



CNMC
CNMC GOLDMINE HOLDINGS LIMITED

申金礦有限公司

(Company Registration No.: 201119104K)

PROPOSED GRANT OF A CONVERTIBLE LOAN OF AN AMOUNT OF S\$1.45 MILLION

Introduction

The board of Directors of CNMC Goldmine Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company has entered into a convertible loan agreement on 15 July 2013 (the “**Agreement**”) with Li Hung, Fareast Securities Limited, Aw Soon Beng, Ivan Chua Kim Boon, Lim Liang Yew Dennis and CM Strategic Holdings Limited (each a “**Lender**” and collectively the “**Lenders**”) pursuant to which the Lenders have agreed to grant a convertible loan of an aggregate amount of S\$1.45 million (the “**Loan**”) to the Company, with an option to convert the Loan into up to 3,295,453 fully-paid ordinary shares in the capital of the Company (“**Conversion Shares**”) at a conversion price of S\$0.44 (the “**Conversion Price**”).

Terms of the Agreement

The key terms of the Agreement are as follows:

- Loan Amount** : Loan of S\$1.45 million, with an option to convert the Loan into Conversion Shares. The Lenders shall, within seven (7) days of the execution of the Agreement, effect the disbursement of the Loan to the Company (“**Disbursement**”).
- Conversion Price** : S\$0.44 per Conversion Share. The Conversion Price represents a premium of approximately 62.96% to the prevailing market price, being the volume-weighted average price of S\$0.27 of each ordinary share in the capital of the Company (“**Share**”), based on trades done on the sponsor-supervised trading platform (“**Catalist**”) of the Singapore Exchange Securities Trading Limited on 15 July 2013 (being the last full market day on which trades of the Shares were done prior to the signing of the Agreement)
- Conversion Shares** : Up to 3,295,453 new Shares, subject to adjustments for:-
- (i) consolidation, subdivision or reclassification of Shares;
 - (ii) an issue of Shares by the Company to its shareholders credited as fully paid by way of capitalisation of profits or reserves;
 - (iii) a capital distribution by the Company to its shareholders whether on reduction of capital or otherwise; or
 - (iv) an offer or invitation made by the Company to its shareholders whereunder they may acquire or subscribe for Shares by way of rights.
- Loan Maturity** : The Company shall repay the Loan on the date falling one (1) year from the date of the Agreement (“**Maturity Date**”), unless the

Loan has been repaid by way of conversion prior to the Maturity Date or the Lenders have agreed to extend the Maturity Date for another twelve (12) months.

The Company shall inform the Lenders in writing of the impending maturity of the Loan at least two (2) months before the Maturity Date so as to enable the Lenders to elect whether they wish for the Company to (a) repay the Loan, (b) convert the Loan into Conversion Shares, or (c) extend the Maturity Date for another twelve (12) months. The Company will make an announcement on the expiry of the Loan via SGXNET at the appropriate time.

If the Lenders elect to convert their Loans into Conversion Shares, they must send a notice of conversion to the Company at least three (3) months before the date of conversion which is no later than the Maturity Date, failing which the Lenders shall no longer be able to convert.

- Interest** : 6.5% per annum on the basis of the actual days elapsed on a 365-day year, commencing from the date of Disbursement until the Loan is repaid in full by the Company.
- Conversion** : At any time following the date of Disbursement and up to and including the Maturity Date, the Lenders may, by notice to the Company, convert the entire principal amount of the Loan into Conversion Shares at the Conversion Price.
- Prepayment** : The Company shall not be entitled to reduce, repay or prepay all or any part of the Loan to the Lenders prior to the Maturity Date, unless otherwise mutually agreed to by the parties.

Any material alteration to the terms of the Loan shall be made subject to shareholders' approval if the alteration sought is to the advantage of the Lenders, save where such alteration is in accordance with the terms of the Agreement.

The Conversion Shares, when allotted and issued in full, will represent approximately 0.81% of the Company's existing and paid-up capital of 407,693,000 Shares as at the date of this announcement, and approximately 0.80% of the enlarged issued and paid-up share capital of 410,988,453 Shares assuming full conversion of the Loan.

The Conversion Shares will, upon allotment and issue, rank *pari passu* in all respects with the existing Shares, except that they will not be entitled to any dividends, rights, allotments or other distributions, the record date for which occurs prior to the date of issue of the Conversion Shares.

The Agreement was entered into, and the Conversion Shares will be issued, pursuant to the general share issue mandate ("**General Mandate**") granted by the shareholders of the Company pursuant to section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Catalist Rules, at the last annual general meeting of the Company held on 29 April 2013 ("**2013 AGM**"). As at the date of the 2013 AGM, the number of issued Shares was 407,693,000 Shares. No Shares were previously issued under the General Mandate prior to the Agreement and as such, the total number of Shares that may be issued pursuant to the General Mandate is 407,693,000 Shares, of which the maximum number of Shares to be issued other than on a pro-rata basis is 203,846,500 Shares. The Conversion Shares to be issued pursuant to the Loan will fall within the limits of the General Mandate.

The sponsor of the Company will make an application on behalf of the Company to the SGX-ST for the listing of and quotation for the Conversion Shares on the Catalist upon receipt of the first notice of conversion. The Company will make the necessary announcements once the listing and quotation notice in respect of the Conversion Shares has been obtained.

Information on the Lenders

Under the terms of the Agreement, the quantum of Loan given to the Company by each Lender and the maximum number of Conversion Shares to be issued to each Lender will be as follows:

Name of Lender	Quantum of Loan to Company (S\$)	Maximum number of Conversion Shares to be issued⁽¹⁾	Resultant shareholding (on an enlarged basis^{(1) (2)}) (%)
Li Hung	200,000	454,545	0.11
Fareast Securities Limited	200,000	454,545	0.11
Aw Soon Beng	200,000	454,545	0.11
Ivan Chua Kim Boon	250,000	568,182	0.14
Lim Liang Yew Dennis	400,000	909,091	0.22
CM Strategic Holdings Limited	200,000	454,545	0.11

Notes:-

(1) On the assumption that the Loan is fully drawn down and the Lenders elect to fully convert the Loan.

(2) Based on the Company's enlarged issued and paid-up share capital of 410,988,453 Shares.

Mr Li Hung is the chairman and a shareholder of Eng Kong Holdings Pte Ltd and has over 30 years of experience in the container depot industry.

Fareast Securities Limited is a private investment holding company, incorporated in the British Virgin Islands and its sole shareholder is Ms Low Puay Joo.

Mr Aw Soon Beng is an independent director of Biosensors International Group Ltd, a company listed on the Mainboard of SGX-ST.

Mr Ivan Chua Kim Boon is the managing director of fresh division of SunMoon Food Company Limited, a company listed on the Mainboard of SGX-ST. He is the nephew-in-law of Mr Choo Chee Kong, a Director of the Company.

Mr Lim Liang Yew Dennis is an oil trader in a multinational oil company and is the brother-in law of Mr Choo Chee Kong, a Director of the Company.

CM Strategic Holdings Limited is an investment holding company and its sole shareholder is Mr Lee Chong Min, the managing partner of CMIA Capital Partners Pte. Ltd..

The Lenders were introduced to the Company by Mr Choo Chee Kong, who will not be receiving any introducer fees, commission or other payments from the Company for the introduction.

The Lenders are willing investors who have entered into the Agreement for investment purposes.

Save for Mr Lim Liang Yew Dennis and Mr Ivan Chua Kim Boon who respectively, are the brother-in-law and nephew-in-law of Mr Choo Chee Kong, a Director of the Company, each Lender has confirmed to the Company that he or it has no connection (including business relationships) with the Company, its Directors or substantial shareholders.

The Lenders have also confirmed that they are not acting in concert with any other Lender nor any Director or substantial shareholder of the Company to obtain or consolidate effective control of the Company through the Loan (including as contemplated in the Singapore Code on Take-overs and Mergers).

None of the Lenders is a Director or a substantial shareholder of the Company, or any person or group of persons set out under Rule 812 of the Catalist Rules. In addition, the Loan and/or the issuance of the Conversion Shares would not result in any transfer of controlling interest in the Company.

The issuance of the Loan will be undertaken pursuant to exemption under Section 272B of the Securities and Futures Act (Cap. 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

Use of Proceeds

The Company intends to use the proceeds from the Loan for the following purposes:

- (a) approximately S\$400,000 for the construction of ancillary production facilities;
- (b) approximately S\$1,000,000 for the expansion of its heap leach operations, including the construction of a new gold de-absorption plant and additional heap leach yards; and
- (c) the balance will be used for the Group's general working capital requirements.

The Company will make periodic announcement(s) as to the use of the proceeds from the Loan as and when such proceeds are materially disbursed and whether such an use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the proceeds raised from the Loan in its interim and full-year financial statements issued under the Catalist Rules and the Company's annual report. Where the proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the proceeds have been applied in the announcements and status reports. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

Pending the deployment of the proceeds from the Loan for the purposes mentioned above, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may deem fit in the interest of the Company.

Financial Effects

The net asset value per Share and the earnings per Share of the Group, based on the Group's audited financial statements for the financial year ended 31 December 2012 ("FY2012") was 2.91UScents and 0.18UScents respectively.

Based on the Group's audited financial statements for FY2012, the net assets value per Share (assuming that the Loan had been effected at the end of FY2012) and the earnings per Share (assuming that the Loan had been effected at the beginning of FY2012) of the Group, after adjusting for the issue of the Conversion Shares would be 3.16 US cents and 0.16 US cents respectively.

It should be noted that the abovementioned financial effects have been calculated for illustrative purposes only and does not purport to be indicative or a projection of the results and financial position of the Company and the Group after the completion of the Loan.

Confirmation by Directors

As at the date of this announcement, the Directors are of the opinion that, barring unforeseen circumstances and after taking into consideration the present banking facilities available to the Group, the Group has sufficient working capital to meet its present requirements.

Directors' and Substantial Shareholders' Interests

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Agreement, other than through their shareholdings in the Company.

By Order of the Board

Lim Kuoh Yang
Chief Executive Officer

15 July 2013

*The Company was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 28 October 2011. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”).*

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02Equity Plaza, Singapore 049705, telephone (65) 6229 8088.