CNMC
CNMC GOLDMINE HOLDINGS LIMITED
中色金礦有限公司
(Company Registration No.: 201119104K)

Unaudited Financial Statement and Dividend Announcement
For the Third Quarter Ended 30 September 2018

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			Nine Months Ended		
	30 September 2018 US$ (Unaudited)	30 September 2017 US$ (Unaudited)	Increase/ (Decrease) %	30 September 2018 US$ (Unaudited)	30 September 2017 US$ (Unaudited)	Increase/ (Decrease) %
Revenue	11,530,854	4,706,428	145.0	26,941,945	14,291,544	88.5
Other operating income	24,623	312,974	(92.1)	239,313	1,441,116	(83.4)
Changes in inventories	(210,755)	116,073	n.m.	517,462	38,956	1,228.3
Amortisation and depreciation	(1,022,402)	(818,751)	24.9	(3,602,818)	(2,677,208)	34.6
Employee benefits expenses	(1,078,128)	(801,137)	34.6	(3,193,647)	(2,242,610)	42.4
Key management remuneration	(949,502)	(782,183)	21.4	(2,154,364)	(2,299,197)	(6.3)
Marketing and publicity expenses	(134,864)	(58,910)	128.9	(481,523)	(211,670)	127.5
Office and administration expenses	(56,263)	(66,773)	(15.7)	(200,780)	(228,630)	(12.2)
Professional fees	(166,792)	(181,042)	(7.9)	(640,862)	(658,626)	(2.7)
Rental expense on operating lease	(470,139)	(289,675)	62.3	(1,298,388)	(786,224)	65.1
Royalty and tribute fee expenses	(1,514,462)	(630,622)	140.2	(3,590,589)	(1,905,476)	88.4
Site and factory expenses	(3,330,975)	(1,452,097)	129.4	(8,907,661)	(4,281,153)	108.1
Travelling and transportation expenses	(97,124)	(66,582)	45.9	(275,026)	(206,611)	33.1
Listing expenses	(787,008)	-	n.m.	(1,781,778)	-	n.m.
Other operating expenses	(416,719)	(10,376)	3,916.2	(209,774)	(16,309)	1,186.2
Results from operating activities	**1,320,344**	**(22,673)**	**n.m.**	**1,361,510**	**257,902**	427.9
Finance income	133,196	179,940	(26.0)	423,055	597,367	(29.2)
Finance costs	(20,397)	(10,094)	102.1	(70,319)	(24,456)	187.5
Net finance income	**112,799**	**169,846**	**(33.6)**	**352,736**	**572,911**	**(38.4)**
Profit before tax	**1,433,143**	**147,173**	**873.8**	**1,714,246**	**830,813**	**106.3**
Tax (expenses)/credit	(802,965)	935,215	n.m.	(653,067)	844,162	n.m.
Profit for the period	**630,178**	**1,082,388**	**(41.8)**	**1,061,179**	**1,674,975**	**(36.6)**
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Exchange differences arising from consolidation of foreign subsidiaries	(721)	9,236	n.m.	14,888	52,337	(71.6)
Total comprehensive profit for the period	**629,457**	**1,091,624**	**(42.3)**	**1,076,067**	**1,727,312**	**(37.7)**
Profit attributable to:						
Owners of the Company	235,611	957,300	(75.4)	427,018	1,490,515	(71.4)
Non-controlling interests	394,567	125,088	215.4	634,161	184,460	243.8
Profit for the period	**630,178**	**1,082,388**	**(41.8)**	**1,061,179**	**1,674,975**	**(36.6)**
Total comprehensive income attributable to:						
Owners of the Company	238,992	963,926	(75.2)	435,398	1,525,831	(71.5)
Non-controlling interests	390,465	127,698	205.8	640,669	201,481	218.0
Total comprehensive income for the period	**629,457**	**1,091,624**	**(42.3)**	**1,076,067**	**1,727,312**	**(37.7)**

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

	Group					
	Three Months Ended			Nine Months Ended		
	30 September 2018 US$ (Unaudited)	30 September 2017 US$ (Unaudited)	Increase/ (Decrease) %	30 September 2018 US$ (Unaudited)	30 September 2017 US$ (Unaudited)	Increase/ (Decrease) %
Profit for the period is stated after charging/(crediting) the following:						
Finance costs	20,397	10,094	102.1	70,319	24,456	187.5
Amortization and depreciation	1,022,402	818,751	24.9	3,602,818	2,677,208	34.6
Loss/(Gain) on disposal of property, plant and equipment	559	-	n.m.	(134,467)	(149,238)	(9.9)
Loss/(Gain) on foreign exchange						
- Unrealised	395,768	(300,013)	n.m.	175,435	(1,176,612)	n.m.
- Realised	20,582	8,358	146.3	28,588	(43,776)	n.m.

n.m. -- not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30 September 2018 US$ (Unaudited)	31 December 2017 US$ (Audited)	30 September 2018 US$ (Unaudited)	31 December 2017 US$ (Audited)
ASSETS				
Non-current assets				
Exploration and evaluation assets	9,650,509	8,929,713	-	-
Mine properties	13,878,489	14,049,323	-	-
Property, plant and equipment	12,417,113	10,504,862	145,891	9,839
Investment in subsidiaries	-	-	12,050,251	12,050,251
Total non-current assets	35,946,111	33,483,898	12,196,142	12,060,090
Current assets				
Inventories	2,373,430	1,013,129	-	-
Trade and other receivables	4,051,128	1,467,821	7,650,420	9,717,531
Cash and cash equivalents	15,063,235	19,491,957	90,828	82,383
Total current assets	21,487,793	21,972,907	7,741,248	9,799,914
Total assets	**57,433,904**	**55,456,805**	**19,937,390**	**21,860,004**
EQUITY				
Share Capital	18,032,233	18,032,233	18,032,233	18,032,233
Treasury shares	-	(200,845)	-	(200,845)
Preference shares	2,800	2,800	-	-
Capital Reserve	3,111,892	3,125,752	(13,860)	-
Retained earnings/(Accumulated losses)	19,313,067	19,504,023	(4,916,082)	(1,981,118)
Translation reserves	(13,128)	(21,508)	-	-
	40,446,864	40,442,455	13,102,291	15,850,270
Non-controlling interest	7,395,462	6,754,793	-	-
Total equity	**47,842,326**	**47,197,248**	**13,102,291**	**15,850,270**
LIABILITIES				
Non-current liabilities				
Loans and borrowings	736,202	628,507	-	-
Derivative financial instrument	151,674	154,686	-	-
Deferred tax liabilities	278,233	505,564	-	-
Total non-current liabilities	1,166,109	1,288,757	-	-
Current liabilities				
Loans and borrowings	70,208	44,697	-	-
Trade and other payables	6,752,845	5,560,072	6,835,099	6,009,734
Accrued rehabilitation costs	1,093,871	863,249	-	-
Dividend payable	62,858	437,538	-	-
Current tax liabilities	445,687	65,244	-	-
Total current liabilities	8,425,469	6,970,800	6,835,099	6,009,734
Total Liabilities	**9,591,578**	**8,259,557**	**6,835,099**	**6,009,734**
Total equity and liabilities	**57,433,904**	**55,456,805**	**19,937,390**	**21,860,004**

1(b)(ii) Aggregate amount of group’s borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 September 2018		As at 31 December 2017	
Secured US$	Unsecured US$	Secured US$	Unsecured US$
70,208	-	44,697	-

Amount repayable after one year

As at 30 September 2018		As at 31 December 2017	
Secured US$	Unsecured US$	Secured US$	Unsecured US$
138,606	597,596	19,043	609,464

Details of any collateral

The Group’s secured borrowings as at 30 September 2018 comprised finance lease liabilities, which are secured over the Group’s motor vehicles. The net carrying amounts of the motor vehicles as at 30 September 2018 amounted to US$ 214,838 (31 December 2017: US$ Nil).

The Group’s unsecured borrowings as at 30 September 2018 comprised a convertible loan issued by a subsidiary.

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		Nine Months ended	
	30 September 2018 US$ (Unaudited)	30 September 2017 US$ (Audited)	30 September 2018 US$ (Unaudited)	30 September 2017 US$ (Audited)
Operating activities				
Profit for the period	630,178	1,082,388	1,061,179	1,674,975
Adjustments for:				
Depreciation of property, plant and equipment	780,276	466,489	2,307,414	1,634,326
Amortisation of mine properties	242,126	352,262	1,295,404	1,042,882
Loss/(Gain) on disposal of property, plant and equipment	559	-	(134,467)	(149,238)
Finance income	(133,196)	(179,940)	(423,055)	(597,367)
Finance costs	20,397	10,094	70,319	24,456
Unrealised loss/(gain) on foreign exchange	395,768	(300,013)	175,435	(1,176,612)
Tax expense/(credit)	802,965	(935,215)	653,067	(844,162)
Equity-settled share-based payment transactions	73,612	-	547,520	-
Operating profit before working capital changes	2,812,685	496,065	5,552,816	1,609,260
Changes in working capital:				
Inventories	(144,810)	(167,244)	(1,360,301)	(153,685)
Trade and other receivables	1,210,390	693,669	(2,668,685)	(1,008,359)
Trade and other payables	(508,208)	(473,592)	(138,177)	1,422,463
Cash generated from operations	3,370,057	548,898	1,385,653	1,869,679
Tax paid	(300,262)	(187,508)	(368,360)	(368,529)
Finance income received	133,196	179,940	423,055	597,367
Finance costs paid	(20,397)	(10,094)	(70,319)	(24,456)
Net cash generated from operating activities	**3,182,594**	**531,236**	**1,370,029**	**2,074,061**
Investing Activities				
Purchases of property, plant and equipment	(1,140,919)	(2,120,292)	(3,378,375)	(3,475,803)
Proceed from disposal of property, plant and equipment	-	-	134,467	149,932
Payment for exploration and evaluation assets, and mine properties	(250,897)	(223,244)	(1,061,387)	(927,778)
Acquisition of subsidiaries, net of cash acquired	-		-	(1,637,926)
Net cash used in investing activities	**(1,391,816)**	**(2,343,536)**	**(4,305,295)**	**(5,891,575)**
Financing activities				
Dividend paid to equity holders of the Company	-	-	(617,974)	(2,714,247)
Dividend paid to non-controlling interests	-	-	(374,680)	(468,787)
Repayment of borrowings	-	-	-	(985,556)
Payment of finance lease liabilities	(13,453)	(10,149)	(36,213)	(29,538)
Share buyback	-	(75,826)	(360,535)	(75,826)
Net cash used in financing activities	**(13,453)**	**(85,975)**	**(1,389,402)**	**(4,273,954)**
Net increase/(decrease) in cash and cash equivalents	**1,777,325**	**(1,898,275)**	**(4,324,668)**	**(8,091,468)**
Cash and cash equivalents at beginning of the period	13,634,329	21,728,175	19,491,957	26,954,685
Effect of exchange rate fluctuations on cash held	(348,419)	325,079	(104,054)	1,291,762
Cash and cash equivalents in the statement of financial position	**15,063,235**	**20,154,979**	**15,063,235**	**20,154,979**

During the three months period ended 30 September 2018 (“3Q 2018”), the Group acquired property, plant and equipment at an aggregate cost of US$1,751,398, of which US$185,081 (3Q 2017: Nil) were acquired by means of financial lease arrangements, compared to US$2,700,493 for the corresponding three months period ended 30 September 2017 (“3Q 2017”). As at 30 September 2018, a total consideration of US$425,398 for the acquisitions made in 3Q 2018 had yet to be paid, compared to US$580,201 as at 30 September 2017 for the acquisitions made in 3Q 2017.

The Group also acquired exploration and evaluation assets as well as mine properties in 3Q 2018 at an aggregate cost of US$648,800 (3Q 2017: US$632,316), of which US$102,832 (3Q 2017: US$47,169) related to accrued rehabilitation costs. As at 30 September 2018, a total consideration of US$295,071 for the acquisitions made in 3Q 2018 had yet to be paid, compared to US$361,903 as at 30 September 2017 for the acquisitions made in 3Q 2017.

As at 30 September 2018, the Group’s cash and cash equivalents amounted to US$15.06 million (30 September 2017: US$20.15 million), comprising major currencies denominated in MYR and SGD. Please refer to item 8(b) on cash flows analysis for further details.

The Group has no bank loans. The loans and borrowings relate to hire purchase liabilities and a convertible loan issued by a subsidiary.

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 (Unaudited)	Share Capital US$	Treasury shares US$	Preference 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 2017	18,032,233	(75,092)	-	2,824,635	(69,452)	18,919,936	39,632,260	5,914,349	45,546,609
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	533,215	533,215	59,372	592,587
Other comprehensive income for the period									
Exchange difference	-	-	-	-	28,690	-	28,690	14,411	43,101
Total comprehensive income for the period	-	-	-	-	28,690	533,215	561,905	73,783	635,688
Transactions with owners, recognized directly in equity									
Acquisition of subsidiaries with non-controlling Interests	-	-	-	-	-	-	-	603,601	603,601
2016 Final and Special dividend declared and paid	-	-	-	-	-	(2,142,896)	(2,142,896)	-	(2,142,896)
Total transaction with owners	-	-	-	-	-	(2,142,896)	(2,142,896)	603,601	(1,539,295)
Balance as at 30 June 2017	**18,032,233**	**(75,092)**	-	**2,824,635**	**(40,762)**	**17,310,255**	**38,051,269**	**6,591,733**	**44,643,002**
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	957,300	957,300	125,088	1,082,388
Other comprehensive income for the period									
Exchange difference	-	-	-	-	6,626	-	6,626	2,610	9,236
Total comprehensive income for the period	-	-	-	-	6,626	957,300	963,926	127,698	1,091,624
Transactions with owners, recognized directly in equity									
Share buyback	-	(75,826)	-	-	-	-	(75,826)	-	(75,826)
Total transaction with owners	-	(75,826)	-	-	-	-	(75,826)	-	(75,826)
Balance as at 30 September 2017	**18,032,233**	**(150,918)**	**-**	**2,824,635**	**(34,136)**	**18,267,555**	**38,939,369**	**6,719,431**	**45,658,800**

Group (Unaudited)	Share Capital US$	Treasury shares US$	Preference 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 2018	18,032,233	(200,845)	2,800	3,125,752	(21,508)	19,504,023	40,442,455	6,754,793	47,197,248
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	191,407	191,407	239,594	431,001
Other comprehensive income for the period									
Exchange difference	-	-	-	-	4,999	-	4,999	10,610	15,609
Total comprehensive income for the period	-	-	-	-	4,999	191,407	196,406	250,204	446,610
Transactions with owners, recognized directly in equity									
2017 Final dividend declared and paid	-	-	-	-	-	(617,974)	(617,974)	-	(617,974)
Share buyback	-	(360,535)	-	-	-	-	(360,535)	-	(360,535)
Treasury shares reissued pursuant to performance share plan	-	487,134	-	(13,226)	-	-	473,908	-	473,908
Total transaction with owners	-	126,599	-	(13,226)	-	(617,974)	(504,601)	-	(504,601)
Balance as at 30 June 2018	**18,032,233**	**(74,246)**	**2,800**	**3,112,526**	**(16,509)**	**19,077,456**	**40,134,260**	**7,004,997**	**47,139,257**
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	235,611	235,611	394,567	630,178
Other comprehensive income for the period									
Exchange difference	-	-	-	-	3,381	-	3,381	(4,102)	(721)
Total comprehensive income for the period	-	-	-	-	3,381	235,611	238,992	390,465	629,457
Transactions with owners, recognized directly in equity									
Treasury shares reissued pursuant to performance share plan	-	74,246	-	(634)	-	-	73,612	-	73,612
Total transaction with owners	-	74,246	-	(634)	-	-	73,612	-	73,612
Balance as at 30 September 2018	**18,032,233**	**-**	**2,800**	**3,111,892**	**(13,128)**	**19,313,067**	**40,446,864**	**7,395,462**	**47,842,326**

Company	Share capital US$	Treasury shares US$	Capital Reserve	Accumulated losses US$	Total equity US$
Balance as at 1 January 2017	18,032,233	(75,092)	-	(769,255)	17,187,886
Loss for the period	-	-	-	(632,127)	(632,127)
2016 Final and special dividend declared and paid	-	-	-	(2,142,896)	(2,142,896)
Balance as at 30 June 2017	**18,032,233**	**(75,092)**	**-**	**(3,544,278)**	**14,412,863**
Loss for the period	-	-	-	(171,576)	(171,576)
Share buyback	-	(75,826)	-	-	(75,826)
Balance as at 30 September 2017	**18,032,233**	**(150,918)**	**-**	**(3,715,854)**	**14,165,461**
Balance as at 1 January 2018	18,032,233	(200,845)	-	(1,981,118)	15,850,270
Loss for the period	-	-	-	(1,381,647)	(1,381,647)
2017 Final dividend declared and paid	-	-	-	(617,974)	(617,974)
Share buyback	-	(360,535)	-	-	(360,535)
Treasury shares reissued pursuant to performance share plan	-	487,134	(13,226)	-	473,908
Balance as at 30 June 2018	**18,032,233**	**(74,246)**	**(13,226)**	**(3,980,739)**	**13,964,022**
Loss for the period	-	-	-	(935,343)	(935,343)
Treasury shares reissued pursuant to performance share plan	-	74,246	(634)	-	73,612
Balance as at 30 September 2018	**18,032,233**	**-**	**(13,860)**	**(4,916,082)**	**13,102,291**

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares	Share capital (S$)	Share capital (US$)
As at 30 June 2018	407,325,000	22,890,024	18,032,233
As at 30 September 2018	407,693,000	22,890,024	18,032,233

As at 30 September 2018, the Company did not hold any treasury shares (30 September 2017: 779,900) following the distribution of treasury shares held by the Company to certain employees of the Group in satisfaction of the performance share awards granted ("**Share Awards**"). As a result of the Share Awards, the total number of issued shares of the Company (excluding treasury shares) as at 30 September 2018 and 30 September 2017 was 407,693,000 and 406,913,100 respectively.

The percentage of the aggregate number of treasury shares held against the total number of shares issued as at 30 September 2018 was NIL (30 September 2017: 0.2%). Save as stated above, the Company did not have any outstanding options, convertible securities, treasury shares or subsidiary holdings as at 30 September 2018 and 30 September 2017.

1(d)(iii) To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	Company As at 30 September 2018 (Unaudited)	Company As at 31 December 2017 (Audited)
Total number of issued shares	407,693,000	407,693,000
Treasury shares	-	(1,037,900)
Total number of issued shares, excluding treasury shares	407,693,000	406,655,100

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Illustrated below is the movement in the Company's treasury shares during the three months period ended 30 September 2018:

	Number of shares
As at 1 July 2018	368,000
Treasury shares transferred pursuant to Performance Share Plan:	
- Employees of subsidiaries	(368,000)
As at 30 September 2018	-

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the year ended 31 December 2017.

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 1 January 2018. The adoption of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group for the current financial period reported on.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group			
	Three months ended 30 September (Unaudited)		Nine months ended 30 September (Unaudited)	
	2018	2017	2018	2017
Profit attributable to owners of the Company (US$)	235,611	957,300	427,018	1,490,515
Weighted average number of ordinary shares	407,684,912	407,114,350	406,555,791	407,232,797
Basic earnings per ordinary share:				
- US cents	0.06	0.24	0.11	0.37
- SG cents(1)	0.08	0.33	0.15	0.52

Note:-
(1) Basic/diluted earnings per ordinary share translated at an exchange rate of USD/SGD 1.3367 and 1.3935 for period ended 30 September 2018 and 30 September 2017 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	
	30 September 2018 (Unaudited)	31 December 2017 (Audited)	30 September 2018 (Unaudited)	31 December 2017 (Audited)
Net asset value (US$)(1)	40,446,864	40,442,455	13,102,291	15,850,270
Number of shares at the end of the Period	407,693,000	406,655,100	407,693,000	406,655,100
Net asset value per share:				
- US cents	9.92	9.95	3.21	3.90
- SG cents(2)	13.56	13.29	4.39	5.21

Note:-
(1) Net asset value represents total assets less total liabilities and non-controlling interests.
(2) Net asset value per share translated at an exchange rate of USD/SGD 1.3665 and 1.3364 for period ended 30 September 2018 and 31 December 2017 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 3Q 2018 and the comparative financial performance for 3Q 2017:

	3Q 2018	3Q 2017	Increase / (Decrease) %
Production volume of fine gold (ounces)	9,568.99	3,691.82	159.2
Sales volume of gold (ounces)	9,568.99	3,691.82	159.2
Revenue – Total (US$'000)	11,530.85	4,706.43	145.0
Average realised gold price (US$/ounce)	1,205.02	1,274.83	-5.5

The Group's revenue increased 145.0% to US$11.53 million in 3Q 2018 from US$4.71 million in 3Q 2017. The improvement was due to an increase in the production and sales volume of fine gold, partially offset by the decrease in average realised gold price in 3Q 2018. The increase in the production and sales volume of fine gold is mainly due to the CIL plant operations which commenced in May 2018.

Other income or expenses

In 3Q 2018, the Group recorded net other operating expense of US$0.39 million, compared to net other operating income of US$0.30 million in 3Q 2017. This was due to an unrealised foreign exchange loss of US$0.40 million in 3Q 2018, mainly arising from MYR-denominated cash deposits, compared to an unrealised foreign exchange gain of US$0.30 million in 3Q 2017. The unrealised foreign exchange loss was mainly due to the depreciation of MYR against USD.

Operating expenses

Operating expenses comprised mainly effect of changes in inventories, site and factory expenses, amortisation costs for mine properties, depreciation expenses for property, plant and equipment, rental expense 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 increased by US$4.00 million to US$9.03 million in 3Q 2018 from US$5.03 million in 3Q 2017. This was mainly due to the following:

- increase in site and factory expenses by US$1.88 million as a result of the full operation of the CIL plant, bringing the production lines in operation to three;
- increase in royalty and tributes to the Kelantan State authorities by US$0.88 million, arising from higher sales of gold dore bars;

- increase in payroll costs by US$0.44 million due to the annual increment for field employees at operations level and increase in employee headcount following the addition of the CIL plant as a new production line;
- increase in changes in inventories amounting to US$0.33 million, mainly attributable to lower work-in-progress balances as at 30 September 2018 in comparison with the immediate previous quarter as at 30 June 2018;
- increase in amortisation costs and depreciation expenses by US$0.20 million, resulting from the increased volume of gold dore bars produced and sold and a higher asset base; and
- increase in operating lease expenses by US$0.18 million, resulting from the increased hire of dump trucks.

Listing expenses

The Company had made announcement on 15 January 2018 that it will seek a dual primary listing of its ordinary shares on the Main Board of the Stock Exchange of Hong Kong Limited (the "SEHK")(the "Proposed Dual Listing"). On 10 July 2018, the Company announced that it had submitted an application to the SEHK for the listing of, and permission to deal in its ordinary shares on the Main Board of the SEHK. The Company has appointed Alliance Capital Partners Limited as the sole sponsor in connection with the Proposed Dual Listing. In 3Q 2018, the Group had incurred one-off listing expenses of US$0.79 million (3Q 2017: Nil) pertaining to the Proposed Dual Listing.

Non-FRS Performance Measures

The Group adopts 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 the World Gold Council guidelines. The Company believes these performance measures better 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 3Q 2018 and 3Q 2017:

	US$ / gold ounce sold		
	3Q 2018	**3Q 2017**	**Increase / (Decrease) %**
Sales volume of fine gold (ounces)	**9,568.99**	**3,691.82**	**159.2**
Mining related costs	519	615	(15.6)
Royalty and tribute expenses	158	171	(7.6)
Adjusted operating costs(1)	**677**	**786**	**(13.9)**
General and administrative costs	130	145	(10.3)
Capital expenditure	64	11	481.8
All-in sustaining costs(2)	**871**	**942**	**(7.5)**
Capital exploration (non-sustaining)	6	26	(76.9)
Capital expenditure (non-sustaining)	75	578	(87.0)
All-in costs(3)	**952**	**1,546**	**(38.4)**

(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. 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.

The all-in costs of US$952 per ounce in 3Q 2018 were substantially lower than the all-in costs of US$1,546 per ounce in 3Q 2017. This was mainly due to economies of scale arising from the higher sales of fine gold produced and lower capital expenditure in non-sustaining operation.

Finance income and costs

Finance income and costs comprised interest income from fixed deposits and interest expense on finance leases and convertible loan. The Group generated net finance income of US$0.11 million in 3Q 2018, mainly due to interest income earned from fixed deposits.

Tax (expenses)/credit

Tax expense for the quarter is mainly due to the Pioneer Status Incentive Scheme of CMNM having lapsed on 30 June 2018. Under the aforesaid scheme, CMNM enjoyed 100% tax exemption on statutory income derived from the sale of gold doré bars under the Promotion of Investments Act 1986. The Group is currently liaising with the relevant authorities for clarification on the Group’s tax status.

Profit after tax

The Group recorded a profit after tax of US$0.63 million in 3Q 2018, compared to US$1.08 million in 3Q 2017 due in particular to the expenses for the Proposed Dual Listing and the grant of performance shares to deserving employees. The Group had incurred listing expenses of US$0.79 million in 3Q 2018, which are one-off in nature. The Group granted 368,000 performance shares to a number of deserving employees (announced on 3 July 2018) amounting to US$0.07 million. The performance share plan was subsequently terminated on 4 July 2018.

In addition, the Group had incurred the unrealised loss on foreign currency exchange of US$0.40 million in 3Q 2018, compared to the unrealised gain on foreign currency exchange of US$0.30 million in 3Q 2017.

Excluding the abovementioned impact, the profit after tax for 3Q 2018 would be US$1.88 million, as compared to US$0.78 million in 3Q 2017:

	3Q 2018 US$	**3Q 2017 US$**
Profit after tax	630,178	1,082,388
Unrealised foreign exchange loss/(gain) ***(“A”)***	395,768	(300,013)
Profit after tax excluding A	1,025,946	782,375
Listing expenses ***(“B”)***	787,008	-
Share based expenses***(“C”)***	71,511	-
Profit after tax excluding A to C	1,884,465	782,375

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

The comparative performance of the assets and liabilities listed below is based on financial statements as at 31 December 2017 and 30 September 2018.

Assets

Property, plant and equipment increased by US$1.91 million to US$12.42 million as at 30 September 2018 from US$10.50 million as at 31 December 2017, mainly due to construction of new laboratory, hostel and canteen for the Group's CIL operations and purchase of equipment and vehicles of US$4.28 million, partly offset by depreciation of US$2.37 million.

Trade and other receivables increased by US$2.58 million to US$4.05 million as at 30 September 2018 from US$1.47 million as at 31 December 2017. This was mainly due to an increase in trade receivables of US$1.07 million from US$0.36 million as at 31 December 2017 to US$1.43 million as at 30 September 2018 and increase of US$1.22 million which was attributable to prepayments made to service providers and suppliers. The Group subsequently received full payment for the balance US$1.43 million of trade receivables in early October 2018.

Inventories increased by US$1.36 million to US$2.37 million as at 30 September 2018 from US$1.01 million as at 31 December 2017. This was mainly due to an increase in work-in-progress of US$0.52 million and increase in consumables of US$0.84 million, both resulting from the operations at the new CIL facility.

Liabilities

Total liabilities increased by US$1.33 million to US$9.59 million as at 30 September 2018 from US$8.26 million as at 31 December 2017. This was mainly due to:

- an increase in accrued rehabilitation costs of US$0.23 million;
- an increase in current tax liabilities of US$0.38 million; and
- an increase in trade and other payables of US$1.19 million, mainly derived from amount due to contractors of exploration and evaluation work performed, accrual of royalty fees and operating expenses.

The overall increase was partly offset by decreases in deferred tax liabilities of US$0.23 million and dividends payable of US$0.37 million.

As at 30 September 2018, the Group had positive working capital of US$13.06 million compared to US$15.00 million as at 31 December 2017.

Cash flows

Net cash generated from operating activities amounted to US$3.18 million in 3Q 2018, compared to US$0.53 million in 3Q 2017. The net operating cash inflow was mainly due to operating profit before working capital changes of US$2.81 million, adjusted for working capital inflows of US$0.56 million, which were mainly attributable to the decrease in trade and other receivables of US$1.21 million, increase in inventories of US$0.14 million and decrease in trade and other payables of US$0.51 million.

Net cash used in investing activities in 3Q 2018 amounted to US$1.39 million, comprising payments to acquire property, plant and equipment as well as mine properties and exploration and evaluation assets.

Net cash used in financing activities in 3Q 2018 amounted to US$0.01 million. This was payment made for finance lease liabilities during the quarter.

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

There is no material deviation in the actual results for 3Q 2018 from what was previously discussed under paragraph 10 of the announcement of the Company's financial results for FY2017 and Corporate Business Update dated 26 February 2018.

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.

The Group had disclosed in the 2Q 2018 results announcement that it would build an additional gold de-absorption and smelting facility next to its existing CIL plant to scale up operations and boost production efficiency. The construction of this new de-absorption and smelting facility has been completed and will commence operations soon. Besides improved productivity, the new facility will also offer cost savings as currently gold-loaded carbon from the CIL plant has to be trucked to the existing de-absorption facility situated in another location at Sokor for processing into gold doré bars.

In seeking to produce more gold from heap leaching, which is meant for processing low-grade ore, the Group intends to install two new leaching pads at its heap leaching plant to replace its existing three heap leaching pads which have a total leaching capacity of about 2.8 million tonnes of ore annually. For each new pad, the construction process is divided into two phases. In August 2018, the Group had completed the first phase of constructing the fourth heap leaching pad, while expecting completion of the second phase by the last quarter of 2018. The Group plans to construct a fifth pad in 2019. The expected leaching capacity is estimated to increase significantly to 6 million tonnes once the two new leaching pads are ready by end-2019. These larger leaching pads are designed to hold the mined ore for continuous leaching to enhance gold recovery rate. This will eliminate the existing practice of having to remove the ore from the leaching pads after processing and moving it to tailing ponds for storage and expected to lead to material cost savings.

The Group will begin underground mining in 2019 to complement its existing open-pit mining operations. Malaysia's Department of Minerals and Geosciences has reviewed its feasibility study on underground mining and, in August 2018, approved its underground mining proposal. As at the date of this announcement, ore bodies that are economically viable for underground mining have been identified. Based on internal projections, underground mining could increase mining operating costs by about 30%, however, the projections have also indicated that the increase in mining operating costs will be compensated by the higher increase in revenue that would be generated from the sale of gold produced from higher-grade ore extractable from the underground mining.

Further, to monetise its silver, lead and zinc resources at Sokor, the Group will build a flotation facility at Sokor capable of processing approximately 500 tonnes of ore a day. The plant is expected to cost about RM20 million and could start full commercial production in the second half of 2019, subject to the Group obtaining all necessary approvals and permits from relevant authorities. Based on its feasibility study, CNMC can achieve recovery rates of 60% for silver, 85% for lead and 84% for zinc using a flotation facility.

Having succeeded in extracting high-grade ore and processing it into fine gold using the CIL plant, the Group is studying the possibility of doubling the production capacity of the current CIL plant as part of efforts to further boost production. The expanded CIL plant will focus on processing high-grade ore mainly on Rixen, one of five gold-deposit regions at CNMC's flagship Sokor gold mine. Construction is subject to the discovery of additional high-grade ore at Rixen, which accounted for the majority of the total indicated gold resources estimated to be available at Sokor as at 31 May 2018.

As part of ongoing efforts to reduce costs, the Group plans to conduct a study on the feasibility of installing a national grid power line at Sokor to reduce dependence on third-party suppliers of diesel, one of its main mining consumables. Electricity at Sokor is currently provided by diesel generators located onsite. The Group spent about US$2.1 million in 2017 on diesel, which accounted for 17.7% of its total purchases for that year. For the nine months of 2018, a total of US$3.0 million was spent on diesel, representing 19.2% of the Group's overall purchases during that period. A national grid power line at Sokor, if installed, will significantly reduce its diesel consumption by reducing reliance on diesel generators.

As announced on 15 October 2018, CNMC has received approval from shareholders for its proposed offer of up to 18 million new shares for listing on the mainboard of the Stock Exchange of Hong Kong ("**Proposed Dual Listing**"). Additional listing expenses are expected in 4Q2018 as preparations for the Proposed Dual Listing continue.

11. Dividend

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

None.

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

None.

(c) Date payable:

Not applicable.

(d) Books closure date:

Not applicable.

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

No dividend has been declared or recommended for 3Q 2018.

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 3Q 2018, the Group did not enter into any IPT of more than S$100,000 in value.

<u>Additional Disclosure Required for Mineral, Oil and Gas companies</u>

14a. Rule 705 (6)(a) of the Catalist Listing Manual

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

In 3Q 2018, funds/cash was mainly used for the following production activities, as compared to the projections:-

Purpose	Amount (US$ million) Actual Usage	Amount (US$ million) Projected Usage
Exploration and evaluation activities	0.52	0.54
Payments for plant and machinery	1.25	1.79
Payments for diesel and other production materials	2.79	3.20
Royalty and tribute fees to government	1.59	1.65
Rental of equipment	0.42	0.43
Upkeep of equipment and motor vehicles	0.39	0.44
General working capital	1.36	1.53
Total	**8.32**	**9.58**

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 October 2018 to 31 December 2018 ("4Q 2018")), the Group's use of funds/cash for production activities is expected to be as follows:-

Purpose	Amount (US$ million)
Exploration and evaluation activities	0.45
Payments for plant and machinery	1.69
Payments for diesel and other production materials	2.75
Royalty and tribute fees to government	1.47
Rental of equipment	0.44
Upkeep of equipment and motor vehicles	0.45
General working capital	1.59
Total	**8.84**

The Group's exploration plans for 4Q 2018 are as follows:-

(a) Geological Investigation

During 4Q 2018, the group's Geology Department will conduct workings at 2 concessions, Ulu Sokor and Kelgold concessions. Core drilling will be major exploration method. Details are as below:

Sokor concession:

Core drilling will be carried out in the southern Rixen deposit to expand the eastern and southern boundaries of the identified orebody. Infill drillings will be conducted to increase the resource classification and prepare for future mining purpose. Refer to Table 1 below for drilling plan.

Core drilling will also be carried out in the western part of New Found lode to control the extension of quartz porphyry and identify the potential mineralization zone around it.

Kelgold concession:

The phase 1 exploration in the northern anomaly zone will conclude by end of the year.

2018 core sampling results will be studied in detail to formulate exploration plan for 2019.

Pulai concession:

Previous workings are currently under review and discussion is ongoing with consultants for mine planning and execution. Our in-house geologist team plans to include feldspar, iron ore and gold prospect in the Peninsula area as exploration targets.

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

(b) Diamond drilling program

Diamond core drilling will be fulfilled by exploration drilling sub-contractor, using diamond drill rigs capable of drilling NQ drill core size to 1,000 meters in depth.

Planned drilling activity for 4Q 2018 for Sokor areas are as follows:

Table 1. Drilling plan for Sokor area, 8 holes in total with footage of 2,250m.

Drillholes	Designed locations		Designed depths (m)	Dip(°)	Remarks
	Easting	Northing			
ZKR157-12	444105	616275	330	70	Rixen
ZKR161-10	444270	616216	350	70	Rixen
ZKR165-10	444323	616173	340	70	Rixen
ZKR169-3	444090	616111	360	70	Rixen
ZKR173-3	444057	616077	370	70	Rixen
ZKF104-1	443607	613244	150	65	New Found
ZKF104-2	443659	613249	200	65	New Found
ZKF103-1	443679	613347	150	65	New Found

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

The Board confirms that to the best of its knowledge, nothing has come to its attention which may render the information provided in item 14a above to be false or misleading in any material aspect.

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

Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Company and a summary of the expenditure incurred on those activities, including explanation for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated;

In 3Q 2018, the Group capitalised a total of US$0.65 million for exploration and evaluation expenditures incurred during the financial period.

The Group carried out the following exploration activities in 3Q 2018:-

(a) Geological Investigation

Sokor concession:

Rixen deposit continues to expand. Drilling program is focused in south-eastern part of Rixen deposit. Mineralized segments are discovered in the anticipated depths during core drilling.

The geology department started to re-study previous drillhole data in New Found lode as the mining activity uncovered more of the strata below.

Pulai concession:

Iron ore, gold, and feldspar potential explorations are on-hold pending on-going analysis of geodata consultation.

Kelgold concessions:

Trench sampling and core drilling were carried out simultaneously to verify the gold anomalies identified in the northern boundary of mineralized zone. At the same time, survey were also carried out to map a suitable route to access to southwestern anomaly zone.

(b) Drilling Program

In 3Q 2018, 14 drillholes completed in both Sokor and Kelgold concession with a total drill footage of 3,032.04 meters. No drillhole was completed in Pulai concession.

Drillhole details are shown in Table 2 for Sokor concession and Table 3 for Kelgold concession:

Table 2: Completed drillhole in Sokor concession for 2Q 2018

Drillhole	Designed locations		Completed depths (m)	Dip(°)
	Easting	Northing		
ZKR141-7	443986.5	616464.9	144.43	75
ZKR153-7	444130.0	616301.6	234.79	80
ZKR161-9	444120.0	616218.0	308.08	80
ZKR145-8	444075.0	616423.0	221.06	80
ZKR169-2	444122.0	616120.0	363.37	80
ZKR141-8	444023.0	616465.0	152.13	90

Table 3: Completed drillhole in Kelgold concession for 2Q 2018

Drillhole	Designed locations		Completed depths (m)	Dip(°)
	Easting	Northing		
ZK31-1	413541.0	636557.0	307.65	55
ZK29-1	413553.0	636508.0	169.42	60
ZK31-2	413580.0	636575.0	247.52	54
ZK29-2	413589.0	636525.0	240.00	57
ZK101-1	413603.0	637302.0	115.00	80
ZK103-1	413634.0	637335.0	105.22	78
ZK102-1	413580.0	637225.0	113.00	70
ZK100-1	413630.0	637249.0	310.37	69

(c) Half core sampling and analysis

In-house laboratory analyzed a total of 2,978 samples in 3Q 2018, which consisted of 1,702 half core samples and 1,276 trench samples. Out of 1,702 half core samples, 752 samples were from Sokor concession and 950 samples were from Kelgold concession. All the 1,276 trench samples were from Kelgold concession.

Apart from in-house laboratory analyzed samples, 109 samples from Sokor concession and 121 samples from Kelgold concession were sent to SGS laboratory as lab duplicated samples. And an additional 51 samples from Sokor concession and 64 samples from Kelgold concession were sent to ALS laboratory for umpire lab check assay.

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

The Board confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results for the third quarter ended 30 September 2018 to be false and misleading in any material aspect.

17. 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

14 November 2018

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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 Catalist. 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 Sponsor has also not drawn on any specific technical expertise in its review of this announcement.

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