



**RELEASE OF ANNOUNCEMENT BY A SUBSIDIARY
ON THE INDONESIA STOCK EXCHANGE ("IDX")
- RESPONSE TO IDX LETTER NO. S-06511 AND S-06592**

The board of directors ("**Board**") of Wilton Resources Corporation Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to inform shareholders of the Company that PT Wilton Makmur Indonesia TBK ("**PT WMI**") (formerly known as PT Renuka Coalindo TBK), the Company's subsidiary listed on the IDX, had on 23 October 2019, released an announcement on the IDX entitled "Response to Indonesia Stock Exchange Letter No.S-06511 and S-06592" ("**IDX Announcement**").

The IDX Announcement contains, *inter alia*, (i) PT WMI's response to IDX Letter No. S-06511 and S-06592 which sets out responses to IDX's queries relating to the unaudited financial statements for PT WMI and its subsidiaries ("**PT WMI Group**") for the quarter ended 30 September 2019 and the period from 1 July 2019 to 4 October 2019; (ii) the revised unaudited financial statements of PT WMI Group for the quarter ended 30 September 2019 ("**Revised Financial Statements**"); and (iii) the revised unaudited financial statements of PT WMI Group for the period from 1 July 2019 to 4 October 2019 which included the sale of 3.443 kilograms of gold from its inventory on 4 October 2019 (as announced by the Company on 7 October 2019) ("**Revised Interim Financial Statements**").

An English translated version of the IDX Announcement, together with the Revised Financial Statements and Revised Interim Financial Statements, are attached with this announcement. The IDX Announcement can be found on PT WMI's corporate website at <http://renukaindo.com/news.html>.

The Board wishes to highlight that the Revised Financial Statements and the Revised Interim Financial Statements (included in the IDX Announcement) have not been reviewed by the Board, and the IDX Announcement was required to be prepared and submitted to the IDX in response to IDX queries.

The Board wishes to highlight that the Company is still in the process of preparing the unaudited financial statements of the Group for the financial period ended 30 September 2019 ("**1QFY2020**"), and will be releasing the financial information for 1QFY2020 on the SGXNET on or before 14 November 2019.

BY ORDER OF THE BOARD

Wijaya Lawrence
Chairman and President
24 October 2019

This announcement has been prepared by Wilton Resources Corporation Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.

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 Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.

Ref. No. 101/Ext-RCI/X/2019

Jakarta, October 23rd, 2019

To:

President Director of PT Bursa Efek Indonesia

Gedung Bursa Efek Indonesia Tower 1 lantai 4

Jl. Jenderal Sudirman Kav. 52-53, Jakarta 12190

Attn. Head of Listing Division 3

Re. : Response to Indonesian Stock Exchange ("IDX") Letter No. S-06511 and S-06592

Dear Sirs/Madams,

In connection with the IDX Letter No. S-06511/BEI.PP3/10-2019 regarding Request for Explanation from the IDX. As well as the IDX Letter No.S-06592/BEI.PP3/10-2019 regarding the Request for Explanation from the IDX. We hereby submit the response to the IDX Letter, as follows:

Question:

1. With reference to Point 1a of the Company's response letter, the Company had explained that the credit balance for Cost of Goods Sold ("COGS") in the Financial Statements ("FS") for the period ended September 30, 2019 was due to an audit adjustment arising from the different audit period of the Company and its Parent Company in Singapore. Please explain the basis of the Company for recognizing an adjustment in COGS in the FS for the period ended September 30, 2019 without a corresponding adjustment in Revenue. This is not in accordance with the accounting principle of matching concept.

Answer:

The Company has revised the FS for the period ended September 30, 2019.

Question:

2. With reference to Point 1c of the Company's response letter, please explain the Sales Price that was used to compute the Royalty and Inventory Depletion costs that had been recognized in the FS that had been submitted, when no sales was recognized.

Answer:

The Company has revised the FS for the period ended September 30, 2019.

Question:

3. Please obtain an explanation from the Independent Public Accounting Firm for the recognition of Inventory Depletion Expense as part of COGS instead of a deduction against Mining Properties.

Answer:

When Inventories are recognized, a deduction in Mining Properties is recorded.

Subsequently, when Sales are recognized, COGS is recognized. A corresponding accounting entry is also recognized in the Inventories account (Inventory Depletion Expense) to record the reduction in inventories.

Inventories Depletion Expense is not directly recorded to COGS.

Question:

4. With reference to the Company's response in Point 1a and Point 1c, the Company had not consistently presented the Royalty Expense and Inventory Depletion Expense ("Expenses") in the FS for the period ended October 4, 2019. The Company did not recognize the Expenses even though Sales had been recognized.

Answer:

The Company had revised the FS to record Royalty Expense for the Sales that had been recognized on October 4, 2019.

Question:

5. With reference to the Company's response in Point 4, the Company had stated that Royalty Expense arising from the Sales will be booked and paid at the end of October. Please explain the basis for not recognizing Royalty Expenses as this does not agree with the accounting principle of matching concept.

Answer:

The Company had revised the FS to record Royalty Expense for the Sales that had been recognized on October 4, 2019. In addition, it is also recognized in Other Payables.

Question:

In connection with the request for explanation above, please review the FS that had been submitted by the Company to the Exchange for the periods ended September 30, 2019 and October 4, 2019 to ensure that it provides an overview of the Company's condition.

Answer:

The Company has restated the FS for the periods ended September 30, 2019 and October 4, 2019 and the details of the changes are as follow:

30 September 2019

Account	30-Sep-19			Remark
	Original	Restated	Difference	
Inventories	IDR 10,556,284,176	IDR 10,093,691,391	-IDR 462,592,785	Inventories that were recognized at Fair Value instead of being recognized at Cost
Accounts Payable - Third Parties	IDR 45,921,905,935	IDR 45,531,417,649	-IDR 390,488,286	Inventories that were recognized at Fair Value instead of being recognized at Cost
Deficit	-IDR 276,763,053,155	-IDR 276,833,715,564	-IDR 70,662,409	Reclassification from Cost of Goods Sold and Field Operating Expenses
Capital Deficiency				
Capital deficiency attributable to owners of the parent entity	-IDR 122,390,792,185	-IDR 122,461,454,594	-IDR 70,662,409	Reclassification from Cost of Goods Sold and Field Operating Expenses
Non-controlling interests	-IDR 2,690,347,524	-IDR 2,691,789,614	-IDR 1,442,090	Reclassification from Cost of Goods Sold and Field Operating Expenses
Cost of Goods Sold	IDR 234,425,927	IDR -	-IDR 234,425,927	Reclassification to Capital Deficiency
Field Operating Expenses	-IDR 2,468,535,384	-IDR 2,306,213,956	IDR 162,321,428	Reclassification to Capital Deficiency



PT. RENUKA COALINDO Tbk.

4 October 2019

Account	04-Oct-19			Remark
	Original	Restated	Difference	
Inventories	IDR 8,928,261,626	IDR 8,707,646,552	-IDR 220,615,074	Inventories that were recognized at Fair Value instead of being recognized at Cost
Accounts Payable - Third Parties	IDR 45,921,905,935	IDR 45,705,324,731	-IDR 216,581,204	Inventories that were recognized at Fair Value instead of being recognized at Cost
Other Payables	IDR 26,380,210,329	IDR 26,467,035,111	IDR 86,824,782	Recomputation of COGS based on Collaboration Agreement with the Contractor
Deficit	-IDR 276,089,494,279	-IDR 276,178,535,758	-IDR 89,041,479	Recomputation of COGS based on Collaboration Agreement with the Contractor and September 30, 2019 adjusting entries that had been carried forward to October 4, 2019
Capital Deficiency				
Capital deficiency attributable to owners of the parent entity	-IDR 121,717,233,309	-IDR 121,806,274,788	-IDR 89,041,479	Recomputation of COGS based on Collaboration Agreement with the Contractor and September 30, 2019 adjusting entries that had been carried forward to October 4, 2019
Non-controlling interests	-IDR 2,676,601,424	-IDR 2,678,418,597	-IDR 1,817,173	Recomputation of COGS based on Collaboration Agreement with the Contractor and September 30, 2019 adjusting entries that had been carried forward to October 4, 2019
Cost of Goods Sold	-IDR 1,393,596,623	-IDR 1,646,776,703	-IDR 253,180,080	Recomputation of COGS based on Collaboration Agreement with the Contractor
Field Operating Expenses	-IDR 2,468,535,384	-IDR 2,306,213,956	IDR 162,321,428	Recomputation of COGS based on Collaboration Agreement with the Contractor

6. CONCLUSION

We are providing the reconciliation below pertaining to the Sales that had been recorded in the FS for the period ended October 4, 2019.

a. Movement

	30-Sep-19	04-Oct-19	Difference	Journal no.
Inventories	IDR 10,093,691,391	IDR 8,707,646,552	-IDR 1,386,044,839	1 & 2
Accounts Payable	IDR 45,531,417,649	IDR 45,705,324,731	IDR 173,907,082	2
Other Payables	IDR 26,380,210,329	IDR 26,467,035,111	IDR 86,824,782	3
COGS	IDR -	-IDR 1,646,776,703	-IDR 1,646,776,703	2 & 3

b. Journal

		IDR	IDR
1	Dr Inventory	1,386,044,839	
	Cr Account Payable		(1,386,044,839)
	Recognition of Inventories		
2	Dr COGS	1,559,951,921	
	Cr Inventory		(1,386,044,839)
	Cr Account Payable		(173,907,082)
	Recognition of COGS (Amount Payable to Vendor)		
3	Dr COGS (Royalty)	86,824,782	
	Cr Other Payable		(86,824,782)
	Recognition of COGS (Royalty)		

c. Sensitivity Analysis

Based on the collaboration agreement with the contractor, fluctuation of gold sales price will not affect the gross profit margin of the Company as simulated below:

		4-Oct-19		Assumption if sales price increase		Assumption if sales price decrease	
Sales price per gram		672,474		15%	773,345	-15%	571,603
		Rp			Rp		Rp
Sales	3,443	2,315,327,526		3,443	2,662,626,665	3,443	1,968,028,404
Royalty	3.75%	86,824,782		3.75%	99,848,500	3.75%	73,801,065
Net Sales		2,228,502,744			2,562,778,165		1,894,227,339
Payment to contractor	70%	1,559,951,921		70%	1,793,944,715	70%	1,325,959,137
Gross Profit	30%	668,550,823		30%	768,833,449	30%	568,268,202

With reference to the Collaboration Agreement with the contractor, PT Wilzilindo Mining Indonesia ("WMI") (third party), WMI will be entitled to an operational cost reimbursement of 70% of net sales, computed based on actual selling price (net of the royalty fees 3.75%) of the gold recovered or the average LME (London Metal Exchange) gold spot price of the last ten (10) days of each calendar month.

Hence, there will be a difference between the Inventories recognized (at Cost) and the COGS recognized (at Fair Value). If actual selling price is higher than the price recognized at cost, it will result in additional payables to WMI. If actual selling price is lower than the price recognized at cost, it will result in a deduction of payables to WMI.

The arrangement of pegging the recognition of COGS to the actual selling price (at Fair Value) forms a natural hedge against commodity price volatilities. Thus, the Company shares its exposure to Commodity Price Risk with WMI.

Thank you for your kind attention and guidance.

Best Regards,
PT Renuka Coalindo Tbk

Andrianto D. Lawrence
Director