

**UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR
 ENDED 31 DECEMBER 2020**
**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 2020**

The board of directors (the “**Board**”) of the Company is pleased to announce the unaudited consolidated financial results of the Group for the financial year ended 31 December 2020 (“**FY2020**”) and the corresponding financial year ended 31 December 2019 (“**FY2019**”).

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

	GROUP		
	Unaudited FY2020 US\$	Audited FY2019 US\$	Variance %
Sales	9,648,646	11,033,991	(13)
Cost of sales	(8,272,861)	(8,838,406)	(6)
Gross profit	1,375,785	2,195,585	(37)
Other income – net	28,233	14,587	94
Other (losses)/gains			
- Impairment losses on receivables	(5,819)	(3,370)	73
- Currency translation differences	22,743	125,601	(82)
Fair value losses	(378,665)	-	n.m.
Expenses			
- Administrative	(3,869,238)	(3,008,579)	29
- Finance	(1,208,281)	(720,552)	68
- Others	(486)	(145,035)	(100)
Loss before income tax	(4,035,728)	(1,541,763)	162
Income tax expense	(3,809)	(103)	n.m.
Loss for the financial year	(4,039,537)	(1,541,866)	162

n.m. denotes not meaningful

	GROUP		
	Unaudited FY2020 US\$	Audited FY2019 US\$	Variance %
<u>Other Comprehensive Income/Loss:</u>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
- Currency translation differences arising from consolidation	(177,700)	(165,414)	7
<i>Items that may not be reclassified subsequently to profit or loss</i>			
- Provision for employee benefits	71,980	-	n.m.
- Currency translation differences arising from consolidation	(4,519)	(4,399)	3
Other comprehensive loss, net of tax	(110,239)	(169,813)	(35)
Total comprehensive loss, net of tax	(4,149,776)	(1,711,679)	142
Loss attributable to:			
- Equity holders of the Company	(4,021,046)	(1,542,349)	161
- Non-controlling interests	(18,491)	483	n.m.
	(4,039,537)	(1,541,866)	162
Total comprehensive loss attributable to:			
- Equity holders of the Company	(4,127,486)	(1,707,763)	142
- Non-controlling interests	(22,290)	(3,916)	469
	(4,149,776)	(1,711,679)	142

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

	GROUP		
	Unaudited FY2020 US\$	Audited FY2019 US\$	Variance %
Interest income	8,861	11,142	(20)
Staff remuneration	(969,971)	(1,134,439)	(14)
Professional fees, travelling and corporate social responsibility expenses	(626,429)	(588,730)	6
Legal and licensing expenses	(410,692)	(339,475)	21
Rental expenses	(42,913)	(56,222)	(24)
Mining, geology and survey expenses	(189,761)	(38,281)	396
Depreciation of property, plant and equipment	(58,207)	(123,095)	(53)
Impairment of assets	-	(143,435)	n.m.
Impairment of receivables	(5,819)	(3,370)	73
Loss on disposal of fixed assets	(486)	(885)	(45)

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 31/12/2020 US\$	Audited As at 31/12/2019 US\$	Unaudited As at 31/12/2020 US\$	Audited As at 31/12/2019 US\$
ASSETS				
Current assets				
Cash and cash equivalents	322,119	89,132	301,122	1,528
Restricted cash	8,796	171	-	-
Trade and other receivables	4,162,039	4,865,841	131,286	31,938
Inventories	510,147	405,659	-	-
Deposits and prepayments	384,823	469,855	20,229	13,231
	5,387,924	5,830,658	452,637	46,697
Non-current assets				
Property, plant and equipment	76,679	106,716	45,903	76,852
Investment in subsidiaries	-	-	1,415	707
Restricted cash	184,527	185,363	-	-
	261,206	292,079	47,318	77,559
Total assets	5,649,130	6,122,737	499,955	124,256
LIABILITIES				
Current liabilities				
Trade and other payables	2,634,481	1,642,951	1,007,842	1,465,217
Accrued operating expenses	6,251,425	3,832,025	965,491	487,699
Borrowings	404,936	2,909,188	36,591	36,941
Financial liabilities, at amortised cost	937,417	-	937,417	-
Financial liabilities, at FVPL	1,113,028	-	1,113,028	-
Current income tax liability	3,792	393	3,721	321
	11,345,079	8,384,557	4,064,090	1,990,178
Non-current liabilities				
Borrowings	11,173	38,592	-	35,936
Loans from shareholders	3,550,667	3,895,589	-	-
Provisions	497,955	221,465	-	-
Other non-current liabilities	98,501	153,542	-	-
	4,158,296	4,309,188	-	35,936
Total liabilities	15,503,375	12,693,745	4,064,090	2,026,114
NET ASSETS	(9,854,245)	(6,571,008)	(3,564,135)	(1,901,858)

	GROUP		COMPANY	
	Unaudited As at 31/12/2020 US\$	Audited As at 31/12/2019 US\$	Unaudited As at 31/12/2020 US\$	Audited As at 31/12/2019 US\$
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	56,453,281	56,312,822	171,550,476	171,410,017
Currency translation reserve	(2,709,427)	(2,531,727)	381,478	481,364
Other reserve	2,410,416	1,614,648	296,169	296,169
Accumulated losses	(65,739,333)	(61,718,287)	(175,792,258)	(174,089,408)
	(9,585,063)	(6,322,544)	(3,564,135)	(1,901,858)
Non-controlling interests	(269,182)	(248,464)	-	-
Total equity	(9,854,245)	(6,571,008)	(3,564,135)	(1,901,858)

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 31/12/2020		As at 31/12/2019	
	Secured	Unsecured	Secured	Unsecured
	US\$	US\$	US\$	US\$
Borrowings	340,925	64,011	2,843,682	65,506

- The secured borrowings as at 31 December 2020 and 31 December 2019 are financing facilities provided from a bank and are secured by the account receivables of the Group.
- The unsecured borrowings as at 31 December 2020 and 31 December 2019 relate to lease liabilities.

(b) the amount repayable after one year;

	As at 31/12/2020		As at 31/12/2019	
	Secured	Unsecured	Secured	Unsecured
	US\$	US\$	US\$	US\$
Borrowings	-	11,173	-	38,592
Shareholders' loans	-	3,550,667	-	3,895,589

- The unsecured borrowings as at 31 December 2020 are lease liabilities.
- The shareholders' loans from Twin Gold Ventures S.A. ("TGV") and Novel Creation Holdings Limited ("Novel Creation") (together, the "Lenders") are non-interest bearing, unsecured and repayable upon demand.
- On 20 March 2020, the Group entered into a sixth supplemental deed with the Lenders to extend until 31 March 2022 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 shareholders.

- The Group has drawn down US\$4,184,847 of the shareholders' loan to date and the remaining undrawn facility amounts to US\$35,815,153. The Group has not drawn on its shareholder loan facilities in FY2020. Movement in FY2020 arises from the fair valuation of shareholders' loan.

(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 FY2020 US\$	Audited FY2019 US\$
Cash flows from operating activities		
Loss after tax	(4,039,537)	(1,541,866)
Adjustments for:		
- Depreciation of property, plant and equipment	58,207	123,095
- Share-based compensation expense	-	50,297
- Loss on disposal of property, plant and equipment	486	885
- Fair value losses, financial liabilities FVPL	378,665	-
- Interest income from fixed deposits and current account	(8,861)	(11,142)
- Interest expense	1,208,281	720,552
- Impairment of receivables	5,819	3,370
- Impairment of mining properties	-	139,455
- Impairment of plant and equipment	-	4,865
- Income tax expense	3,809	103
- Unrealised currency translation differences	(177,582)	(121,485)
	<u>(2,570,713)</u>	<u>(631,871)</u>
Change in working capital:		
- Inventories	(106,318)	1,557,225
- Deposits and prepayments	78,848	(263,833)
- Trade and other receivables	(2,694,889)	(3,709,621)
- Trade and other payables	3,620,737	461,615
- Other non-current liabilities	(54,348)	66,710
- Other provisions	277,489	105,761
Cash (used in)/provided by operating activities	<u>(1,449,194)</u>	<u>(2,414,014)</u>
Tax paid	-	-
Net cash used in operating activities	<u>(1,449,194)</u>	<u>(2,414,014)</u>
Cash flows from investing activities		
Addition of property, plant and equipment	(1,903)	(4,932)
Addition of mining properties	-	(139,455)
Interest received	8,861	11,142
Net cash provided by/(used in) investing activities	<u>6,958</u>	<u>(133,245)</u>
Cash flows from financing activities		
Proceeds from issuance of placement shares	-	693,228
Proceeds from convertible bonds	1,387,867	-
Proceeds from borrowings	340,925	11,548,388
Repayment of borrowings	-	(9,889,824)
Principal repayment of lease liabilities	(42,889)	(124,256)
Interest paid	(1,693)	(186,707)
(Placement)/withdrawal of restricted cash	(8,626)	25,371
Net cash provided by financing activities	<u>1,675,584</u>	<u>2,066,200</u>
Net increase/(decrease) in cash and cash equivalents	233,348	(481,059)
Cash and cash equivalents at the beginning of the period	89,132	547,816
Effects of currency translation on cash and cash equivalents	(361)	22,375
Cash and cash equivalents at the end of the period	<u>322,119</u>	<u>89,132</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (pii) 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 1 January 2020	56,312,822	1,614,648	(2,531,727)	(61,718,287)	(248,464)	(6,571,008)
Loss for the year	-	-	-	(4,021,046)	(18,491)	(4,039,537)
Other comprehensive loss for the year	-	71,260	(177,700)	-	(3,799)	(110,239)
Total comprehensive loss for the year	-	71,260	(177,700)	(4,021,046)	(22,290)	(4,149,776)
Fair value of interest free loan	-	724,508	-	-	1,572	726,080
Issuance of referral shares	140,459	-	-	-	-	140,459
Total transactions with owners, recognised directly in equity	140,459	724,508	-	-	1,572	866,539
Balance at 31 December 2020	56,453,281	2,410,416	(2,709,427)	(65,739,333)	(269,182)	(9,854,245)

GROUP - prior period

	Share capital	Other reserve	Currency translation reserve	Accumulated losses	Non-controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$
Balance as at 1 January 2019 (as previously reported)	55,619,594	1,358,065	(2,076,535)	(47,558,844)	(112,787)	7,229,493
Prior year adjustment	-	-	(289,778)	(12,617,094)	(132,243)	(13,039,115)
Balance at 31 December 2018 (as restated)	55,619,594	1,358,065	(2,366,313)	(60,175,938)	(245,030)	(5,809,622)
Loss for the year	-	-	-	(1,542,349)	483	(1,541,866)
Other comprehensive loss for the year	-	-	(165,414)	-	(4,399)	(169,813)
Total comprehensive loss for the year	-	-	(165,414)	(1,542,349)	(3,916)	(1,711,679)
Fair value of interest free loan	-	206,286	-	-	482	206,768
Employee share awards -Value of employee services	-	50,297	-	-	-	50,297
Issuance of placement shares	693,228	-	-	-	-	693,228
Total transactions with owners, recognised directly in equity	693,228	256,583	-	-	482	950,293
Balance at 31 December 2019	56,312,822	1,614,648	(2,531,727)	(61,718,287)	(248,464)	(6,571,008)

COMPANY - current period

	Share capital	Other reserve	Currency translation reserve	Accumulated losses	Total equity
	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2020	171,410,017	296,169	481,364	(174,089,408)	(1,901,858)
Issuance of referral shares	140,459	-	-	-	140,459
Total comprehensive loss for the period	-	-	(99,886)	(1,702,850)	(1,802,736)
Balance at 31 December 2020	171,550,476	296,169	381,478	(175,792,258)	(3,564,135)

COMPANY - prior period

	Share capital	Other reserve	Currency translation reserve	Accumulated losses	Total equity
	US\$	US\$	US\$	US\$	US\$
Balance as at 1 January 2019	170,716,789	245,872	505,248	(172,792,729)	(1,324,820)
Employee share awards - Value of employee services	-	50,297	-	-	50,297
Issuance of placement shares	693,228	-	-	-	693,228
Total comprehensive loss for the period	-	-	(23,884)	(1,296,679)	(1,320,563)
Balance at 31 December 2019	171,410,017	296,169	481,364	(174,089,408)	(1,901,858)

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 issued	Amount of share capital (US\$)
2020		
Beginning of financial year	1,003,743,770	171,410,017
Issuance of referral share	13,333,333	140,459
End of financial year	1,017,077,103	171,550,476
2019		
Beginning of financial year	936,610,437	170,716,789
Share issued as employee share award	3,800,000	-
Issuance of placement share	63,333,333	693,228
End of financial year	1,003,743,770	171,410,017

During FY2020, the Company issued 13,333,333 referral shares as consideration for introducer fees on the Series A Convertible Bonds.

The Company has, on 26 March 2020, partially completed the issue of its Series A Convertible Bonds. An aggregate of S\$2 million of Series A Convertible Bonds were issued. As of the date of this announcement, there have not been any conversion of the Series A Convertible Bonds to new shares. A total of 133,333,332 new shares may be issued at conversion at a conversion price of 1.5 Singapore Cents if Series A Convertible Bonds were fully converted. The allotment and issuance of 533,333,332 new shares of Series B Convertible Bonds which will raise an amount of S\$8 million has been approved at an Extraordinary General Meeting held by the Company on 16 November 2020.

There were 133,333,332 outstanding convertibles shares granted under the Series A Convertible Bonds, and no share options granted as at 31 December 2020. There were no outstanding convertibles or share options granted as at 31 December 2019.

There were no treasury shares or subsidiary holdings held or issued as at 31 December 2020 and 31 December 2019.

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 2020	As at 31 December 2019
Number of issued shares excluding treasury shares	1,017,077,103	1,003,743,770

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.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

a) Updates on the efforts taken to resolve each outstanding audit issue.

This is not required for any audit issue that is a material uncertainty relating to going concern.

In the Company's latest audited financial statements for the financial year ended 31 December 2019 ("FY 2019"), PricewaterhouseCoopers LLP, the Group's auditors, has issued a disclaimer of opinion in respect of the Going Concern ("**Going Concern Assumption**").

Details relating to the Group's comments on the Going Concern Assumption and its efforts taken to resolve the matter may be found in paragraph 8 of this announcement.

b) Confirmation from the Board that the impact of all outstanding audit issues on the consolidated financial statements have been adequately disclosed.

The Board confirms that all impact of outstanding audit issues on the financial statements in relation to FY2019 have been adequately disclosed.

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 2020 are consistent with those applied in the financial statements for the year ended 31 December 2019, except for the adoption of accounting standards (including its subsequent amendments) and interpretations applicable for the financial period beginning 1 January 2020.

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 ("**SFRS**") that are effective for annual periods beginning on or after 1 January 2020. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS.

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

- Amendments to SFRS(I) 3: Definition of a Business
- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material

The adoption of the 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.

	FY2020 US\$	FY2019 US\$
Loss for the financial period	<u>(4,021,046)</u>	<u>(1,542,349)</u>
Weighted average number of shares for the purpose of computing basic loss per share	<u>1,004,547,423</u>	<u>965,351,624</u>
Basic loss per share (cents)	(0.40)	(0.16)
Weighted average number of shares for the purpose of computing fully diluted loss per share	<u>1,107,195,824</u>	<u>967,131,898</u>
Fully diluted loss per share (cents)	(0.36)	(0.16)

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 2020 US\$	31 Dec 2019 US\$
Net assets of the Group	(9,854,245)	(6,571,008)
No. of ordinary shares in issue	1,017,077,103	1,003,743,770
Net asset value of the Group per ordinary share (cents)	(0.97)	(0.65)
Net assets of the Company	(3,564,135)	(1,901,858)
No. of ordinary shares in issue	1,017,077,103	1,003,743,770
Net asset value of the Company per ordinary share (cents)	(0.35)	(0.19)

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 has decreased by approximately US\$1.4M from US\$11.0M in FY2019 to US\$9.6M in FY2020. The decrease is mainly due to lower prices and reduced demand by the customers.

Cost of sales

Cost of Sales (“**COS**”) comprises mainly costs incurred in relation to mining contractors, coal processing, depreciation and royalties to the Indonesian government pertaining to coal mining.

COS amounted to US\$8.3M in FY2020, as compared to US\$8.8M in FY2019. The decrease in COS is in line with the drop in sales volume, which is lower than those recorded in FY2019.

Gross Profit

The Group recorded a gross profit of US\$1.4M in FY2020 compared to gross profit of US\$2.2M in FY2019. The fall in gross profit is in line with the decrease in revenue. Due to reductions in selling prices, gross margin for FY2020 has decreased to 14% as compared to 20% in FY2019.

Other income

Other income increased by approximately US\$14K due to rental rebates and government grants in relation to the Covid-19 pandemic during the year.

Other losses / gains

Other losses / gains mainly consist of currency translation differences. The Group recorded a currency translation gain of US\$23K in FY2020, as compared to the currency translation gain of US\$126K in FY2019.

The currency translation gain in FY2020 was mainly due to translation differences in shareholders' loans at its Singapore subsidiary. The United States Dollar (being the currency in which these liabilities are denominated) had weakened against the Singapore Dollar (being the recording currency for these liabilities), thereby accounting for the currency translation gain.

Fair value losses

The increase in fair value losses of US\$379K arises from fair valuation of the convertible bonds which were issued during FY2020.

Administrative Expenses

The Group's administrative expenses mainly consist of staff remuneration and expenses relating to licensing and compliance, geologist and survey, rental and recurring professional fees.

Administrative expenses increased by approximately US\$861K or 29% to US\$3.9M in FY2020 from US\$3.0M in FY2019. This increase was mainly attributable to (i) the increase of maintenance costs and licence fees at the Group's mining concessions; and (ii) one-off mining contractor costs to mobilize additional machinery for higher production capacity.

The above increases were partially offset by a reduction of professional fees from decreases in professional services rendered, and lower staff costs from a reduction in headcount.

Finance Costs

Finance costs increased by US\$488K to US\$1.2M in FY2020 from US\$721K in FY2019 mainly due to interest expenses from valuation of the Group's convertible bonds and shareholders' loans.

Other Expenses

Other expenses decreased by US\$144K from US\$145K in FY2019 to US\$1.0K in FY2020. In FY2019, there was an impairment charge on mining properties, and properties, plant and equipment, which did not recur in FY2020.

Loss after tax

As a result of the above factors, the Group recorded net losses of US\$4.0M in FY2020 compared to US\$1.5M in FY2019.

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.

The Group's current assets decreased by approximately US\$443K from US\$5.8M as at 31 December 2019 to US\$5.4M as at 31 December 2020, mainly due to reasons set out below.

Decrease in trade and other receivables of approximately US\$704K is due to lower revenues and faster collection of debts from the Group's customers.

Decrease in deposits and prepayments of approximately US\$85K is due to utilisation of advances to pay vendors during FY2020.

The decrease in the Group's current assets were partially offset by (i) increases in inventories of US\$105K due to lower sales in the last quarter of FY2020 and (ii) cash and cash equivalents of the Group had increased by US\$233K, due mainly to proceeds received from the Series A Convertible Bonds, partially offset by payments for production and working capital purposes.

Please refer to Note 1(c) Cash Flow Statement for more details.

Non-current assets

Non-current assets of the Group comprise property, plant and equipment (including right-of-use assets) and restricted cash.

The Group's non-current assets decreased by approximately US\$31K, from US\$292K in FY2019 to US\$261K as at 31 December 2020, mainly due to a decrease in property, plant and equipment from depreciation, which were partially negated by increases from renewed leases capitalized as right-of-use assets.

Current liabilities

The Group's current liabilities comprise trade and other payables, current tax liability, accrued operating expenses, and borrowings (including lease liabilities, current portion).

The Group's current liabilities increased by approximately US\$3.0M, from US\$8.4M as at 31 December 2019 to US\$11.3M as at 31 December 2020. This increase was mainly due to (i) increase of US\$992K of trade and other payables to increase production capacity, (ii) an increase in accrued operating expenses of US\$2.4M for the Group's activities and (iii) an increase in financial liabilities of US\$2.1M in relation to the issuance of Series A Bonds. The increase was partially offset by a reduction of US\$2.5M from repayment of borrowings.

Non-current liabilities

The Group's non-current liabilities comprise borrowings (including lease liabilities, non-current portion), loans from shareholders, other non-current liabilities and provisions.

Non-current liabilities decreased by approximately US\$151K from US\$4.3M as at 31 December 2019 to US\$4.1M as at 31 December 2020. The decrease was mainly due to a reduction of US\$345K on fair valuation of shareholders loans, and a reduction of US\$55K on employee retirement benefits. These were partially offset by an increase in provision for land rehabilitation of US\$276K.

Going Concern and Working Capital

The Board is of the view that the Group is able to continue improving its working capital position and operate as a going concern for the following reasons:

As stated in the going concern assumption provided in the FY2019 Annual Report:

- (i) On 30 January 2020, the Group has entered into 3 (three) convertible bond agreements to raise an aggregate of S\$5.0M from the Series A Bonds and up to S\$20.0M from a subsequent tranche of Series B Bonds. Please refer to the Company's announcement dated 5 February 2020 for details^{1,2};
- (ii) As at the date of this announcement, the Company had received S\$2.0M from subscription of the Series A Bonds;
- (iii) The Group has an available loan facility from its shareholders amounting to US\$35,815,153 for which it can draw upon when required; and
- (iv) The Group has secured supply chain financing facilities from a bank to support its operations.

Note 1: In an announcement by the Company on 30 September 2020, the Convertible Bonds Subscription Agreement with Jinzhou Business Investment Logistics Co., Ltd had lapsed on 30 September 2020. As such, the total amount of subscription under Series A Bonds is S\$2M.

Note 2: On 16 November 2020, the Company has obtained the approval of shareholders for the issuance of another S\$8.0M of convertible bonds under the Series B Convertible Bonds. These bonds may be subscribed at the option of the subscribers.

Review of Statement of Cash Flows

FY2020

The Group recorded net cash flow used in operating activities of US\$1.4M for FY2020 which was a result of operating losses before changes in working capital of approximately US\$2.6M, adjusted for net working capital inflows of approximately US\$1.1M.

Net cash provided by investing activities of US\$7.0K in FY2020 was mainly due to receipt of interest income of US\$8.9K, partially offset by purchases of property, plant and equipment of US\$1.9K.

Net cash provided by financing activities of US\$1.7M was mainly due to proceeds from issuance of convertible bonds amounting to US\$1.4M and proceeds from borrowings of US\$341K, offset by repayment of lease liabilities of US\$43K, repayment of interest of US\$1.7K and placement of restricted cash of US\$8.6K,

As a result of the above, the Group recorded a net increase in cash and cash equivalents of US\$233K in FY2020.

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.

On 12 January 2021, Hellenic News¹ reported that Indonesia's coal sector welcomes 2021 with optimism as price surges. The future of Indonesia's coal sector in 2021 appears to be optimistic, in view of a price increase at the opening of the year and high demand from China — an economy that is recovering amid the pandemic.

Executive Director of the Indonesia Coal Mining Association (APBI) Hendra Sinadia told CNBC that the price of coal may continue to strengthen in the first quarter of 2021, adding that the upcoming Lunar New Year in February will boost the sale of coal. Several cities in China have restricted the use of electricity due to coal supply scarcity. Also, Australia's decision to limit coal export has contributed to the hike in the coal price.

As reported by S&P Global Platts² on 8 February 2021, Indonesia sets February HBA thermal coal price 16% higher month on month. Indonesia's Ministry of Energy and Mineral Resources set its February thermal coal reference price, known as Harga Batubara Acuan, or HBA at \$87.79/mt, up 16% on month and up 33% on year, a ministry spokesman said on February 8.

Strong Chinese demand and higher gas prices led to a boost in thermal coal prices in January as buyers scrambled to stock up before the Lunar New year holidays.

The ministry had set the price for January at \$75.84/mt, and for February 2020 at \$66.89/mt. The HBA price for thermal coal is the basis for determining the prices of 77 Indonesian coal products and calculating the amount of royalty producers have to pay for each metric ton of coal sold. Barring unforeseen circumstances, the increasing price trend is expected to be positive for the Group.

The Group continues to actively enforce safe social distancing measures for employees at its offices in Singapore and Indonesia and remains vigilant in educating its employees on prevention measures against Covid-19.

The Group's current operation is not significantly impacted by the ongoing Covid-19 pandemic. The global proliferation of Covid-19 was a risk factor for FY2020 and its effects are expected to continue into FY2021. The Group will cautiously monitor the development of Covid-19 and implement various precautionary measures required to support its operations.

News Articles:

Note 1: <https://www.hellenicshippingnews.com/indonesias-coal-sector-welcomes-2021-with-optimism-as-price-surges>

Note2: <https://www.spglobal.com/platts/en/market-insights/latest-news/coal/020821-indonesia-sets-feb-hba-thermal-coal-price-16-higher-on-month-amid-china-demand>

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 FY2020. The Group will be retaining its 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”).

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\$
	FY2020	FY2019
N.A.	-	-

There were no interested person transactions entered into by the Group during FY2020.

14. Use of Placement Proceeds

Pursuant to Rule 1204(5)(f) of the Catalist Rules, the Board wishes to provide an update on the use of the proceeds arising from the following placement exercises:

Intended use of Series A Net Proceeds	Allocation of Net Proceeds as disclosed in the announcement dated 5 February 2020 (S\$)	After reallocation of Net Proceeds (S\$)	Net Proceeds utilised as at date of this announcement (S\$)	Balance of the Net Proceeds as at the date of this announcement (S\$)
Payment of outstanding professional fees due to Group's auditors, legal counsel and Sponsor	795,000	677,000	561,000	116,000
Payment of outstanding director's fees	167,000	185,000	185,000	-
Working capital	958,000	1,058,000	1,013,000 ⁽²⁾	45,000
Total	1,920,000⁽¹⁾	1,920,000	1,759,000	161,000

Note :-

- (1). As at the date of this announcement, an aggregate of S\$2,000,000 was received from the completion of the Series A Bonds issuance to Kingpin and Atrium Asia. The convertible bond agreement with Jinzhou Business Investment Logistics Co., Ltd had lapsed on 30 September 2020. As such, the amount of Net Proceeds is now S\$1,920,000.
- (2). Working Capital comprises (a) staff costs and administrative expenses of S\$366,000; (b) other professional fees of S\$523,000, current year director fees S\$78,000 and (d) other operating expenses of S\$46,000.

On 14 August 2020, it was decided that S\$18,000 originally intended for repayment of outstanding professional fees be used for payment of outstanding director's fees instead. In 4Q2020, on continued review of the Group's cash flow and working capital requirements, it was decided that a further S\$100,000 originally intended for repayment of outstanding professional fees be used for working capital instead.

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 4Q2020, funds were mainly used for the following activities:-

Purpose	Forecasted usage of funds (US\$)	Actual usage of funds (US\$)
Production activities	706,000	312,000
General working capital	949,000	442,000
Total	1,655,000	754,000

Actual cash used for production activities and general working capital was lower than forecasted by US\$901K as the Group intends to make the relevant payment in subsequent quarters.

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 2021 to 31 March 2021 ("1Q2021")), the Group's use of funds for production activities are expected to be as follows:-

Purpose	Amount
	(US\$)
Production activities	705,000
General working Capital	714,000
Total	1,419,000

Principal Assumptions

Projected use of funds includes, but is not limited to, expenses to be 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 FY2020, no exploration or development activities were conducted. In relation to production activities, a total of approximately 299,300 metric tonnes of coal were produced during FY2020.

During FY2020, cash expenditure paid for production activities amounted to US\$4.7M.

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	4,832,420	2,900,367	67%
(b) Operating loss after tax before deducting minority interest reported for first half year	(1,728,814)	(1,004,423)	72%
(c) Sales reported for second half year	4,816,226	8,133,624	(41%)
(d) Operating loss after tax before deducting minority interest reported for second half year	(2,310,723)	(537,443)	330%

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 2020 and 31 December 2019.

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

Soh Sai Kiang
Independent Non-Executive Chairman

Andreas Rinaldi
Executive Director and CEO

1 March 2021

This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (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 Mr. David Yeong (Telephone number: +65 6232 3210), at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.
