

**UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR
 ENDED 31 DECEMBER 2018**
**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY, HALF-YEAR
 AND FULL YEAR RESULTS**
**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FULL YEAR ENDED 31
 DECEMBER 2018**

The board of directors (the “**Board**”) of the Company is pleased to announce the unaudited consolidated financial results of the Group for the twelve months ended 31 December 2018 (“**12M2018**”) and the corresponding twelve months ended 31 December 2017 (“**12M2017**”).

1(a)(i) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding year
Consolidated Statement of Comprehensive Income

	GROUP		
	Unaudited 12M2018 US\$	Audited 12M2017 US\$	Change +/- %
Sales	5,647,854	4,096,803	38
Cost of Sales	(5,307,918)	(4,211,310)	26
Gross Profit/(Loss)	339,936	(114,507)	n.m.
Other income	11,957	10,455	14
Currency translation differences	(315,448)	159,986	n.m.
Expenses			
- Administrative	(4,570,848)	(4,980,422)	(8)
- Finance	(153,680)	(186)	n.m.
- Others	(358)	(2,129,379)	n.m.
Loss before tax	(4,688,441)	(7,054,053)	(34)
Income tax expense	(1,030)	(329)	213
Loss net of tax	(4,689,471)	(7,054,382)	(34)

n.m. denotes not meaningful

	GROUP		
	Unaudited 12M2018 US\$	Audited 12M2017 US\$	Change +/- %
Other Comprehensive			
Income/Loss:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation differences arising from consolidation	(745,267)	(167,444)	345
Other comprehensive loss, net of tax	(745,267)	(167,444)	345
Total comprehensive loss, net of tax	(5,434,738)	(7,221,826)	(25)
Net loss attributable to:			
- Equity holders of the Company	(4,662,514)	(6,984,093)	(33)
- Non-controlling interests	(26,957)	(70,289)	(62)
	(4,689,471)	(7,054,382)	(34)
Total comprehensive loss attributable to:			
- Equity holders of the Company	(5,404,701)	(7,136,705)	(24)
- Non-controlling interests	(30,037)	(85,121)	(65)
	(5,434,738)	(7,221,826)	(25)

n.m. denotes not meaningful

1(a)(ii) The total comprehensive income/(loss) attributable to equity holders of the Company include the following credits/(charges):-

	GROUP		
	Unaudited 12M2018 US\$	Audited 12M2017 US\$	Change +/- %
Interest income	10,754	9,777	10
Employee compensation & directors' fees	(1,603,401)	(1,495,847)	7
Professional fees, travelling and corporate social responsibility expenses	(770,266)	(941,968)	(18)
Legal and licensing expenses	(394,882)	(708,892)	(44)
Rental expenses	(250,561)	(261,220)	(4)
Mining, geology and survey expenses	(633,731)	(538,857)	18
Depreciation of property, plant and equipment	(350,110)	(34,029)	n.m.
Amortisation of mining properties	(43,592)	(39,744)	10
Impairment of exploration and evaluation expenditure	-	(2,128,684)	n.m.
Commission	-	(208,822)	n.m.
Gain/(Loss) on disposal of property, plant and equipment	859	(695)	n.m.

n.m. denotes 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	
	Unaudited As at 31/12/2018 US\$	Audited As at 31/12/2017 US\$	Unaudited As at 31/12/2018 US\$	Audited As at 31/12/2017 US\$
ASSETS				
Current assets				
Cash and cash equivalents	547,816	1,203,825	26,649	1,086,089
Restricted cash	24,497	-	-	-
Trade and other receivables	1,448,078	1,066,133	22,548,279	23,091,975
Inventories	1,882,602	2,436,891	-	-
Deposits and prepayments	210,372	456,221	5,958	31,636
	4,113,365	5,163,070	22,580,886	24,209,700
Non-current assets				
Property, plant and equipment	5,596,359	5,587,009	2,789	6,466
Mining properties	7,307,069	7,835,048	-	-
Exploration and evaluation expenditure	1,320,914	1,406,942	-	-
Deposits and prepayments	103,764	870,309	-	-
Investment in subsidiaries	-	-	92,752,976	92,752,976
Restricted cash	177,781	189,360	-	-
	14,505,887	15,888,668	92,755,765	92,759,442
Total assets	18,619,252	21,051,738	115,336,651	116,969,142
LIABILITIES				
Current liabilities				
Trade and other payables	2,235,919	720,234	1,065,248	714,557
Accrued operating expenses	2,507,976	2,448,456	310,325	249,650
Finance lease liabilities	-	1,856	-	-
Borrowings	1,141,421	-	-	-
Current tax liability	107,167	76,313	214	413
	5,992,483	3,246,859	1,375,787	964,620
Non-current liabilities				
Provision for employee benefit	83,280	82,266	-	-
Loans from shareholders	4,184,847	4,184,847	-	-
Other provisions	110,972	101,230	-	-
	4,379,099	4,368,343	-	-
Total liabilities	10,371,582	7,615,202	1,375,787	964,620
NET ASSETS	8,247,670	13,436,536	113,960,864	116,004,522
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	55,797,181	55,619,594	170,894,376	170,716,789
Currency translation reserve	(2,046,747)	(1,304,560)	781,153	1,213,380
Other reserve	68,285	-	68,285	-
Accumulated losses	(45,468,817)	(40,806,303)	(57,782,950)	(55,925,647)
	8,349,902	13,508,731	113,960,864	116,004,522
Non-controlling interests	(102,232)	(72,195)	-	-
Total equity	8,247,670	13,436,536	113,960,864	116,004,522

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

(a) the amount repayable in one year or less, or on demand;

	As at 31/12/2018		As at 31/12/2017	
	Secured	Unsecured	Secured	Unsecured
	US\$	US\$	US\$	US\$
Borrowings	-	1,141,421	-	-

(b) the amount repayable after one year;

	As at 31/12/2018		As at 31/12/2017	
	Secured	Unsecured	Secured	Unsecured
	US\$	US\$	US\$	US\$
Shareholders' loans	-	4,184,847	-	4,184,847

Borrowings from third parties are interest-bearing, unsecured and repayable upon demand.

The shareholders' loans are from Twin Gold Ventures S.A. ("TGV") and Novel Creation Holdings Limited ("Novel Creation") (together, the "Lenders"). These loans are non-interest bearing, unsecured and repayable upon demand.

On 29 March 2018, the Group entered into a fourth supplemental deed with the Lenders to extend until 31 March 2020 the period during which the Lenders have agreed not to demand repayment. There has been no request for repayment to date, which can be further extended by the shareholder.

The Group currently has a remaining undrawn facility amounting to US\$35,815,153 on the abovementioned shareholders' loan facilities.

(c) Details of any collateral

Not applicable.

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.

	Unaudited 12M2018 US\$	Audited 12M2017 US\$
Cash flows from operating activities		
Total Loss	(4,689,471)	(7,054,382)
Adjustments for:		
- Depreciation of property, plant and equipment	350,110	34,029
- Amortisation of mining properties	43,592	39,744
- Impairment of exploration and evaluation expenditure	-	2,128,684
- Share-based compensation expense	245,872	-
- (Gain) / Loss on disposal of property, plant and equipment	(859)	695
- Interest income from fixed deposits and current account	(10,754)	(9,777)
- Interest expense	153,680	186
- Income tax expense	1,030	-
- Unrealised currency translation differences	313,175	(182,375)
	<hr/>	<hr/>
	(3,593,625)	(5,043,196)
Change in working capital:		
Inventories	425,177	(2,206,846)
Deposit and prepayments	230,980	(419,245)
Trade and other receivables	(446,546)	(897,046)
Trade and other payables	1,737,871	288,708
Provision for employee benefits	6,044	35,216
Restricted cash	(24,497)	
Other provisions	15,932	68,152
Cash used in operating activities	<hr/>	<hr/>
Tax paid	(97,683)	(57,801)
Net cash used in operating activities	<hr/>	<hr/>
	(1,746,347)	(8,232,058)
Cash flows from investing activities		
Payment for exploration and evaluation expenditure	-	(206,801)
Acquisition of land use rights	-	(1,329,719)
Purchase of property, plant and equipment	(25,802)	(131,411)
Interest received	10,754	9,777
Net cash used in investing activities	<hr/>	<hr/>
	(15,048)	(1,658,154)
Cash flows from financing activities		
Proceeds from shareholders' loan	-	200,000
Proceeds from issuance of placement shares	-	10,765,192
Proceeds from borrowings	1,599,848	-
Repayment of borrowings	(464,860)	-
Repayment of finance lease	(1,820)	(2,653)
Interest paid	(41)	(186)
Net cash provided by financing activities	<hr/>	<hr/>
	1,133,127	10,962,353
Net (decrease) / increase in cash and cash equivalents	<hr/>	<hr/>
	(628,268)	1,072,141
Cash and cash equivalents at the beginning of the period	1,203,825	123,541
Effects of currency translation on cash and cash equivalents	(27,741)	8,143
Cash and cash equivalents at the end of the period	<hr/>	<hr/>
	547,816	1,203,825

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 - Current period

	Share Capital	Other Reserve	Currency Translation reserve	Accumulated losses	Non-controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 31 December 2017	55,619,594	-	(1,304,560)	(40,806,303)	(72,195)	13,436,536
Share issued as equity compensation plan	177,587	-	-	-	-	177,587
Employee share awards - Value of employee services	-	68,285	-	-	-	68,285
Total comprehensive loss for the period	-	-	(742,187)	(4,662,514)	(30,037)	(5,434,738)
Balance at 31 December 2018	55,797,181	68,285	(2,046,747)	(45,468,817)	(102,232)	8,247,670

GROUP - Prior period

	Share Capital	Other Reserve	Currency Translation reserve	Accumulated losses	Non-controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 31 December 2016	44,854,402	-	(1,151,948)	(33,822,210)	12,926	9,893,170
Issuance of placement Shares	10,765,192	-	-	-	-	10,765,192
Total comprehensive loss for the period	-	-	(152,612)	(6,984,093)	(85,121)	(7,221,826)
Balance at 31 December 2017	55,619,594	-	(1,304,560)	(40,806,303)	(72,195)	13,436,536

COMPANY - Current period

	Share Capital	Other Reserve	Currency Translation reserve	Accumulated losses	Total equity
	US\$	US\$	US\$	US\$	US\$
Balance at 31 December 2017	170,716,789	-	1,213,380	(55,925,647)	116,004,522
Share issued as equity compensation plan	177,587	-	-	-	177,587
Employee share awards - Value of employee services	-	68,285	-	-	68,285
Total comprehensive loss for the period	-	-	(432,227)	(1,857,303)	(2,289,530)
Balance at 31 December 2018	170,894,376	68,285	781,153	(57,782,950)	113,960,864

COMPANY - Prior period

	Share Capital	Other Reserve	Currency Translation reserve	Accumulated losses	Total equity
	US\$	US\$	US\$	US\$	US\$
Balance at 31 December 2016	159,951,597	-	(706,456)	(22,776,277)	136,468,864
Issuance of placement shares	10,765,192	-	-	-	10,765,192
Total comprehensive loss for the period	-	-	1,919,836	(33,149,370)	(31,229,534)
Balance at 31 December 2017	170,716,789	-	1,213,380	(55,925,647)	116,004,522

1(d)(ii) Details of any changes in the company's share capital arising from rights 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 the 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.

Changes in the Company's share capital

	No. of Shares	Share capital (US\$)
As at 31 December 2017	930,860,437	170,716,789
Share based compensation ⁽¹⁾	5,750,000	177,587
As at 31 December 2018	<u>936,610,437</u>	<u>170,894,376</u>

Note (1) :

On 21 June 2018, a total of 9,950,000 share awards were granted pursuant to the BlackGold Employee Share Award Scheme. Out of which, 5,750,000 shares were allotted and issued to the independent directors and Intekhab Khan, the former Independent Non-Executive Chairman on 21 June 2018 while the remaining 4,200,000 will be vested to the Executive Directors and selected employees of the Group subject to satisfaction of the prescribed performance target 1 year from the date of grant, being 21 June 2019.

There were no outstanding convertibles or share options granted as at 31 December 2018 and 31 December 2017.

There were no treasury shares or subsidiary holdings held or issued as at 31 December 2018 and 31 December 2017.

1(d)(iii) Total 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.

	As at 31 December 2018	As at 31 December 2017
Number of issued shares excluding treasury shares	936,610,437	930,860,437

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

Not applicable. The Company does not have any treasury shares.

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 does not have any subsidiary holdings.

2. Please state whether the figures have been audited or reviewed, and if so which auditing standard or practice has been followed.

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

3. If the figures have been audited or reviewed, please provide a statement on whether there are any qualifications or emphasis of matter.

Not applicable.

4. Please state whether the same accounting policies and method of computation as in the issuer's most recently audited financial statements have been followed.

Accounting policies and methods of computations used in the consolidated financial statements for the year ended 31 December 2018 are consistent with those applied in the financial statements for the year ended 31 December 2017, except for the adoption of accounting standards (including its subsequent amendments) and interpretations applicable for the financial period beginning 1 January 2018.

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 the new/revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and interpretations of SFRS(I) ("**INT SFRS(I)**") that are effective for annual periods beginning on or after 1 January 2018. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in SFRS(I).

The following are the new or amended SFRS(I) that are relevant to the Group:

- SFRS(I) 9 Financial Instruments
- SFRS(I) 15 Revenue from Contracts with Customers
- SFRS(I) 16 Leases

The adoption of these new or revised accounting standards and interpretations do not have any material effect on the financial statements of the Group.

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

	12M2018 US\$	12M2017 US\$
Basic loss per share (cents)	(0.50)	(0.80)
Weighted average number of shares for the purpose of computing basic loss per share	933,916,601	871,395,710
Fully diluted loss per share (cents)	(0.50)	(0.80)
Weighted average number of shares for the purpose of computing fully diluted loss per share	934,990,101	871,395,710

7. Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) Current financial period reported on; and
(b) Immediately preceding financial year.**

	31 Dec 2018 US\$	31 Dec 2017 US\$
Net asset value of the Group per ordinary share (cents)	0.9	1.4
No. of ordinary shares in issue	936,610,437	930,860,437
Net asset value of the Company per ordinary share (cents)	12.2	12.5
No. of ordinary shares in issue	936,610,437	930,860,437

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(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; and

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

Review of Profit & Loss

Revenue

Revenue is generated through the sale of coal from its coal mining activities to its customers.

Revenue increased by US\$1.5M from US\$4.1M in 12M2017 to US\$5.6M in 12M2018. This was due to (i) an increase in sales volume, and (ii) an upward revision of coal sale price during 12M2018.

Cost of sales

Cost of sales (“**COS**”) comprises mainly cost incurred in relation to mining contractors, coal processing, royalties to government, depreciation and amortization of mining properties and coal inventory.

COS amounted to US\$5.3M in 12M2018, as compared to US\$4.2M in 12M2017. The variance in COS is in line with the movements in sales volume for the periods reported.

Gross Profit

The Group recorded a gross profit of US\$340K in 12M2018 compared to gross loss of US\$115K in 12M2017.

The improved gross margins in 12M2018 were mainly attributable to (i) a higher selling price, (ii) lowered costs of production and (iii) reduced logistics costs of coal delivery to the Group’s customers.

Currency translation gain

The Group recorded a currency translation loss of US\$315K in 12M2018, as compared to the currency translation gain of US\$160K in 12M2017.

The currency translation losses in 12M2018 were mainly due to translation differences on shareholders’ loans, deadrent and borrowings at its Singapore and Indonesia subsidiaries. The United States Dollar (being the currency in which these liabilities are denominated) had strengthened against the Singapore Dollar and the Indonesia Rupiah (being the recording currencies for these liabilities), thereby accounting for the currency translation loss.

Administrative Expenses

Administrative expenses mainly relate to employees’ remuneration, directors’ fees and expenses relating to licensing and compliance, geologist and survey, rental and recurring professional fees.

Administrative expenses decreased by US\$410K or 8% to approximately US\$5.0M in 12M2018. The decrease was mainly attributable to:

- a decrease in legal and licensing expenses of US\$314K as the Group had completed the construction and commenced use of its jetty in November 2017;
- a decrease in professional fee of US\$114K due to a reduction in professional services contracted;
- a decrease in fees to placement agent of US\$209K as there was a one-time payment for the placements completed in 12M2017 which did not recur in 12M2018.

Partially offset by: -

- a net increase in directors’ fees of US\$23K, comprising of an increase from the value of non-cash share awards granted in 2Q2018 amounting to US\$183K, partially offset by a decrease in the directors’ fees of US\$160K due to a reduction in the number of directors on the Board with effect from March 2018, and

- an increase in depreciation expenses of US\$196K mainly in respect of a jetty which commenced depreciation in November 2017.

Finance Expenses

Finance expenses increased by US\$153K from approximately US\$1K in 12M2017 to US\$154K in 12M2018 due to an increase in interest-bearing borrowings.

Other Expenses

Other expenses decreased by US\$2.1M from US\$2.1M in 12M2017 to US\$1K in 12M2018. During FY2017, there was a one-off impairment charge on two of the Group's mining concessions which did not recur in the current year.

Loss after tax

As a result of the above factors, the Group recorded net losses of US\$4.7M in 12M2018, against net losses of US\$7.1M in 12M2017.

Review of Statement of Financial Position

Current assets

Current assets comprise cash and cash equivalents, restricted cash, inventories, trade and other receivables, as well as deposits and prepayments.

Current assets decreased by US\$1.1M from US\$5.2M as at 31 December 2017 to US\$4.1M as at 31 December 2018.

Inventories decreased by US\$554K due to the sale of coal to the Group's customers.

Deposits and prepayments decreased by US\$246K mainly due to utilisation of the prepayments for payment to the contractors amounting to US\$231K.

Cash and cash equivalents had decreased by US\$656K, mainly arising from payments from production activities and working capital purposes. Please refer to Note 1(c) Cash Flow Statement for more details.

This was partially offset by an increase in trade and other receivables by US\$382K due to increased sales, partially offset by collections received from the Group's customers.

Non-current assets

Non-current assets of the Group comprise of property, plant and equipment, mining properties, exploration and evaluation expenditure, restricted cash, as well as deposits and prepayments.

Non-current assets decreased by US\$1.4M, from US\$15.9M as at 31 December 2017 to US\$14.5M as at 31 December 2018, mainly due to (i) depreciation of property, plant and equipment of US\$365K¹, (ii) amortisation of mining properties of US\$49K¹, (iii) foreign exchange differences of US\$964K, (iv) disposal of property, plant and equipment of US\$16K and (v) partially offset by additions to property, plant and equipment of US\$26K.

Note 1: Depreciation and amortisation expenses were initially recorded under "inventories" and subsequently transferred to profit and loss when the coal inventory is sold. As at end of the year, a portion of depreciation and amortisation expenses remain recorded under "inventories".

Current liabilities

Current liabilities comprise trade and other payables, borrowings, current tax liability, accrued operating expenses and finance lease liabilities (current portion).

Current liabilities increased by US\$2.7M, from US\$3.2M as at 31 December 2017 to US\$5.9M as at 31 December 2018. The increase was mainly due to (i) an increase in trade and other payables of US\$1.5M to its mining and transportation contractors for the Group's production activities, (ii) an increase in accrued operating expenses of US\$60K due to increased mining activities and (iii) an increase in borrowings of US\$1.1M mainly used to increase production activities for sales to PT Tenayan.

Non-current liabilities

Non-current liabilities comprise loans from shareholders, provision for employee benefits and other provisions.

Non-current liabilities increased by US\$11K from US\$4.4M as at 31 December 2017 to US\$4.4M as at 31 December 2018. The increase was mainly due to an increase in provision for employee benefits and other provisions.

Working Capital

The Group recorded negative working capital of US\$1.9M as at 31 December 2018, against positive working capital of US\$1.9M as at 31 December 2017. In view of this, the Board is of the opinion that the Group should be able to meet its short-term payment obligations for the next 12 months, as the Group is exploring certain financing options to pay off its short-term financial obligations as well as increasing production for increased sales to its customer, PT Tenayan to strengthen the operating cash inflow from operating activities. In addition, the Group has an available loan facility from its shareholders from which it can draw upon when required.

Review of Statement of Cash Flows

12M2018

The Group recorded net cash used in operating activities of US\$1.7M for 12M2018 which was a result of operating losses before changes in working capital of approximately US\$3.6M, adjusted for net working capital inflows of approximately US\$1.9M.

Net cash used in investing activities of US\$15K in 12M2018 was mainly due to purchase of property, plant and equipment of US\$26K, partially offset by proceeds from interest income of US\$11K from current account and time deposits.

Net cash provided by financing activities of US\$1.1M was mainly due to cash proceeds of US\$1.6M from borrowings, partially offset by repayment of borrowings of US\$465K, and the repayment of finance lease liabilities of US\$2K.

As a result of the above, the Group recorded a net decrease in cash and cash equivalents of US\$628K in 12M2018.

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

Not applicable as the Company has not disclosed any forecast or prospect statement to its shareholders previously.

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.

PT Santosa Makmur Sejahtera Energy and PT Soma Daya Utama, both of which are independent power plant owners with which the Group has in place long-term coal sales agreements (as previously disclosed), have each informed the Group that they expect delays in the completion of their respective power plants. Consequently, barring unforeseen circumstances, the Group's deliveries of coal to these customers will be postponed and are now expected to commence in 1H2020. No penalties will be imposed on the Group as the delays were not the fault of the Group.

As cited by dunia-energi.com, Mr Ignasius Jonan, the Minister of Energy and Mineral Resource of Indonesia, stated that steam power plants (primarily coal-fired), will remain the dominant source of power generation in Indonesia, comprising at least 50% of the national energy mix. In line with the Minister's statement, Mr. Djoko Rahardjo Abumanan, the Business Director at PT PLN (Persero) who is responsible for East Java, Bali, and Nusa Tenggara regions, also predicted a significant increase in coal demand from PT PLN (Persero), in the range of 5% growth year-on-year, meaning, as PT PLN's 2018 coal purchase figure was 96 million tonnes, 2019 may see PT PLN purchase more than 100 million tonnes of coal.

Given the current market conditions and Indonesian government's stance on the significance of coal usage, the Company continues to expect healthy demand for coal in the local Indonesian market, especially for the purpose of electric power generation.

The Group intends to capitalise on the rising demand for coal and its existing coal resource assets by expanding its network of customers in the region, to secure a stronger competitive edge in the locality of its coal mine.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b)(i) Amount per share

Not applicable.

(b)(ii) Previous corresponding period

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended during 12M2018. The Group has not declared any dividend for 12M2018 as it requires the existing cash to fund its operating activities.

13. If the Group has obtained a general mandate from shareholders for IPTs, 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 shareholders for interested person transactions (“IPTs”) pursuant to Rule 920(1)(a)(ii) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“Catalist Rules”).

There were no interested person transactions that were individually more than S\$100,000 entered into by the Group during 12M2018.

Below is the table detailing the amount of shareholders’ loan that was drawn down during 12M2018:

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transaction conducted under the shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transaction less than S\$100,000)
	S\$	S\$
	12M2018	12M2018
N.A.	-	-

There were no interested person transactions that were individually more than S\$100,000 entered into by the Group during 12M2018.

ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES

14 (a). Rule 705(6)(a) of the Catalist Rules

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

In 4Q2018, funds were mainly used for the following activities:-

Purpose	Forecasted usage of funds (US\$)	Actual usage of funds (US\$)
Production activities	436,000	412,000
General working capital	124,000	91,000
Total	560,000	503,000

Actual cash used for production activities and general working capital was lower than forecasted by US\$57K because payment to contractors/suppliers are to be made in the subsequent quarter.

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 January 2019 to 31 March 2019 ("1Q2019")), the Group's use of funds for production activities are expected to be as follows:-

Purpose	Amount
	(US\$)
Production activities	1,547,000
General working capital	167,000
Total	1,714,000

Principal Assumptions

The projected increase for use of funds in the next immediate quarter is based on an anticipated ramp up in coal production for sale to PT Tenayan.

Projected use of funds for certain items includes, but not limited to, expenses incurred for the Group's mine development activities, which will vary according to the Group's rate of coal mining and production. Accordingly, if the Group's rate of coal mining and production changes, the Group's use of funds for mine development activities will change as well.

14 (b). Rule 705(6)(b) of the Catalist Rules

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

14 (c). Rule 705(7) of the Catalist Rules

Details of exploration (including geophysical surveys), development and/or production activities undertaken by the Company and a summary of the expenditure incurred on those activities, including explanations 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.

During 12M2018, no exploration activities were conducted. In relation to production activities, a total of approximately 92,320 metric tonnes of coal were produced during 12M2018.

During 12M2018, cash expenditure paid for production activities amounted to US\$2.0M.

ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15 (a). Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

The Group's operations constitute a single segment which is the exploration and mining of coal in Indonesia.

15 (b). In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by business or geographical segments.

The Group's operations constitute a single segment which is the exploration and mining of coal in Indonesia.

15 (c). A breakdown of sales

	Latest Financial Year	Previous Financial Year	Change +/-
	US\$	US\$	%
(a) Sales reported for first half year	3,486,614	1,476,187	136
(b) Operating profit/loss after tax before deducting minority interest reported for first half year	(1,794,062)	(2,776,079)	(35)
(c) Sales reported for second half year	2,161,240	2,620,616	(18)
(d) Operating profit/loss after tax before deducting minority interest reported for second half year	(2,895,409)	(4,278,303)	(32)

15 (d). A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Not applicable as the Company has neither declared nor recommended any dividend as at 31 December 2018 and 31 December 2017.

15 (e). Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10).

There is no person occupying managerial position who is related to a director or Chief Executive Officer or substantial shareholder.

16. Confirmation by the Company to Rule 720(1) of the Catalist Rules

The Company confirms that it has procured all the required undertakings from all directors and executive officers of the Company under Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD

Philip Cecil Rickard
Executive Chairman and CEO

James Rijanto
CIO/Executive Director

28 February 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement. The Sponsor has not drawn on any specific technical expertise in its review 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 Ms. Tay Sim Yee (Telephone number: +65 6232 3210), at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.
