Resources Prima Group Limited
and its subsidiaries

(Incorporated in Singapore)
(Company registration number: 198602949M)

CONDENSED INTERIM FINANCIAL STATEMENTS
For the Six Months Ended 30 June 2021

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*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 **Exchange**") and the Exchange 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 Lee Khai Yinn, at 1 Robinson Road #21-00, AIA Tower, Singapore 048542, telephone (65) 6232-3210.*

In view of the material uncertainty related to going concern issued by the Company's independent auditor, Baker Tilly TFW LLP, on the audited financial statements of the Group for the financial ended 31 December 2020, the Company is required by the Exchange to announce its quarterly financial statements pursuant to Catalist Rule 705.

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A. Introduction

Resources Prima Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") makes reference to its announcement dated 31 July 2021, "Update Pursuant to Rule 704(22) of the Catalist Rules" and provides the following update.

(A) Group's future direction and other material developments that may have a significant impact on the Group's financial situation

1. Dispute on the coal hauling service agreement ("**Contract**") between PT Energy Indonesia Resources ("**EIR**") and PT Coalindo Adhi Nusantara ("**CAN**")

   The outstanding receivables due from CAN for work done prior to termination of the Contract amounting to US$85,000 and the total claims of US$3.16 million by EIR against CAN (for the early termination of the Contract as well as from CAN's failure to provide a minimum of 100,000 tonnes per month to EIR for the period from November 2017 to May 2019 in accordance with the Contract) as at the date of this announcement, remains unchanged from the Company's announcement dated 31 July 2021.

   The Company remains committed to continue to take actions to safeguard, protect and enforce its rights under the Contract but at the same time mindful of, inter alia, the current financial situation of the Company. EIR is currently exploring its options.

   The Company will continue to update shareholders via SGXNet in respect of the above and other matters concerning the Group through its monthly update pursuant to Catalist Rule 704(22).

2. Ongoing Operations: RPG Logistics Pte Ltd's ("**RPG Logistics**") Joint Operations Agreement ("**JOA**") with PT Prima Dharma Karsa ("**PT Prima**")

   There have been no material developments in respect of the PT Prima JOA since the Company's announcement dated 21 February 2020 relating to the supplemental agreement entered between the 2 parties.

   The Company will continue to update shareholders via SGXNet in respect of the above matters on any material development in the Company's monthly update pursuant to Catalist Rule 704(22).

3. Cashflow analysis and resumption of trading

i. As a result of the Rinjani situation (including without limitation the loss of control of Rinjani), the Group has been operating under severe cashflow constraints as there was no operating cashflow for the period from July to October 2017. The severe underperformance of the coal hauling agreement with CAN as set out above added more uncertainty to the cashflows that can be generated by the Group. The Company also announced on 28 June 2017 that the Board was of the view that the Company was unable to demonstrate its ability to continue as a going concern or reasonably assess its financial position. As such the Board recommended that in the best interests of the Company, the trading halt of the Company's shares be converted to a trading suspension of the shares with immediate effect. Since 29 June 2017, the Board and Management were concurrently working towards submitting a trading resumption proposal to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on or before 28 June 2018.

   Subsequently, the SGX-ST has granted the Company the following extensions of time to submit its resumption proposal:
   - On 5 July 2018, the Company announced that the SGX-ST has granted the Company a 3-month extension till 28 September 2018;
   - On 12 November 2018, the Company announced that the SGX-ST has granted a further 6-month extension to 28 March 2019;
   - On 29 April 2019, the Company announced that SGX-ST has granted the Company a further 6-month extension till 28 September 2019; and
   - On 18 October 2019, the Company announced that SGX-ST has granted the Company a further 6-month extension till 28 March 2020.
   - On 17 April 2020, the Company announced that SGX-ST has granted the Company a further 6-month extension till 28 September 2020; and
   - On 31 December 2020, the Company announced that SGX-ST has granted the Company a further extension till 16 August 2021.

While the SGX-ST had previously informed that it will not grant any further extension if the Company is unable to submit its resumption proposal by 28 September 2020, the SGX-ST is granting the further extension till 16 August 2021 after considering the unprecedented circumstances faced by the Company in the midst of the Covid-19 pandemic as a final concession. The SGX-ST emphasized that it will not grant any further extension if the resumption proposal is not submitted by 16 August 2021. Please refer to the Company's announcement dated 31 December 2020 for more details.

ii. Having regard of the deadline imposed by the SGX-ST, the Company announced on 6 August 2018, the entry of an investment agreement with Mr Ang Liang Kim ("**Mr Ang**") ("**Ang Investment Agreement**"), a substantial shareholder of the Company. Mr Ang has, pursuant to the Ang Investment Agreement, committed not less than S$4 million of investment in the Company by way of a convertible loan (of up to S$2 million) and a rights issue. These funds are for the purpose of general working capital and where necessary, capital expenditures (including but not limited to potential business opportunities).

The first drawdown of funds notice under the convertible loan of S$250,000 was issued on 10 December 2018 with funds amounting to S$246,496 being subsequently received by the Company in January 2019 for working capital purposes in compliance with the terms of the Ang Investment Agreement.

The second drawdown of funds notice was issued on 23 May 2019 and subsequently funds amounting to S$248,464, S$200,000, S$34,600, S$98,017 and S$74,998 were received in May 2019, July 2019, August 2019, October 2019 and November 2019 respectively for working capital purposes. In view that the two independent directors have not received any fees since their appointment in December 2017, Mr Ang has agreed to the drawdown of S$200,000 (included in the second drawdown of funds notice) for the payment of the independent directors' fees until 31 December 2018 amounting to S$199,689.

The third drawdown of funds notice was issued on 10 January 2020 for funds amounting to S$97,426 for working capital purposes. The full amount of funds in the third drawdown notice was subsequently received by the Company on 12 February 2020.

In summary, as at the date of this announcement, a total of approximately S$1 million has been drawn down under the Ang Investment Agreement.

The Company will be holding a general meeting to seek shareholders' approval for the issuance of shares pertaining to the convertible loan and the rights issue, as the case may be, in due course.

Please refer to the Company's announcement dated 6 August 2018 for details on the Ang Investment Agreement.

iii. On 31 March 2019, the Company announced that it has entered into an investment agreement with Mr Perman Yadi ("**Mr Yadi**") ("**Yadi Investment Agreement**"). Pursuant to the Yadi Investment Agreement, Mr Yadi will grant the Company a convertible loan with a principal of US$2 million. The purposes of the convertible loan are extended to the Company for, *inter alia*, business operations and projects undertaken by the Company with Mr Yadi's express approval.

The PT Prima JOA is the first project approved by Mr Yadi. As at the date of this announcement, approximately US$1.26 million has been drawn down under the Yadi Investment Agreement. The amount drawn down has been mainly used for, including but not limited to the rental of barge for transportation of nickel to a loading port, rental of mining equipment such as excavators/dozers and labour for the mining operations in respect of the services provided under the JOA. This amount is fully recoverable from PT Prima.

The Company will be holding a general meeting to seek shareholders' approval for the issuance of shares pertaining to the convertible loan, as the case may be, in due course.

Please refer to the Company's announcement dated 31 March 2019 for details on the Yadi Investment Agreement.

iv. Following the ongoing efforts in seeking the injection of a sustainable business, the Company had, on 27 September 2019, announced the entry into a sales and purchase agreement to acquire 100% of Kitty Hawk Natural Resources Pte Ltd ("**Target**") (a holding company incorporated in Singapore) ("**Proposed Acquisition**") which operates a coal mine in Indonesia through the Target's 95%-owned subsidiary, PT Rizky Barito Timur ("**Target Subsidiary**"), from Trilax Multi Investments Ltd and Anant Finance Corporation (collectively, the "**Vendors**"). On 13 August 2021, the Company further announced the entry into the supplemental agreement to the SPA to amend the long stop date to 30 June 2022.

While the Company had, in its earlier announcement dated 2 April 2021 mentioned that the Target was initially advised that the updated and extended IUP License was expected to be reflected on the central system by 9 April 2021 and the letter from ESDM confirming deferred local divestment obligations ("**Divestment Letter**") by first week of April 2021, the Company was informed by the Target on 9 April 2021 that the Corruption Eradication Commission of the Republic of Indonesia (Komisi Pemberantasan Korupsi Republik Indonesia or "KPK") launched an anti-corruption practices investigation within the ESDM subsequent to the Audit Board of Republic of Indonesia's (Badan Pemeriksa Keuangan Republik Indonesia or "BPK") submission of an audit report on mining permit issuance practices by ESDM. In view of the investigation, the Company was informed that the public release of all IUP permit approvals had to be put on hold temporarily until investigations are completed, including the Target Subsidiary's updated and extended IUP License. The Divestment Letter will be issued subsequent to the public release of the IUP License.

Based on the update received from the Target on 24 June 2021, the Target informed that public releases of IUP Licenses to local concession owners in the central system of the Central Government Ministries in Jakarta commenced on 14 June 2021. IUP Licenses to concession owners which are substantially foreign-owned, which the Target Subsidiary's IUP License falls under, has not been released to date. On 8 July 2021, the Target informed the Company that due to the worsening Covid-19 health crisis in the country, the Indonesian government had issued a blanket stoppage of works at all public and private sectors, including government ministries since 3 July 2021. Under these circumstances, the Target has been advised that the official release of its updated and extended IUP License can only take place once the current lockdown period ends and when the state of medical emergency in Indonesia subsides.

The Target has informed the Company that the lockdown in Jakarta has been extended until 16 August 2021.As a result of the above unforeseen events and the lockdown in Indonesia which has currently been further extended to 16 August 2021, the Target faced an added delay in the release of the Company's updated and extended IUP License, initially expected by the end of April 2021. Barring any unforeseen circumstances, the Target expects the IUP License to be released within August 2021.

The Target has reiterated to the Company that it had fulfilled all requirements of the KPK's verification process of all ESDM's IUP licenses including but not limited to other related governmental approvals, submission of relevant project documents and reports, responses to queries and meetings by the various ministries and government agencies. The Target has assured that it will continue to work tirelessly with local authorities to ensure the imminent official release of its renewed and extended IUP License despite the delay resulting from slow coordination between the relevant ministries which is further hampered by the worsening Covid-19 situation in Indonesia.

The Company has been advised by the Target that they have been continuously engaging the reporting accountants (Baker Tilly) on the financial due diligence ("FDD") process. Progress has been made to clarify and rectify outstanding matters raised by the reporting accountants on both the Singapore and Indonesian entities of the Target. The Target is also in the midst of consolidating information requested by the reporting accountants which pre-dates 2014.

The Target has also advised that they commenced the internal audit process with the outsourced internal auditors on the week of 5 April 2021. The Target is in the midst of providing management comments to findings by the internal auditors (BDO Advisory). The Target's management provided preliminary comments in mid-July 2021 and are currently working on remediation plans to address the findings raised by the internal auditors.

As a result of the above, the commercial and financial due diligence in respect of the Proposed Acquisition which was slated to be completed by end June 2021 is still underway. Barring any unforeseen circumstances, the Company expects the commercial and financial due diligence and audit of the Target Group and the technical and legal due diligence to be completed by February 2022.

The Covid-19 situation, which was simply unexpected, and its development over the past one year, has significantly delayed the workflow and processes of the various professionals as well as the resolution of these issues. The various measures taken by the governments from the various countries including but not limited to the Singapore government as well as the government agencies in Indonesia such as travel restrictions and work from home measures have greatly hindered the progress of the Proposed Acquisition since early March 2020. Despite the vaccination programme implemented by various countries, the Covid-

19 pandemic continues to evolves with the discovery of new variants to the virus. As countries including Singapore and Indonesia continue to battle to control and manage the pandemic, new measures may be implemented for such purposes. Accordingly, the Covid-19 pandemic is expected to continue to significantly affect the progress of the Proposed Acquisition.

The Company will continue to update shareholders via SGXNet when there is any major development on the Proposed Acquisition. Please refer to the Company's announcement dated 27 September 2019 for details on the Proposed Acquisition.

v. On 27 September 2019, the Company announced that it has entered into an investment agreement with Mr Chaw Chong Foo ("**Mr Chaw**") ("**Chaw Investment Agreement**"). Pursuant to the Chaw Investment Agreement, Mr Chaw will grant the Company a convertible loan with a principal of S$1.35 million. The purposes of the convertible loan are extended to the Company for, *inter alia*, costs and expenses in relation to the Proposed Acquisition of the Target. Mr Chaw may also extend an additional loan amount in excess of S$1.35 million to accommodate any working capital requirements set out in the Catalist Rules.

As at the date of this announcement, approximately S$872,000 have been received pursuant to the Chaw Investment Agreement and paid mainly to the various professionals.

The Company received S$230,000 on 9 December 2019 for the payment of professional fees pursuant to a first drawdown notice. As set out in the announcement dated 1 March 2021, the Company was in the midst of reconciling the amounts received against the drawdown notices. Pursuant to this exercise, approximately S$256,000 has been approved and disbursed by Mr Chaw pursuant to the second drawdown notice issued on 13 March 2020 for an amount of S$655,000. Further a third drawdown notice was issued to Mr Chaw on 4 March 2021 for the remaining amounts received of approximately S$386,000.

Please refer to the Company's announcement dated 27 September 2019 for details.

(B) Bankruptcy proceedings – PT Rinjani Kartanegara ("Rinjani")

There have been no further updates since the Company's announcement dated 13 August 2019 except that the Company has continued to write directly and/or through its counsel to the curators in respect of the development and sought information on, *inter alia*, the selection criteria for coal contractors, terms with the selected coal contractor, repayment arrangement between Rinjani and the coal contractor, the progress of mining operations, the expected/forecast profitability by the appointed mine contractor and the repayment and distribution arrangement to the creditors of Rinjani, to protect its rights as a creditor of Rinjani in accordance to Indonesian Bankruptcy Law.

The Company will continue to update shareholders via SGXNET in respect of the above matters on any material development in the Company's monthly update pursuant to Catalist Rule 704(22).

(C) State of negotiations between the Company and its principal bankers or trustee

The Company currently has no credit lines or facilities with its bankers or trustee.

(D) Litigation

The Company refers to its announcement dated 9 February 2018 and advises that the Group's subsidiary, PT Pilar Mas Utama Perkasa ("**Pilar Mas**"), received a notice dated 24 January 2018 from the State Court of West Jakarta, Indonesia (the "**Notice**") in relation to a statement of claim filed by a former shareholder of PT Rinjani Kartanegara ("**Rinjani**"), being Ruznie Oms., S.H. M.Hum ("**Ruznie**"). The statement of claim is filed against, Pilar Mas, Agus Sugiono, the Group's Executive Chairman and Chief Executive Officer ("**Defendant II**"), Rinjani ("**Defendant III**"), Nordiansyah Nasrie, the Group's Chief Operating Officer ("**Defendant IV**") and other third parties (collectively, the "**Defendants**").

The statement of claim against the Defendants, claims, *inter alia*, losses arising from events and transactions pertaining to the sale and purchase of Rinjani's shares from its original shareholders prior to the reverse takeover back in 2014, one of which being Ruznie. The amount being claimed of Rp665 billion (approximately US$50 million), represents, amongst others, Ruznie's loss of rights from the sale of Rinjani's shares and loss of opportunity to profit from the sale of Rinjani coal.

Following a decision of the West Jakarta District Court to exclude Rinjani from the mediation process due to its bankruptcy and unwillingness to participate, the mediation process recommenced with the first mediation hearing on 3 July 2018. The mediation hearing was before a panel of 3 judges and included Ruznie, Pilar Mas, and Defendants II and IV amongst others.

At the 3 July 2018 mediation hearing, no agreement was reached between the parties and as such an initial hearing was set for 10 July 2018 during which Pilar Mas and Defendants II and IV submitted their response to Ruznie's statement of claim. Following a number of hearings, the latest of which was held on 11 December 2018 the panel of judges decided in favour of Pilar Mas and Defendants II and IV. The formal decision of the Court has been received and Ruznie has appealed against the decision to the higher court. No further actions are required by Pilar Mas, and Defendants II and IV while the higher court considers Ruznie's appeal. The Company will continue to defend its position and does not expect to incur any costs arising from the appeal process.

Other than as set out above, the Company has not been or is not a party in any other legal proceedings.

As previously announced, with effect from 9 October 2017, all litigation matters and decisions with respect to the legal proceedings against Rinjani will be handled by the curators appointed by the Commercial Court Jakarta.

(E) Letter of demand

The Company had on 27 May 2020 received a letter of demand ("**Letter**") from Deloitte & Touche Enterprise Risk Services Pte Ltd ("**Deloitte**") through their solicitors, Tito Isaac & Co LLP ("**Tito**") requesting for a sum of S$31,800 ("**Outstanding Amount**") relating to an invoice that was raised on 15 May 2018 for internal audit professional services rendered by Deloitte for the financial year ended 31 December 2016.

The Letter stated that if the above Outstanding Amount is not paid by 3 June 2020, 4.00 p.m., Tito has been instructed by Deloitte to commence formal proceedings against the Company to recover all amounts due to them, in which event the Company may be liable for further interest and legal costs.

The Company has on 2 June 2020 reached out to Deloitte, through Tito to confirm the facts surrounding the claim. On 7 September 2020, the Management received an email from Deloitte attaching relevant documents supporting their claim. The Management is in ongoing discussion with Deloitte regarding the claim.

The Company will continue to update shareholders via SGXNET when there are material developments on this matter.

(F) Board and board committee changes

Further to the changes and appointments to the Company's Board and Board Committees noted in the Company's announcement dated 11 May 2018, the Company will still be unable to meet the minimum number of members under Catalist Rule 704(7) in respect of the Audit and Risk Management Committee ("**ARMC**").

Although the Company endeavoured to fill the vacant position within the 3 months from 13 February 2018, the Company makes reference to the announcement dated 6 April 2018, wherein it advised that due to the Group's financial position, the independent directors, the executive chairman cum chief executive officer, the executive director, the chief operating officer and the former chief financial officer have all agreed not to take any fees or remuneration or to take only nominal salaries until there is more clarity on the Group's cashflow situation then. Hence, it would be challenging for the Group to attract suitable candidates and an appointment of an additional independent director could potentially stretch the Group's financial resources.

Having regard to the above the Company refers to its announcements dated:
- 1 June 2018 wherein it was announced that SGX-ST had no objection to granting a 3-month extension till 10 August 2018 to appoint the additional (third) committee member of the ARMC;
- 27 August 2018 wherein it was announced that based on the information provided by the Company, the SGX-ST has no objection to granting the Company a further 1.5-month extension, till 28 September 2018, to fill the vacancy in the ARMC;
- 12 November 2018 wherein it was announced that the SGX-ST has no objection to granting a 6-month extension till 28 March 2019 to fill the vacancy in the ARMC;
- 29 April 2019 wherein it was announced that the SGX-ST has no objection to granting a further 6-month extension to till 28 September 2019 to fill the vacancy in the ARMC; and
- 18 October 2019 wherein it was announced that SGX-ST has no objection to granting a further 6-month extension till 28 March 2020 for the Company to fill the vacancy in its ARMC.

- 17 April 2020 wherein it was announced that SGX-ST has no objection to granting a further 6-month extension till 28 September 2020 for the Company to fill the vacancy in its ARMC; and
- 31 December 2020 wherein it was announced that SGX-ST has no objection to granting a further extension till 16 August 2021 for the Company to fill the vacancy in its ARMC.

The Company will continue to update shareholders via SGXNet when there are material developments in respect of any matters concerning the Group pursuant to Catalist Rule 704(7).

(G) Trading resumption

Please refer to item (A) above for details. The Company will continue to update shareholders via SGXNet when there are material developments in respect of any matters concerning the Group pursuant to Catalist Rule 704(22).

The Board is of the opinion that all material disclosures have been provided by the Company.

B. Going Concern

As set out in (A) above, the Company on 6 August 2018 announced the entry into the Ang Investment Agreement with Mr Ang pursuant to which Mr Ang has committed not less than S$4 million of investment in the Company by way of a convertible loan (of up to S$2 million) and a rights issue. Following execution of the Ang Investment Agreement, there is now more certainty on the cashflows of the Company to ensure it can meet its debts and obligations (excluding salary and fees of Management and Directors) as they fall due. Further, on 31 March 2019, the Company announced that it has entered into the Yadi investment agreement with Mr Yadi. Pursuant to the Yadi Investment Agreement, Mr Yadi will grant the Company a convertible loan with a principal of US$2 million (“Yadi Convertible Loan”). The purposes of the Yadi Convertible Loan are extended to the Company for, inter alia business operations and projects undertaken by the Company with the Investor’s express approval. The Company had, most recently on 27 September 2019, announced that it has entered into an investment agreement with Mr Chaw. Pursuant to the Chaw Investment Agreement, Mr Chaw will grant the Company a convertible loan with a principal of S$1.35 million for the purposes of, inter alia, costs and expenses in relation to the proposed acquisition of Kitty Hawk Natural Resources Pte. Ltd. Mr Chaw may also extend an additional loan amount in excess of S$1.35 million to accommodate any working capital requirements set out in the Catalist Rules. On 30 April 2021, the three investment agreements have been extended to 31 December 2022.

In addition, the Company had, on 31 March 2019 announced that it had, through its wholly owned subsidiary, RPG Logistics which was incorporated on 25 March 2019, entered into a joint operation agreement with PT Prima, to provide logistical support, in respect of but not limited to the transportation of nickel to a loading port, the supervision of mining operations as well as provision of mining equipment and mining services to PT Prima in relation to a mining area in Indonesia. In return, PT Prima will pay RPG Logistics an amount equivalent to 60% of the profit per tonne of nickel sold from the mining area by PT Prima, provided always that the amount shall not be less than US$5 per tonne. A supplemental agreement was entered into between RPG Logistics and PT Prima on 21 February 2020 detailing, amongst others, PT Prima to bear the costs and expenses incurred by RPG Logistics in respect of the services provided under the JOA. Please refer to the Company’s announcement on 21 February 2020 for details.

Please refer to F(3)(a) – Going concern assumption below for more details.

C. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Group			Group		
		Unaudited	Unaudited		Unaudited	Unaudited	
		3 months ended			6 months ended		
		30/06/2021	30/06/2020	Change	30/06/2021	30/06/2020	Change
		US$'000	US$'000	%	US$'000	US$'000	%
Revenue		-	-	N.M.	-	-	N.M.
Cost of sales		-	-	N.M.	-	-	N.M.
Gross profit		-	-	N.M.	-	-	N.M.
Other (losses)/gains	7.1	(130)	293	N.M.	(360)	116	N.M.
Administrative expenses	7.1	(293)	(276)	6.2	(653)	(558)	17
Finance costs	7.1	(126)	(50)	>100	(234)	(156)	50.0
Loss before taxation		**(549)**	**(33)**	**>100**	**(1,247)**	**(598)**	**>100**
Tax expense		-	-	N.M.	-	-	N.M.
Total loss for the financial period		**(549)**	**(33)**	**>100**	**(1,247)**	**(598)**	**>100**
Other comprehensive loss							
Items that are or may be reclassified subsequently to profit or loss:							
Currency translation differences arising on consolidation		17	(166)	N.M.	19	85	(77.6)
Total comprehensive loss for the period		**(532)**	**(199)**	**>100**	**(1,228)**	**(513)**	**>100**
Loss attributable to:							
- Equity holders of the Company		(549)	(34)	>100	(1,247)	(599)	>100
- Non-controlling interests		-*	1	N.M.	-*	1	N.M.
Loss for the period		**(549)**	**(33)**	**>100**	**(1,247)**	**(598)**	**>100**
Total comprehensive loss attributable to:							
- Equity holders of the Company		(532)	(200)	>100	(1,228)	(514)	>100
- Non-controlling interests		-	1	N.M.	-	1	N.M.
Total comprehensive loss for the period		**(532)**	**(199)**	**>100**	**(1,228)**	**(513)**	**>100**
Loss per share							
Basic loss per share (cents) [A]		(0.030)	(0.002)	>100	(0.068)	(0.033)	>100
Diluted loss per share (cents) [B]		(0.030)	(0.002)	>100	(0.068)	(0.033)	>100

N.M. - not meaningful
**Amount is below US$1,000*

[A] The calculation of earnings per ordinary share was based on weighted average number of shares 1,832,999,998 (6 months ended 30 June 2020: 1,832,999,998) in issue during the period. Diluted loss per share is the same as basic loss per share for all reported financial periods ended 30 June 2021 and 2020 as the effect of all potentially dilutive shares outstanding was anti-dilutive.

[B] The calculation of earnings per ordinary share (on a fully diluted basis) was based on weighted average number of shares 1,832,999,998 (6 months ended 30 June 2020: 1,832,999,998) in issue during the period. Diluted loss per share is the same as basic loss per share for all reported financial periods ended 30 June 2021 and 2020 as the effect of all potentially dilutive shares outstanding was anti-dilutive.

D. Condensed Interim Statements of Financial Position

		Group		Company	
	Note	Unaudited 30/06/2021 US$'000	Audited 31/12/2020 US$'000	Unaudite 30/06/202 US$'000	Audited 31/12/202 US$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	12	12	-	-
Investment in a subsidiary		-	-	-*	-*
		12	12	-*	-*
Current assets					
Financial asset at fair value through		-*	-*	-*	-*
Inventories		5	5	-	-
Trade and other receivables	12	1,346	1,364	1,296	1,296
Cash and cash equivalents	13	254	262	78	88
		1,605	1,631	1,374	1,384
Total assets		1,617	1,643	1,374	1,384
EQUITY AND LIABILITIES					
Share capital	14	100,480	100,480	236,508	236,508
Currency translation reserve		(998)	(1,017)	(15,877)	(15,962)
Convertible loans equity reserve		417	214	417	214
Accumulated losses		(105,748)	(104,501)	(226,346)	(225,158)
Equity attributable to equity holders of the Company		(5,849)	(4,824)	(5,298)	(4,398)
Non-controlling interests		(195)	(195)	-	-
Total equity		(6,044)	(5,019)	(5,298)	(4,398)
Current liabilities					
Trade and other payables	16	3,745	3,256	3,373	2,993
Convertible loans	17	2,756	2,246	2,756	2,246
Derivative liabilities	17	543	543	543	543
Tax payable		617	617	-	-
		7,661	6,662	6,672	5,782
Total liabilities		7,661	6,662	6,672	5,782
Total equity and liabilities		1,617	1,643	1,374	1,384

** - Amount is below US$1,000*

E. Condensed Interim Statements of Changes in Equity

	Share capital US$'000	Currency translation reserve US$'000	Convertible loans equity reserve US$'000	Accumulated losses US$'000	Equity attributable to equity holders of the Company US$'000	Non-controlling interests US$'000	Total equity US$'000
Group							
Unaudited							
At 1 January 2020	**100,480**	**(881)**	**141**	**(103,179)**	**(3,439)**	**(194)**	**(3,633)**
Loss for the 6 months ended 30 June 2020	-	-	-	(599)	(599)	1	(598)
Other comprehensive income:							
- Currency translation differences	-	85	-	-	85	-	85
Total comprehensive income/(loss) for the 6 months ended 30 June 2020	-	85	-	(599)	(514)	1	(513)
Issuance of convertible loans	-	-	214	-	214	-	214
At 30 June 2020	**100,480**	**(796)**	**355**	**(103,778)**	**(3,739)**	**(193)**	**(3,932)**
At 1 January 2021	**100,480**	**(1,017)**	**214**	**(104,501)**	**(4,824)**	**(195)**	**(5,019)**
Loss for the 6 months ended 30 June 2021	-	-	-	(1,247)	(1,247)	-*	(1,247)
Other comprehensive income:							
- Currency translation differences	-	19	-	-	19	-	19
Total comprehensive income/(loss) for the 6 months ended 30 June 2021	-	19	-	(1,247)	(1,228)	-*	(1,228)
Issuance of convertible loans	-	-	3	-	3	-	3
Re-measurement of convertible loans	-	-	200	-	200	-	200
At 30 June 2021	**100,480**	**(998)**	**417**	**(105,748)**	**(5,849)**	**(195)**	**(6,044)**

* - *Amount is below US$1,000*

E. Condensed Interim Statements of Changes In Equity (cont'd)

	Share capital US$'000	Currency translation reserve US$'000	Convertible loans equity reserve US$'000	Accumulated losses US$'000	Equity attributable to equity holders of the Company US$'000
Company					
Unaudited					
At 1 January 2020	**236,508**	**(15,861)**	**141**	**(224,236)**	**(3,448)**
Loss for the 6 months ended 30 June 2020	-	-	-	(597)	(597)
Other comprehensive income:					
- Currency translation differences	-	116	-	-	116
Total comprehensive income/(loss) for the 6 months ended 30 June 2020	-	116	-	(597)	(481)
Issuance of convertible loans	-	-	5	-	5
Re-measurement of convertible loans	-	-	209	-	209
Balance at 30 June 2020	**236,508**	**(15,745)**	**355**	**(224,833)**	**(3,715)**
At 1 January 2021	**236,508**	**(15,962)**	**214**	**(225,158)**	**(4,398)**
Loss for the 3 months ended 30 June 2021	-	-	-	(1,188)	(1,188)
Other comprehensive income:					
- Currency translation differences	-	85	-	-	85
Loss and total comprehensive income/(loss) for the 3 months ended 30 June 2021	-	85	-	(1,188)	(1,103)
Issuance of convertible loans	-	-	3	-	3
Re-measurement of convertible loans	-	-	200	-	200
Balance at 30 June 2021	**236,508**	**(15,877)**	**417**	**(226,346)**	**(5,298)**

E. Condensed Interim Consolidated Statement of Cash Flows

	Group	
	Unaudited	Unaudited
	6 months ended	
	30/06/2021	30/06/2020
	US$'000	US$'000
Cash flows from operating activities		
Loss before taxation	(1,247)	(598)
Adjustments for:		
Depreciation of property, plant and equipment	-	66
Gain on disposal of motor vehicles	-	(153)
Finance costs	234	156
Unrealised foreign currency exchange loss	265	44
Operating cash flows before working capital changes	(748)	(485)
Trade and other receivables	18	(42)
Trade and other payables	489	429
Currency translation adjustments	19	2
Net cash used in operating activities	**(222)**	**(96)**
Cash flows from investing activity		
Proceeds from disposal of motor vehicles	-	155
Net cash generated from investing activity	**-**	**155**
Cash flows from financing activities		
Proceeds from issuance of convertible loans	214	69
Repayment of finance lease	-	(19)
Net cash generated from financing activities	**214**	**50**
Net changes in cash and cash equivalents	(8)	109
Cash and cash equivalents at beginning of period	262	145
Cash and cash equivalents at end of period	**254**	**254**

F. Notes to the condensed interim consolidated financial statements

1. Corporate information

Resources Prima Group Limited (the "**Company**") is listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and incorporated and domiciled in Singapore. The registered office of the Company is at 10 Collyer Quay, #10-01 Ocean Financial Centre, Singapore 049315.

The principal activity of the Company is that of investment holding. The principal activities of the Group are:

(a) Mining support activities
(b) Trading and marketing of coal
(c) Logistical support for nickel mining
(d) Trading (import) of goods; and
(e) Coal mining, including production, construction, processing, refining and sale

The ultimate holding company of the Company is Madrone Enterprises Limited, incorporated in British Virgin Islands and is controlled by the ultimate beneficial owner, Gabriel Giovani Sugiono, the son of Agus Sugiono who is the Executive Chairman cum Chief Executive Officer of the Company.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 ("**1H2021**") comprise the Company and its subsidiaries (collectively, the "**Group**").

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The financial statements are presented in United States dollar ("US$") and all values are rounded to the nearest thousand ("US$'000"), except when otherwise indicated.

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, current trade and other receivables, trade and other payables and borrowings approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

3. Critical accounting judgement and key sources of estimation uncertainty

(a) Critical judgement in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement that has the most significant effect on the amounts recognised in the financial statements (apart from those involving estimates, which are dealt in the preceding paragraphs).

Going concern assumption

During the financial period ended 30 June 2021, the Group incurred a net loss of US$1,247,000 (2020: US$598,000) and the Company incurred a net loss of US$1,188,000 (2020: US$597,000). As at 30 June 2021, the Group's and the Company's total and current liabilities exceeded its total and current assets by US$6,044,000 (2020: US$5,019,000) and US$6,056,000 (2020: US$5,031,000) and US$5,298,000 (2020: US$4,398,000) and US$5,298,000 (2020: US$4,398,000) respectively. These factors and contingent liabilities indicate the existence of material uncertainties that may cast significant doubt about the Group's and the Company's ability to continue as going concerns.

In 2017, the Group's main operating subsidiary, PT Rinjani Kartanegara ("Rinjani"), was adversely affected by the above average rainfall in its operating area and the dewatering issue which arose due to the above average rainfall. This caused a significant reduction in coal production, coal sales quantities, coal sales revenue and cashflows of Rinjani and resulted in Rinjani's inability to pay the waste mining contractor's current waste mining costs on time. The inability of Rinjani to pay the current waste mining costs also triggered a cross default in its agreements with the waste mining contractor as well as the cessation of waste mining operations by the waste mining contractor at Rinjani's mine site with effect from 23 June 2017 and, consequently, the cessation of all coal production from Rinjani.

On 29 August 2017, Rinjani received a letter from the Commercial Court of Jakarta, stating that an application filed by Rinjani's creditors for the suspension of payment of Rinjani, akin to a Scheme of Arrangement under the Singapore Companies Act, had been approved and that the suspension of payment period will be effective for a period of 45 days from 24 August 2017. Since the approval of the suspension of payment on 24 August 2017, the directors and management of Rinjani no longer had sole authority to administer or represent Rinjani or exercise any management or ownership decisions over the assets and operations of Rinjani. It was also no longer entitled to any returns from its investment in Rinjani or able to affect the amount of returns from its investment in Rinjani.

Subsequently, on 9 October 2017, the composition plan presented by Rinjani in accordance with the suspension of payment process, was rejected and Rinjani entered into bankruptcy with effect from that date and the Commercial Court of Jakarta appointed 2 curators to administer the bankruptcy estate and a supervisory judge to supervise the bankruptcy process.

Subsequent to the loss of control of Rinjani on 24 August 2017, the remaining active subsidiary of the Group is PT Energy Indonesia Resources ("EIR") which carries out coal hauling activities, an ancillary part of the Group's business rather than its primary business. In October 2017, EIR entered into a coal hauling service agreement with a third party,

3. Critical accounting judgement and key sources of estimation uncertainty (cont'd)

(a) Critical judgement in applying the Group's accounting policies (cont'd)

Going concern assumption (cont'd)

PT Coalindo Adhi Nusantara ("CAN") effective from 1 November 2017. However, the average quantity of coal hauled was significantly less than the 100,000 tonnes per month as stipulated under the agreement with CAN due to ongoing heavy rainfall, poor condition of the coal hauling road and operational disruptions experienced by CAN. On 15 May 2019, CAN unilaterally terminated the coal hauling contract with EIR. EIR has since, taken various actions to protect and enforce its rights under the coal hauling service agreement, including, inter alia, sending sets of notification letters which are required in accordance to the Indonesian laws prior to commencing any legal proceedings as well as contemplating the issuance of a letter of demand and commencing formal legal action against CAN.

On 16 June 2020, EIR completed the disposal of its entire fleet of motor vehicles consisting of 19 dump trucks and their corresponding licenses.

As a result of the Rinjani situation (including without limitation the loss of control of Rinjani), the Group has been operating under severe cashflow constraints as there was no operating cashflow for the period from July 2017 to October 2017 and the severe underperformance of the coal hauling agreement with CAN as set out above added more uncertainty to the cash flows that can be generated by the Group.

Given the current cashflow constraints, the directors and management of the Company have been focusing their efforts on generating revenue and rebuilding the Group's business, as well as continuing to evaluate various options (including but not limited to obtaining financial support from the current shareholders and introduction of new investors to the Company). Further to these efforts, the Company had, on 6 August 2018, 4 September 2018, 28 September 2018 and 31 March 2019, announced the entry of an investment agreement ("Ang Investment Agreement") whereby the investor, Mr Ang Liang Kim ("Mr Ang") (currently a substantial shareholder of the Company), has committed not less than S$4 million of investment in the Company by way of a convertible loan (of up to S$2 million) and rights issue, with the funds to be used for general working capital (excluding salary and fees of directors and management) and where necessary, capital expenditures (including but not limited to potential business opportunities). The convertible loan had an original maturity date of 28 September 2018 which was subsequently extended to 31 December 2021 on 26 February 2020. On 30 April 2021, the Ang investment Agreement was extended to 31 December 2022. The key terms of the Ang Investment Agreement included: (1) the submission of a trading resumption proposal by 31 December 2021; and (2) to convene a general meeting by 31 December 2021 to seek shareholders' approval for listing of the conversion shares to convert the full amount of the drawn down convertible loan of up to S$2 million into up to 2 billion ordinary shares of the Company.

On 31 March 2019, the Company announced that it has entered into an investment agreement with Mr Perman Yadi ("Mr Yadi") ("Yadi Investment Agreement"). Pursuant to the Yadi Investment Agreement, Mr Yadi will grant the Company a convertible loan with a principal of US$2 million. The purposes of the convertible loan are extended to the Company for, inter alia business operations and projects undertaken by the Company with Mr Yadi's express approval. The convertible loan is with the maturity date of 30 March 2020 which was subsequently extended to 31 December 2021 on 29 September 2019. On 30 April 2021, the Yadi Investment Agreement was extended to 31 December 2022. The key terms of the Yadi Investment Agreement is for the Company to convene a general meeting by 31 December 2021 to seek shareholders' approval for listing of the conversion shares to convert the full amount of the drawn down convertible loan of up to US$2 million into ordinary shares of the Company at the conversion price of S$0.001 per share based on the currency exchange rate of US$1 to S$1.3525.

3. Critical accounting judgement and key sources of estimation uncertainty (cont'd)

(a) Critical judgement in applying the Group's accounting policies (cont'd)

Going concern assumption (cont'd)

In addition, the Company had on 31 March 2019 announced that it had through its wholly-owned subsidiary company, RPG Logistics Pte. Ltd. ("RPG Logistics"), which was incorporated on 25 March 2019, entered into a joint operation agreement (the "JOA") with PT Prima Dharma Karsa ("PT Prima"), a company incorporated in Indonesia, to provide logistical support to PT Prima, in respect but not limited to the transportation of nickel to a loading port, the supervision of mining operations as well as provision of mining equipment and mining services to PT Prima in relation to a mining area. In return, PT Prima will pay the RPG Logistics an amount equivalent to 60% of the profit per tonne of nickel ore sold from the mining area by PT Prima provided always that the amount shall not be less than US$5 per tonne. The Group is in the midst of resolving logistical issues in relation to the JOA.

Following the ongoing efforts in seeking the injection of a sustainable business, the Company had, on 27 September 2019 announced the entry into a sales and purchase agreement to acquire 100% of Kitty Hawk Natural Resources Pte. Ltd. ("Target") (a holding company incorporated in Singapore) ("Proposed Acquisition") which operates a coal mine in Indonesia through the Target's 95%-owned subsidiary, PT Rizky Barito Timur ("Target Subsidiary" collectively with the Target, the "Target Group")), from Trilax Multi Investments Ltd and Anant Finance Corporation (collectively the "Vendors").

In addition, on 27 September 2019, the Company announced that it has entered into an investment agreement with Mr Chaw Chong Foo ("Mr Chaw") ("Chaw Investment Agreement"). Pursuant to the Chaw Investment Agreement, Mr Chaw will grant the Company a convertible loan with a principal of S$1.35 million. The purposes of the convertible loan are extended to the Company for, inter alia, costs and expenses in relation to the Proposed Acquisition of the Target. Mr Chaw may also extend an additional loan amount in excess of S$1.35 million to accommodate any working capital requirements set out in the Catalist Rules. On 30 April 2021, the Chaw Investment Agreement was extended to 31 December 2022.

Refer to section A-3(iv) of the Introduction for updates on the Proposed Acquisition.

The SGX-ST had, on 31 December 2020 approved the Company's application for an extension of time to 16 August 2021 to, inter alia, submit its resumption of trading proposal. The SGX-ST had previously informed that they will not grant any further extension if the Company is unable to submit its resumption of trading proposal by 28 September 2020. The SGX-ST has granted the extension after considering the unprecedented circumstances faced by the Company in the midst of the Covid-19 pandemic as a final concession. The SGX-ST will not grant any further extension if the resumption of trading proposal is not submitted by 16 August 2021. The Company will thus face delisting if it is unable to meet the extended deadline to submit its resumption of trading proposal by 16 August 2021.

During the 6 months ended 30 June 2021, the Company had entered into agreements with the individual investors to extend the maturity date of all three investment agreements to 31 December 2022. In the event that the key terms of all three investment agreements were not met, the Ang Investment Agreement and Yadi Investment Agreement will become due and repayable immediately whereas the Chaw Investment Agreement will be due within 5 years. Accordingly, the ability of the Group and the Company to continue as going concern is dependent on the Company's application for resumption of trading proposal by 16 August 2021.

Management has represented that in the event the Company did not meet the deadline to submit the trading resumption proposal by 16 August 2021, the Company will continue to appeal with SGX-ST for the resumption of trading proposal.

3. Critical accounting judgement and key sources of estimation uncertainty (cont'd)

(a) Critical judgement in applying the Group's accounting policies (cont'd)

Going concern assumption (cont'd)

The ability of the Group to fulfil its obligation is dependent on the receipt of funding from the three investment agreements. The management has been informed by the investors that funding is contingent on the outcome of the appeal with SGX-ST for a further extension of resumption of trading proposal and further progress on the Proposed Acquisition of the Target. On the basis that the resumption of trading proposal will be approved and the key terms of all three investment agreements will be met, the directors of the Company are therefore satisfied that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial period ended 30 June 2021 is appropriate.

The events or conditions set out above indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. If the going concern assumption is no longer appropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which may differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. Such adjustments have not been made to these financial statements.

Convertible loans

As at 30 June 2021, the carrying amounts of the borrowings, derivative liability component on the convertible loans and convertible loans equity reserve with respect to the Group's convertible loans amounted to US$2,756,000 (2020: US$2,246,000), US$543,000 (2020: US$543,000) and US$417,000 (2020: US$214,000) respectively.

Classification and measurement of convertible loans as compound financial instruments or hybrid financial instruments is based on the accounting policy. Significant judgement is required to assess whether the Group can settle the convertible loans by issuing a fixed number of shares in exchange for a fixed amount of cash ("fixed for fixed criteria") based on the terms and conditions of the respective convertible loan agreements. Management has exercised judgement and assessed that the terms of the Ang Investment Agreement and Chaw Investment Agreement meet the fixed for fixed criteria and hence these are accounted for as compound financial instruments. Management assessed that the terms of the Yadi Investment Agreement does not meet the fixed for fixed criteria due to its foreign currency nature and accordingly accounted for it as a hybrid financial instrument.

The initial maturity date for the Ang Investment Agreement and Chaw Investment Agreement was 31 March 2020. In February 2020, the Company had modified its loan terms and extended the maturity dates of the loans to 31 December 2021 which was determined to be a substantial modification of financial liabilities as the difference between the discounted present value of the cash flows under the new loan terms is at least a 10% difference from the discounted present value of the remaining cash flows of the original convertible loan. On 30 April 2021, the loan maturity dates of the loans were further modified to 31 December 2022. Therefore, the carrying amount of the financial liabilities under the original loan terms were extinguished and new financial liabilities under the new loan terms were recognised accordingly.

3. Critical accounting judgement and key sources of estimation uncertainty (cont'd)

(a) Critical judgement in applying the Group's accounting policies (cont'd)

As disclosed in Note 3(a) Going concern assumption, the emergence of COVID-19 pandemic since early 2020 had resulted in delay in the development and work flow of the proposed acquisition. As at 31 December 2020, SGX-ST has granted an extension of time for the Company to submit its trading resumption proposal by 16 August 2021 as a final concession. Therefore, the extension of the maturity period to 16 August 2021 was used in the valuation of the convertible loans for FY2020 and the financial period ended 30 June 2021. The Group has engaged an external expert to determine the fair value of the convertible loans based on the respective loan modification dates and the revised estimated maturity date of 16 August 2021.

For compound financial instruments, the engaged external expert determined the fair value of the liability component on the day of loan modification as the new inception date through discounted cash flow analysis. The discount rate used is based upon the market borrowing rates for a similar liability without the conversion feature which will be available to the Group. The external expert has estimated this discount rate to be 15.79% to 16.63% in FY2020. Management has assessed that there are no changes in the discount rate. A higher discount rate used will result in a lower liability component and a higher equity component at initial inception date with higher interest expense during the period when the convertible loan is outstanding.

For hybrid financial instruments, the engaged external expert determined the fair value of the derivative liability component on the reporting date through the use of valuation techniques such as the probability-weighted average value of two assumed scenarios, redemption and conversion. Significant unobservable inputs to the model are used such as the likelihood of each scenario happening and the fair value of shares at conversion date. Changes in these estimates could affect the fair value of the embedded derivative liability component recognised.

Further details on the borrowings and derivative liability component on the convertible loans are disclosed in Note 17.

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3. Critical accounting judgement and key sources of estimation uncertainty (cont'd)

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of property, plant and equipment

As at each reporting date, the Group assesses whether there is any objective evidence that property, plant and equipment is impaired. An impairment loss exists when the carrying value of the property, plant and equipment exceeds their recoverable amount. Fair value less cost to sell calculation is based on observable market prices or market valuations less incremental costs for disposing asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Based on management's assessment, an allowance for impairment loss of US$238,000 on the Group's property, plant and equipment was necessary at 31 December 2021. The carrying amounts of the Group's property, plant and equipment are disclosed in Condensed Interim Statements of Financial Position.

Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions with consideration on the impact of COVID-19 pandemic and how these conditions will affect the Group's ECL assessment. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As the calculation of loss allowance on trade and other receivables is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of trade and other receivables. Details of the carrying value of trade and other receivables at the reporting date are disclosed in Note 12.

4. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

5. Segment revenue information

The Group has only one reportable segment which is in Indonesia. All non-current assets are located in Indonesia.

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	Group		Company	
	30 June 2021	**31 December 2020**	**30 June 2021**	**31 December 2020**
	US$'000	US$'000	US$'000	US$'000
Group				
Financial assets				
Trade and other receivables (Amortised cost)	1,269	1,269	1,259	1,280
Cash and bank balances			78	
(Amortised cost)	254	262		88
Total undiscounted financial assets	1,523	1,531	1,337	1,368
Financial liabilities				
Trade and other payables (Amortised cost)	3,411	2,870	3,373	2,993
Convertible loans*	2,756	2,246	2,756	2,246
Derivative liability component on the convertible loans *	543	543	543	543
Total undiscounted financial liabilities	6,710	5,659	6,672	5,782
Total net undiscounted financial liabilities	5,187	4,128	5,335	4,414

*Valuation of the convertible loans are performed on an annual basis by an Independent third party valuer.

7. Loss before taxation

7.1. Significant items

	Group	
	6 months ended 30 June 2021	**6 months ended 30 June 2020**
	US$'000	US$'000
Income		
Government grants	5	7
Gain on disposal of motor vehicles	-	153
Expenses		
Depreciation of property, plant and equipment	-	66*
Finance costs		
- Interest expense on lease liabilities	-	1
- Accretion of convertible loan	234	155
Net foreign exchange loss	365	44

* The depreciation for 6 months ended 30 June 2020 had been wrongly posted, and the Company had corrected it in the Annual Report for FY2020. The actual depreciation for FY2020 was US$14,000 instead of US$66,000 and such variance was explained in the FY2020 material variance announcement released on 14 June 2021.

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8. Significant related party transactions

Key management personnel compensation is as follows:

	Group	
	6 months ended 30 June 2021 US$'000	**6 months ended 30 June 2020** US$'000
Directors' fee	81	79
Salaries and related costs	292	272
Defined contribution plans	4	4
	377	355

9. Net Asset Value

	Group		Company	
	30 June 2021	**31 December 2020**	**30 June 2021**	**31 December 2020**
Net liability value per ordinary share (US cents)	(0.33)	(0.27)	(0.29)	(0.24)
Number of ordinary shares in issue (excluding treasury shares)	1,832,999,998	1,832,999,998	1,832,999,998	1,832,999,998

Net asset value per ordinary share as at 30 June 2021 and as at 31 December 2020 were calculated based on the existing number of shares in issue as at 30 June 2021 and 31 December 2020.

10. Fair value of assets and liabilities

10.1. Fair value measurement

(a) Fair value hierarchy

The Company classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date **(Level 1)**;

b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly **(Level 2)**; and

c) Unobservable inputs for the asset or liability **(Level 3)**

10. Fair value of assets and liabilities (cont'd)

(b) Fair value measurements of assets and liabilities that are measured at fair value

The following table presents the level of fair value hierarchy for each class of assets and liabilities measured at fair value at the end of the reporting date.

	Group US$'000 Fair value measurements at the end of the reporting period using			
	Level 1	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements				
30 June 2021 and 31 December 2020				
Group and Company				
Derivative liability component on the convertible loans	-	-	543	543

(c) Assets and liabilities not carried at fair value but which fair values are disclosed

The carrying amounts of borrowings approximate their fair values at the reporting date, as the market lending rate at the reporting date was not significantly different from either the interest rates of borrowings or market lending rate at the initial measurement date.

The above does not include financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

(d) Determination of fair values

Derivative liability component on the convertible loans

The fair value of the derivative liability component is determined based on a probability weighted average value of 2 scenarios, redemption and conversion. The inputs to the model include the probability assigned to each scenario, the maturity date of the instrument, the value that the convertible loan will be redeemed in a redemption scenario and the fair value of the shares that will be converted in a conversion case.

A higher probability assigned to the conversion scenario will result in a higher derivative liability component. A higher fair value of shares that will be converted in a conversion scenario will result in a higher derivative liability component.

The fair value measurement of derivative liability component on the convertible loans is categorised as Level 3 in the fair value hierarchy.

11. Property, plant and equipment

There was no change in property, plant and equipment as at 30 June 2021 compared to 31 December 2020 as all the assets have been fully depreciated. The balance pertains to the freehold land held by one of the Indonesian subsidiaries which was revalued in FY2020.

12. Trade and other receivables

12.1. Trade and other receivables

	Group		Company	
	30 June 2021 US$'000	31 December 2020 US$'000	30 June 2021 US$'000	31 December 2020 US$'000
Trade receivables	86	86	-	-
Less: expected credit loss	(86)	(86)	-	-
	-	-	-	-
Other receivables:				
- third parties	10	10	10	10
- other subsidiaries	-	-	1,824	1,824
RPG Logistics Pte. Ltd. (subsidiary)	-	-	1,239	1,260
- PT Prima	1,258	1,258	-	-
- Rinjani	24,257	24,257	9,321	9,321
Less: expected credit loss	(24,257)	(24,257)	(11,135)	(11,135)
	1,268	1,268	1,259	1,280
VAT receivable*	39	40	-	-
Prepayments	38	55	37	16
Deposits	1	1	-	-
	1,346	1,364	1,296	1,296

*Previously for FY2020, VAT was presented on the Group's results on a net basis. We have aligned the presentation of the disclosure separately for VAT payable and VAT receivable under current liabilities and current assets respectively based on the Indonesian subsidiary's latest audited financial statements.

13. Cash and cash equivalents

	Group		Company	
	30 June 2021 US$'000	31 December 2020 US$'000	30 June 2021 US$'000	31 December 2020 US$'000
Cash at banks and on hand	254	262	78	88

14. Share capital

Ordinary shares

	Number of Shares	Amount S$
Ordinary shares as at 30 June 2021 and 31 December 2020	1,832,999,998	307,306,455

As at 30 June 2021 and 31 December 2020, the Company had no outstanding share options, other convertibles, treasury shares and subsidiary holdings save for the following, which is subject to approval by shareholders:

a. the full drawdown and conversion of the convertible loan extended by Mr Ang Liang Kim into 2 billion shares;
b. the full drawdown and conversion of the convertible loan extended by Mr Yadi into 2.705 billion shares;
c. the conversion of the commission payable to Mr Khoo Boo Kok, introducer of the PT Prima JOA into 676,250,000 shares, assuming that the total revenue from the JOA amounts to US$5 milllon;
d. a 1-for-1 rights issue at S$0.001 to be undertaken pursuant to the investment agreement entered into by the Company with Mr Ang Liang Kim; and
e. the full drawdown and conversion of the convertible loan extended by Mr Chaw Chong Foo into 1.35 billion shares.

15. Earnings per share

Basic earnings per share are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

The following tables reflect the loss and share data used in the computation of basic and diluted losses per share for the periods ended 30 June:

	Group	
	6 months ended 30 June 2021	6 months ended 30 June 2020
Loss per ordinary share*:		
Basic (US cents)	(0.068)	(0.033)
Diluted (US cents)	(0.068)	(0.033)
Weighted average number of ordinary shares	1,832,999,998	1,832,999,998

Diluted loss per share is the same as basic loss per share for all reported financial periods ended 30 June 2021 and 30 June 2020 as the effect of all potentially dilutive shares outstanding was anti-dilutive.

**Loss per ordinary share excludes non-controlling interests.*

16. Trade and other payables

16.1. Trade and other payables

	Group		Company	
	30 June 2021 US$'000	**31 December 2020** US$'000	**30 June 2021** US$'000	**31 December 2020** US$'000
Trade payables				
- third parties	37	39	-	-
Accrued operating expenses	122	84	52	64
Other payables				
- third parties	520	274	256	117
- VAT payable	334	386	-	-
- subsidiaries	-	-	333	339
- former directors	97	99	97	99
- directors	1,545	1,464	1,545	1,464
- key management personnel	1,090	910	1,090	910
	3,745	3,256	3,373	2,993

(i) The amounts due to subsidiaries are interest-free, non-trade in nature, unsecured and repayable on demand.
(ii) The amounts due to former directors, directors and key management personnel are interest-free, non-trade in nature, unsecured and repayable as and when there is more clarity on the Group's cashflow position.

17. Convertible loans / Derivative liability component on the convertible loans

	Group and Company	
	30 June 2021 US$'000	**31 December 2020** US$'000
Convertible loan 1	685	688
Convertible loan 2	1,490	1,172
Convertible loan 3	581	386
	2,756	2,246
Amount repayable within one year or on demand		
Unsecured	2,756	2,246
Amount repayable after one year		
Unsecured	-	-
	2,756	2,246

Details of the convertible loans and derivative liability component on the convertible loans are disclosed in the section titled "Introduction".

G. Other information required by Appendix 7C

1. Review

The condensed consolidated statement of financial position of the Group as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

A) Financial Performance

Revenue / Cost of Sales ("COS") / Gross Loss

The Group did not record any revenue in 1H2021 and 1H2020 subsequent to the termination of coal hauling contract with CAN in May 2019 and as the Group is still in the midst of resolving logistical issues in respect of the PT Prima JOA. In connection thereto, there were no COS and gross loss recorded for 1H2021 and 1H2020. For 1H2020, depreciation has been recorded as part of administrative expenses due to the absence of coal hauling activities for the financial period. No depreciation was recorded for 1H2021 as the Group had fully disposed of its coal hauling trucks on 16 June 2020.

Other losses/gains

For 1H2021 other losses of US$360,000 arose from:
- unrealised and realised foreign exchange losses of US$205,000 and US$59,000 respectively on the convertible loans;
- unrealised and realised foreign currency alignment of balances not denominated in US$ carried forward from 4QFY2020 into 1H2021 which resulted in a foreign currency loss of approximately US$60,050 and US$41,100 respectively in 1H2021; and offset by
- grants from the Republic of Singapore Government of approximately US$1,400 through the COVID-19 relief measures announced by the Republic of Singapore Government; and
- grants from the Singapore Exchange Limited of approximately US$3,750 as part of the SGX Care Package.

For 1H2020 other gains of US$116,000 arose from:
- unrealised foreign exchange losses of US$35,000 on the convertible loans;
- realised foreign currency losses of US$9,000 on balances not denominated in US$; offset by
- grants from the Republic of Singapore Government of approximately US$7,000 through the COVID-19 relief measures announced by the Republic of Singapore Government;
- The disposal of EIR's 19 dump trucks which was announced on 26 May 2020 contributed to a gain of approximately US$153,000 in 1H2020.

Administrative expenses

Administrative expenses mainly comprise of executive management remuneration, director's fees, professional fees (audit and tax) and fees paid to the Group's service providers. For 1H2020, depreciation has been recorded as part of administrative expenses due to the absence of coal hauling activities for the period.

Administrative expenses increased by 6.1% from US$558,000 in 1H2020 to US$653,000 in 1H2021 due to additional professional services incurred in relation to the reverse takeover of Kitty Hawk Natural Resources Pte. Ltd by approximately US$70,000, additional professional services incurred in relation to the due diligence on PT Rizky Barito Timur by approximately US$22,000 and an increase in premiums for Directors & Officers Liability Insurance by approximately US$17,000 and offset by an absence of depreciation amounting to US$14,000.

2. Review of performance of the Group (cont'd)

A) Financial Performance (cont'd)

Finance costs

The finance costs are primarily in relation to the accretion of interest on the convertible loans.

Currency translation difference

The currency translation differences arise from translation of the financial statements of the Company from its functional currency (in S$) to the Group's presentation currency (in US$).

B) Financial Position

Property, plant and equipment

There was no change in property, plant and equipment as at 30 June 2021 compared to 31 December 2020 as the assets have been fully depreciated or disposed. The balance pertains to the land held by one of the Indonesian subsidiaries which was revalued in FY2020.

Inventories

There were no changes in inventories as of 30 June 2021 compared to 31 December 2020. The balance pertains to the spare parts and lubricants.

Trade and other receivables

Trade and other receivables comprise primarily of the amount receivable of US$1,258,000 by RPG Logistics from PT Prima for services performed as stipulated in the JOA and the supplemental agreement.

The decrease from US$1,364,000 as at 31 December 2020 to US$1,346,000 at 30 June 2021 was mainly due to the prepayments for insurance premiums made during the first quarter of FY2021 which were amortised into profit or loss in the coming periods.

Trade and other payables

Trade and other payables comprise amounts due to vendors, service providers, related parties, directors and executive management as well as accruals for professional fees in relation to statutory compliance.

Trade and other payables increased by US$489,000 to US$3,745,000 as at 30 June 2021 from US$3,256,000 as at 31 December 2020 mainly due to the accrual arising from deferred payment of executive management remuneration and director fees for 1H2021 amounting to US$261,000 and accruals and other payables for professional fees amounting to US$272,000, net of the decrease in VAT payable amounting to US$52,000.

2. Review of performance of the Group (cont'd)

A) Financial Position (cont'd)

Convertible loans / Derivative liability component on the convertible loans / Convertible loans equity reserve

The Company and the Group had made drawdowns totaling US$703,000 (S$1 million) from the Ang Investment Agreement for its working capital requirements to date, since the commencement of the Ang Investment Agreement.

The Company and the Group had also made drawdowns totaling US$1.26 million from the Yadi Investment Agreement to date, since the commencement of the Yadi Investment Agreement.

The Company and the Group had also made drawdowns totaling US$647,000 (S$872,000) from the Chaw Investment Agreement to date, since the commencement of the Chaw Investment Agreement.

The drawdowns set out above under the 3 Investment Agreements are accounted for in accordance with SFRS(I)1-32 and SFRS(I) 9. Accordingly, the Company must determine if the 3 convertible loans contain a liability component with an equity component or a liability component with a derivative liability component. In accordance with SFRS(I)1-32, the Company considers the Ang Investment Agreement and Chaw Investment Agreement to be compound instruments with a liability and equity component and has thus presented the liability (i.e. Convertible loans) and equity (i.e. Convertible Loan Equity Reserve) components separately. As for the Yadi Investment Agreement, the Company considers it to be a hybrid instrument in accordance with SFRS(I)9 and accordingly, presented the host contract (i.e. the convertible loan) and embedded derivative separately as Borrowings and Derivative Liability Component on the Convertible Loans respectively with any fair value changes to the Derivative Liability Component taken to profit or loss.

Table below shows the movement of the convertible loans during the financial year:

	Ang US$'000	**Yadi** US$'000	**Chaw** US$'000	**Total** US$'000	
CONVERTIBLE LOANS					
As at 31 December 2020	688	1,172	386	2,246	
Issuance of loan	-	-	214	214	
Equity component at initial recognition	-	-	(3)	(3)	
Accretion of loan in 1Q2021	33	55	22	110	Presented as Finance Costs
Foreign currency translation	(81)	-	(50)	(131)	
Re-measurement of convertible loans	13	205	(18)	200	
As at 31 March 2021	**653**	**1,432**	**551**	**2,636**	
Accretion of loan in 2Q2021	35	58	30	123	Presented as Finance Costs
Foreign currency translation	(3)	-	-	(3)	
As at 30 June 2021	**685**	**1,490**	**581**	**2,756**	
Derivative liability component at 31 December 2020 and 30 June 2021	-	543	-	543	Presented as Derivative Liability

2. Review of performance of the Group (cont'd)

B) Financial Position (cont'd)

<u>Convertible loans / Derivative liability component on the convertible loans / Convertible loans equity reserve (cont'd)</u>

During 1H2021, there was a drawdown of approximately US$214,000 from the Chaw Investment Agreement. During 1QFY2021, all 3 Investment Agreements were extended to 31 December 2022. The amortised cost of the liability components of the convertible notes was re-assessed to take into account the extended maturity date. The methodology in determining the discount rates for the purpose of computing the amortised cost remained unchanged. Consequently, the resulting adjustments have been made to the derivative liability component and the convertible loans equity reserve to ensure that the new maturity date has been taken into consideration.

No interest has been accrued on the 3 investment agreements stated above on the basis that the controlling shareholder and the entities controlled by the controlling shareholder have given undertakings, inter alia, to vote and/or procure the voting of all the undertaking shares of 742,384,980 ordinary shares, representing approximately 40.5% of the total number of issued shares of the Company, in favour of the resolutions at any extraordinary general meeting of the Company to be held to approve, among others, the transactions contemplated in the Investment Agreements, including but not limited to the convertible loan, the issuance of shares pursuant to the convertible loan, the whitewash waiver, and the rights issue.

<u>Currency translation reserve</u>

The currency translation reserve represents the balance of translation from the Company's functional currency (in S$) to the Group's presentation currency (in US$) as at 30 June 2021 and 31 December 2020.

C) Review of Cash Flows

<u>Cash flows used in operating activities</u>
Cash flows used in operating activities before working capital changes amounted to US$748,000 for 1H2021 as set out on cash flow statement for the Group above. Working capital changes comprised of an decrease in trade and other receivables of US$18,000 was mainly due to the prepayments for insurance premiums made during 1H2021 to be amortised into profit or loss in the coming periods and increase in trade and other payables of US$489,000 was mainly due to the accrual arising from deferred payment of executive management remuneration and director fees for 1H2021 amounting to US$261,000 and accruals and other payables for professional fees amounting to US$272,000, net of the decrease in VAT payable related to professional fees amounting to US$52,000. After adjusting for working capital changes, cash flows used in operating activities amounted to US$222,000 for 1H2021.

<u>Cash flows from financing activities</u>
During 1H2021, a total of US$214,000 were drawn down from the Chaw Investment Agreement.

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

The Company has not previously disclosed to shareholders any forecast or prospect statement.

4. 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 operating period and the next 12 months.

Factors and events that are relevant to the Group in the next 12 months are highlighted in the sections titled "Introduction" and "Going Concern".

5. Dividend information

(a) Current financial period reported on

The Company does not recommend any dividend for the financial period ended 30 June 2021.

(b) Corresponding period of the immediately preceding financial year

The Company did not recommend or declare any dividend for the financial period ended 30 June 2021.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Based on the Group and Company's financial performance for the 6 months period ended 30 June 2021 and due to the uncertainty and challenging global economic crisis following the outbreak of Covid-19 pandemic, no dividend has been declared or recommended for the reporting period.

7. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions. There were no interested person transactions of S$100,000 or more entered into by the Group during 1H2021.

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

CONFIRMATION BY THE BOARD

Pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we, the undersigned hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for half year ended 30 June 2021 to be false or misleading in any material aspect and the financial statements are in compliance with the relevant accounting standards, including SFRS(I) 34 where applicable.

On behalf of the Board of Directors

Agus Sugiono Chairman/ CEO	Chow Wai San Director

Singapore
13 August 2021