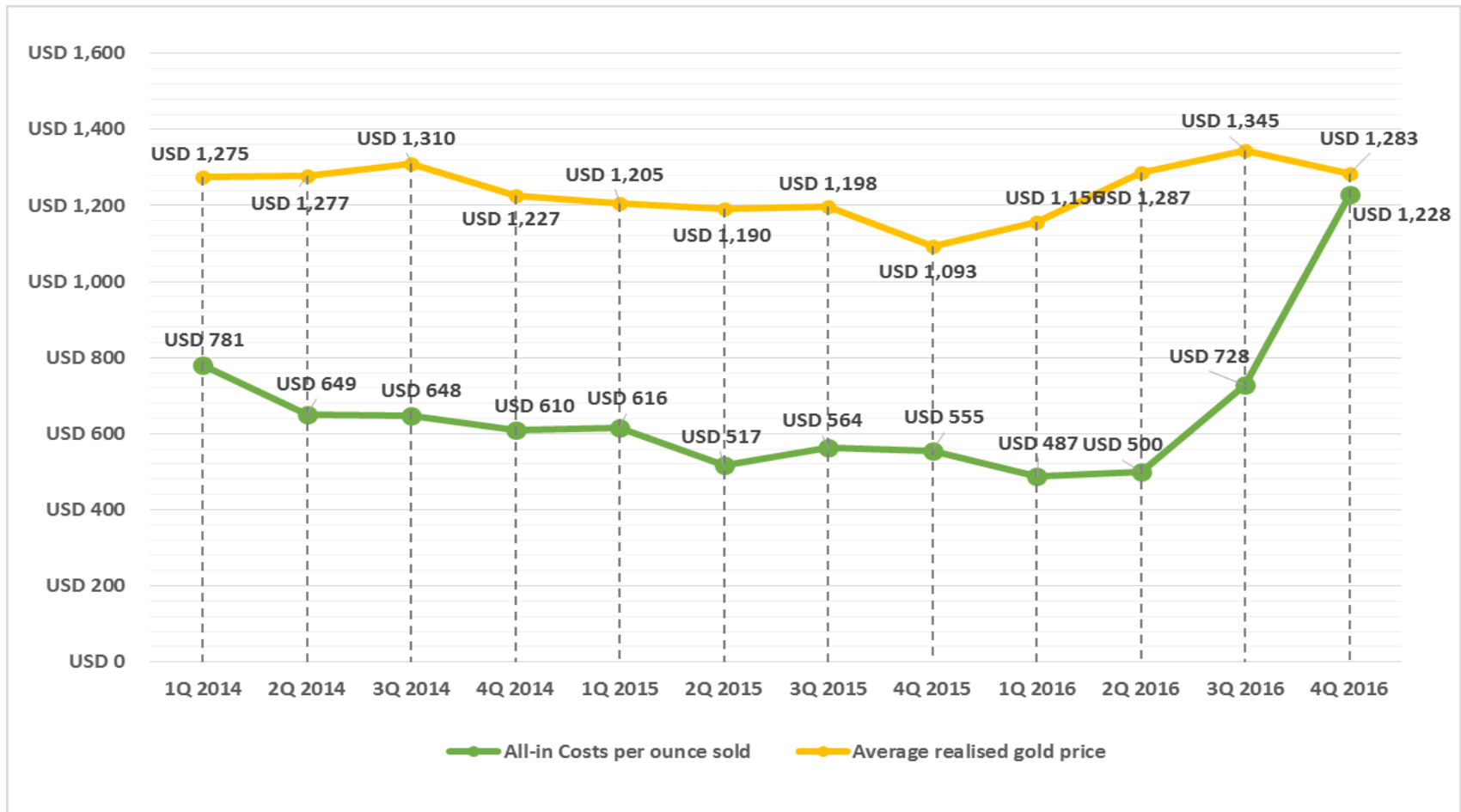
Partly offset by the increase of average realised gold price.

Analysis Of All-In Costs And Margin

	4Q 2016	4Q 2015	Changes
	US\$ / gold ounce sold		%
Mining related costs	645	312	107%
Royalty and tribute expenses	156	81	93%
Adjusted operating costs	801	393	104%
General and administrative costs	223	79	182%
Capital expenditure	4	38	-89%
All-in sustaining costs	1,028	510	102%
Capital exploration (non-sustaining)	1	-	n.m.
Capital expenditure (non-sustaining)	22	45	-51%
Mining lease extension	177	-	n.m.
All-in costs (A)	1,228	555	121%
Average realized gold price (B)	1,283	1,093	17%
All-in Margin (C= B - A)	55	538	-90%
All-in Margin (%) (C / B)	4%	49%	-45%

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.

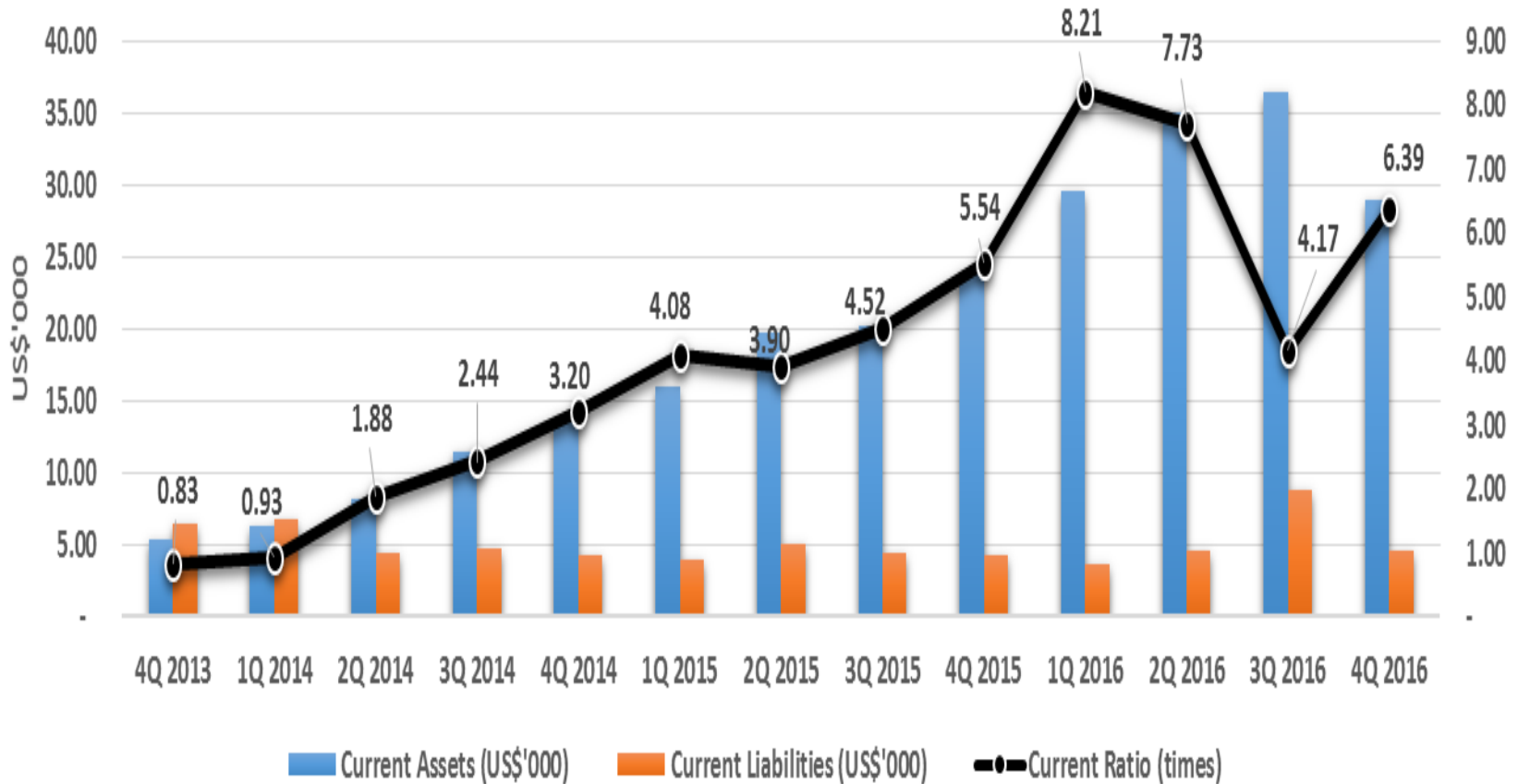
Summary Of All-In Costs And Margin



All-in costs of production increased to US\$1,228/ounce in 4Q2016 from US\$555/ounce in 4Q2015, mainly due to payments in relation to extension of Sokor mining lease, increase in rate of royalty fees and lower sales volume of fine gold.

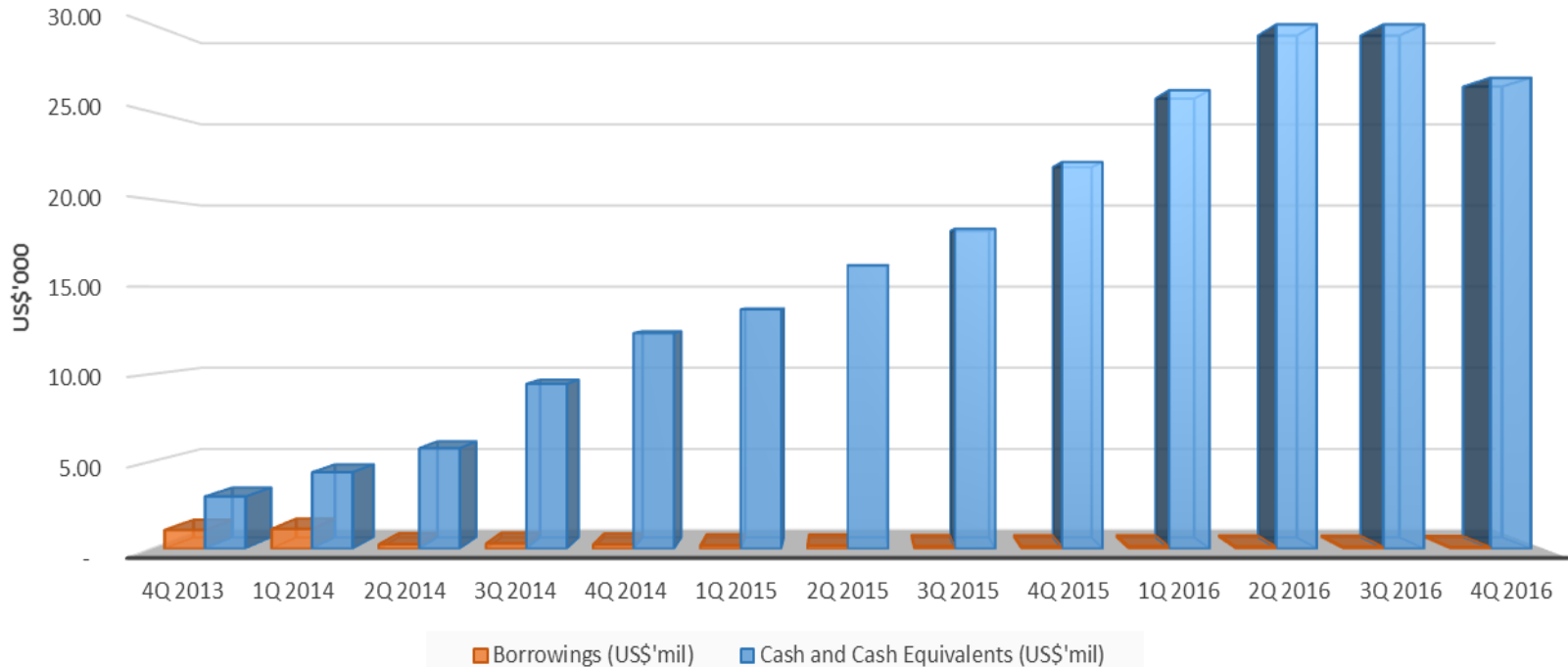
Balance Sheet Highlights

Current Assets versus Current Liabilities, Current Ratio



Cash Position

Cash and Cash Equivalents versus Borrowings



- In 4Q2016, the net cash used in operations was US\$2.93 million compared to net cash generated of US\$4.12 million in 4Q2015, mainly due to lower operating profit before working capital changes.
- It had cash and cash equivalents of US\$26.95 million at the end of the quarter, increased by US\$4.82 million compared to US\$22.13 million at end of 4Q2015.

FY2016

Financial Highlights

Financial Highlights

Income statement	FY2016	FY2015	Change
Revenue (US\$' million)	34.67	36.47	↓ -4.9%
Results from operating activities (US\$' million)	11.30	13.98	↓ -19.2%
Net profit (US\$' million)	11.52	13.43	↓ -14.2%
Net profit (excluding FX Impact) (US\$' million)	12.97	16.43	↓ -21.1%
Net profit margin	33.2%	36.8%	↓ -3.6%
Net profit margin (excluding FX Impact)	37.4%	45.1%	↓ -7.7%
Earnings per share (US cents)	2.23	2.62	↓ -14.9%
Earnings per share (SG cents)	3.07	3.70	↓ -17.0%

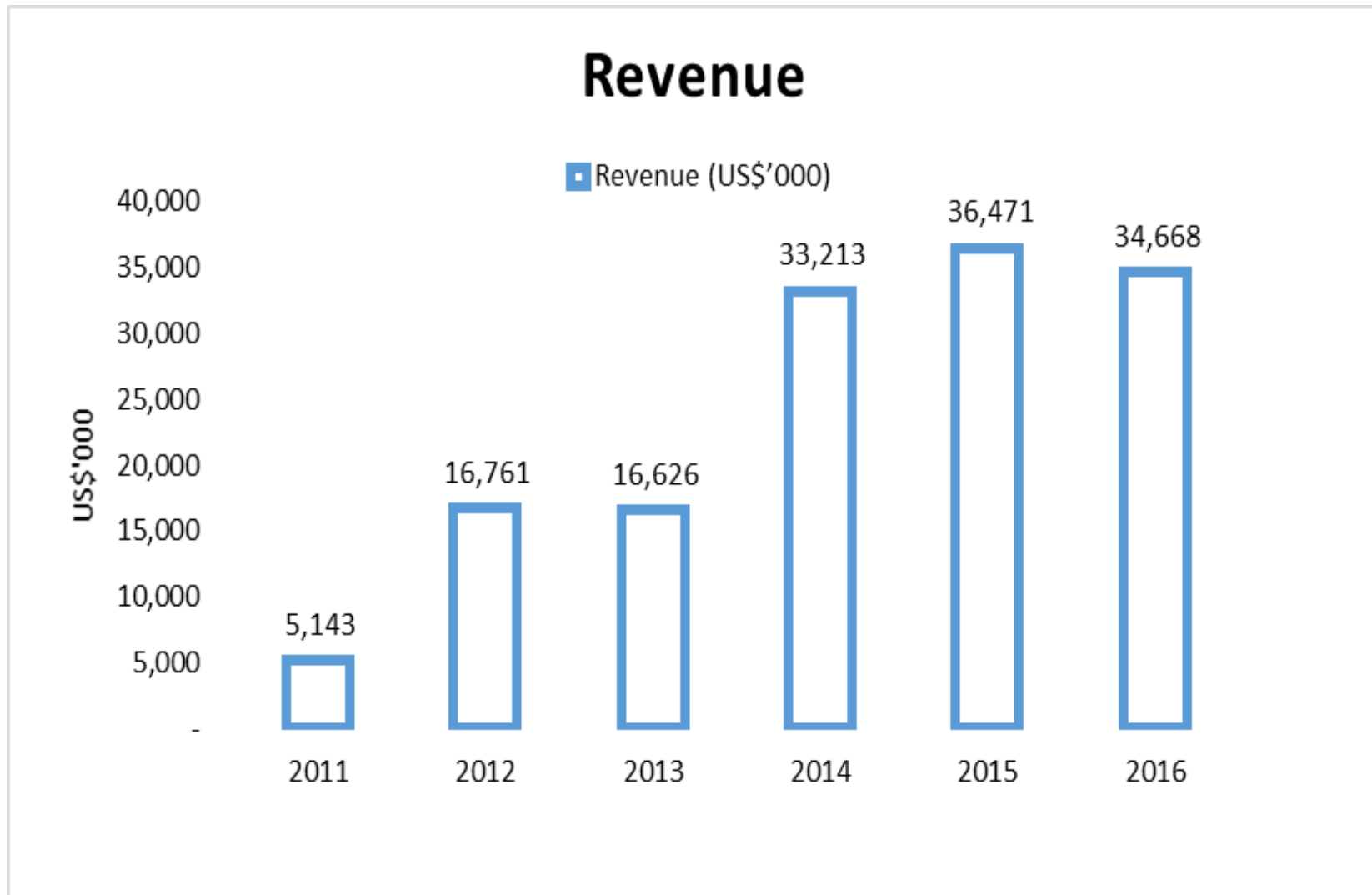
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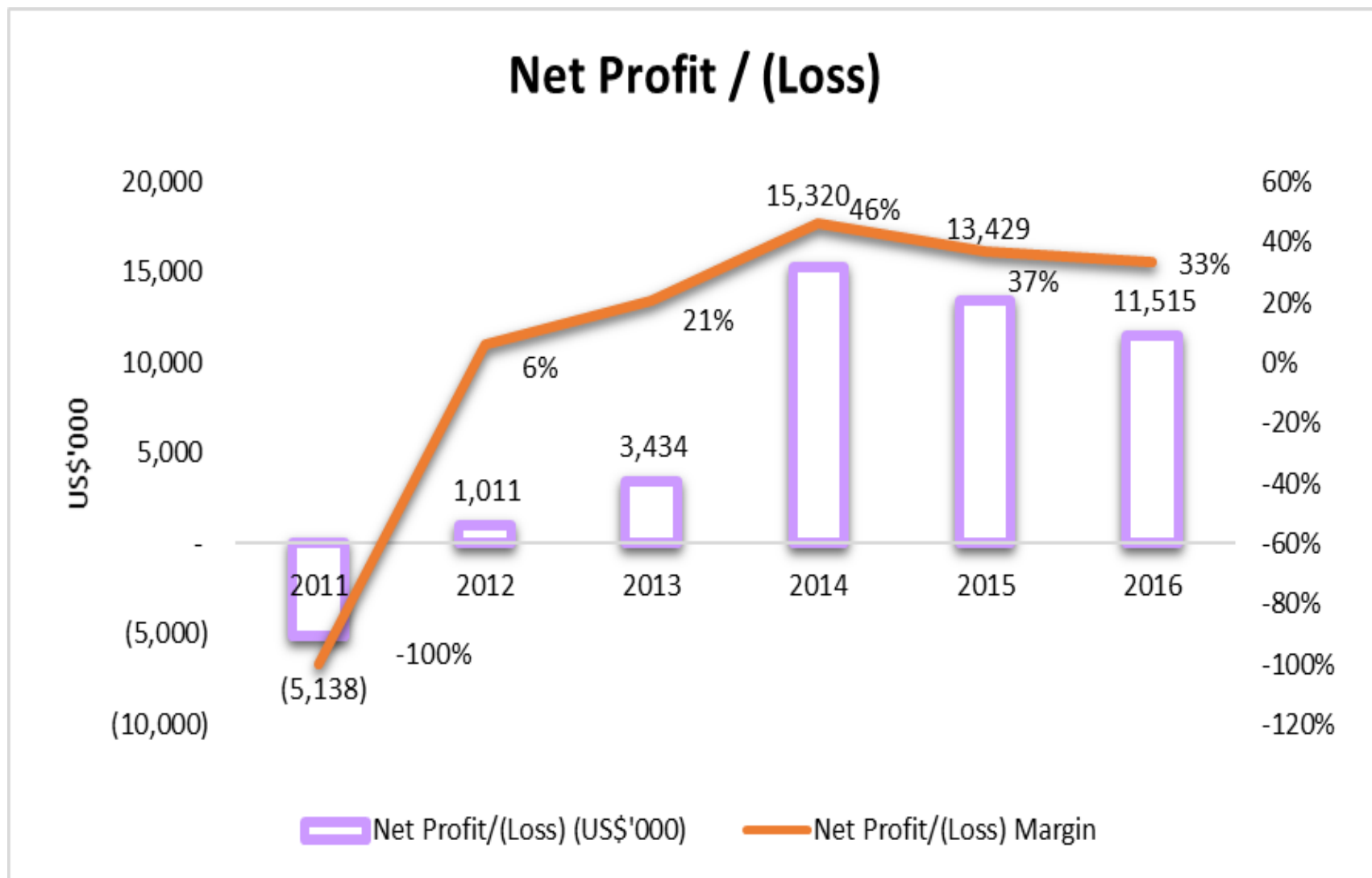
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**Net cash
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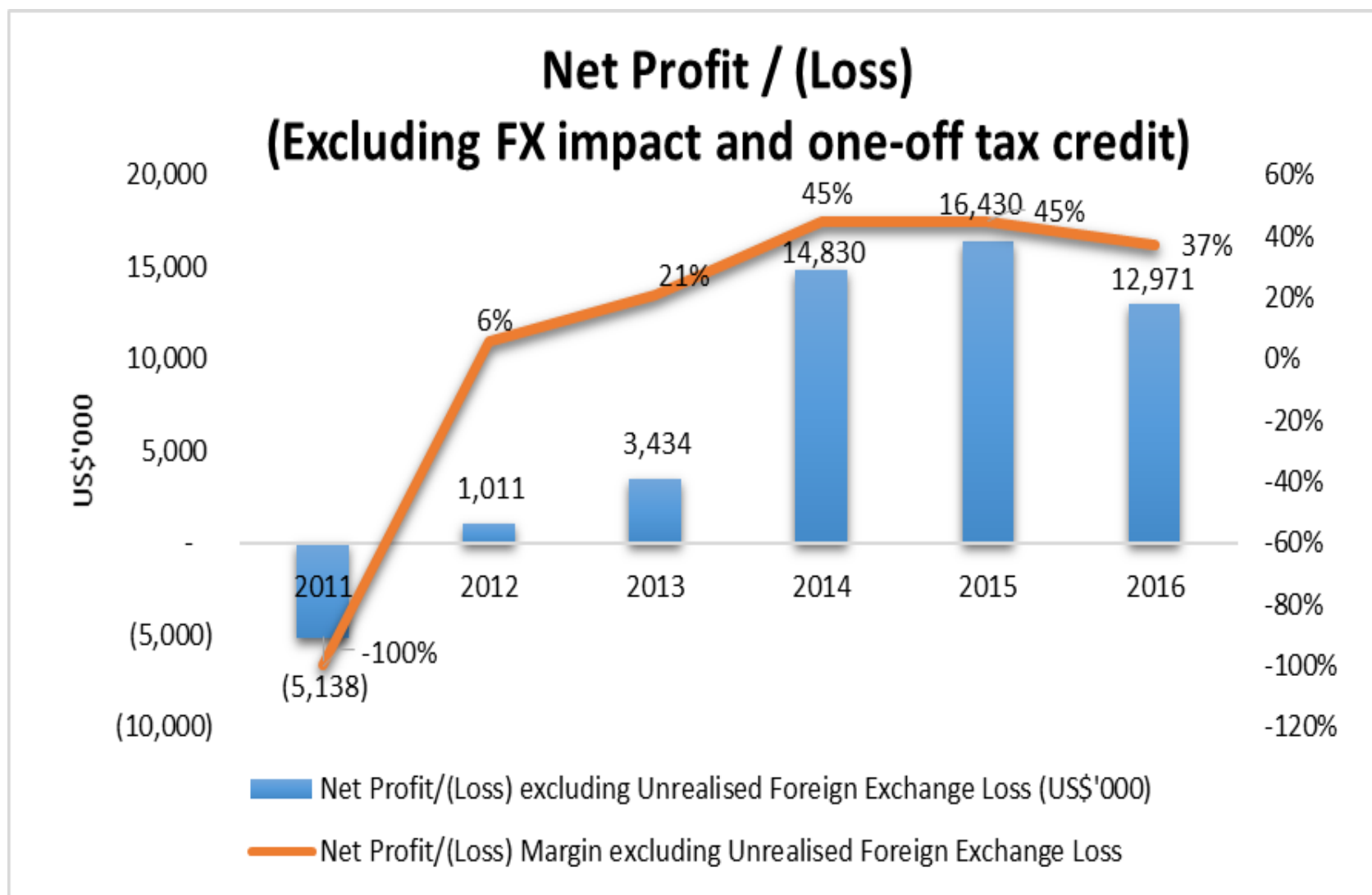
REVENUE: FY2011 TO FY2016



NET PROFIT / (LOSS): FY2011 TO FY2016



NET PROFIT / (LOSS): FY2011 TO FY2016



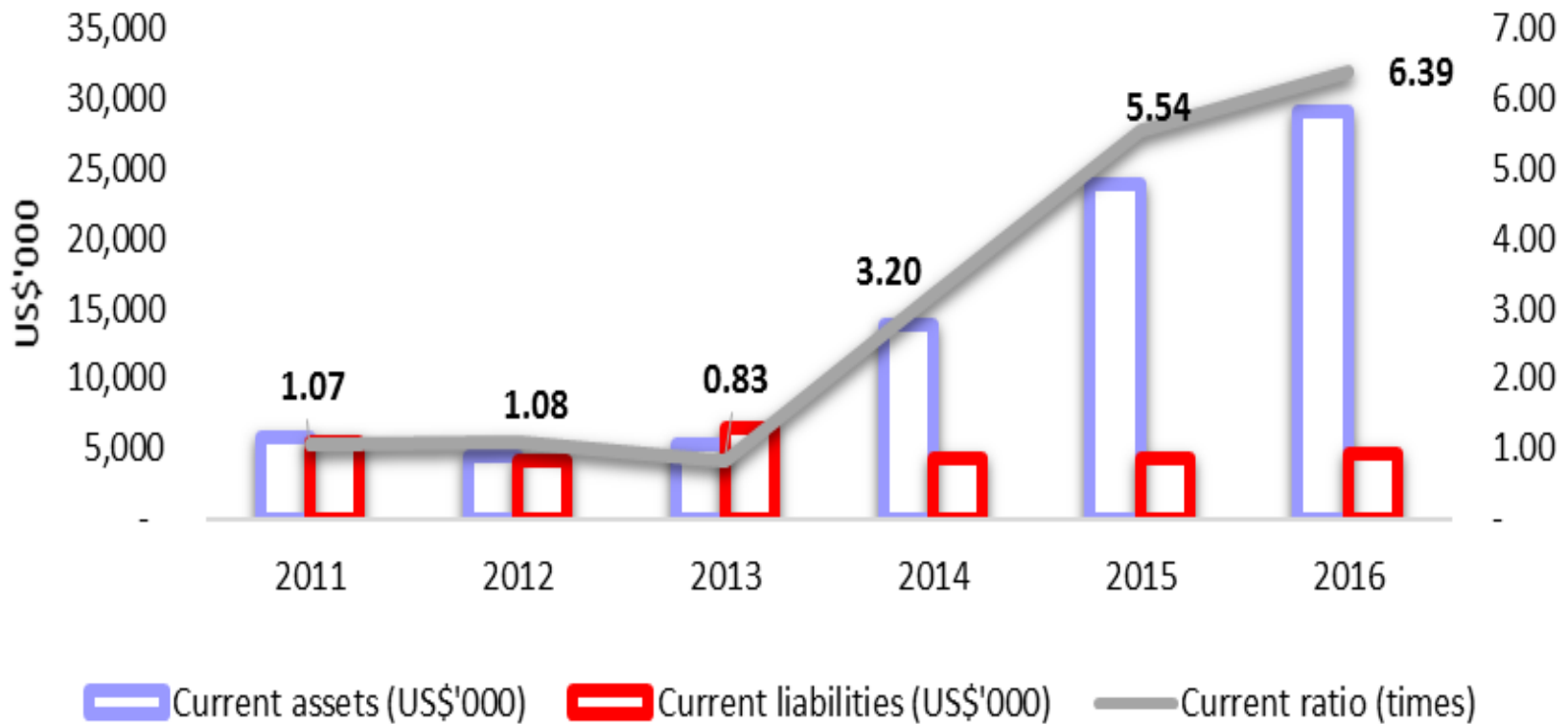
Analysis Of All-In Costs And Margin

	2016	2015	Changes
	US\$ / gold ounce sold		%
Mining related costs	383	313	22%
Royalty and tribute expenses	113	87	30%
Adjusted operating costs	496	400	24%
General and administrative costs	87	76	14%
Capital expenditure	19	65	-71%
All-in sustaining costs	602	541	11%
Capital exploration (non-sustaining)	11	40	-73%
Capital expenditure (non-sustaining)	17	27	-37%
Mining lease extension	189	-	n.m.
All-in costs (A)	819	608	35%
Average realized gold price (B)	1,265	1,169	8%
All-in Margin (C= B - A)	446	561	-20%
All-in Margin (%) (C / B)	35%	48%	-13%

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.

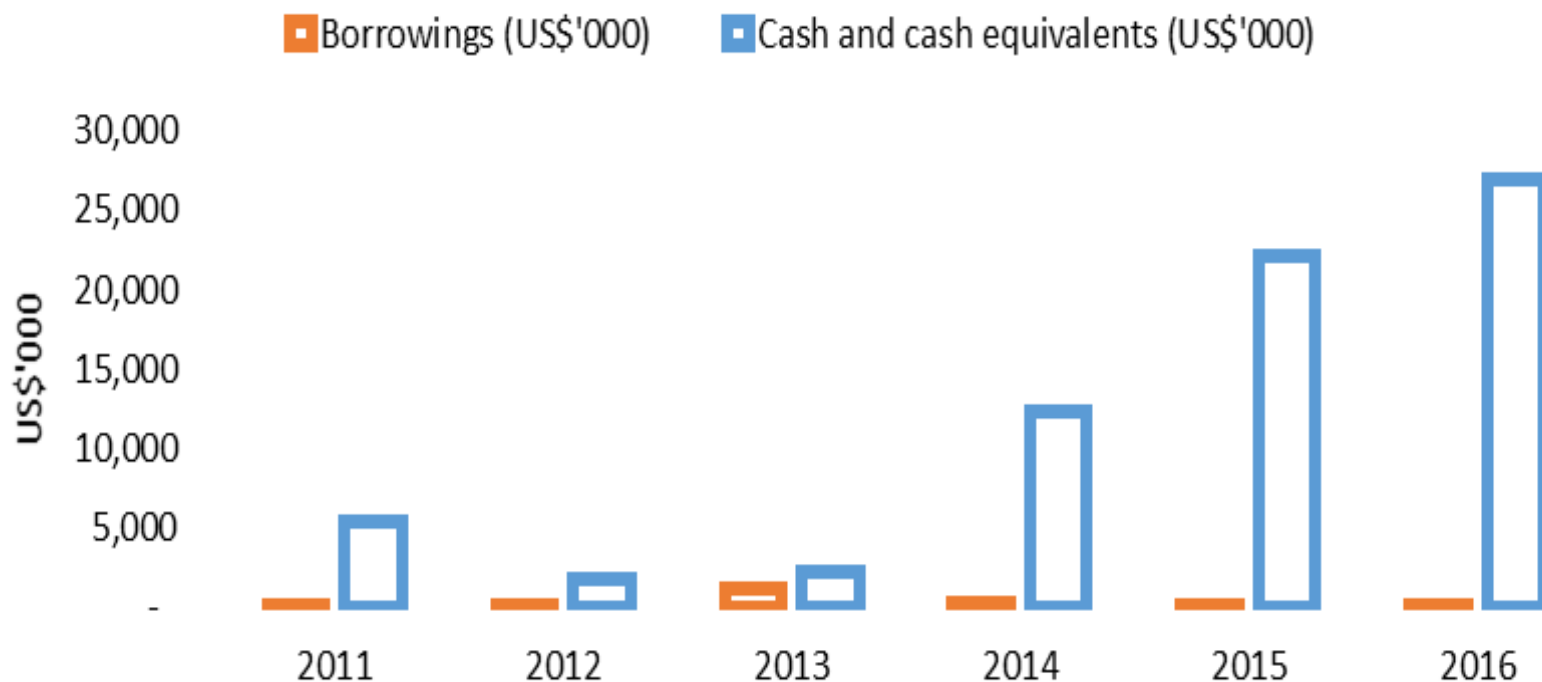
CURRENT ASSETS VERSUS CURRENT LIABILITIES, CURRENT RATIO : FY2011 TO FY2016

Current assets versus current liabilities, Current ratio



CASH AND CASH EQUIVALENTS & BORROWINGS: FY2011 TO FY2016

Cash and cash equivalents versus borrowings



Milestones

2017 Milestones

Date	Milestone
20 January	Entered into an assignment agreement with Kelantan State Economic Development Corporation (“ KSEDC ”) where KSEDC has agreed to assign a mining lease for a period of 21 years till December 2034 for an area covering 956.5 hectares in the Sokor district.
20 January	Completed due diligence for subscription of 51% of the shares in the enlarged share capital of Pulai Mining Sdn. Bhd.

2016 Milestones

Date	Milestone
20 October	CNMC appointed Academician Zhao Pengda, Professor Xiao Rong Ge, Dato Nik Kamaruddin Ismail and Dato' Sri Nik Othman Nik Hussein as advisors for a period of 12 months to provide strategic guidance and counsel to the Executive Directors on matters relating to mining and social affairs
22 September	Produced more than 100,000 ounces of fine gold since production commenced in 2010, surpassing initial gold ore reserves estimate of 70,300 ounces
25 August	Execution of Share Subscription Agreement for proposed subscription of shares in Pulai Mining Sdn Bhd

2016 Milestones

Date	Milestone
23 August	CNMC gets regulatory nod for extension of mining lease for Sokor Gold Field until 2034
4 July	Produced 9,807.37 ounces of fine gold in 2Q2016, the most in any quarter since gold production started in 2010
28 June	Execution of Non-Binding Letter of Intent in relation to the proposed subscription of shares in Pulai Mining Sdn Bhd
6 June	Collaboration with University of Malaya in forming a research unit for in-depth studies on mineralisation of gold and rare earth elements in Malaysia
13 April	Newly upgraded vat leach facility achieves first gold pour, producing 1,363.29 ounces of gold doré bars

2016 Milestones

Date	Milestone
31 March	Gold resources amounted to 13.83 million tonnes at 1.4g/t gold as at 31 December 2015. This translates into 618,000 ounces of contained gold, up 22% compared to 31 December 2014
7 January	Produced record 31,205.85 ounces of fine gold in FY2015



Outlook & Investment Merits

Outlook

- **Continue Production Expansion:**
 - Increase leaching capacity and enhance gold recovery process with the aim of increasing gold production
- **Minimise Cost:**
 - Further streamline production process to reduce wastage of raw material
 - Leverage economies of scale from increased production capacity to lower material costs from key suppliers
- **Accelerate Exploration:**
 - Increase gold resources and reserves (as well as silver, lead and zinc resources and reserves) at Sokor
- **Expand Portfolio:**
 - Explore opportunities to acquire and develop other mines in Malaysia, other parts of Southeast Asia and Australasia

Competitive Strengths

Profitable gold producer

Low all-in costs of production

Strong operating cash flow

Corporate transparency

Exploring portfolio expansion

Stock Data & Dividend

Stock Data & Dividend

(SGX: 5TP) (Reuters: CNMC.SI) (Bloomberg: CNMC:SP)	17 February 2017
Price per share	S\$0.400
Market capitalisation	S\$162.92 Million
Share issued	407.29 Million
P/E ratio (Note)	13.03
Dividend Yield (YTD)	2.84%

Note: Market price per share @ 17 February 2017 / Earning per share (S\$) as of 31 December 2016.

For FY2016, CNMC paid two interim tax-exempt dividend of total of 0.40 Singapore cent per share.

CNMC proposed a final dividend of 0.20 Singapore cent per share and special dividend of 0.534 Singapore cent per share for shareholders' approval at the next AGM.

Stock Data & Dividend (Cont'd)

\$ CNMC Goldmine (5TP.SI)

0.41 0.00(0.00%)



Source: <https://sg.finance.yahoo.com/echarts?s=5TP.SI>

Shareholder Base and Analyst

Key Shareholders

Executive Directors:

Professor Lin Xiang Xiong and Mr. Lim Kuoh Yang : 26.538%

Mr. Choo Chee Kong : 12.980%

Substantial Shareholder:

Mr. Ng Eng Tiong : 9.762%

Analyst Coverage

CNMC Goldmine Holdings Limited
1Q16 results update (15 Sep 2016)

Overweight
Current Price: S\$0.216
Fair Value: S\$0.430 (100.4%)
Div (Dividend): 40.4%

Stock Statistics
Market cap: S\$107.5m
52-week: S\$0.178 - S\$0.300
Avg daily vol: 450,152
No of shares: 407.39m
Free float: 46.1%

Key Indicators
ROE T&F: 41.5%
ROA T&F: 39.4%
P/BK: 2.07
Net gearing: Net cash

Major Shareholders
Prof. Lin Xiang Xiong: 26.53%
Ng Eng Tiong: 9.76%
Choo Chee Kong: 12.98%

Historical Chart
Price as of 28 Jun 2016: 0.380
12M target price (S\$): 0.510
Previous target price (S\$): 0.480
Upside (N): 34.2

Trading data
Market Cap (S\$m): 154.9
Issued Shares (m): 407.3
Avg Daily Traded (1-Month) (M) / vol: 2.9m / S\$0.9m
52 weeks lo / hi: S\$0.16 / S\$0.41
Free Float: 46.1%

Major Shareholders
Institution (Diva) Ltd: 26.3%
Bank of S'pore Nominees: 13.0%

Analyst Recommendations

Date	Rating	Share Price (S\$)	Target Price (S\$)
17-Nov-15	BUY	0.355	0.480

12-Mth CNMC SP (Blue) vs. FSTI (Red)

Source: Bloomberg

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FINANCIAL SUMMARY (USD MILLION)

	2014	2015	2016F	2017F	2018F
Revenue	33.2	36.5	43.6	48.4	49.3
EBITDA	18.8	20.9	25.1	27.8	28.3
Core PBT	13.2	13.8	16.4	18.9	19.5
Core PBT (excl)	4.1	4.8	5.5	6.2	6.5
Core PBT growth (N)	391.0	12.2	19.8	15.2	2.8
Core PBT (excl) growth (N)	0.0	0.0	0.0	0.0	3.8
OP (excl)	0.7	0.9	1.0	1.0	1.0
Dividend Yield (N)	1.8	2.3	2.6	2.6	2.6
Dividend Yield (excl)	0.0	0.0	0.0	0.0	0.0
Net Cash	4.4	1.0	2.2	1.6	1.3
FCF (N)	2.8	0.8	2.4	2.6	2.7
FCF (excl)	2.8	0.8	2.4	2.6	2.7

FINANCIAL SUMMARY (USD MILLION)

	2014	2015	2016F	2017F	2018F
Revenue	33.2	36.5	43.6	48.4	49.3
EBITDA	18.8	20.9	25.1	27.8	28.3
Core PBT	13.2	13.8	16.4	18.9	19.5
Core PBT (excl)	4.1	4.8	5.5	6.2	6.5
Core PBT growth (N)	391.0	12.2	19.8	15.2	2.8
Core PBT (excl) growth (N)	0.0	0.0	0.0	0.0	3.8
OP (excl)	0.7	0.9	1.0	1.0	1.0
Dividend Yield (N)	1.8	2.3	2.6	2.6	2.6
Dividend Yield (excl)	0.0	0.0	0.0	0.0	0.0
Net Cash	4.4	1.0	2.2	1.6	1.3
FCF (N)	2.8	0.8	2.4	2.6	2.7
FCF (excl)	2.8	0.8	2.4	2.6	2.7

Please see important disclosures at the end of this publication.

Regional Market Focus
ASEAN Small Mid-Caps Radar

Refer to important disclosures at the end of this report

DBS Group Research - Equity

CNMC Goldmine (US\$27, CNMC SF)

- CNMC Goldmine (CNMC) is engaged in the gold production sector of gold doing. CNMC is coming on developing 10.1 km² "Golden Good Hope" Project in Kelantan, Malaysia, in which CNMC has majority stake of 81%.
- At 7.4m, the group trades at a discount to long valuation. Despite its smaller size, the stock also has attractive growth CNMC's higher margin, costs above average income-generation stability and projects. The share price could re-rate as gold and production efforts are accelerated, as terms delivered, and with carry on the concession term.

Salutica (RMO.81, SALUT MCO)

- Salutica specialises in consumer and business etc product development such as Bluetooth sensors, smart watches and touch-screen system light-gate group is an original design manufacturer (ODM) clients include multinational corporations such as Panasonic, Apple and Sony.
- Earnings growth in FY16FY17 will be backed by contracts secured from major clients - Panasonic global. Increase in production volume will be in the addition of a new surface mount technology which will increase the maximum production to 33% to 18.5m PCBs per annum, in the mid to growth will be driven by the announcement of the own brand (R&D) product range and expansion product categories.

Buy (Initiation)

CNMC Goldmine Holdings Limited
Sitting on a gold mine

SINGAPORE | MINING | INITIATION

- Abundant resources and reserves at Sokor field with extracted gold grade higher than cut-off grade.
- Current minimum ore processing capacity is expected to be ramped up in the upcoming future, from the current 1.2m tonnes per annum.
- After sustaining cost and A&E cost trended down over the past 5 years and are currently maintained at around US\$500/oz.
- Other resources such as Silver, Lead, and Zinc have yet to be explored, thus the value of these resources are not priced in yet.
- The acquisition of Pulai Project is awaiting to be sealed and expected to create positive synergies.
- We initiate coverage on CNMC with a Buy rating and a DCF-derived target price of S\$1.03 using a cost of equity of 8.8%. Together with an estimated dividend of 50 cents 1.4 for FY16, implied upside is 102.6%.

Investment Thesis

- The imbalance between supply and demand in the physical gold market is not the main driver of gold price.
- Exponential increase in global monetary supply due to several rounds of quantitative easing inflated asset prices, including gold.
- Gold, a safe haven asset, performed well during recessions; we see signs of an impending recession from recent slowing US economic data.

Investment Actions

We initiate coverage on CNMC with a Buy rating and a DCF-derived target price of S\$1.03, using a cost of equity of 8.8%. Together with an estimated dividend of 50 cents 1.4 for FY16, implied upside is 102.6%.

15 September 2016

COMPANY DATA

ISIN	SECT	IND
US02707L1010	MIN	MIN
US02707L1010	MIN	MIN
US02707L1010	MIN	MIN

MARKET SHARE DATA (N)

MARKET SHARE DATA (N)	MARKET SHARE DATA (N)
MARKET SHARE DATA (N)	MARKET SHARE DATA (N)
MARKET SHARE DATA (N)	MARKET SHARE DATA (N)

PRICE PERFORMANCE (N)

PRICE PERFORMANCE (N)	PRICE PERFORMANCE (N)	PRICE PERFORMANCE (N)
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KEY FINANCIALS

KEY FINANCIALS	KEY FINANCIALS	KEY FINANCIALS
KEY FINANCIALS	KEY FINANCIALS	KEY FINANCIALS
KEY FINANCIALS	KEY FINANCIALS	KEY FINANCIALS

VALUATION METHOD

DCF (Cost of Equity: 8.8%, Terminal yr: 6%)

Share Register (418,412,998)

www.dbsbank.com
65 6236 6101

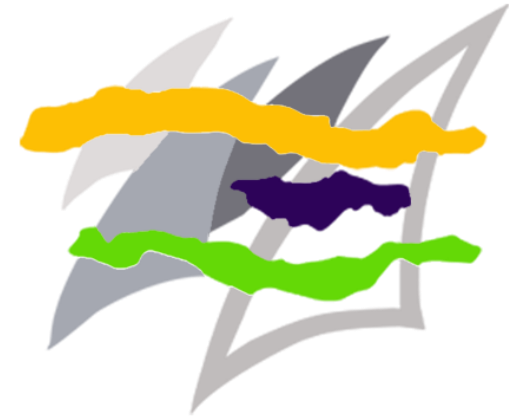
Page | 1 | PHILIP SECURITIES RESEARCH (SINGAPORE)
MOF U3 158/02/2015
Ref No: S20164_106



Pulai Mining - Strategic Acquisition

Strategic Acquisition

- On 24 August 2016, CNMC signed a conditional Share Subscription Agreement to acquire a 51% stake in Pulai Mining Sdn Bhd (“Pulai”)
- Pulai will issue new shares to CNMC for a total consideration of RM13.8 million, which will be funded through internal resources
- Acquisition is expected to yield substantial synergies

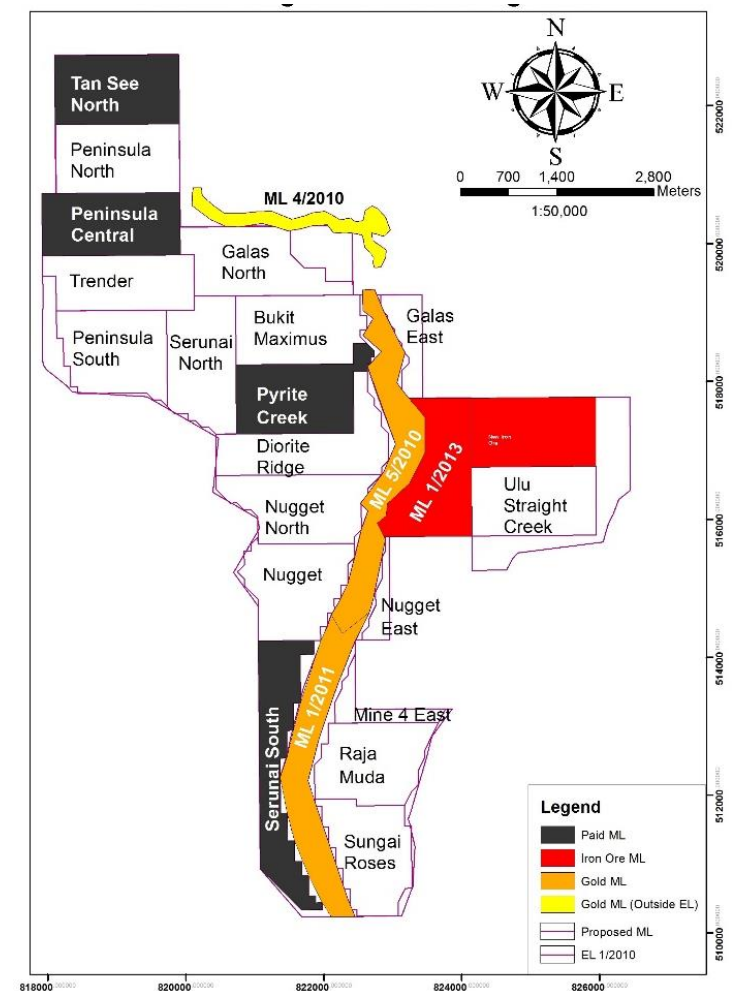


CNMC



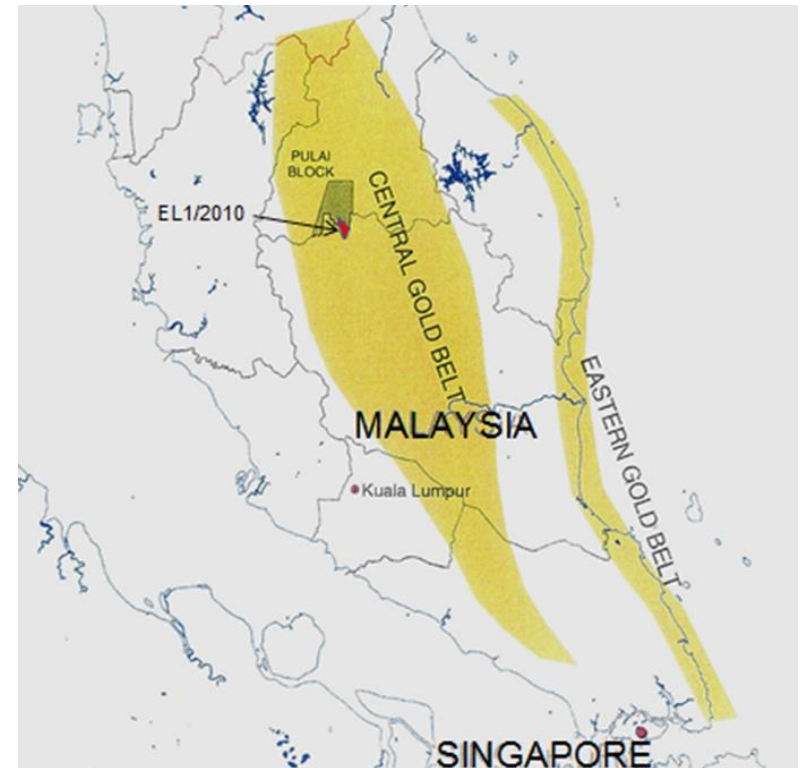
About Pulai

- Pulai Mining is a brownfield project with 11 licenses spanning about 3,841.3ha (38.4km²) to explore and mine for gold, iron ore and feldspar
- From March 2011 to May 2013, it produced and sold over 260kg of gold with a value close to RM38 million from alluvial mining
- Project has never systematically explored feldspar deposits but managed to generate over RM500,000 in revenue from feldspar mining in FY2015



Location

- Pulai's concession areas are located approximately 17km Southwest of GuaMusang town, Kelantan, Malaysia
- Approximately 105km from our Sokor Gold Field Project
- Central Gold Belt of Malaysia lies on the eastern side of the Raub-Bentong suture, a regional scale structure that extends northwards through Thailand and Laos into China



About CNMC

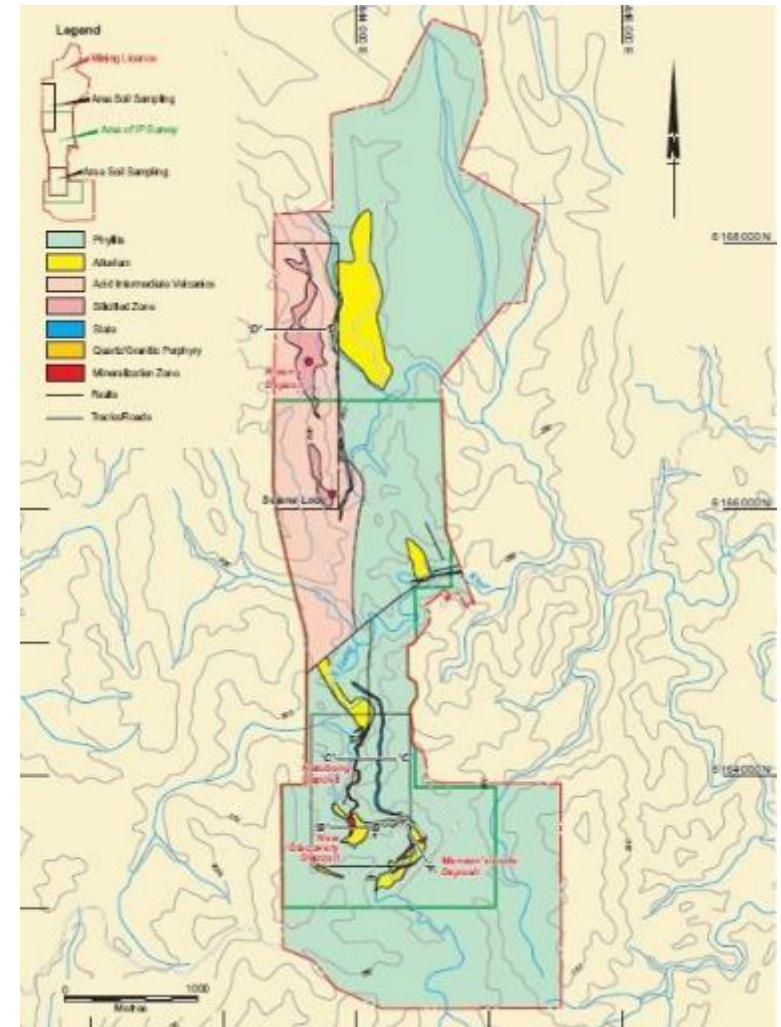
About CNMC

- Involved in exploration and mining of gold, and processing of mined ore into gold dores
- Commenced operations in 2007; first Catalist-listed gold producer on SGX-ST (listed in October 2011)
- Current flagship project – Sokor Gold Field in Kelantan, Malaysia
- CNMC founded by Prof Lin Xiang Xiong, Chief Advisor for China International Trade to Kelantan State Government



Sokor Gold Field Project

- Spanning an area of 10km², Sokor had 618,000 ounces of JORC-compliant gold resources (including ore reserves) as at 31 December 2015
- Achieved first gold pour on 21 July 2010
- Produced more than two metric tonnes of fine gold bullion since production commenced
- 4 identified areas: Manson's Lode, New Discovery, Sg. Ketubong, Rixen
- Mining licences obtained with full support from Kelantan State Government



Production Facilities

- Three leaching yards with estimated leaching capacity of 1 million tonnes of ore per annum
- Brand-new gold de-absorption plant comprising gold de-absorption, active carbon re-generation and smelting systems to support leaching capacity of 1 million tonnes of ore per annum

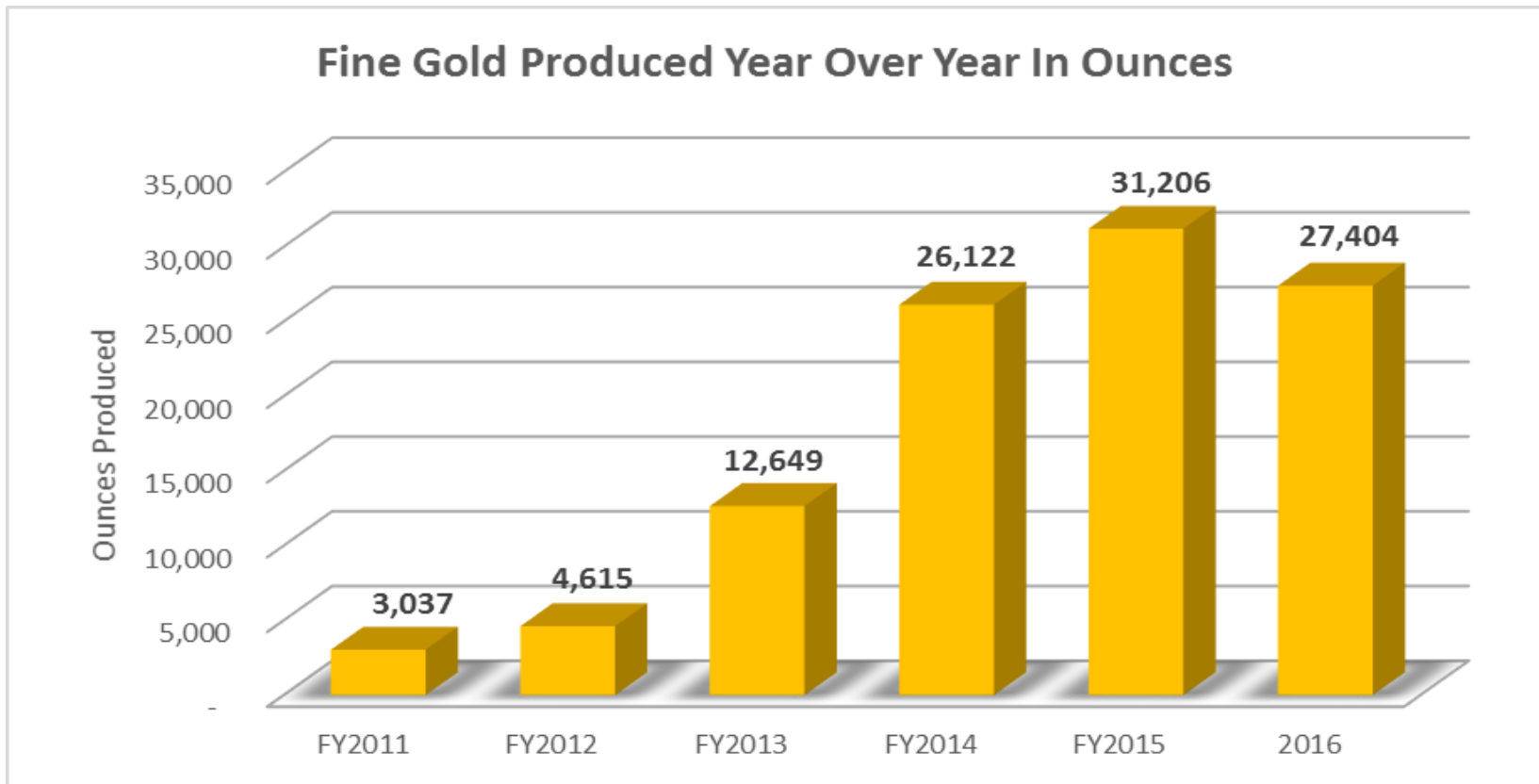


Production Facilities

- Brand-new ore agglomeration facility in construction
- Upgraded existing vat leaching facility to estimated leaching capacity of 200,000 tonnes of ore per annum



Fine-Gold Production



- Commenced gold production in July 2010 and has since successfully produced more than 105,000 ounces (3.27 metric tonnes) of fine gold
- Over the comparative periods, fine gold production decreased 12.2% to 27,403.98 ounces in FY2016 from 31,205.85 ounces in FY2015

JORC-Compliant Gold Resources

Category	Mineral type	Gross attributable to licence			Gross attributable to CNMC			
		Tonnes (millions)	Grade (Au g/t, Ag g/t, Pb%, Zn%)	Contained metal (Au koz, Ag koz, Pb t, Zn t)	Tonnes (millions)	Grade (Au g/t, Ag g/t, Pb%, Zn%)	Contained metal (Au koz, Ag koz, Pb t, Zn t)	Change from previous update (%)
Measured	Gold	0.56	3.1	56	0.46	3.1	45	-2%
Indicated	Gold	7.14	1.3	297	5.78	1.3	241	+4%
Inferred	Gold	6.13	1.4	265	4.95	1.4	215	+63%
Total	Gold	13.83	1.4	618	11.18	1.4	501	+22%
Measured	Silver	0.33	63	674	0.27	63	546	+2%
Indicated	Silver	0.17	73	398	0.14	73	322	+10%
Inferred	Silver	0.71	28	645	0.57	28	522	+36%
Total	Silver	1.21	44	1,717	0.98	44	1,391	+15%
Measured	Lead	0.33	1.7	5,632	0.27	1.7	4,562	+1%
Indicated	Lead	0.17	1.7	2,925	0.14	1.7	2,370	+11%
Inferred	Lead	0.71	1.7	12,245	0.57	1.7	9,918	+188%
Total	Lead	1.21	1.7	20,802	0.98	1.7	16,850	+67%
Measured	Zinc	0.33	1.7	5,535	0.27	1.7	4,483	+1%
Indicated	Zinc	0.17	2.0	3,299	0.14	2.0	2,672	+8%
Inferred	Zinc	0.71	1.5	10,781	0.57	1.5	8,733	+142%
Total	Zinc	1.21	1.6	19,615	0.98	1.6	15,888	+51%

Note: Inconsistencies in totals are due to rounding

Table extracted from Sokor Project – updated Mineral Resources and Ore Reserves Estimate as at 31 December 2015.

As at 31 December 2015, Total Measured, Indicated and Inferred gold Mineral Resources for the Sokor Gold Project (above a 0.3 g/t gold cut-off grade at Rixen, a 0.4 g/t gold cut-off grade at New Discovery and a 0.5 g/t gold cut-off grade at Manson's Lode and Ketubong) were 13.83 million tonnes at 1.39g/t gold with contained gold of 618,000 ounces (2014: 10.81 million tonne at 1.5 g/t gold with contained gold of 506,000 ounces).

Resources and Production

Gold Resources Versus Fine Gold Production



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Thank You

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