

ABTERRA LTD.

Illustrative condensed interim financial statements
For the six months ended 30 June 2021

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

| THE GROUP | | | | | | |
|--|----------|------------------------------|---------------------|----------------|--------------------------------|---------------------|
| | Note | Quarter ended 30 June | | | Half year ended 30 June | |
| | | 2021 | 2020 | Changes | 2021 | 2020 |
| | | (Unaudited) | (Unadjusted) | | (Unaudited) | (Unadjusted) |
| | | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 |
| Revenue | 4 | - | - | NM | 298 | 5,626 |
| Cost of sales | | - | (9) | -100% | (297) | (5,609) |
| Gross profit | | - | (9) | NM | 1 | 17 |
| Other operating income | | 256 | (175) | NM | 447 | 556 |
| Selling expenses | | (20) | (41) | -51% | (38) | (107) |
| Administrative expenses | | (369) | (362) | 2% | (769) | (837) |
| Other operating expenses | | (43) | 713 | NM | (69) | (1,515) |
| Finance costs | | (73) | (50) | 46% | (138) | (100) |
| Profit / (Loss) before taxation | 6 | (249) | 76 | NM | (566) | (1,986) |
| Income tax | 7 | - | - | NM | - | - |
| Profit / (Loss) for the financial period | | (249) | 76 | NM | (566) | (1,986) |
| Other comprehensive income: | | | | | | |
| <i>Components of other comprehensive income that will be reclassified to profit or loss, net of taxation</i> | | | | | | |
| Exchange differences on translating foreign operations | | (178) | (725) | -75% | (369) | 1,125 |
| Total comprehensive profit/(loss) for the financial period | | (427) | (649) | -34% | (935) | (861) |
| Profit/(loss) attributable to: | | | | | | |
| Owners of the Company | | (219) | 133 | NM | (515) | (1,984) |
| Non-controlling interests | | (30) | (57) | -47% | (51) | (2) |
| | | (249) | 76 | NM | (566) | (1,986) |
| Total comprehensive income/(loss) attributable to: | | | | | | |
| Owners of the Company | | (332) | (832) | -60% | (755) | (821) |
| Non-controlling interests | | (95) | 183 | NM | (180) | (40) |
| | | (427) | (649) | -34% | (935) | (861) |
| Earnings per share for profit for the period attributable to the owners of the Company during the year: | | | | | | |
| Basic and diluted (SGD in cent) | 8 | (0.07) | 0.02 | | (0.18) | (0.67) |

NM – Not meaningful

B. Condensed interim statements of financial position

| | | THE GROUP | | THE COMPANY | |
|---|----|---------------|---------------|---------------|---------------|
| | | 30 June 2021 | 31 Dec 2020 | 30 June 2021 | 31 Dec 2020 |
| | | (Unaudited) | (Unadjusted) | (Unaudited) | (Unadjusted) |
| Note | | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| | 10 | 30 | 3,468 | 30 | 3,468 |
| Property, plant, and equipment | | | | | |
| Investment in subsidiaries | | - | - | 15,052 | 15,052 |
| Investment properties | 11 | 457 | 6,953 | 457 | 6,953 |
| Other receivables | | 57 | 111 | - | - |
| Total non-current assets | | 544 | 10,532 | 15,539 | 25,473 |
| Current assets | | | | | |
| Trade receivables | | 79 | 79 | - | - |
| Other receivables, deposits, and prepayment | | 879 | 190 | 9,723 | 8,761 |
| Non-current assets held for sale | 12 | 9,267 | - | 9,267 | - |
| Cash and cash equivalents | | 149 | 269 | 70 | 89 |
| Total current assets | | 10,374 | 538 | 19,060 | 8,850 |
| TOTAL ASSETS | | 10,918 | 11,070 | 34,599 | 34,323 |
| EQUITY | | | | | |
| Capital and reserves and non-controlling | | | | | |
| Share capital | 14 | 265,856 | 265,856 | 265,856 | 265,856 |
| Reserves | | (260,352) | (259,597) | (236,839) | (236,607) |
| | | 5,504 | 6,529 | 29,017 | 29,249 |
| Non-controlling interests | | (4,600) | (4,420) | - | - |
| Total equity | | 904 | 1,839 | 29,017 | 29,249 |
| LIABILITY | | | | | |
| Current liabilities | | | | | |
| Trade payables | | 742 | 721 | 12 | 11 |
| Other payables and accruals | | 6,926 | 6,600 | 3,224 | 3,153 |
| Other borrowing | 13 | 2,346 | 1,910 | 2,346 | 1,910 |
| Income tax liabilities | | - | - | - | - |
| Total current liabilities | | 10,014 | 9,231 | 5,582 | 5,074 |
| Total liabilities | | 10,014 | 9,231 | 5,582 | 5,074 |
| TOTAL EQUITY AND LIABILITIES | | 10,918 | 11,070 | 34,599 | 34,323 |

C. Condensed interim statements of changes in equity

| THE GROUP (unaudited) | Attributable to owner of the Company | | | | | Non-controlling interest | Total equity |
|--|--------------------------------------|----------------------------|---------------|--------------------------------------|-------------------|--------------------------|--------------|
| | Share Capital | Assets revaluation reserve | Other reserve | Foreign currency translation reserve | Retained Earnings | | |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 2021 | | | | | | | |
| Balance at 1 January 2021 | 265,856 | 478 | | 1,387 | (261,462) | 6,259 | 1,839 |
| Profit for the period | | | | | (515) | (180) | (695) |
| <u>Other comprehensive income</u> | | | | | | - | - |
| Foreign currency translation | | | | (240) | | (240) | (240) |
| Total comprehensive income/ (loss) for the period | - | - | - | (240) | (515) | (180) | (935) |
| Balance as at 30 June 2021 | 265,856 | 478 | - | 1,147 | (261,977) | 5,504 | 904 |
| 2020 | | | | | | | |
| Balance at 1 January 2020 | 265,856 | 478 | (12) | 2,985 | (264,622) | 4,685 | 1,807 |
| Profit for the period | | | | | (1,984) | (40) | (2,024) |
| <u>Other comprehensive income</u> | | | | | | - | - |
| Foreign currency translation | | | | 1,162 | | 1,162 | 1,162 |
| Total comprehensive income/ (loss) for the period | - | - | - | 1,162 | (1,984) | (40) | (862) |
| Balance as at 30 June 2020 | 265,856 | 478 | (12) | 4,147 | (266,606) | 3,863 | 945 |

THE Company (unaudited)

| | Share Capital | Assets revaluation reserve | Accumulated losses | Total |
|--|----------------------|---|-------------------------------|----------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 2021 | | | | |
| Balance at 1 January 2021 | 265,856 | 478 | (237,085) | 29,249 |
| Total comprehensive income/ (loss) for the period | | | (232) | (232) |
| Balance as at 30 June 2021 | 265,856 | 478 | (237,317) | 29,017 |
| 2020 | | | | |
| Balance at 1 January 2020 | 265,856 | 478 | (244,610) | 21,724 |
| Total comprehensive income/ (loss) for the period | | | (1,825) | (1,825) |
| Balance as at 30 June 2020 | 265,856 | 478 | (246,435) | 19,899 |

D. Condensed interim consolidated statement of cash flows

| | THE GROUP | | | |
|---|-----------------------|--------------|-------------------------|--------------|
| | Quarter ended 30 June | | Half year ended 30 June | |
| | 2021 | 2020 | 2021 | 2020 |
| | (Unaudited) | (Unadjusted) | (Unaudited) | (Unadjusted) |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Cash flows from operating activities | | | | |
| Profit/(Loss) before taxation | (249) | 76 | (566) | (1,986) |
| Adjustment for: | | | | |
| Depreciation of property, plant and equipment | 1 | 44 | 15 | 88 |
| Interest income | - | - | - | - |
| Interest expense | 72 | 49 | 135 | 97 |
| Gain on disposal of investment properties | (68) | - | (68) | - |
| Impairment gain on trade receivables and other receivables | (6) | - | (8) | - |
| Exchange loss | (119) | (725) | (247) | 1,250 |
| Operating loss before working capital changes | (369) | (556) | (739) | (551) |
| Changes in working capital: | | | | |
| Inventories | - | - | - | - |
| Trade receivables | 6 | 356 | 5 | (435) |
| Other receivables, deposits, and prepayments | (654) | 55 | (629) | 122 |
| Trade payables | 1 | (169) | 1 | 198 |
| Other payables and accruals | 143 | 195 | 224 | 12 |
| Total changes in working capital | (873) | (119) | (1,138) | (654) |
| Interest received | - | - | - | - |
| Interest paid | (72) | (49) | (135) | (97) |
| Income tax (paid)/refund | (1) | 1 | (2) | (4) |
| Net cash (used in)/generated from operating activities | (946) | (167) | (1,275) | (755) |
| Cash flows from investing activities | | | | |
| Proceed from disposal of property, plant and equipment | - | - | - | - |
| Net proceed from disposal of investment properties | 719 | - | 719 | - |
| Proceed from acquisition of subsidiaries | - | - | - | - |
| Net cash used in investing activities | 719 | - | 719 | - |
| Cash flows from financing activities | | | | |
| Advance from immediate holding company | - | 2 | - | - |
| Proceeds from new loan | 133 | (30) | 436 | 112 |
| Net cash flows (used in)/generated from financing activities | 133 | (28) | 436 | 112 |
| Net (decrease)/increase in cash and cash equivalents | (94) | (195) | (120) | (643) |
| Cash and cash equivalents at beginning of period | 243 | 332 | 269 | 780 |
| Cash and cash equivalents at end of period | 149 | 137 | 149 | 137 |

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Abterra Ltd (the Company) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021. Comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Company are investment holding and the provision of management services to its subsidiary companies. The principal activities of the Group are general trading and coal imports for sales.

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 condensed interim financial statements are presented in Singapore Dollars (SGD or \$), which is the Company's functional currency, and all values in the tables are rounded to the nearest thousand (\$'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 these 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, liabilities, income and expenses. 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 were 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.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 11 – Classification of investment property
- Note 12 – Non-current asset held for sale

3. Seasonal operations

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

4. Segment and revenue information

The Group is organised into the following main business segments:

- (i) Ship Chartering Services
- (ii) Coke and Coal Trading

These operating segments are reported in a manner consistent with internal reporting provided to the Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

4.1 Reportable segments

| | Service - Ship Chartering S\$'000 | Trading - Coke and Coal S\$'000 | Total S\$'000 |
|---|--|--|------------------|
| <u>For the year ended 30 June 2021 (Unaudited)</u> | | | |
| Revenue | 298 | - | 298 |
| Segment results | 1 | - | 1 |
| Other operating income | | | 447 |
| Unallocated costs | | | (876) |
| Finance costs | | | (138) |
| Loss before tax | | | (566) |
| Non-cash items: | | | |
| Depreciation of property, plant and equipment | | | (15) |
| Foreign exchange gain | | | 228 |
| <u>At 30 June 2021 (Unaudited)</u> | | | |
| Segment assets | - | 79 | 79 |
| Unallocated assets | | | 10,839 |
| Consolidated total assets | | | 10,918 |
| Segment liabilities | - | 742 | 742 |
| Unallocated liabilities | | | 9,272 |
| Consolidated total liabilities | | | 10,014 |
| <u>For the year ended 30 June 2020 (Unaudited)</u> | | | |
| | Service - Ship Chartering S\$'000 | Trading - Coke and Coal S\$'000 | Total S\$'000 |

| | | | |
|---|--------------|--------------|----------------|
| Revenue | <u>1,504</u> | <u>4,122</u> | <u>5,626</u> |
| Segment results | 16 | 1 | 17 |
| Other operating income | | | 556 |
| Unallocated costs | | | (2,459) |
| Finance costs | | | (100) |
| Loss before tax | | | <u>(1,986)</u> |
| Non-cash items: | | | |
| Depreciation of property, plant and equipment | | | (88) |
| Foreign exchange loss | | | <u>(1,270)</u> |
| <u>At 30 June 2020 (Unaudited)</u> | | | |
| Segment assets | - | 10,079 | 10,079 |
| Unallocated assets | | | 13,352 |
| Consolidated total assets | | | <u>23,431</u> |
| Segment liabilities | - | 9,437 | 9,437 |
| Unallocated liabilities | | | 13,049 |
| Consolidated total liabilities | | | <u>22,486</u> |

4.2 Disaggregation of Revenue

| | THE GROUP | |
|-----------------|--------------------|--------------------|
| | 30 Jun 2021 | 30 Jun 2020 |
| | \$'000 | \$'000 |
| Ship Chartering | 298 | 1,504 |
| Coal & Coke | - | 4,122 |
| | <u>298</u> | <u>5,626</u> |

Geographical Information

| | 30 Jun 2021 | | 30 Jun 2020 | |
|-----------|--------------------|---------------|--------------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| | Ship Chartering | Coal & Coke | Ship Chartering | Coal & Coke |
| Singapore | 298 | - | 1,504 | - |
| China | - | - | - | 4,122 |
| | <u>298</u> | <u>-</u> | <u>1,504</u> | <u>4,122</u> |

5. 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:

| | THE GROUP | | THE COMPANY | |
|-------------------------|--------------------|--------------------|--------------------|--------------------|
| | 30 Jun 2021 | 31 Dec 2020 | 30 Jun 2021 | 31 Dec 2020 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assets | | | | |
| Trade receivables | 79 | 79 | - | - |

| | | | | |
|--|----------------|----------------|--------------|--------------|
| Other receivables, deposits, and prepayments | 879 | 190 | 9,723 | 8,761 |
| Cash and cash equivalents | 149 | 269 | 70 | 89 |
| Total financial assets | 1,107 | 538 | 9,793 | 8,850 |
| Financial liabilities | | | | |
| Trade payables | 742 | 721 | 12 | 11 |
| Other payables and accruals | 6,926 | 6,600 | 3,224 | 3,153 |
| Other borrowing | 2,346 | 1,910 | 2,346 | 1,910 |
| Total financial liabilities | 10,014 | 9,231 | 5,582 | 5,074 |
| Total net financial assets | (8,907) | (8,693) | 4,211 | 3,776 |

6. Profit/(loss) before tax

6.1 Significant items

| | THE GROUP | |
|---|---------------------|---------------------|
| | 30 June 2021 | 30 June 2020 |
| | (Unaudited) | (Unaudited) |
| | S\$'000 | S\$'000 |
| Income | | |
| Rental and service income | 123 | 110 |
| Foreign exchange gain | 239 | 428 |
| Gain on disposal of investment property | 68 | - |
| Expenses | | |
| Foreign exchange loss | 16 | 1,270 |
| Director remuneration & expenses | 323 | 315 |
| Staff expenses | 170 | 167 |
| Interest expenses | 135 | 97 |
| Audit fees | 106 | 120 |
| Depreciation | 15 | 88 |

6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in financial statements.

7. Taxation

No income tax expenses were recognised during the financial period.

8. Earnings per share

Earnings/(Loss) per ordinary share is calculated from dividing the Group's net profit/(loss) attributable to owners of the Company for the period by the weighted average number of ordinary shares in issue during the financial period.

| | THE GROUP | | | |
|--|------------------------------|----------------|--------------------------------|----------------|
| | Quarter ended 30 June | | Half year ended 30 June | |
| | 2021 | 2020 | 2021 | 2020 |
| | S cents | S cents | S cents | S cents |
| (Loss) / Earnings per ordinary share for the year | | | | |

| | | | | |
|--|-------------|-------------|-------------|-------------|
| (i) Based on weighted average number of ordinary shares in issue | (0.07) | 0.02 | (0.18) | (0.67) |
| - Weighted average number of shares | 292,828,099 | 292,828,099 | 292,828,099 | 292,828,099 |
| (ii) On a fully diluted basis | (0.07) | 0.02 | (0.18) | (0.67) |
| - Weighted average number of shares | 292,828,099 | 292,828,099 | 292,828,099 | 292,828,099 |

9. Net asset value

| | THE GROUP | | THE COMPANY | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 30 Jun 2021 S cents | 30 Jun 2020 S cents | 30 Jun 2021 S cents | 30 Jun 2020 S cents |
| Net asset value per ordinary share based on total number of shares excluding treasury shares at the end of the reporting period | 0.31 | 0.32 | 9.91 | 6.79 |

Net asset value per ordinary share is calculated based on the issued and paid-up share capital as at 30 June 2021 of 292,828,099 ordinary shares (30 June 2020 of 292,828,099 ordinary shares).

10. Property, plant and equipment

During the six months ended 30 June 2021, the Group assets amounting to \$3,452,738 (30 June 2020: \$3,509,255) and transferred to non-current asset held for sale amounting to \$3,422,400 (30 June 2020: \$Nil).

11. Investment properties

The Group's investment properties held for long-term rental yield and are not substantially occupied by the Group. They are mainly leased to third parties under operating leases.

During the six months ended 30 June 2021, the Group acquired assets amounting to \$6,953,285 (30 June 2020: \$6,953,285) and transferred assets to non-current asset held for sale amounting to \$5,845,034 (30 June 2020: \$Nil) and disposed assets amounting to \$650,771 (30 June 2020: \$Nil).

12. Non-current asset held for sale

During the six months ended 30 June 2021, the Group assets amounting to \$9,267,434 (30 June 2020: \$Nil).

13. Borrowings

| | THE GROUP | |
|---|---------------------------------------|---------------------------------------|
| | 30 Jun 2021 (Unaudited) S\$'000 | 31 Dec 2020 (Unaudited) S\$'000 |
| <u>Amount repayable within one year or on demand</u> | | |
| Secured | 2,346 | 1,910 |

The Company has obtained additional loan with interest rate of 13% per annum during the period under review. The loans are repaid by instalment payments and will be fully repaid in year 2022.

14. Share capital

| | THE GROUP and THE COMPANY | | | |
|---|---------------------------|-------------|---------------------|-------------|
| | 30 Jun 2021 | | 31 Dec 2020 | |
| | Number of shares | Amount | Number of shares | Amount |
| Issued and fully paid: | | | | |
| At 30 June 2021 and 31 December 2020 | 292,828,099 | 244,274,150 | 292,828,099 | 244,274,150 |

There were no changes in the Company's share capital during the period.

There were no shares that may be issued on conversion or held as treasury shares.

There were no sales, transfer, disposal, cancellation and/or use treasury shares as at 30 June 2021.

F. Other information required by Listing Rule Appendix 7.2

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed consolidated statement of financial position of Abterra Ltd and its subsidiaries (the “Group”) as at 30 June 2021 and the related condensed consolidated statement of 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. 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.

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

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

As previously disclosed, the Company has reached an agreement for Foo Kon Tan LLP (“FKT”) to continue as its auditors. The Company will work together with FKT to resolve the outstanding audit issues which had been noted in the Company’s last audit report for the financial year 31 December 2017. The Board confirms that the impact of all outstanding audit issues in the financial statements have been adequately disclosed.

FKT has started conducting audit fieldwork for the financial year ended 31 December 2018.

3. Review of performance of the Group

Review of Consolidated Statement of Profit or Loss and Other Comprehensive Income

Revenue and Cost of sales

There was no revenue generated from the Group’s primary trading business in both 2Q2021 and 2Q2020. The increase in international freight cost has drastically deduced the competitiveness of imported coal in the China market. As such, the Group was not able to generate any sale of coal in the period under review.

(Loss)/profit for the financial period

The Group reported loss after tax of S\$0.25 million in 2Q2021, as compared to profit after tax of S\$0.08 million for the corresponding period in 2020 after taking the following into consideration:

- Higher operating expenses, which mainly due to the increase in unrealised exchange losses. In 2Q2021, approximately S\$0.02 million of losses was recorded, as compared with approximately S\$0.80 million of unrealised exchange gain was recorded in 2Q2020.
- Higher finance costs, as the Company acquired additional loan.
- Higher operating income, which mainly due to the increase in unrealised exchange gain in 2Q2021.
- Higher rental income, as the former tenancy was terminated in 2Q2020, and new tenancy started in 4Q2020.
- Gain on disposal of investment property of S\$0.07 million recorded in 2Q2021.
- Lower selling expenses, which are resulted from the substantial reduction in variable staff cost and spending on the business sales activity.

Review of Consolidated Statement of Financial Position

Property, plant and equipment, Investment properties and Non-Current Assets Held for Sale

The decrease in Property, plant and equipment and Investment Properties of the Group is mainly due to the reclassification of office units at Suntec Tower One which are previously held for both own-occupied and investment purpose to Non-Current Assets Held for Sale after satisfying the recognition criteria of SB-FRS 105. The Group intends to sell the office units and is currently actively looking for potential buyers.

Furthermore, the liquidator of Abterra Australia Pty Limited (In Liquidation), a subsidiary of the Company, had disposed of an investment property under the Company, which is located at 73 Tallarook Road, Cowra NSW 2794, net book value approximately S\$0.65 million. The property was sold for S\$0.92 million, and gain on disposal of S\$0.07 million after considering of expenses related to the sales.

Other receivables, deposits, and prepayments

Other receivables, deposits and prepayment increased from S\$0.19 million as at 31 December 2020 to S\$0.88 million as at 30 June 2021. The increase was mainly due to net proceed from sales of investment property, which is approximately S\$0.69 million.

Cash and cash equivalents

Cash and cash equivalents of the Group has decreased by S\$0.12 million from approximately S\$0.27 million as of 31 December 2020 to approximately S\$0.15 million as of 30 June 2021. The decrease is mainly due to the Group was unable to generate cash from its profit-generating activities. In addition, administrative expenses are necessary for the Group to maintain its normal operation activities which the Group has tried to keep the cost to a minimum.

Other payables and accruals

Other payables and accrual increased from S\$6.6 million as at 31 December 2020 to S\$6.9 million as at 30 June 2021. The was mainly due to increase in accruals of approximately S\$0.18 million and exchange rate differences.

Review of Consolidated Statement of Cash Flows

Net cash used in operating activities for first half year 2021 was approximately S\$1.28 million compared to approximately S\$0.76 million cash used for the corresponding period in 2020. The increase in net cash outflow was mainly due to the receivable of proceed from disposal of investment property, which is approximately S\$0.69 million. The management tried to keep all expenses to a minimal level.

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

Not applicable.

5. 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.

China's coking coal market is not expected to recover in the near future and the Company will continue to monitoring the situation closely.

The Company will continue to provide further updates and details in subsequent announcements to update shareholders on the Group's corporate developments as and when such announcements may be appropriate.

6. Dividend information

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable

(d) Book closure date

Not applicable

(e) If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared or recommended by the Board of Directors in view of the Group's current cashflow position.

7. Interested person transactions

The Group has not obtained a general mandate from shareholders for Interested Person Transactions ("IPTs").

8. Confirmation that the Issuer has procured undertaking from all its directors and executive officers (in format set out in Appendix 7.7) under Rule 720(1).

The Group has procured undertakings from all its directors and executive officers under Rule 720(1).

9. Confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Directors hereby confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Company and of the Group for the half year ended 30 June 2021 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Cai Suirong

Executive Director and Chief Executive Officer

13 August 2021