Securities Investors Association (Singapore)
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Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: CNMC Goldmine Holdings Limited

Stock code: 5TP

Meeting details:
Date: 30 April 2021
Time: 3.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. Would the board/management provide shareholders with greater clarity on the following operational matters? Specifically:

(i) **Sokol: What are the necessary permits required to operate the lead-zinc floatation plant once it is completed?**

(ii) **Gold production: Does management have visibility on the planned production schedule for 2021?**

(iii) **All-in costs:** All-in costs of production increased from US$1,166 per ounce to US$1,650 per ounce in FY2020 due to the lower production volume. **How efficient is the group's operation? How much of the all-in cost of production can be attributed to fixed costs and to variable costs? Will management be looking at how it could lower the fixed costs?**

(iv) **Pulai:** The exploration and mining licences cover an area of only 7.2 km^2, down from 38.4 km^2 previously. At the time of acquisition, it was disclosed that Pulai had 11 exploration and mining licences. **What was the reason for the decrease? What was the total amount invested in Pulai since its acquisition?**

Q2. On page 126 (Note 33 – Contingent liability), the company disclosed that, in November 2020, the Kelantan State Government had, during the second renewal of Mining Lease of feldspar, requested the group to pay an alleged outstanding royalty payment amounting to US$698,116 (equivalent to RM2,817,255) in relation to the period from December 2015 to September 2020 (the "claim").

The group has stated that it is still liaising with the Kelantan State Government pertaining to the claim, the outcome of which is not presently determinable. It has also reviewed its relevant documents and consulted its legal counsel and concluded that due to the nature of the claim, the potential outcome and obligation is uncertain. No provisions have been recorded in this regard.

(i) **Can the board help shareholders understand the basis of the Kelantan State Government's claim? What is the disagreement, if any?**

(ii) **How was the figure of US$698,116 arrive at? Can management elaborate further on "the nature" of the claim? Is the claim justifiable based on the terms of the mining licence (including the calculation of royalty payment)?**

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Q3. At the annual general meeting scheduled to be held on 30 April 2021, Mr. Kuan Cheng Tuck and Mr. Tan Poh Chye Allan will be seeking shareholders' approval in a two-tier vote for their continued appointment as independent directors on the board. Mr Kuan Cheng Tuck (also lead independent director) and Mr Tan Poh Chye Allan were both appointed on 20 September 2011.

Principle 4 of the Code of Corporate Governance requires the board to have a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for **progressive renewal** of the board [emphasis added].

(i) **As the lead independent director, would Mr Kuan Cheng Tuck be holding himself to higher governance standards and lead by example, especially in setting the tone with regard to the tenure of independent directors?**

(ii) **Regardless of whether the long-tenured directors receive the two-tier vote, what deliberations did the nominating committee have on the progressive renewal of the board? What are the near-term plans for board renewal?**

[Additional comment: Would the company consider publishing the annual report as a text-searchable PDF file as parts of the current version uploaded to SGX appears to be an image-based PDF file with low resolution?]

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)

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