



COMPLETION OF THE SUBSCRIPTION OF NEW SHARES REPRESENTING 51% OF THE SHARES IN THE ENLARGED SHARE CAPITAL OF PULAI MINING SDN. BHD. AND UPDATES ON PULAI MINING

COMPLETION

The board of directors (the "**Board**") of CNMC Goldmine Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the announcements dated 28 June 2016, 25 August 2016 and 20 January 2017 (the "**Announcements**") relating to the proposed subscription by the Company of new shares representing 51% of the enlarged issued and paid-up share capital of Pulai Mining (the "**Proposed Subscription**"). All capitalised terms herein shall, unless otherwise defined herein, bear the meanings ascribed to them in the Announcements.

The Board is pleased to announce that the Company has today completed the Proposed Subscription in accordance with the SSA.

Following the completion of the Proposed Subscription, Pulai Mining is now a 51%-owned subsidiary of the Company.

CONVERTIBLE LOAN AGREEMENT

Introduction

In connection with the completion of the Proposed Subscription, the Company had on 24 February 2017 entered into a convertible loan agreement ("**CLA**") with Pulai Mining and Centurion Resources Pte Ltd ("**Centurion**") a shareholder of Pulai Mining, pursuant to which the Company and Centurion (together, the "**Lenders**") have granted a convertible loan facility for the amount of up to RM6,900,000 and RM3,100,000, respectively, (the "**Loan**") to Pulai Mining for an availability period of 5 years. Pulai Mining may during the availability period make drawings of the loan in tranches. The Loan will be utilised by Pulai Mining primarily for working capital purposes in relation to its exploration and mining activities.

Key terms of CLA

- Interest of the Loan

Interest at the rate of 5% per annum shall be paid on the outstanding portion of the Loan. Any interest chargeable under the CLA shall be payable every 6 months from the first disbursement of the loan. And any interest due and not paid shall earn an interest at the rate of 10% per annum until the date of full repayment of the outstanding amounts of the loan and interest.

- Repayment of the Loan

Each of the Lenders shall have the right at any time (i) on or after the date falling five years from the date of the CLA (the "**Maturity Date**"); or (ii) after an event of default occurs pursuant to the CLA, to recall the Loan.

- *Conversion of the Loan*

The Lenders shall have the right to convert the total outstanding amount under the Loan inclusive of any applicable interest outstanding into new fully paid ordinary shares of Pulai Mining ("**Pulai Shares**") within seven business days after the Maturity Date.

In addition, in the event of the occurrence of any of the following events on or prior to the Maturity Date, the Lenders shall be obliged to convert the total outstanding amount under the Loan into Pulai Shares:

- (a) the lodgement by Pulai Mining of a prospectus or offer document in connection with its proposed listing on the Official List of the Mainboard of the SGX-ST or on the Official List of the Catalist bourse of the SGX-ST or any internationally recognised stock exchange;
- (b) the delivery by Pulai Mining to the Lenders of a copy of a written agreement with its shareholders (including the Lenders) and a target listed company pursuant to a reverse takeover of and/or acquisition or investment by such target listed company;
- (c) the trade sale transaction involving the sale by Pulai Mining and/or its subsidiaries of the whole or substantially the whole of the its business, assets and undertaking and of its subsidiaries, either by way of a share sale, an asset sale or a combination of both; or
- (d) the acquisition by the Company of such number of additional shares in Pulai Mining that results in the Company holding shares representing 85% or more of the share capital of Pulai Mining,

(each a "**Listing or Trade Sale Event**").

The issue price of each Pulai Share to be issued pursuant to a conversion under the terms of the CLA shall be calculated based on a 50% discount to the independent valuation subject to a minimum valuation of RM130,000,000 and maximum valuation of RM200,000,000 of the Pulai Shares as at the conversion date. All conversion shares shall rank *pari passu* in all respects with the then existing shares in issue.

ACQUISITION OF SHARES IN SUMBERJAYA LAND & MINING SDN BHD

Following completion of the Proposed Subscription, Pulai Mining had on 24 February 2017 also completed an acquisition of shares ("**SLM Shares**") representing 70% of the issued and paid-up share capital of Sumberjaya Land & Mining Sdn Bhd ("**SLM**"), in accordance with a sale and purchase agreement entered into on 25 August 2016 among Pulai Mining, Dato' Nor Hisham Bin Hazizi, Dato' Sri Nik Othman Nik Hussein and Advantage Mining Sdn. Bhd. (the "**SPA**").

SLM is primarily engaged in the business of iron ore exploration and mining. SLM holds the rights to mine iron ore for the iron ore mining lease assigned to Pulai Mining.

Following completion of the Proposed Subscription and the acquisition of the SLM Shares by Pulai Mining, SLM will become an indirect subsidiary of the Company.

The consideration for the SLM Shares under the SPA is RM 4.5 million in cash, the payment of which is by way of remittance to a bank account designated by the vendors, and was arrived at on a willing-buyer willing-seller basis after taking into account the existing iron-ore exploration data, and previous extraction of iron ore.

Interest of directors and controlling shareholders

Mr. Choo Chee Kong is the executive vice chairman of the Company. Post-completion, Mr. Choo Chee Kong through his investment holding company, Messiah Limited, holds an indirect interest of less than 1% in the issued share capital of Pulai Mining. In addition, Messiah had extended a convertible bond of RM 390,000 to Pulai Mining which has been redeemed.

Save as aforesaid, none of the Directors or substantial shareholders of the Company has any interest, directly or indirectly, in the aforesaid transactions, save through his shareholdings in the Company (if any).

By Order of the Board

Lim Kuoh Yang
Chief Executive Officer

27 February 2017

This announcement has been prepared by 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.

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

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay ,#10-00 Income at Raffles, Singapore 049318 , telephone (65) 6229 8088.