BUILDING GROWTH RESOURCEFULLY

\ Annual Report 2018 \

WILTON RESOURCES CORPORATION LIMITED

VISION

To be an accomplished Gold Mining Group in Asia

MISSION

We are committed to provide sustainable value to our stakeholders and be socially responsible

CORE VALUES

PLEDGE OF PARTNERSHIP

We adopt a "Partnership" approach to achieve a "win-win" situation in all our relationships

SENSE OF CONVICTION

Our passion and sense of conviction in our business inspires us to deliver our goals

BUILDING GROWTH
RESOURCEFULLY

This annual report has been prepared by Wilton Resources Corporation Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this annual report.

This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made, or reports contained herein.

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

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CORPORATE PROFILE

Listed on the Catalist Board of the Singapore Exchange, Wilton Resources Corporation Limited ("**Wilton**" or the "**Company**", and together with its subsidiaries, the "**Group**"), is engaged in the exploration and mining of gold, and production of gold dore in Indonesia, a major gold producing country.

Rich in ore reserves and mineral resources, the Group's Ciemas Gold Project, covering a total area of 3,078.5 hectares, is located in West Java, Indonesia. In the latest Independent Qualified Person's Report ("IQPR")[1], it is estimated that the Ciemas Gold Project contains approximately 3,260 kt of ore reserves with an average grade of approximately 7.7 g/t of gold[2]. In terms of mineral resources, it is estimated that the Ciemas Gold Project has approximately 3,415 kt of measured and indicated mineral resources and 2,559 kt of inferred mineral resources, with an average grade of approximately 8.6 g/t and 6.5 g/t of gold[2], respectively.

Barring unforeseen circumstances, the Group is on track to commence commercial production of gold at its 500 tonnes per day Flotation and Carbon-In-Leach mineral processing plant by end of FY2019 (i.e. by June 2019).

Besides seeking to develop gold deposits, the Group is exploring the potential of other mineralised areas of the Ciemas Gold Project to build sustainable value for its stakeholders.

foundation construction for leaching tanks

foundation construction for the milling area

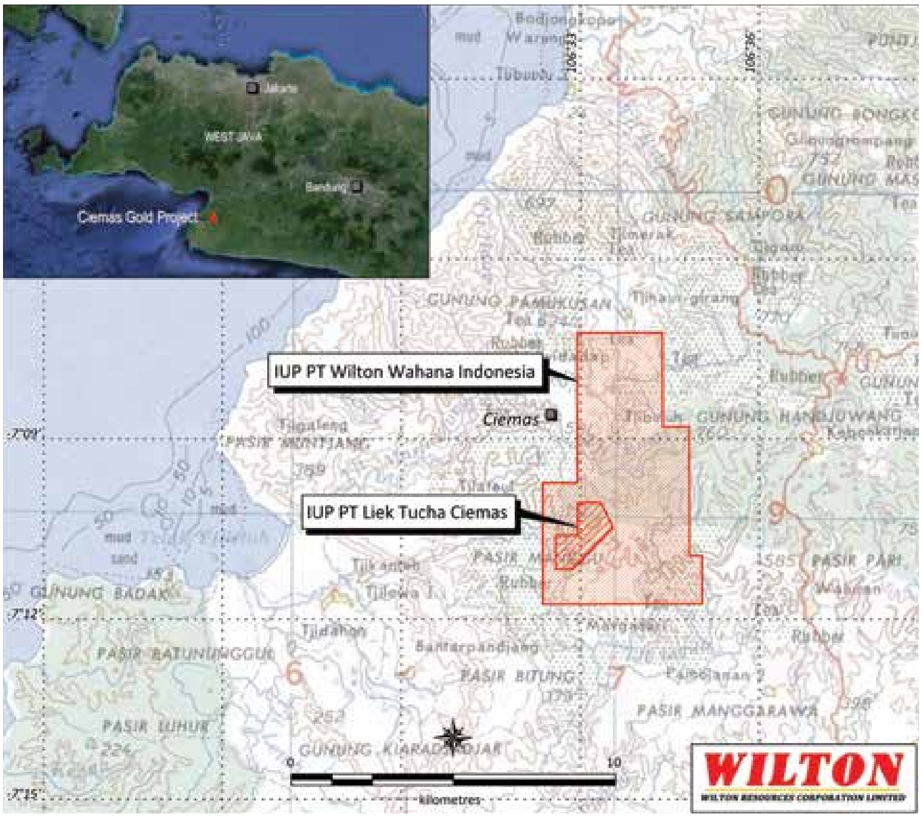
pouring of concrete foundation

[1] IQPR dated 30 September 2018 was prepared by independent consultant, SRK Consulting (China) Ltd. ("SRK")

[2] In accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "**JORC Code 2012 Edition**")

cut and fill processing area

The Ciemas Gold Project contains estimated mineral resources of approximately 46,058 kg of contained gold[3]



[3] Comprised JORC Code 2012 Edition compliant measured and indicated mineral resources of 29,301 kg of gold, and inferred mineral resources of 16,757 kg of gold.

On behalf of the Board, I would like to express my gratitude to our shareholders for your patience and trust in the Group

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors (the "Board") of Wilton Resources Corporation Limited ("Wilton", and together with its subsidiaries, the "Group"), I am pleased to present our Annual Report and Financial Statements for the financial year ended 30 June 2018 ("FY2018").

FY2018 was an exciting year for Wilton, as significant progress was made towards our gold production in Ciemas, West Java, Indonesia. The Group is pleased to have recorded our maiden sale of gold in June 2018, following the completion of three leaching pools with a capacity of 1,000 tonnes each. They have been in production since completion.

500 tpd Flotation and Carbon-In-Leach mineral processing plant

Besides the pool leaching plant which can only treat oxide ores, a more versatile and efficient Flotation and Carbon-In-Leach plant which can treat both oxide ores and higher grade sulphide ores has also been developed. Extensive metallurgical test work was done, and an optimum process flow route with high recovery rate was determined. We are now working towards the startup of the Group's 500 tonnes per day ("tpd") Flotation and Carbon-In-Leach mineral processing plant ("500 tpd CIL plant").

The Group has engaged Yantai Jinyuan Mining Machinery ("Jinyuan") as our Engineering, Procurement, Construction and Management contractor ("EPCM") for the 500 tpd CIL plant. The EPCM work, including the civil and steel structural work on site, is progressing well. With Jinyuan's extensive experience and proven track record, we are confident of a smooth construction and plant commissioning. Barring unforeseen circumstances, commercial production of gold is expected to commence by the end of FY2019 (i.e. by June 2019). We believe this 500 tpd CIL plant will play a key role in the Group's growth strategy and serves as our showcase project.

Independent Qualified Person's Report ("IQPR") on the Feasibility Study of a 1,500 tpd plant

We are pleased to release an updated Independent Qualified Person's Report ("IQPR") dated 30 September 2018, which was based on the Feasibility Study of a 1,500 tpd Flotation and CIL mineral processing plant. Prepared by an independent consultant SRK Consulting China Ltd., the IQPR also detailed an estimation of mineral resources and ore reserves in our six prospect areas in the Ciemas Gold Project, namely Pasir Manggu West, Cikadu, Sekolah, Cibatu, Cibak and Cipancar. It is estimated that the Ciemas Gold Project contains approximately 3,260 kt of ore reserves with an average grade of approximately 7.7 g/t of gold (in accordance with the JORC Code 2012 Edition). In terms of mineral resources, there are approximately 3,415 kt of measured and indicated mineral resources and 2,559 kt of inferred mineral resources, with an average grade of approximately 8.6 g/t and 6.5 g/t of gold (in accordance with the JORC Code 2012 Edition), respectively.

The IQPR reaffirmed a relatively high grade of gold in our Ciemas Gold Project, as compared to other mines in Asia. This will spur us to expand our exploration programme to unlock the immense value in our concession blocks. A key priority for the Group is to develop the six prospect areas for which the mineral resources and ore reserves estimates have been quantified in the IQPR.

Future plans

Upon the start of commercial gold production at our 500 tpd CIL plant, the Group plans to ramp up production capacity up to 1,500 tpd to tap the rich mineral resources in our Ciemas Gold Project. In the master plan, space next to the 500 tpd CIL plant has been reserved for the additional facility. This would facilitate the future construction and management of the expanded plant.

Appreciation

On behalf of the Board, I would like to express my gratitude to our shareholders for your patience and trust in the Group. Although we have taken some time to plan for the 500 tpd CIL plant, we are glad that the Group will soon be embarking on a new growth journey with the upcoming plant startup.

A special thanks also goes out to Karl Hoffman Minerals Pte. Ltd., for acknowledging our growth story and extending project financing to support the development of our 500 tpd CIL plant.

On another note, the Group is heartened to be named the Most Transparent Company (Mining/Quarrying) at the SIAS 19th Investors' Choice Awards 2018, which recognises excellence in good corporate governance practices.

This achievement, along with the significant progress that we made in FY2018, was only possible because of the valuable guidance from my fellow Directors on the Board, as well as the dedication and hard work from our management and staff. Thank you from the bottom of my heart. I look forward to working closely with all of you to steer the Group forward.

Wijaya Lawrence

Executive Chairman and President

BOARD OF DIRECTORS

from left to right:

Wijaya Lawrence
Executive Chairman and President

Ngiam Mia Je Patrick
Non-Executive Director

Seah Seow Kang Steven
Independent Non-Executive Director

Tan Cher Liang
Independent Non-Executive Director

Teo Kiang Kok
Lead Independent Non-Executive Director

Mr Wijaya Lawrence, an Indonesian citizen and an entrepreneur, is the Executive Chairman and President of the Group. Being the founder of Wilton, Mr Wijaya Lawrence is responsible for the strategic planning, overall management and operations of the Group. Prior to 2000, Mr Wijaya Lawrence was involved in various general trading businesses, such as lighting products and electronics. In 2000, Mr Wijaya Lawrence founded P.T. Wilton Wahana Indonesia ("PT WWI"), which was involved in the business of trading in lighting products and electronics. In 2007, Mr Wijaya Lawrence was also involved in the business of trading various natural resources, such as zirconium, lead and coal, to several countries. In 2010, Mr Wijaya Lawrence decided to cease the trading business of PT WWI and focus on the mining business of the Group.

Mr Ngiam Mia Je Patrick, a Singapore citizen, is the Non-Executive Director of the Company. Mr Ngiam Mia Je Patrick is the Chairman and co-founder of the Essex group of companies ("Essex"). He is also the Chairman and CEO of IPC Corporation Limited (listed on the SGX-ST Main Board) and Chairman of Essex Bio-Technology Limited (listed on HKEx).

Mr Ngiam Mia Je Patrick, graduated in Electronics Engineering with first class honours, is an acknowledged entrepreneur in Singapore and has received many accolades. In 1990, he was awarded the inaugural KPMG High-Tech Entrepreneur Award. Other awards include the DHL & Singapore Press Holdings' Singapore Business Award for Businessman of the Year in 1994 and the Chevalier De L'Ordre National Du Merite conferred by Le President De La Republique Francaise in 1996.

Mr Seah Seow Kang Steven, a Singapore citizen, is an Independent Non-Executive Director of the Company. He is a lawyer by profession and has more than 30 years of experience in legal practice.

Mr Seah Seow Kang Steven is the co-founder and is currently a partner of Seah Ong & Partners LLP and has been involved in the management of the firm and also handled general legal matters relating to property, family, corporate and litigation.

In 2002, he was awarded the Public Service Medal (Pingat Bakti Masyarakat) and in 2013, he was awarded the Public Service Star (Bintang Bakti Masyarakat).

Mr Seah Seow Kang Steven obtained his Bachelor of Laws (Honours) from the University of Singapore in 1980 and a Diploma in Business Law from the National University of Singapore in 1988.

Mr Tan Cher Liang, a Singapore citizen, is an Independent Non-Executive Director of the Company. He chairs the Audit Committee and is a member of the Nominating Committee and the Remuneration Committee.

In May 2000, he co-founded Boardroom Limited, a company listed on the SGX-ST Main Board. He was the Managing/ Finance Director of Boardroom Limited from May 2000 to March 2013. Having retired from Boardroom Limited, he continues to be an advisor. Prior to May 2000, he was with Ernst & Young Singapore and its affiliates since September 1973.

Mr Tan is currently an Independent Non-Executive Chairman of Vibrant Group Limited, listed on the SGX-ST Main Board and Catalist-listed Jumbo Group Limited. He is also an Independent Director of Kingsmen Creatives Ltd and Ezra Holdings Limited, all are listed on the SGX-ST Main Board. He also holds directorships in charitable organisations such as the D.S. Lee Foundation, EtonHouse Community Fund and Children's Charities Association. In addition, he is a trustee of Kwan Im Thong Hood Cho Temple.

He is a qualified financial professional of the Association of Chartered Certified Accountants of the United Kingdom. He was conferred the Public Service Medal (PBM) in 1996.

Mr Teo Kiang Kok, a Singapore citizen, is the Lead Independent Non-Executive Director of the Company. Mr Teo Kiang Kok is a senior lawyer with more than 30 years of experience in legal practice. He was a partner of Shook Lin & Bok LLP ("SLB") from 1988 to 2011. Mr Teo Kiang Kok was the Head of the Corporate Finance and China practices of SLB. His main areas of practice are corporate finance, international finance and securities.

In the course of his legal practice, Mr Teo Kiang Kok has advised listed companies extensively on corporate law and regulatory compliance and in particular, the listing and compliance requirements of companies listed on the SGX-ST. Mr Teo Kiang Kok retired as a senior partner of SLB in May 2011 and is currently the senior consultant to SLB. He also serves on the board of IPC Corporation Limited, Hyflux Ltd, Jadason Enterprises Ltd and Memtech International Ltd, all are listed on SGX-ST Main Board.

KEY EXECUTIVES

Andrianto Darmasaputra Lawrence
Vice President (Operations)

Nicco Darmasaputra Lawrence
Vice President (General Administration)

Antony
Vice President (Technical and Development)

Yusuf Hermawan Jatikusumo
Head of Technical and Development

Leslie Tan Chee Yong
Group Accounting Controller

Sandy Salim
Finance Manager

Amnah Tarigan
Accounting Manager

Mr Andrianto Darmasaputra Lawrence, an Indonesian citizen, is the Group's Vice President (Operations). He is responsible for managing the Company's day-to-day operations and reporting them to the Executive Chairman and President, Mr Wijaya Lawrence. He also assists in managing the Human Resources and Finance of the Group.

Prior to joining the Group full-time in December 2012 as Assistant to Chairman, Mr Andrianto Darmasaputra Lawrence worked for the Group on a part-time basis from January 2010 to November 2012, where he gained a comprehensive understanding of the Group's core business.

He obtained his Bachelor of Business (Management) from the Royal Melbourne Institute of Technology (Australia) in 2012.

Mr Nicco Darmasaputra Lawrence, an Indonesian citizen, is the Group's Vice President (General Administration). He is responsible for overseeing the Administration Division and also assists the Executive Chairman and President, Mr Wijaya Lawrence, in managing the business development and operations of the Group.

Prior to joining the Group full-time in October 2011, Mr Nicco Darmasaputra Lawrence worked for the Group on a part-time basis from September 2009 to September 2011, where he gained a comprehensive understanding of the Group's business and operations.

He obtained his Diploma in Business from the University of Hertfordshire (London) in 2008 and a Bachelor of Arts in Business Management from the Universitas Trisakti (Indonesia) in 2011.

Mr Antony, an Indonesian citizen, is the Group's Vice President (Technical and Development). He is responsible for overseeing the Technical and Development Division. He has diverse experience in mechanical engineering industry including the power & process industry and heavy manufacturing engineering.

Prior to joining the Group in April 2015, Mr Antony worked as an engineering consultant since 1993. He was a senior engineer at Foster Wheeler Power Engineering from 1985 to 1992, where he developed a novel industrial boiler and had management experience in power station outage. He had also been responsible for a group heating project.

He obtained his Bachelor of Engineering (Honours) in Mechanical Engineering from Liverpool University U.K. and Master of Science (Mechanical Engineering) from King's College (University of London). He is a Chartered Engineer and a member of the Institute of Mechanical Engineer U.K.

Mr Yusuf Hermawan Jatikusumo, an Indonesian citizen, is the Group's Head of Technical and Development. He has more than 25 years of experience in the mining industry. He is responsible for the exploration, development and operations of the mine.

Prior to joining the Group in 2009 as director of PT LTC, Mr Yusuf Hermawan Jatikusumo was working in PT LTC from 1996 to April 2009 as its general manager and manages the day-to-day operations as well as certain technical aspects of PT LTC. Mr Yusuf Hermawan Jatikusumo worked in several mining related companies including Parry Corporation Ltd., P.T. Srikandi Jaya Sakti, Terrex Resources N.L. and P.T. Meekatharra Minerals.

He obtained his Bachelor Degree in Geological Engineering from the Bandung Institute of Technology in 1990.

KEY EXECUTIVES

Mr Leslie Tan Chee Yong, a Singapore citizen, is the Group Accounting Controller of the Group, and is based in the Group's Singapore office. He has more than 18 years of experience in external audit, internal audit, finance, accounting, merger and acquisitions, IPO and RTO in a range of industries, including pharmaceutical, internet payment and space resources management. He assists the Vice President (Operations), Mr Andrianto Darmasaputra Lawrence, in the accounting and reporting functions of the Group.

Prior to joining the Group as Group Accounting Controller, Mr Tan worked with the Group as a Consultant for the reverse takeover. Mr Tan was the CFO for a local group with diverse business interests in space resource management, logistics, food and beverages. From 2010 to 2012, Mr Tan was the CFO of Zero Co. Ltd, a Japanese internet payment service provider that has since listed on the Korea Stock Exchange. From 2004 to 2010, Mr Tan was the Group Finance Manager of Luye Pharma Group, a PRC Pharmaceutical company then listed on the SGX-ST Main Board. From 1999 to 2003, Mr Tan was an Audit Senior with Ernst & Young Singapore.

He obtained his Bachelor of Business (Accounting) from Monash University, Australia, is a member of the CPA Australia and a member of the Institute of Singapore Chartered Accountants.

Mr Sandy Salim, an Indonesian Citizen, is the Finance Manager of the Group. He has more than 16 years of experience in external audit, internal audit, finance and accounting in a range of industries, including oil and gas, forestry, plantation and mining. He assists the Vice President (Operations), Mr Andrianto Darmasaputra Lawrence, in the accounting and reporting functions of the Group.

Prior to joining the Group as Finance Manager, Mr Sandy Salim was worked with AsianIndo Holding Pte Ltd. from July 2012 to July 2013 as its Finance Manager. From June 2011 to May 2012, he was the Finance Manager of RH Petrogas Limited, an oil and gas company listed on the SGX-ST Main Board. From November 2008 to May 2011, he was the Group Accounting Manager of United Fiber System Limited, a forestry and construction Company listed on the SGX-ST Main Board. From September 2007 to November 2008, he was an Audit Assistant Manager with LTC LLP Singapore. From November 2001 to September 2007, he was Audit Senior with BDO LLP Singapore and Ernst & Young Jakarta.

He obtained his Bachelor of Accounting from the Tarumanagara University in 2001 and Certified Public Accountant from Indonesian Institute of Certified Public Accountants in 2004.

Ms Amnah Tarigan, an Indonesian citizen, is the Accounting Manager of the Group, and is based in the Group's Indonesian office. She has more than 15 years of experience in internal audit, finance, accounting and audit in a range of industries, including hospitality and mining. She assists the Vice President (Operations), Andrianto Darmasaputra Lawrence, in the accounting and reporting functions of the Group.

Ms Amnah Tarigan was the part-time Finance Manager of the Group from March 2013 to June 2013 and was formally employed in July 2013. Prior to joining the Group, she was an internal auditor of PT. BPK Gunung Mulia from February 2008 to June 2009. In 2007, she mainly undertook finance, accounting and tax assignments on a part-time basis. From January 2005 to October 2006, she was the Finance Supervisor of PT Prakarsa Nusa Cemerlang. From March 1999 to December 2004, she was the Accounting Superintendent at PT Multi Granitindo Utama. From November 1996 to February 1999, she was the Chief Finance Assistant & Accounting Staff at PT Jaka Artha Graha. Between June 1994 and November 1996, she was an Auditor Executive at Soerhardjo Soewando & Rekan (public accountant) and then Internal Auditor at PT Puri Kamandalu - Hotel Banyan Tree.

She obtained her Bachelor of Accounting from the Universitas Kristen in 2005.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Wijaya Lawrence
Executive Chairman and President

Ngiam Mia Je Patrick
Non-Executive Director

Teo Kiang Kok
Lead Independent Non-Executive Director

Seah Seow Kang Steven
Independent Non-Executive Director

Tan Cher Liang
Independent Non-Executive Director

AUDIT COMMITTEE

Tan Cher Liang
Chairman

Seah Seow Kang Steven
Teo Kiang Kok

REMUNERATION COMMITTEE

Teo Kiang Kok
Chairman

Seah Seow Kang Steven
Tan Cher Liang
Wijaya Lawrence

NOMINATING COMMITTEE

Seah Seow Kang Steven
Chairman

Ngiam Mia Je Patrick
Teo Kiang Kok
Tan Cher Liang

SHARE REGISTRAR

RHT Corporate Advisory Pte. Ltd.
9 Raffles Place #29-01
Republic Plaza Tower 1
Singapore 048619
Tel: (65) 6381 6966
Fax: (65) 6381 6967

AUDITOR

Ernst & Young LLP
Public Accountants and Chartered Accountants
One Raffles Quay, North Tower
Level 18, Singapore 048583
Partner in-charge: Ng Boon Heng
(Appointed since financial year ended 30 June 2016.
In charge for the last 3 years.)

JOINT COMPANY SECRETARIES

Chew Kok Liang (LLB) (Hons)
Shirley Tan Sey Liy (ACS)

REGISTERED OFFICE AND BUSINESS ADDRESS

62 Ubi Road 1
Oxley Bizhub 2 #03-10
Singapore 408734
Tel: (65) 6732 4889
Fax: (65) 6732 4882
Email: email@wilton.sg

PRINCIPAL BANKERS

Standard Chartered Bank
Citibank Singapore Limited
DBS Bank Ltd

CONTINUING SPONSOR

ZICO Capital Pte. Ltd.
8 Robinson Road
#09-00 ASO Building
Singapore 048544

OPERATIONS AND FINANCIAL REVIEW

For the financial year ended 30 June 2018 ("FY2018"), the Group achieved three major milestones. First, the accomplishment of its maiden sale of gold in June 2018. Second, the commencement of the construction of its 500 tonnes per day ("tpd") Flotation and Carbon-In-Leach ("CIL") processing plant ("500 tpd CIL plant"). Third, the completion of the feasibility study of a 1,500 tpd production plant and the Independent Qualified Person's Report ("IQPR"), including the estimation of mineral resources and ore reserves at the Group's Ciemas Gold Project in West Java, Indonesia.

The Group has completed three leaching pools with a capacity of 1,000 tonnes each. They have been in production since completion, and have produced about 15 kg of gold (99.0% purity) in FY2018. In aggregate, the three leaching pools are expected to process around 18,000 tonnes of ore per year, yielding approximately 25 kg of gold in FY2019, barring unforeseen circumstances and adverse weather conditions.

The Group has engaged a well-established Engineering, Procurement, Construction and Management ("EPCM") contractor, Yantai Jinyuan Mining Machinery Co. Ltd. ("Jinyuan"), for the construction of the 500 tpd CIL plant. The Detailed Engineering Design ("DED") has been completed, while procurement, manufacturing and fabricating of equipment and components are in progress and en-route to the Ciemas Gold Project in West Java, Indonesia. Civil and steel structural construction works are also progressing as planned. Barring unforeseen circumstances, completion of the plant is scheduled by the third quarter of FY2019 (i.e. by March 2019), while commercial gold production is targeted to commence by the end of FY2019 (i.e. by June 2019).

The Group has also completed the feasibility study of a 1,500 tpd production plant and the IQPR, including the estimation of mineral resources and ore reserves as shown in Tables 1.1 to 1.5, at its Ciemas Gold Project. The Group's independent consultant, SRK Consulting (China) Ltd. ("SRK"), has estimated approximately 3,260 kt of ore reserves with an average grade of approximately 7.7 g/t of gold (in accordance with the JORC Code 2012 Edition) as shown in Table 2. This further validates the significant ore reserves offered by the Ciemas Gold Project.

Notable progress in our ongoing Exploration Programme was also made during FY2018. SRK has estimated approximately 3,415 kt of measured and indicated mineral resources with an average grade of approximately 8.6 g/t of gold, and 2,559 kt of inferred mineral resources with an average grade of 6.5 g/t (in accordance with the JORC Code 2012 Edition) as shown in Table 3. This represents an increase of about 10% on the measured and indicated mineral resources and 2% on the total mineral resources.

The Group's operational activities for the Ciemas Gold Project are further discussed below under a) Production Programme, and b) Exploration Programme.

a) Production Programme

- **Pool leaching production**

  The Group started the pool leaching production programme to treat the near surface oxide ores. Following the first gold pour in August 2017, the Group made its maiden sale of 7.6 kg of gold (99.0% purity) in June 2018. The Group has completed three leaching pools of 1,000 tonnes capacity each. These pools have been in production since completion.

- **500 tpd CIL plant**

  Besides the pool leaching method which can only treat oxide ores, a more versatile and efficient flotation and CIL processing method that can treat both oxide and higher grade sulphide ores have been developed. It was based on extensive metallurgical test work to determine the optimum process flow route that yielded a high recovery rate of around 90%.

During FY2018, Wilton engaged Jinyuan as the EPCM contractor for the construction of the 500 tpd CIL plant. As at the date of this report, the Group has made significant progress on the construction of its 500 tpd CIL plant.

The master plan for the 500 tpd CIL plant has catered for future production capacity expansion up to 1,500 tpd. Adjacent space has been reserved for an additional 1,000 tpd capacity in the future. This would simplify and optimise future management of the entire plant.

Concurrently, the Group has commenced construction of supporting infrastructure for underground mining. Construction at the mining head portal area and tunneling is in progress. The main electricity supply to support the mining activity has also been put in place.

- **1,500 tpd main production project**

The Group has also completed the feasibility study of a 1,500 tpd production plant and the IQPR, including the estimation of mineral resources and ore reserves at the Ciemas Gold Project. Upon the commencement of commercial gold production at its 500 tpd CIL plant, the Group will look into ramping up the production capacity up to 1,500 tpd to tap the rich mineral resources at the Ciemas Gold Project.

b) Exploration Programme

During FY2018, the Group made progress in its Exploration Programme. As set out in the new IQPR issued on 30 September 2018, the Group reported additional mineral resources and ore reserves estimation at the Ciemas Gold Project.

To upgrade and estimate the new mineral resources, SRK conducted site inspections and reviewed the latest 30 Diamond Drilling Holes (“DDH”) data. Based on the integrated database, SRK estimated that the six prospects areas at the Ciemas Gold Project, namely Pasir Manggu West, Cikadu, Sekolah, Cibatu, Cibak and Cipancar, contain approximately 3,415 kt of measured and indicated mineral resources with an average grade of about 8.6 g/t of gold, and approximately 2,559 kt of inferred mineral resources with an average grade of about 6.5 g/t of gold, (in accordance with the JORC Code 2012 Edition). This represents an increase of about 10% on the measured and indicated mineral resources and 2% on the total mineral resources as compared to annual Qualified Person’s Report dated 15 September 2017 prepared by SRK.

Going forward, the Group will focus on developing the six prospects where the mineral resources have been quantified. Where appropriate, exploration efforts will also extend to other mineralised areas within the concession blocks. Whenever needed, additional surface rights to areas within the Group’s concession blocks will be acquired to facilitate future exploration.

Mineral resources and ore reserves status update

The estimation of the Group's mineral resources and ore reserves for the six prospects – Pasir Manggu West, Cikadu, Sekolah, Cibatu, Cibak and Cipancar is as shown in Tables 1.1 to 1.5 below.

Date of report: 30 September 2018
Date of previous report: 30 June 2014 for Tables 1.1 to 1.4 and 31 August 2016 for Table 1.5

Mineral Resource and Ore Reserve Summary Tables

1.1. Pasir Manggu West

Category	Mineral Type	Gross Attributable to Licence		Net Attributable to Issuer			Remarks
		Tonnes (kt)	Grade (g/t Au)	Tonnes (kt)	Grade (g/t Au)	Change[1] (%)	
Ore Reserves							
Proved	–	–	–	–	–	–	No ore reserves were reported in 2014
Probable	Quartz Vein Gold	587	6.6	587	6.6	–	
Total		**587**	**6.6**	**587**	**6.6**	**–**	
Mineral Resources[2]							
Measured	Quartz Vein Gold	100	7.3	100	7.3	-16.0	at cut-off grade of 1.0 g/t Au
Indicated	Quartz Vein Gold	489	7.3	489	7.3	5.0	
Inferred	Quartz Vein Gold	242	4.9	242	4.9	14.0	
Total		**831**	**6.6**	**831**	**6.6**	**3.3**	

1.2. Cikadu

Category	Mineral Type	Gross Attributable to Licence		Net Attributable to Issuer			Remarks
		Tonnes (kt)	Grade (g/t Au)	Tonnes (kt)	Grade (g/t Au)	Change[1] (%)	
Ore Reserves							
Proved	–	–	–	–	–	–	No ore reserves were reported in 2014
Probable	Structurally Altered Gold	986	8.0	986	8.0	–	
Total		**986**	**8.0**	**986**	**8.0**	**–**	
Mineral Resources[2]							
Measured	–	–	–	–	–	–	at cut-off grade of 1.0 g/t Au
Indicated	Structurally Altered Gold	1,089	8.8	1,089	8.8	-3.5	
Inferred	Structurally Altered Gold	299	9.5	299	9.5	-6.2	
Total		**1,388**	**9.0**	**1,388**	**9.0**	**-4.1**	

1.3. Sekolah

Category	Mineral Type	Gross Attributable to Licence		Net Attributable to Issuer			Remarks
		Tonnes (kt)	Grade (g/t Au)	Tonnes (kt)	Grade (g/t Au)	Change[1] (%)	
Ore Reserves							
Proved	–	–	–	–	–	–	No ore reserves were reported in 2014
Probable	Structurally Altered Gold	679	8.1	679	8.1	–	
Total		**679**	**8.1**	**679**	**8.1**	**–**	
Mineral Resources[2]							
Measured	–	–	–	–	–	–	at cut-off grade of 1.0 g/t Au
Indicated	Structurally Altered Gold	700	9.1	700	9.1	-2.2	
Inferred	Structurally Altered Gold	453	7.3	453	7.3	28.3	
Total		**1,154**	**8.4**	**1,154**	**8.4**	**6.5**	

1.4. Cibatu

Category	Mineral Type	Gross Attributable to Licence		Net Attributable to Issuer			Remarks
		Tonnes (kt)	Grade (g/t Au)	Tonnes (kt)	Grade (g/t Au)	Change[1] (%)	
Ore Reserves							
Proved	–	–	–	–	–	–	No ore reserves were reported in 2014
Probable	Structurally Altered Gold	1,008	7.9	1,008	7.9	–	
Total		**1,008**	**7.9**	**1,008**	**7.9**	**–**	
Mineral Resources[2]							
Measured	–	–	–	–	–	–	at cut-off grade of 1.0 g/t Au
Indicated	Structurally Altered Gold	1,036	8.7	1,036	8.7	50.4	
Inferred	Structurally Altered Gold	455	7.0	455	7.0	-42.9	
Total		**1,491**	**8.2**	**1,491**	**8.2**	**5.4**	

1.5. Cibak and Cipancar

Category	Mineral Type	Gross Attributable to Licence		Net Attributable to Issuer			Remarks
		Tonnes (kt)	Grade (g/t Au)	Tonnes (kt)	Grade (g/t Au)	Change[3] (%)	
Ore Reserves							
Proved	–	–	–	–	–	–	No ore reserves were reported in 2016
Probable	–	–	–	–	–	–	
Total		**–**	**–**	**–**	**–**	**–**	
Mineral Resources[2]							
Measured	–	–	–	–	–	–	at cut-off grade of 2.5 g/t Au
Indicated	–	–	–	–	–	–	
Inferred	Structurally Altered Gold and Quartz Vein	1,110	5.6	1,110	5.6	0.1	
Total		**1,110**	**5.6**	**1,110**	**5.6**	**0.1**	

kt – 1,000 tonnes
g/t Au - grams of gold per tonne of ore

Notes:

(1) Change from previous update as of 30 June 2014. Changes are relative to contained metal as estimated; positive number denotes increase and negative number denotes decrease.

(2) Mineral Resources are inclusive of Ore Reserves.

(3) Change from previous update as of 31 August 2016. Changes are relative to contained metal as estimated; positive number denotes increase and negative number denotes decrease. The change of 0.1% reported in metal quantity is due to the figure rounding discrepancies.

Name of Qualified Person: Dr Anshun (Anson) Xu, Corporate Consultant (Geology), SRK Consulting (China) Ltd.
Effective date of Mineral Resources and Ore Reserves estimates: 30 June 2018
Professional Society Affiliation/ Membership: The Australasian Institute of Mining and Metallurgy (AusIMM)/FAusIMM (#224861)

The estimation of the Group's ore reserves for the four prospects- Pasir Manggu West, Cikadu, Sekolah, and Cibatu is as shown in Table 2 below.

Table 2 : Summary of ore reserves as at 30 June 2018

Section	Category	Reserve (kt)	Grade (g/t Au)	Gold (kg)
Cikadu	Probable	986	8.0	7,849
Sekolah	Probable	679	8.1	5,511
Cibatu	Probable	1,008	7.9	7,945
Pasir Manggu West	Probable	587	6.6	3,898
Total		**3,260**	**7.7**	**25,203**

kt – 1,000 tonnes
g/t Au - grams of gold per tonne of ore

Note: The information in the IQPR which relates to ore reserve conversion is based on information compiled by Mr Falong Hu ("Mr Hu"), MAusIMM, and Mr Qiuji Huang ("Mr Huang"), FAusIMM, employees of SRK Consulting (China) Ltd. Both Mr Huang and Mr Hu have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Persons as defined in the JORC Code 2012 Edition. Mr Huang supervised the work of Mr Hu. Mr Huang and Mr Hu consent to the reporting of this information in the form and context in which it appears.

The estimation of the Group's mineral resources from all six prospects is shown in Table 3 below.

Table 3 : Mineral Resources Statement for the six prospects as at 30 June 2018

Property	Type	Category	Resource (kt)	Grade (g/t Au)	Gold (kg)
Pasir Manggu West	Oxide	Indicated	109	7.2	783
		Inferred	36	5.6	200
	Fresh	Measured	100	7.3	731
		Indicated	380	7.3	2,776
		Inferred	206	4.7	975
Cikadu	Oxide	Indicated	81	6.2	496
		Inferred	20	6.9	134
	Fresh	Indicated	1,008	9.1	9,126
		Inferred	280	9.7	2,718
Sekolah	Oxide	Indicated	89	5.8	510
		Inferred	128	4.9	621
	Fresh	Indicated	612	9.6	5,869
		Inferred	326	8.3	2,689
Cibatu	Oxide	Indicated	129	6.2	794
		Inferred	78	3.0	233
	Fresh	Indicated	907	9.1	8,216
		Inferred	377	7.8	2,951
4 Prospects Total	***Oxide***	***Indicated***	***407***	***6.3***	***2,583***
		Inferred	***261***	***4.5***	***1,188***
	Fresh	***Measured + Indicated***	***3,007***	***8.9***	***26,718***
		Inferred	***1,188***	***7.9***	***9,332***
	Oxide + Fresh	***Measured + Indicated***	***3,415***	***8.6***	***29,301***
		Inferred	**1,449**	**7.3**	**10,520**
Cibak	Oxide + Fresh	Inferred	660	5.6	3,717
Cipancar	Oxide + Fresh	Inferred	450	5.6	2,520
Cibak & Cipancar Total	***Oxide + Fresh***	***Inferred***	***1,110***	***5.6***	***6,237***
4 Prospects + Cibak & Cipancar Total	**Oxide + Fresh**	**Measured + Indicated**	**3,415**	**8.6**	**29,301**
	Oxide + Fresh	**Inferred**	**2,559**	**6.5**	**16,757**

kt – 1,000 tonnes
g/t Au - grams of gold per tonne of ore

Note: Cut-off grades applied for mineral resources statement are 1.0 g/t Au for the 4 Prospects and 2.5 g/t Au for Cibak and Cipancar.

Mineral resources are not ore reserves and do not have demonstrated economic viability.

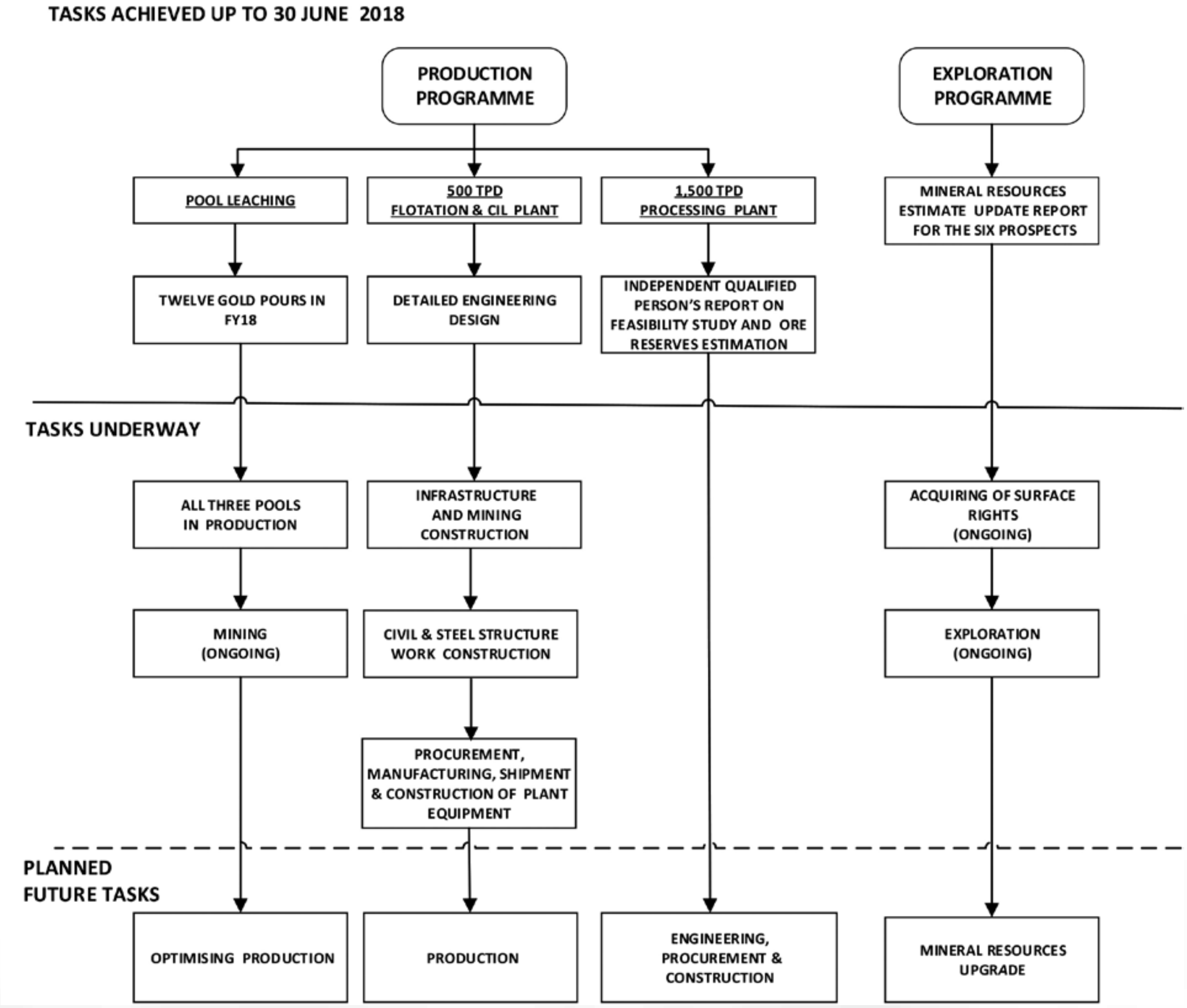
All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.

Figures for Au metal in this table are estimated based on the resource tonnages and grades, and do not represent the exact amount of extractable metal for this Project. They should be treated differently from the expected production of gold bullion.

The information in the IQPR which relates to mineral resources estimates is based on information compiled by Dr Anson Xu ("Dr Xu"), and Mr Pengfei Xiao ("Mr Xiao"), employees of SRK Consulting (China) Ltd. Dr Xu, FAusIMM, and Mr Xiao, MAusIMM, have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the JORC Code 2012 Edition. Dr Xu and Mr Xiao consent to the reporting of this information in the form and context in which it appears.

Activity Flowchart

The flowchart below shows the tasks completed, tasks currently underway and planned future tasks as at 30 June 2018:



Income Statement

Revenue/ Cost of sales

In the financial year ended 30 June 2018 ("**FY2018**"), the Group attained a milestone with its maiden sale of gold dore. With a total of 7.6kg of gold dore sold at approximately US$1,274/oz, the Group reported revenue of Rp 4.3billion for FY2018. Correspondingly, cost of sales for FY2018 amounted to Rp 2.9billion, being the cost of the gold dore sold. There was no revenue or cost of sales reported for the financial year ended 30 June 2017 ("**FY2017**").

Interest income from loans and receivables

Interest income from loans and receivables increased by Rp 0.9billion, from Rp 0.1billion in FY2017 to Rp 1.0billion in FY2018, mainly due to interest from fixed deposits placed with banks.

Other expenses

Other expenses increased by Rp 3.3billion, from Rp 1.6billion in FY2017 to Rp 4.9billion in FY2018, mainly due to higher unrealised foreign exchange losses of Rp 2.9billion recorded in FY2018 as compared to FY2017. This was a result of the USD-denominated project financing arrangement obtained by the Group from Karl Hoffman Mineral Pte. Ltd. ("**Karl Hoffman Mineral**") on 26 October 2017. During FY2018, the USD appreciated significantly against the IDR.

Other operating expenses

As the Group worked towards the startup of the 500 tonnes per day Flotation and Carbon-In-Leach mineral processing plant ("**500 tpd CIL plant**") at its Ciemas Gold Project located in West Java, Indonesia, and with the start of production at the three leaching pools, other operating expenses increased by Rp 6.0billion, from Rp 8.2billion in FY2017 to Rp 14.2billion in FY2018. This was due to higher exploration and evaluation expenses, amortisation of prepaid land leases, as well as higher site expenses. The increase of Rp 6.0billion comprised Rp 3.9billion in exploration and evaluation expenses, Rp 0.6billion in amortisation, and Rp 1.5billion in site expenses.

Finance costs

Finance costs of Rp 15.2billion was recorded in FY2018 due to interest expense arising from the project financing from Karl Hoffman Mineral to fund the 500 tpd CIL plant. No finance cost was incurred in FY2017.

General and administrative ("**G&A**") expenses

With the start of production at the three leaching pools, and as the Group worked towards the startup of the 500 tpd CIL plant, higher headcount was recorded to support the increased level of activities. As a result, G&A expenses increased by Rp 10.8billion, from Rp 36.2billion for FY2017 to Rp 47.0billion for FY2018. This was partially offset by cost savings on certain G&A expenses.

Loss before tax

Due to the above-mentioned reasons, the Group's loss before tax increased by Rp 32.8billion, from Rp 46.0billion in FY2017 to Rp 78.8billion in FY2018.

Balance Sheet

Assets

Exploration and evaluation assets ("**EEA**") increased by Rp 17.9billion, from Rp 214.5billion as at 30 June 2017 to Rp 232.4billion as at 30 June 2018, due to the additional exploration and evaluation expenses capitalised in FY2018.

Mine properties increased by Rp 8.0billion, from Rp 0.4billion as at 30 June 2017 to Rp 8.4billion as at 30 June 2018, due to reclassification from EEA as the Group commenced pool leaching production.

Property, plant and equipment ("**PPE**") increased by Rp 0.5billion from Rp 8.2billion as at 30 June 2017 to Rp 8.7billion as at 30 June 2018, mainly due to additions to PPE of Rp 2.6billion, which was partially offset by depreciation charges of Rp 2.1billion. As a result of the increase in PPE, depreciation charges of PPE increased by Rp 0.5billion in FY2018 as compared to FY2017.

Intangible assets, comprising SAP and HR software, decreased by Rp 0.2billion, from Rp 1.0billion as at 30 June 2017 to Rp 0.8billion as at 30 June 2018, mainly due to amortisation for the year.

Prepaid leases (non-current and current), decreased by Rp 3.6billion, from Rp 47.1billion as at 30 June 2017 to Rp 43.5billion as at 30 June 2018, due to the amortisation of prepaid land lease of Rp 3.6billion. Amortisation of prepaid leases increased by Rp 0.6billion, from Rp 3.0billion in FY2017 to Rp 3.6billion in FY2018, mainly due to higher prepaid leases acquired towards end of FY2017.

Long term fixed deposits increased by Rp 0.2billion, from Rp 0.2billion as at 30 June 2017 to Rp 0.4billion as at 30 June 2018, mainly due to higher long term fixed deposits placed with the bank.

Other debtors and deposits increased by Rp 0.3billion, from Rp 0.2billion as at 30 June 2017 to Rp 0.5billion as at 30 June 2018, mainly due to higher interest receivables and employee loans.

Prepayments (non-current and current), increased by Rp 46.5billion, from Rp 1.5billion as at 30 June 2017 to Rp 48.0billion as at 30 June 2018, mainly due to deposit paid for processing equipment of Rp 28.7billion and prepayment of prepaid lease of Rp 15.9billion.

Inventories of Rp 2.9billion as at 30 June 2018 relate to the capitalisation of the cost of gold pours of 7.4kg in FY2018.

Liabilities

Trade payables increased by Rp 3.3billion, from Rp 2.1billion as at 30 June 2017 to Rp 5.4billion as at 30 June 2018, mainly due to amount due to a contractor for the work done in respect to the gold pours in FY2018.

Other payables and accruals increased by Rp 3.5billion, from Rp 4.8billion as at 30 June 2017 to Rp 8.3billion as at 30 June 2018, mainly due to higher accruals in FY2018.

Amount due to a related party decreased by Rp 1.4billion, from Rp 1.9billion as at 30 June 2017 to Rp 0.5billion as at 30 June 2018. During FY2018, the Group made a partial settlement of amount due to the Group's Executive Chairman and President.

As at 30 June 2018, loans and borrowings (current) of Rp 23.2billion was recorded, due to short term overdraft secured by one of our Indonesia's subsidiaries from a financial institution. Loans and borrowings (non-current) stood at Rp 153.0billion (30 June 2017: Nil), in relation to the loan from Karl Hoffman Mineral for the project financing to fund the 500 tpd CIL plant and capitalisation of its amortised costs.

Employee benefits liability increased by Rp 0.8billion, from Rp 2.0billion as at 30 June 2017 to Rp 2.8billion as at 30 June 2018, mainly due to increased headcount and longer duration of the pension plans in Indonesia.

The Group's working capital increased by Rp 23.2billion, from Rp 93.3billion as at 30 June 2017 to Rp 116.5billion as at 30 June 2018.

Cashflow Statement

Net cash outflow for operating activities of Rp 96.2billion in FY2018 was mainly due to the operating loss before working capital changes of Rp 52.8billion and working capital changes of Rp 44.3billion.

Changes in working capital in FY2018 was mainly due to (i) increase in prepayments of Rp 46.5billion; (ii) increase in inventories of Rp 2.9billion; (iii) decrease in amount due to a related party of Rp 1.5billion, partially offset by (iv) increase in trade payables of Rp 3.3billion; and (v) increase in other payables and accruals of Rp 3.4billion.

Net cash used in investing activities of Rp 28.7billion in FY2018 was mainly due to the investment in EEA of Rp 26.0billion, increase in long term fixed deposits of Rp 0.2billion and purchase of PPE of Rp 2.6billion.

Net cash inflow from financing activities of Rp 153.3billion in FY2018 was mainly from the receipt of the US$ 10million pursuant to the project financing to fund the 500 tpd CIL plant and Rp 23.2billion in short term bank overdraft secured by one of the Group's Indonesia's subsidiary.

As at 30 June 2018, the Group had cash and cash equivalents of Rp 127.6billion, representing an increase of Rp 30.9billion from Rp 96.7billion as at 30 June 2017.

Conclusion

All of the Group's operational activities and its use of capital and staff resources are focused on achieving the Group's goal of commercial gold production at the Ciemas Gold Project by end of FY2019.

CORPORATE GOVERNANCE REPORT

The board of directors (the "**Board**" or the "**Directors**") and the management ("**Management**") of Wilton Resources Corporation Limited ("**Company**", and its subsidiaries, the "**Group**") are committed to setting and maintaining corporate governance practices which are in line with the recommendations of the Code of Corporate Governance 2012 ("**Code**") to provide the structure through which the objectives of protection of shareholders of the Company's ("**Shareholders**") interests and enhancement of long-term shareholder value are met.

This report sets out the Group's corporate governance practices in place during the financial year ended 30 June 2018 ("**FY2018**"). The Company will continually review its corporate governance practices in compliance with the Code. The Board confirms that the Group has generally adhered to the principles and guidelines set out in the Code for FY2018. Where there are deviations from the Code, appropriate explanations are provided.

The new Code of Corporate Governance 2018 was issued on 6 August 2018 (the "**Revised Code**"), and will only take effect for annual reports covering financial years commencing from 1 January 2019. As such, the Revised Code will not affect the Company's latest financial year ended 30 June 2018, and accordingly, the Group will only make reference to the Code in reviewing and implementing its corporate governance structures and practices.

(A) BOARD MATTERS

BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board's primary role is to protect and enhance long-term Shareholders' value. Its responsibilities are distinct from the Management's responsibilities. It sets the overall strategy for the Group and supervises the Management. To fulfil this role, the Board sets strategic directions, establishes goals for the Management and monitors the achievement of these goals, thereby taking responsibility for the overall corporate governance of the Group.

In addition to its statutory duties, the principal functions of the Board are:

a) Review and approve corporate policies, strategies and financial plans of the Group, ensuring that the necessary financial and human resources are in place;

b) Review and monitor the performance of the Management;

c) Monitor financial performance including approval of the annual and interim financial reports and material interested person transactions;

d) Setting the Company's values and standards, and ensuring that obligations to Shareholders and others are understood and met;

e) Oversee and review the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;

f) Consider sustainability issues as part of its strategic formulation;

g) Approve major funding proposals, investments, acquisitions and divestment proposals; and

h) Assume responsibility for corporate governance.

The Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

To assist the Board in the execution of its responsibilities, the Board has delegated specific responsibilities to three (3) committees, namely the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively, "**Board Committees**"). The Board Committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis to ensure their continued relevance and efficacy. While the Board Committees have the authority to examine particular issues and report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters still lies with the entire Board.

The Board holds at least four (4) meetings each year to approve the quarterly and full year results announcement and to oversee the business affairs of the Group. Additional meetings are held at such other times as may be necessary to address specific significant matters that may arise. Important matters concerning the Group are also put to the Board for its decision by way of written resolutions. The Company's Constitution provides for Board meetings to be held via telephone conference or videoconference.

The table below sets out the number of Board and Board Committees meetings held during FY2018 and the attendance of each Director at these meetings:

	Board		AC		NC		RC	
	No. of meeting		No. of meeting		No. of meeting		No. of meeting	
Name of Directors	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Wijaya Lawrence	4	4	4	4*	1	1*	1	1
Chong Chin Fan(1)	4	2	4	2*	1	1*	1	1*
Ngiam Mia Je Patrick	4	3	4	3*	1	1	1	1*
Tan Cher Liang	4	4	4	4	1	1	1	1
Teo Kiang Kok	4	4	4	4	1	1	1	1
Seah Seow Kang Steven	4	4	4	4	1	1	1	1

* By Invitation

Note:

(1) Mr. Chong Chin Fan has retired and ceased to be an Executive Director and Vice President (Finance) of the Company with effect from 31 December 2017.

The Board has adopted a set of internal guidelines setting forth matters that require the Board's approval. Matters which are specifically reserved for the Board's decision are those involving significant acquisitions, disposals and financing proposals, reviewing and approving the Group's corporate policies, monitoring the performance of the Group and transactions relating to investment, financing, legal and corporate secretarial. The Board reviews these internal guidelines on a periodic basis to ensure their relevance to the operations of the Company.

The Directors are also updated regularly on changes to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") , risk management, corporate governance, insider trading and key changes in the relevant regulatory requirements, financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as members of the Board or Board Committees.

News releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Directors are regularly circulated to the Board. The Company Secretaries would inform the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company. Annually, the external auditors update the AC and the Board on the new and revised financial reporting standards that are applicable to the Company or the Group.

Directors are encouraged to attend seminars and receive training to improve themselves in the discharge of Directors' duties and responsibilities. Changes to regulations and accounting standards are monitored closely by the Management. To keep pace with such regulatory changes, the Company provides opportunities for ongoing education, training and best practices as well as updates on changes in legislation and financial reporting standards, regulations and guidelines from the Catalist Rules that affect the Company and/or the Directors in discharging their duties.

Newly-appointed Directors will receive appropriate orientation and briefings on director's duties, responsibilities, disclosure duties and statutory obligations. Newly appointed Directors will also be briefed by the Management on the business activities of the Group, strategic directions, governance policies, policies on disclosure of interests in securities, the rules relating to disclosure of any conflict of interest in a transaction involving the Company, prohibitions in dealing in the Company's securities and restrictions on disclosure of price sensitive information. In addition, the Management regularly updates and familiarises the Directors on the business activities of the Group during the Board meetings. They will also be given opportunities to visit the Group's operations and meet the Management so as to gain a better understanding of the Group's business. For newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore, they will attend training courses organised by the Singapore Institute of Directors or other training institution in areas such as accounting, legal and industry specific knowledge, where appropriate, in connection with their duties. A formal letter of appointment would be furnished to every Director upon their appointment explaining, among other matters, their roles, obligations, duties and responsibilities as a member of the Board. No new director was appointed in FY2018.

BOARD COMPOSITION AND GUIDANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

As at the date of this report, the Board comprises five (5) members, three (3) of whom are Independent Directors (including Chairman of the various Board Committees), and the composition of the Board and Board Committees are as follows:

		Board Committee Membership		
Name of Director	**Designation**	**Audit Committee**	**Nominating Committee**	**Remuneration Committee**
Wijaya Lawrence	Executive Chairman and President	–	–	Member
Ngiam Mia Je Patrick	Non-Executive Director	–	Member	–
Teo Kiang Kok	Lead Independent Director	Member	Member	Chairman
Tan Cher Liang	Independent Director	Chairman	Member	Member
Seah Seow Kang Steven	Independent Director	Member	Chairman	Member

There is presently a strong and independent element on the Board. More than half of the Board is made up of Independent Directors whose independence is reviewed annually by the NC. The criteria for independence are determined based on the definition as provided in the Code. The Board considers an independent director as one who has no relationship with the Company, its related companies, its 10% shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of the Directors' independent judgment of the Group's affairs. The Independent Directors do not have any relationships (including immediate family relationships) with other Directors, the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be perceived to interfere, with their independence. In addition, none of the Independent Directors has served on the Board beyond nine (9) years from the date of his first appointment.

After taking into account the views of the NC, the Board is satisfied that each Independent Director is independent in character and judgment and that there are no relationships or circumstances which are likely to affect, or could affect, the Independent Director's judgment.

The Non-Executive Director and the Independent Directors participate actively during Board meetings. The Company has benefited from the Management's access to its Directors for guidance and exchange of views both within and outside of the meetings of the Board and Board Committees. The Non-Executive Director and the Independent Directors communicate amongst themselves and with the Company's external auditor ("**EA**"), internal auditor ("**IA**"), and the Management.

The Board, via the NC, has reviewed its size and composition and is satisfied that, after taking into account the scope and nature of operations of the Group in the financial year under review, the current Board size is appropriate and effective. The Board comprises Directors who, as a whole, have the core competency and experience to discharge their duties as Directors of the Company. Such competency and experience include industry knowledge, strategic planning, business and general management, legal and finance. The Board noted that gender diversity on the Board is also one of the recommendations under the Code to provide an appropriate balance of diversity. Although there is currently no female Director appointed to the Board, the Board does not rule out the possibility of appointing a female Director if a suitable candidate is nominated for the Board's consideration.

Neither the Non-Executive Director nor the Independent Directors have been appointed as director to the Company's principal subsidiaries, and each of them do not exercise management functions in the Group. Although all the Directors have equal responsibility for the performance of the Group, the role of the Non-Executive Director and the Independent Directors is particularly important in ensuring that the strategies proposed by the Management are fully discussed and rigorously examined and take into account the long-term interests of not only Shareholders, but also of employees, customers, suppliers and the communities in which the Group conducts its business. The Non-Executive Director and the Independent Directors also review and monitor the performance of the Management on a periodic basis. The current system has ensured that no power is concentrated in any one individual or small group of individuals.

The Company co-ordinates informal meetings for the Non-Executive Director and the Independent Directors on a need-to basis without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, Board processes, succession planning, leadership development and the remuneration of the Executive Director.

Profiles of the Board are set out in pages 6 to 7 of this Annual Report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Mr. Wijaya Lawrence, the Executive Chairman and President and the controlling shareholder of the Company, takes an active role in the management of the Group. The Board is of the opinion that it is not necessary to separate the two (2) roles of the chairman and the president (which is equivalent to the CEO) after taking into consideration the size and capabilities of the Board, and the size and operations of the Group.

The responsibilities of the Executive Chairman and President include:

a) Scheduling of meetings to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;

b) Setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;

c) Ensuring that all members of the Board receive accurate, timely and clear information and ensuring effective communication with Shareholders;

d) Promoting active engagement and open dialogue amongst the Directors as well as between the Board and the Management;

e) Ensuring the Group's compliance with the Code; and

f) Acting in the best interest of the Group and the Shareholders.

The Company Secretaries may be called to assist the Executive Chairman and President in any of the above. Mr. Wijaya Lawrence is responsible for the overall management and strategic direction of the Group. He also takes an active role in the day-to-day operations of the Group.

As the Chairman and President is the same person, and in accordance with Guideline 3.3 of the Code, the Board has appointed Mr. Teo Kiang Kok as the Lead Independent Director. He is the principal liaison between the Independent Directors and the Executive Chairman and President. He is available to Shareholders where they have concerns and in circumstances where contact through the normal channel of the Executive Chairman and President, or the Group Accounting Controller has failed to resolve their concerns or for which such contact is inappropriate.

The Independent Directors, led by the Lead Independent Director, will meet without the presence of the other Directors where necessary, and the Lead Independent Director will provide feedback to the Executive Chairman and President after such meetings.

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC comprises four (4) members, three (3) of whom, including the NC Chairman, are Independent Directors. The NC comprises:

Seah Seow Kang Steven (Chairman)
Teo Kiang Kok
Tan Cher Liang
Ngiam Mia Je Patrick

Based on the written terms of reference approved by the Board, the principal functions of the NC are:

a) Reviewing and making recommendations to the Board on all candidates proposed for appointment to the Board of the Company and of its subsidiaries;

b) Reviewing on a regular basis the Board structure, size and composition and making recommendations to the Board on any changes as the NC deems necessary;

c) Reviewing and recommending to the Board the training and professional development programmes for the Directors;

d) Identifying and making recommendations to the Board as to which Directors are to retire by rotation and to be put forward for re-election at each annual general meeting ("**AGM**") of the Company, having regard to the Directors' contribution and performance, including the Independent Directors;

e) Determining whether a Director is independent; and

f) Proposing a set of objective performance criteria to the Board for approval and implementation, to evaluate the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board.

The NC is responsible for identifying and recommending new Directors to the Board. In selecting potential new Directors, the NC will seek to identify the competencies required to enable the Board to fulfil its responsibilities. The NC may engage consultants to undertake research on, or assess, candidates applying for new positions on the Board, or to engage such other independent experts, as it considers necessary to carry out its duties and responsibilities. Recommendations for new Directors are put to the Board for its consideration. New Directors are appointed by way of a Board resolution following which they are subject to re-election at the next AGM.

The NC reviews annually the independence declaration made by the Independent Directors based on the criterion of independence under the guidelines provided in the Code. For FY2018, the NC is of the view that the Independent Directors are independent (as defined in the Code) and are able to exercise judgment on the corporate affairs of the Group independent of the Management.

In accordance with the Company's Constitution, each Director is required to submit for re-nomination and re-election at least once in every three (3) years by rotation, and all newly appointed Directors will have to retire by rotation and submit themselves for re-election at the next AGM following their appointments. The NC has recommended, and the Board has agreed that at the forthcoming AGM, Mr. Wijaya Lawrence and Mr. Tan Cher Liang (collectively, "**Retiring Directors**"), will be retiring by rotation pursuant to Regulation 91 of the Company's Constitution. The Retiring Directors have offered themselves for re-election at the forthcoming AGM. Each member of the NC shall abstain from voting, approving or making a recommendation on any resolution of the NC in which he has a conflict of interest in the subject matter under consideration. In its deliberations on the re-election and re-appointment of existing Directors, the NC takes into consideration the relevant Director's competency, commitment, contribution and performance (including, if applicable, his contribution and performance as a Director). The assessment parameters include attendance record, preparedness, intensity of participation and candour at meetings of the Board and Board Committees as well as the quality of input and contributions.

For Directors who have board representations in other listed companies and other principal commitments, the NC has reviewed the work and other commitments of such Directors and assessed their ability to adequately discharge their Board responsibilities. The NC is satisfied that the Directors are able to commit sufficient time, effort and attention to the affairs of the Group. The NC is of the view that fixing a limit on the number of such board representations is not meaningful in the context of the Group. The Board has accepted and affirmed the view of the NC.

There is no alternate director appointed to the Board as at the date of this report.

The Board, through the delegation of its authority to the NC, uses its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge in business, finance and management skills to enable the Board to make effective decisions. The NC, in consultation with the Board, determines the selection and criteria and identifies candidates with the appropriate expertise and experience which will enhance the overall effectiveness of the Board. The NC will conduct initial assessment of the candidate's qualifications and experience before making its recommendations to the Board.

Other than the key information regarding the Directors set out below, information pertaining to the Directors' interests in shares, options and other convertible securities are set out in the "Directors' Statement" section of this Annual Report, and information in relation to the background and principal commitments of the Directors are set out in the "Board of Directors" section of this Annual Report.

Name of Director	Academic/ Professional qualifications	Board appointment	Board Committees as chairman or member	Date of first appointment as a Director	Date of last re-election	Directorships or chairmanships in other listed companies and other principal commitments	Past directorships or chairmanships in other listed companies and other principal commitments over the preceding 3 years
Wijaya Lawrence	Higher School Certificate	Executive Chairman and President	Chairman of the Board and member of the RC	12 December 2013	23 October 2015 (To be re-elected at the forthcoming AGM)	Nil	Nil
Ngiam Mia Je Patrick	Bachelor of Science in Electronics Engineering (First Class Honours) from the University of Essex	Non-Executive Director	Board member and member of the NC	12 December 2013	30 October 2017	(i) IPC Corporation Limited (ii) Essex Bio-Technology Limited	Nil
Tan Cher Liang	(i) Member of the Institute of Singapore Chartered Accountants (ii) Fellow of the Association of Chartered Certified Accounts of the United Kingdom	Independent Director	Board member, Chairman of the AC and a member of the NC and the RC	12 December 2013	23 October 2015 (To be re-elected at the forthcoming AGM)	(i) Vibrant Group Limited (ii) Kingsmen Creatives Ltd (iii) Jumbo Group Limited (iv) Ezra Holdings Limited	Nil
Teo Kiang Kok	(i) Bachelor of Laws (Honours) from the University of Hull (ii) Barrister-at-law (Lincoln's Inn)	Lead Independent Director	Board member, Chairman of the RC and a member of the NC and the AC	12 December 2013	30 October 2017	(i) Hyflux Ltd (ii) Jadason Enterprises Ltd (iii) IPC Corporation Limited (iv) Memtech International Ltd	Nil

Name of Director	Academic/ Professional qualifications	Board appointment	Board Committees as chairman or member	Date of first appointment as a Director	Date of last re-election	Directorships or chairmanships in other listed companies and other principal commitments	Past directorships or chairmanships in other listed companies and other principal commitments over the preceding 3 years
Seah Seow Kang Steven	(i) Bachelor of Laws (Honours) from the University of Singapore (ii) Diploma in Business Law from the National University of Singapore	Independent Director	Board member, Chairman of the NC and a member of the AC and RC	12 December 2013	27 October 2016	Nil	IPC Corporation Limited

BOARD PERFORMANCE

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The NC has established a review process to assess:

a) The performance and effectiveness of the Board as a whole;

b) The effectiveness of the Board Committees; and

c) The contribution by each Director to the effectiveness of the Board.

During FY2018, all Directors are requested to complete a Board evaluation questionnaire designed to seek their views on the various aspects of the Board's performance so as to assess the overall effectiveness of the Board.

The assessment of the Board utilises a confidential questionnaire, covering areas such as the effectiveness of the Board in its monitoring role, and is completed by each Director individually. Such performance criteria are approved by the Board and they address, inter alia, how the Board has enhanced long-term shareholders' value. The performance criteria do not change unless circumstances deem it necessary and the decision to change them would be justified by the Board.

The Board and the NC have endeavoured to ensure that Directors appointed to the Board possess the relevant experience, knowledge and expertise critical to the Group's business.

The evaluation of individual Directors is done through self-assessment, through a confidential questionnaire completed by the Directors individually. The assessment parameters for such individual evaluation include both qualitative and quantitative factors such as attendance records, contributions during Board meetings, as well as individual performance of principal functions and fiduciary duties.

The completed questionnaires are collated for the NC's deliberation. The NC then presents the results, conclusions and its recommendations to the Board. The Executive Chairman and President act on the results of the performance evaluation, and where appropriate and in consultation with the NC, proposes new members to be appointed to the Board, or seek the resignation of Directors.

The assessment of the Board, Board Committees and the Directors are carried out once every financial year. Each member of the NC is required to abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as a Director.

The NC, having reviewed the overall performance of the Board, Board Committees and the assessment of the individual Director in terms of its role and responsibilities and the conduct of its affairs as a whole for FY2018, is of the view that the performance of the Board as a whole, Board Committees and contribution by each Director have been satisfactory. The NC is satisfied that sufficient time and attention has been given to the Group by the Directors. No external facilitator was used in the evaluation process.

ACCESS TO INFORMATION

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

To enable the Board to fulfil its responsibilities, the Management strives to provide the Board members with complete, adequate and timely information for Board and Board Committees meetings on an on-going basis. The Board and Board Committees papers are prepared for each meeting and are disseminated to the members before the meetings. The Board and Board Committees papers include financial, business and corporate matters of the Group so as to enable the Directors to be properly briefed on matters to be considered at the Board and Board Committees meetings. The Directors are given separate and independent access to the Management and the Company Secretaries to address any enquires.

The Company Secretaries or their representative attends all Board and Board Committees meetings and prepare minutes of Board and Board Committees meetings. The Company Secretaries assist the Executive Chairman and President in ensuring that Board procedures are followed and reviewed in accordance with the Constitution so that the Board functions effectively and the relevant requirements of the Companies Act, Chapter 50 ("**Companies Act**") and the Catalist Rules are complied with. The Company Secretaries or their representatives advise the Board on all governance matters, ensuring that legal and regulatory requirements as well as Board policies and procedures are complied with. The appointment and removal of the Company Secretaries are subject to the approval of the Board.

The Directors either individually or as a group may seek independent professional advice in furtherance of their duties and costs of such service will be borne by the Company.

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC comprises four (4) members, three (3) of whom, including the RC Chairman, are Independent Directors. The RC comprises:

Teo Kiang Kok (Chairman)
Tan Cher Liang
Seah Seow Kang Steven
Wijaya Lawrence

Mr. Wijaya Lawrence, the Executive Chairman and President of the Company, is a member of the RC. Although the Code provides that the RC should comprise entirely of non-executive directors, the majority of whom, including the Chairman of the RC should be independent, the Board is of the view that Mr. Wijaya Lawrence should be a member of the RC. Mr. Wijaya Lawrence has extensive knowledge and experience in Indonesia and he is well-placed to advise on remuneration packages of the senior Management who are largely based in Indonesia. Hence, the inclusion of Mr. Wijaya Lawrence as a member of the RC is considered beneficial to the Group.

The functions of the RC include:

a) To review and recommend to the Board for approval, the remuneration packages of the Executive Director(s) of the Group and key management personnel of the Company;

b) To review and recommend annually the total remuneration of the Directors and key management personnel;

c) To review the appropriateness of compensation for the Non-Executive Director and the Independent Directors including but not limited to the Directors' fees, allowances and share options;

d) To review and recommend to the Board a framework of remuneration and specific remuneration packages for all Directors;

e) To review the service contracts of the Executive Director(s);

f) To review and enhance the compensation structure with incentive performance for key management personnel; and

g) To oversee the general compensation of employees of the Group with a goal to motivate, recruit and retain employees and Directors through competitive compensation and progressive policies.

The RC is established for the purpose of ensuring that there is a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. The overriding principle is that no Director should be involved in deciding his or her own remuneration. It has adopted written terms of reference that defines its membership, roles and functions and administration.

No Director is involved in deciding his own remuneration, except in providing information and documents if specifically requested by the RC to assist in its deliberations.

The RC has full authority to engage any external professional to advise on matters relating to remuneration as and when the need arises, and the expense of such services shall be borne by the Company. For FY2018, the RC did not seek any external professional advice on remuneration of the Directors.

In reviewing the service agreements of the Executive Directors and key management personnel of the Group, the RC will review the Company's obligations arising in the event of termination of these service agreements, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance.

LEVEL AND MIX OF REMUNERATION

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

The RC will take into account the industry norms, the Group's performance as well as the contribution and performance of each Director when determining remuneration packages.

The remuneration for the Executive Director(s) and certain key executives comprise a fixed and variable component. The variable component is performance related and is linked to the Group's performance, as well as the performance of each individual Executive Director and key management personnel.

The Independent Directors and the Non-Executive Director receive Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors. The Independent Directors and the Non-Executive Director shall not be over-compensated to the extent that their independence may be comprised. The Directors' fees are proposed by the RC and recommended by the Board for Shareholders' approval at the AGM of the Company. Directors' fees of S$210,000 for FY2018 had been approved by Shareholders at the last AGM held on 30 October 2017. Directors' fees of S$210,000 for the financial year ending 30 June 2019 have been recommended by the Board and will be subject to the approval of Shareholders at the forthcoming AGM of the Company. There are no share-based compensation schemes in place for Independent Directors and the Non-Executive Director.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director(s) and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Director(s) in the event of such breach of fiduciary duties.

DISCLOSURE ON REMUNERATION

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

A breakdown showing the level and mix of remuneration paid/payable for FY2018 to the Directors is as follows:

Name of Director	Salary	Bonus	Directors' fees	Allowances and other benefits	Total
	%	%	%	%	%
S$250,000 to S$500,000					
Wijaya Lawrence	83.4	5.1	0.0	11.5	100.0
Below S$250,000					
Chong Chin Fan(1)	89.3	4.9	0.0	5.8	100.0
Ngiam Mia Je Patrick	0.0	0.0	100.0	0.0	100.0
Tan Cher Liang	0.0	0.0	100.0	0.0	100.0
Seah Seow Kang Steven	0.0	0.0	100.0	0.0	100.0
Teo Kiang Kok	0.0	0.0	100.0	0.0	100.0

Note:

(1) Mr. Chong Chin Fan has retired and ceased to be an Executive Director and the Vice President (Finance) of the Company with effect from 31 December 2017.

Details of remuneration paid to top five (5) key management personnel of the Group (who are not Directors or the CEO) for FY2018 are set out below:

Name of Key Management Personnel	Salary	Bonus	Allowances and other benefits	Total
	%	%	%	%
<u>Below S$250,000</u>				
Leslie Tan Chee Yong	87.5	12.5	0.0	100.0
Sandy Salim	88.5	11.5	0.0	100.0
Andrianto Darmasaputra Lawrence	86.7	11.7	1.6	100.0
Nicco Darmasaputra Lawrence	80.5	6.3	13.2	100.0
Antony	80.5	6.3	13.2	100.0

For FY2018, there were no terminations, retirement or post-employment benefits granted to Directors and key management personnel other than the standard contractual notice period termination payment in lieu of service.

For FY2018, the aggregate total remuneration paid to the key management personnel (who are not Directors or the CEO) amounted to Rp 7.3 billion (approximately S$689,000). The Company does not currently have an employee share option scheme.

In view of confidentiality of remuneration matters and to avoid the poaching of Directors and key management personnel of the Group, the Board is of the opinion that it is in the best interests of the Group not to disclose the exact remuneration of the Directors and the top five (5) key management personnel in the annual report and that the disclosure based on the above remuneration bands is appropriate.

Immediate Family Member of Directors or CEO

Two employees of the Group, Mr. Andrianto Darmasaputra Lawrence and Mr. Nicco Darmasaputra Lawrence, are the sons of the Company's Executive Chairman and President, Mr. Wijaya Lawrence and the nephews of the Company's Non-Executive Director, Mr. Ngiam Mia Je Patrick. Mr. Wijaya Lawrence is the brother in-law of Mr. Ngiam Mia Je Patrick. The basis for determining the compensation of the Group's related employees is the same as the basis for determining the compensation of other unrelated employees.

Details of remuneration paid to the immediate family member of Director or the CEO for FY2018 are set out below:

Name of Immediate Family Member	Salary	Bonus	Allowances and other benefits	Total
	%	%	%	%
<u>S$200,000 to S$250,000</u>				
Andrianto Darmasaputra Lawrence	86.7	11.7	1.6	100.0
<u>Below S$50,000</u>				
Nicco Darmasaputra Lawrence	80.5	6.3	13.2	100.0

Save as disclosed above, the Company does not have any employee who is an immediate family member of a Director or the CEO (or equivalent) of the Company whose remuneration in FY2018 exceeded S$50,000.

(C) ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY

Principle 10: The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

Accountability to our Shareholders is demonstrated through the presentation of our quarterly financial statements, results announcements and all announcements on the Group's business and operations via SGXNet. The aforementioned conduct also provides Shareholders with balanced and accurate assessment of the Group's performance, financial positions and prospects.

The Management provides the Board with appropriately detailed management accounts of the Group's performance, position and prospects on quarterly basis and when deemed appropriate by particular circumstances.

In line with the Catalist Rules, the Board provides a negative assurance statement to Shareholders in its quarterly financial results announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

The Board also reviews legislation and regulatory compliance reports from the Management to ensure that the Group complies with the relevant regulatory requirements.

The Management maintains regular contact and communication with the Board by various means including the preparation and circulation to all Board members of quarterly financial statements of the Group. This allows the Board to monitor the Group's performance and position as well as the Management's achievements of the goals and objectives determined and set by the Board.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board is responsible for the overall risk management and internal control framework, but acknowledges that no cost-effective risk management and internal controls system will preclude all errors and irregularities. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

As the Group does not have a risk management committee, the Board and the Management assume the responsibility of the risk management function. The Management is responsible for designing, implementing and monitoring the risk management and internal control systems. The Management reviews regularly the Group's business and operational activities to identify areas of significant risks, as well as appropriate measures to control and mitigate these risks. The Management reviews significant policies and procedures and highlights significant matters to the AC and the Board. Once the risks are identified, the Management will table the measures and procedures to mitigate the risks to the AC and the Board for consideration and approval of the implementation of such measures and procedures.

Relying on the reports from the IA and the EA, the AC carried out assessments of the effectiveness of key internal controls during the year. Any non-compliance or weaknesses in internal controls or recommendations from the IA and the EA to further improve the internal controls were reported to the AC. The AC will also follow up on the actions taken by the Management and on the recommendations made by both the IA and the EA. The Board has reviewed the adequacy and effectiveness of the Group's system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems and is satisfied that they are adequate to meet the needs of the Group for the type and size of business conducted.

As the Group continues to grow the business, the Board will continue to review and take appropriate steps to strengthen the Group's overall system of risk management and internal controls. The Board and the AC also noted that all internal controls contain inherent limitations and no systems of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

The Executive Chairman and President, and the Vice President (Operations) have assured the Board that:

a) The Group's financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

b) The Group's risk management and internal control systems are effective.

In addition, the AC reviews and approves the annual internal audit plans and ensures that the internal audit functions are adequately resourced with competence, and has appropriate standing within the Group to carry out its duties effectively.

Based on the work performed by both the EA and IA, the assurance from the Management and the ongoing review as well as the continuing efforts in enhancing controls and processes which are currently in place, the Board, with the concurrence of the AC, is of the view that, for FY2018, there are adequate and effective internal controls and risk management systems in place for the Group to address financial, operational, compliance and information technology risks of the Group.

AUDIT COMMITTEE

Principle 12: The Board should establish an audit committee with written terms of reference which clearly set out its authority and duties.

The AC comprises three (3) members who are all Independent Directors. The AC comprises:

Tan Cher Liang (Chairman)
Teo Kiang Kok
Seah Seow Kang Steven

The AC is established to assist the Board with discharging its responsibility of safeguarding the Company's assets, maintaining adequate accounting records and develop and maintain effective systems of internal control. The Board is of the opinion that the members of the AC possess the necessary accounting or related financial management qualifications, expertise and experience in discharging their duties. The details of the Board member's qualifications and experience are presented in the annual report under the section entitled "Board of Directors".

The AC has written terms of reference, setting out its duties and responsibilities, which include the following:

a) Review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

b) Assess, and challenge, where necessary, the correctness, completeness, and consistency of financial information (including interim reports) before submittal to the Board for approval or made public;

c) Discuss problems and concerns, if any, arising from the interim and final audits, in consultation with the EA and the IA where necessary;

d) Assess the adequacy and effectiveness of the internal controls (including financial, operational, compliance, information technology controls and risk management) systems established by the Management to identify, assess, manage, and disclose financial and non-financial risks (including those relating to compliances with existing legislation and regulation) and report to the Board at least annually;

e) Review and ensure that the assurance has been received from the CEO (or equivalent) and the Chief Financial Officer (or equivalent) in relation to the interim/annual unaudited financial statement;

f) Review the Management's and the IA's reports on the effectiveness of the systems for internal controls, financial reporting, and risk management;

g) Monitor and assess the role and effectiveness of the internal audit function in the overall context of the Company's risk management system;

h) In connection with the terms of engagement to the EA, to make recommendations to the Board on the selection, appointment, re-appointment, and resignation of the EA based on a thorough assessment of the EA's functioning, and approve the remuneration and terms of engagement of the EA;

i) Monitor and assess the EA's independence and keep the nature and extent of non-audit services provided by the EA under review to ensure the EA's independence or objectivity is not impaired;

j) Assess, at the end of the audit cycle, the effectiveness of the audit process;

k) Review interested person transactions to consider whether they are on normal commercial terms and are not prejudicial to the interests of the Company or its minority shareholders; and

l) Review the Company's procedures for detecting fraud and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control, or any other matters.

Apart from the duties listed above, the AC is given the task of commissioning investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Company's operating results or financial position, and to review its findings.

The AC has full access to and co-operation of the Management and has full discretion to invite any Director or executive officer to attend the meetings, and has reasonable resources to enable it to discharge its functions. The EA had unrestricted access to the AC. The AC has reviewed and is satisfied with the level of co-operation rendered by the Management to the EA, the adequacy of scope and quality of their audits, and the independence and objectivity of the EA.

The AC is satisfied that the EA, namely Ernst & Young LLP, an auditing firm registered with the Accounting and Corporate Regulatory Authority, is independent and that it had also provided a confirmation of its independence to the AC. The AC had assessed the EA based on factors such as performance, adequacy of resources and experience of its audit engagement partners and audit team assigned to the Group's audit as well as the size and complexity of the Group. Accordingly, the AC is satisfied that Rules 712 and 715 of the Catalist Rules have been complied with and has recommended to the Board, the nomination of Ernst & Young LLP for re-appointment as Auditors of the Company at the forthcoming AGM of the Company. No former partner or director of the Company's existing auditing firm has acted a member of the AC.

Annually, the AC will meet with the IA and EA without the presence of the Management as and when necessary to review the adequacy of audit arrangement with emphasis on the scope and quality of their audit, the independence, objectivity and observations of the IA and EA. The AC is kept updated annually or from time to time on any changes to the accounting and financial reporting standards by the EA. This ensures that the AC is kept abreast of changes to accounting standards and issues which have a direct impact on financial statements.

The AC also conducts a review of the independence and objectivity of the EA annually through discussions with the EA, as well as reviewing the non-audit fees paid to them. A breakdown of the audit and non-audit fees paid to the Company's auditors is disclosed on page 74 of this Annual Report. The aggregate amount of fees paid or payable by the Group to the external auditors for FY2018 amounted to S$ 115,000 for audit services and S$ 22,700 for non-audit services. For FY2018, the AC has reviewed all non-audit services provided by the EA and is satisfied that the nature and extent of such services does not prejudice the independence and objectivity of the EA.

The AC considered the key audit matters ("**KAM**") presented by the EA together with the Management. The AC reviewed the KAM and concurred and agreed with the EA and the Management on their assessment, judgements and estimates on the KAM reported by the EA.

The Group has a whistle blowing policy whereby channels are provided for employees to raise concerns about possible improprieties in matters of financial reporting or other matters of which they become aware, and will be implementing the same whistle blowing policy to include stakeholders, to ensure that:

(i) Independent investigations are carried out in an appropriate and timely manner;

(ii) Appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and

(iii) Administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balance and fair, while providing reassurance that employees will be protected from reprisals or victimisation for whistle blowing in good faith and without malice.

As of the date of the annual report, there were no reports received through the whistle blowing mechanism.

INTERNAL AUDIT

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Company has outsourced its internal audit functions and has appointed a professional firm, KPMG Services Pte. Ltd ("**KPMG**"), as the IA. KPMG is a member of the Institute of Internal Auditors Singapore ("**IIA**"), a professional internal auditing body affiliated to the Institute of Internal Auditors, Inc.. The audit work carried out is guided by KPMG's global internal auditing standards and the International Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the IIA. The AC is satisfied that the internal audit function is staffed by suitably qualified and experienced professionals with the relevant experience.

The IA reviews the effectiveness of key internal controls, including financial, operational and compliance controls for selected scope of review annually, as approved by the AC. Procedures are in place for the IA to report independently on their findings and recommendations to the AC for review. The IA has unfettered access to all the Company's documents, records, properties and personal, including access to the AC. The Management will update the AC on the status of the remedial action plans.

The Board recognises that it is responsible for maintaining a system of risk management and internal controls to safeguard shareholders' investments and the Company's businesses and assets while the Management is responsible for establishing and implementing the risk management and internal control procedures in a timely and appropriate manner. The role of the IA is to assist the AC to check that the controls are adequate and effective, to undertake investigations as directed by the AC and to conduct regular in-depth audits of high risk areas. The AC approves the hiring, removal, evaluation and compensation of the internal audit function. The AC is satisfied that the internal audit function has adequate resources to perform its function effectively.

The AC reviews the adequacy and effectiveness of the internal audit function of the Company annually.

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

SHAREHOLDER RIGHTS

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Company does not practice selective disclosure. In line with continuous obligations of the Company under the Catalist Rules and the Companies Act, the Board's policy is that all Shareholders should equally and on a timely basis be informed of all major developments that impact the Group via SGXNet.

Shareholders are informed of general meetings through the announcements released to the SGXNet and notices contained in the annual report or circulars sent to all Shareholders. These notices are also advertised in a national newspaper. Shareholders are also informed on the procedures for the poll voting at the general meetings. All Shareholders are entitled to attend the general meetings and are provided the opportunity to participate in the general meetings. If any Shareholder is unable to attend, he/she is allowed to appoint up to two (2) proxies to vote on his/her behalf at the general meeting through proxy forms sent in advance. The Company's Constitution does not include the nominee and custodial services to appoint more than two proxies.

On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "Relevant Intermediary" to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant Intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

COMMUNICATION WITH SHAREHOLDERS

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company believes in high standards of transparent corporate disclosure and is committed to disclose to its Shareholders, the information in a timely and fair manner via SGXNet. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable.

The information is disseminated and communicated to Shareholders on a timely basis through:

a) Annual report prepared and issued to all Shareholders. The Board ensures that the annual report includes all relevant information about the Company and the Group, including future developments and other disclosures required by the Companies Act and Singapore Financial Reporting Standards;

b) Quarterly announcements containing a summary of the financial information and affairs of the Group for that period;

c) Press releases on major developments of the Group;

d) Notices of explanatory memoranda for AGMs and Extraordinary General Meetings ("**EGM**"). The notice of AGM and EGM are also advertised in a national newspaper; and

e) The Company's website at http://www.wilton.sg at which Shareholders can access financial information, corporate announcements, press releases, annual reports and profile of the Group.

By supplying Shareholders with reliable and timely information, the Company is able to strengthen the relationship with its Shareholders based on trust and accessibility. The Company has engaged Kreab Pte. Ltd. as investor relations ("**IR**") advisers who focus on facilitating the communications with all stakeholders, Shareholders, analysts and media on an ongoing basis, to attend to their queries or concerns as well as to keep the investors public apprised of the Group's corporate developments and financial performance.

To enable Shareholders to contact the Company easily, the contact details of the Company are set out on page 11, the back cover of the annual report as well as on the Company's website. The Company has procedures in place for responding to investors' queries as soon as applicable. The Board regards the AGM as its principal communication channel with Shareholders, where Shareholders can take the opportunity to raise enquiries pertaining to the resolutions tabled for approval and seek updates regarding affairs of the Company and its operations from the Board and the Management.

The Company does not practice selective disclosure. Price-sensitive information is first publicly released through SGXNet, before the Company meets with any investors or analysts. All Shareholders will receive the notice of general meetings by post and published in the newspaper within the mandatory period.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for the business growth and other factors as the Board may deem appropriate. For FY2018, the Board does not recommend any payment of dividends as the Group is loss-making in FY2018 and will require the existing cash to fund its operating activities.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to stay informed of the Group's strategies and growth plans. Notice of the general meetings are despatched to Shareholders, together with explanatory notes or a circular on items of special businesses (if necessary), at least 14 clear calendar days before the meeting. The Board welcomes questions from Shareholders who wish to raise issues, either informally or formally before or during the general meetings. The Company's Constitution does not provide the provision to allow for absentia voting at the general meetings as the integrity of the information and authentication of the identity of Shareholders and other related security issues remain as a concern to the Company.

Each item of special business included in the notice of the general meetings will be accompanied by explanation of the effects of a proposed resolution. Separate resolutions are proposed for each substantially separate issue at general meetings. The Company will make available minutes of general meetings to Shareholders upon their request.

All Directors, including the Chairmen of the AC, NC and RC, are normally present and available to address questions relating to the work of their respective Board Committees at general meetings. Furthermore, the EA is also present to assist the Board in addressing any relevant queries by the Shareholders.

The Company acknowledges that voting by poll in all its general meetings is integral in the enhancement of corporate governance. The Company adheres to the requirements of the Catalist Rules and the Code where all resolutions at the Company's general meetings held on or after 1 August 2015, are put to vote by poll. The detailed results of each resolution are announced via SGXNet after the general meetings. Due to cost considerations, the voting of the resolutions at the Company's general meetings is conducted by manual polling. The detailed results of each resolution are announced via SGXNet after the general meeting on the same day.

(E) DEALINGS IN COMPANY'S SECURITIES

In compliance with Rule 1204(19) of the Catalist Rules, the Company had adopted a code of best practices to provide guidance to its officers on securities transactions by the Company and its officers.

The Company and its officers are not allowed to deal in the Company's shares during the period commencing two (2) weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year, and one (1) month before the announcement of the Company's full-year financial results, and ending on the date of the announcement of the relevant results.

Directors and employees are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period or when they are in possession of unpublished price-sensitive information. Directors and employees are not to deal in the Company's securities on short-term considerations.

(F) MATERIAL CONTRACTS

Pursuant to Rule 1204(8) of the Catalist Rules, there were no material contracts of the Company and its subsidiaries involving the interests of the CEO (or equivalent), each Director or controlling shareholder of the Company, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

(G) INTERESTED PERSON TRANSACTIONS ("IPTs")

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are conducted on arm's length basis and on normal commercial terms and are not prejudicial to the Company. All IPTs are subject to review by the AC to ensure compliance with established procedures.

Save as disclosed below and excluding any IPTs below S$100,000 (if any), the Company has not entered into any IPT with any of its interested person during FY2018. The AC has reviewed the following IPT in accordance with its existing procedures.

Name of Interested Person	Aggregate value of all interested person transactions during FY2018 (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Wijaya Lawrence	Rp 236 million	Nil

The Board confirms that the aforementioned IPT was entered into on an arm's length basis and on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

The Company does not have any Shareholders' mandate for interested person transactions.

(H) CATALIST SPONSOR

With effect from 6 February 2018, ZICO Capital Pte. Ltd. ("**ZICO Capital**") was appointed as the Company's continuing sponsor in place of SAC Capital Private Limited ("**SAC**"). With reference to Rule 1204(21) of the Catalist Rules, there was no non-sponsorship fees paid to SAC and ZICO Capital in FY2018.

CORPORATE SOCIAL RESPONSIBILITY

Wilton places high emphasis on its standards of Corporate Social Responsibility ("**CSR**") as the Group pursues its economic goals. CSR is an integral element that is embedded within the Group's overall business strategy as we recognise that our commitment to CSR is imperative to the development of a sustainable growth path for the Group.

Our CSR initiatives are formalised to act as a defence for our people, the environment as well as the local communities in the vicinity which we operate in. We have institutionalised systems that seek to improve health and safety standards for the well-being of our employees. Wilton also carries out its exploration activities in a responsible manner in order to protect and minimise its impact on the environment, while providing employment and making positive contributions to the residents' livelihoods and living conditions.

Safety Policy

The Group seeks to minimise the risk of accidents, injuries and illnesses to its employees by improving health and safety standards and closely monitoring its operations. In this regard, the Group has appointed a Head of Mining Engineering, Kepala Teknik Tambang ("**KTT**") who was approved by the Department of Energy and Mineral Resources of the Regency of Sukabumi.

The KTT is in the process of developing a comprehensive set of occupational health and safety systems and procedures which will ultimately include the following:

(a) Occupational safety and health administration;

(b) Occupational safety and health training;

(c) Origination of an occupational health and safety fund;

(d) Side slope protection measures;

(e) Safety mining, blasting and transportation procedures and guidance;

(f) Debris flow prevention measures;

(g) Electric shock and lightning strike prevention measures;

(h) Fire prevention measures;

(i) Dust and noise prevention measures;

(j) Placing of safety and hazard signage;

(k) Provision of personal protection equipment to all relevant employees;

(l) Regular medical and physical checks for the employees;

(m) Operational safety guidance for equipment; and

(n) Mechanical maintenance safety guidance.

Environmental Protection and Community Development

Environmental Protection

Each local regency in Indonesia has a local environmental controlling agency (also known as *Badan Lingkungan Hidup Daerah* or "**BLHD**"), which works on Regency (*kabupaten*) level and requires the Production Operations IUP holder to submit an environmental impact report (also known as the Analisa Mengenai Dampak Lingkungan)("**AMDAL**"). With reference to the Indonesian Law Number 32 of 2009 concerning Protection and Management of the Environment, the AMDAL has to comprise an environmental impact assessment, an environment management plan and an environmental monitoring plan. Accordingly, PT WWI and PT LTC have submitted the AMDALs in respect of the Concession Blocks to the Regent of Sukabumi.

The AMDAL includes the following proposed environmental protection measures:

(a) Proposed measures for controlling and monitoring soil erosion and minimising loss of flora and fauna habitat;

(b) Proposed construction of diversion channels, drainage systems and sedimentation ponds to ensure proper water drainage;

(c) Regular water quality monitoring;

(d) Proposed water treatment and water recycling and processing system;

(e) Oil separators and septic tanks to treat domestic water;

(f) Prevention of dust and gas emission measures including air quality monitoring and maintenance of surface moisture in the ore stockpiles using water sprays;

(g) Prevention of noise emission measures including scheduling of mobile equipment usage and material transportation and liaising with surrounding residents on any potential issue relating to noise emission;

(h) Hazardous materials management operations comprising storage and handling of hydrocarbons (fuels and lubricants) and chemicals;

(i) Waste oil, solid waste as well as sewage and oily wastewater management;

(j) Response plan for managing emergencies; and

(k) Site closure planning and rehabilitation.

On 17 October 2012, PT WWI and PT LTC were included in the 7th batch of companies awarded the "Clean and Clear" status published by the Directorate General of Mineral and Coal. The qualifying criteria to obtain such "Clean and Clear" status are stringent. Such criteria include evidence of full environmental documentation in accordance with the relevant Indonesian environmental laws, evidence of mining plan, reclamation plan and post-mining plan as well as payment evidence of mandatory guarantee to the Indonesian government according to the prevailing Indonesian regulations.

Community Development

As its mining operations will have an impact on the local communities in the Concession Blocks, the Group is mindful of its CSR. In this regard, the Group focuses its CSR efforts on improving the livelihood of these communities.

The Group has improved the infrastructure in the vicinity of the Concession Blocks and, as a result, the local residents now have better access to basic necessities such as electricity, water and paved roads for transportation. The Group has also contributed to the local community by constructing public recreational facilities such as a multi-purpose outdoor field.

The Group also intends to contribute to the improvement of other public facilities and institutions such as local schools and hospitals. The Group also actively organises and sponsors various recreational and festival events for the local community.

The exploration and mining works at the Deposits provides new employment opportunities for the local population. The Group actively engages, supports and provides employment for the local villages and regional communities located nearby.

The various measures to address community developments in the Concession Blocks include:

(a) Undertaking public consultations throughout all phases of the mining activities, including establishing a process to record and respond to public complaints;

(b) Setting local employment/recruitment targets and giving priority to employing local residents, utilising and/or supporting local businesses and undertaking technical skills training programs for local resident employees;

(c) Managing/minimising air and noise impacts, monitoring the quality of the local water supply and monitoring local public health conditions and providing health-related information to the local community; and

(d) Consulting with local residents on site reclamation planning, employing local residents on site closure works and providing training and redeployment support for local resident employees and businesses.

Good relationships with regulatory authorities and local communities

The Directors of Wilton have developed good working relationships with the regulatory authorities and the local community over the years. Since the commencement of its operations, the Group has been working closely with the regulatory authorities by providing regular reports to update them on the activities of its mining operations.

Besides actively engaging, supporting and providing employment for the local communities, the Group also holds regular meetings with representatives of the local communities to discuss the progress and implementation of its community assistance programmes as well as to address any issues, concerns or complaints that arise. The Group also supports various local businesses by, where suitable, engaging them as suppliers.

Wilton believes that such cordial working relationships with the regulatory authorities and the local communities are achieved by carrying out its mining activities in a responsible manner. In turn, this would minimise incidences of disruptions and optimise the efficiency of its mining operations.

Sustainability Report

As part of the Group's effort to be more transparent and to comply with SGX's sustainability reporting guidelines, the Group has engaged Ernst & Young LLP as its consultant and expects to publish its Sustainability Report by December 2018.

DIRECTORS' STATEMENT

The directors hereby present their statement to the members together with the audited consolidated financial statements of Wilton Resources Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 June 2018.

Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2018 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Wijaya Lawrence	(Executive Chairman and President)
Ngiam Mia Je Patrick	(Non-Executive Director)
Teo Kiang Kok	(Lead Independent Non-Executive Director)
Tan Cher Liang	(Independent Non-Executive Director)
Seah Seow Kang Steven	(Independent Non-Executive Director)

Arrangements to enable directors to acquire shares and debentures

Except as disclosed below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest	
Name of directors	**At the beginning of the financial year**	**At the end of the financial year**
Ordinary shares of the Company		
Wijaya Lawrence	582,640,000	582,640,000
Ngiam Mia Je Patrick	364,150,000	364,150,000
Ordinary shares of subsidiaries		
P.T. Wilton Investment		
Wijaya Lawrence	100	100
P.T. Wilton Wahana Indonesia		
Wijaya Lawrence	30	30
P.T. Liektucha Ciemas		
Wijaya Lawrence	3	3

There were no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 July 2018.

By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Wijaya Lawrence is deemed to have interests in shares held by the Company in all of its subsidiaries.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

Share options

No options were issued by the Company or its subsidiaries during the financial year.

As at 30 June 2018, there were no options on the unissued shares of the Company or its subsidiaries which were outstanding.

Audit Committee

The Audit Committee carried out its functions specified in the Singapore Companies Act, Chapter 50. The functions performed are detailed in the Corporate Governance Report as set out in the Annual Report of the Company.

DIRECTORS' STATEMENT (continued)

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors:

Wijaya Lawrence
Director

Ngiam Mia Je Patrick
Director

Singapore
8 October 2018

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2018

Independent auditor's report to the members of Wilton Resources Corporation Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Wilton Resources Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 30 June 2018, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Impairment assessment of the Group's non-financial assets pertaining to the mining operation and the Company's investment in the related subsidiaries

As at 30 June 2018, the Group's non-financial assets pertaining to the mining operation consists of exploration and evaluation assets, mine properties, property, plant and equipment, intangible assets, prepayments and prepaid leases (collectively, the "non-financial assets pertaining to the mining operation"), which is carried in the books at Rp 339 billion, representing 72% of the Group's total assets. The Company's investment in the related subsidiaries are carried in the books at Rp 585 billion, representing 49% of the Company's total assets as at 30 June 2018.

Impairment assessment of the Group's non-financial assets pertaining to the mining operation and the Company's investment in the related subsidiaries (cont'd)

During the current financial year, management has identified certain facts and circumstances that may indicate a potential impairment of the non-financial assets pertaining to the mining operation and investment in the related subsidiaries. Accordingly, management performed impairment testing on the non-financial assets pertaining to the mining operation as well as on the cost of investment in the related subsidiaries, whereby the recoverable amount of these assets are calculated based on their value-in-use calculations using the discounted cash flow forecast of the mining activities. Based on the outcome of the impairment tests, no impairment charge nor write-back of impairment was required on these assets. The impairment assessment was significant to our audit due to the magnitude of the carrying amounts of the assets and the significant management judgement involved in the impairment assessment. Accordingly, we have identified this as a key audit matter.

Our audit procedures included, amongst others:

- an evaluation of the Group's policies and procedures to identify events indicating potential impairment of assets;
- an assessment of the valuation methodology used by management;
- an evaluation of the key assumptions used in the impairment analysis, including:
  - testing the reasonableness of management's assumptions in relation to forecasted revenue and budgeted costs. This includes testing the inputs by comparing forecasted gold prices to currently available market data and agreeing the resource amount and gold grade to estimates prepared by an independent external expert engaged by management;
  - assessing the competence, objectivity, and capabilities of the external expert engaged by management to assist them in estimating the above inputs;
  - performing sensitivity analysis on the discount rate, operating costs, gold prices and gold grade;
- an assessment of the adequacy of the disclosures related to the non-financial assets pertaining to the mining operation and investment in the related subsidiaries in Note 10 and Note 14 to the financial statements respectively.

Accounting for the financing arrangement with Karl Hoffman Mineral Pte Ltd ("KHM")

During the year, the Group entered into a project financing arrangement with KHM as described in Note 24 to the financial statements. The repayment of the project financing over the tenure of the arrangement is variable as it is dependent on the future profitability of the Group's mining facility. In addition, the financing arrangement includes embedded derivatives such as an extension, termination and conversion option that the lender may exercise in the event of default.

Due to the complexity of the arrangement whereby management judgement was required to identify the nature of the various financial instrument components, and to determine the appropriate accounting treatment and measurement for the host loan liability and the embedded derivatives, we identified the accounting for the financing arrangement as a key audit matter.

As at 30 June 2018, the loan liability amounted to Rp 153 billion and is classified as a financial liability accounted for at amortised cost, and the fair value of the options had been assessed to be immaterial.

Our audit procedures included, amongst others:

- a review of the agreement to obtain an understanding of the key terms of the arrangement. We also sought clarification from management over the repayment requirements and the default events that could trigger the exercise of the options by the lender;
- an assessment of management's identification of the different financial instrument components, and their respective accounting treatments;
- an evaluation of the reasonableness of the key assumptions used by management in determining the forecasted future payments, including:
  - testing the inputs of the forecasted future profitability of the mining facility by comparing the forecasted gold prices to market available data and agreeing the resource amount and gold grade to estimates prepared by an independent external expert engaged by management;
  - assessing the competence, objectivity, and capabilities of the external expert engaged by management to assist them in estimating the above inputs;

Accounting for the financing arrangement with Karl Hoffman Mineral Pte Ltd ("KHM") (cont'd)

- a re-computation of the effective interest rate determined by management;
- a re-computation of the interest expense recognised during the year and the ending net present value of the loan based on amortised cost;
- an assessment of the reasonableness of management's assumptions and judgment applied in determining the fair value of the embedded derivatives by considering the current business outlook, progress of the construction of the mining facility, and its capacity;
- an assessment of the adequacy of the disclosures related to the financing arrangement in Note 24 to the financial statements.

Other information

Management is responsible for the other information. The other information comprises information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ng Boon Heng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
8 October 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2018

	Note	2018 Rp million	2017 Rp million
Revenue		4,326	–
Cost of sales		(2,915)	–
Gross profit		**1,411**	**–**
Other items of income			
Other income		53	31
Interest income from loans and receivables		1,001	65
Other items of expense			
Other expenses		(4,935)	(1,630)
Other operating expenses	4	(14,205)	(8,194)
Finance costs	5	(15,153)	–
General and administrative expenses		(46,998)	(36,233)
Loss before tax	6	**(78,826)**	**(45,961)**
Income tax expense	8	–	–
Loss net of tax for the year and attributable to owners of the Company		**(78,826)**	**(45,961)**
Other comprehensive income:			
Item that may not be reclassified subsequently to profit or loss			
Re-measurement (loss)/gain on defined benefit plan	7	(106)	51
Other comprehensive income for the year, net of tax		**(106)**	**51**
Total comprehensive income for the year and attributable to owners of the Company		**(78,932)**	**(45,910)**
Loss per share attributable to owners of the Company (Rp per share)			
Basic	9	(32.35)	(19.66)
Diluted	9	(32.35)	(19.66)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 30 June 2018

	Note	Group 2018 Rp million	Group 2017 Rp million	Company 2018 Rp million	Company 2017 Rp million
Non-current assets					
Exploration and evaluation assets	10	232,416	214,455	–	–
Mine properties	11	8,423	388	–	–
Property, plant and equipment	12	8,715	8,223	269	688
Intangible assets	13	838	1,011	–	–
Investment in subsidiaries	14	–	–	584,811	584,811
Inventories	20	–	30	–	–
Prepaid leases	15	39,826	43,386	–	–
Prepayments	18	28,724	–	–	–
Long term fixed deposits	16	420	250	–	–
		319,362	**267,743**	**585,080**	**585,499**
Current assets					
Other debtors and deposits	17	491	197	217	192
Prepaid leases	15	3,687	3,687	–	–
Prepayments	18	19,297	1,541	850	448
Amounts due from subsidiaries	19	–	–	574,784	374,535
Inventories	20	2,851	–	–	–
Investment securities		10	–	–	–
Cash and cash equivalents	21	127,583	96,691	40,180	85,055
		153,919	**102,116**	**616,031**	**460,230**
Total assets		**473,281**	**369,859**	**1,201,111**	**1,045,729**
Current liabilities					
Trade payables	22	5,430	2,084	–	–
Other payables and accruals	23	8,269	4,805	3,641	2,475
Amount due to a related party	19	485	1,937	–	–
Amounts due to subsidiaries	19	–	–	667	608
Loans and borrowings	24	23,214	–	–	–
		37,398	**8,826**	**4,308**	**3,083**
Net current assets		**116,521**	**93,290**	**611,723**	**457,147**
Non-current liabilities					
Loans and borrowings	24	153,009	–	153,009	–
Employee benefits liability	7	2,761	2,006	–	–
Provision for rehabilitation	10	88	70	–	–
		155,858	**2,076**	**153,009**	**–**
Total liabilities		**193,256**	**10,902**	**157,317**	**3,083**
Net assets		**280,025**	**358,957**	**1,043,794**	**1,042,646**
Equity					
Share capital	25	1,153,516	1,153,516	3,109,639	3,109,639
Accumulated losses		(885,069)	(806,137)	(2,065,845)	(2,066,993)
Merger reserve	26	13	13	–	–
Capital reserve	27	11,565	11,565	–	–
Total equity		**280,025**	**358,957**	**1,043,794**	**1,042,646**
Total equity and liabilities		**473,281**	**369,859**	**1,201,111**	**1,045,729**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2018

	Attributable to owners of the Company				
	Share capital (Note 25) Rp million	**Accumulated losses** Rp million	**Merger reserve (Note 26)** Rp million	**Capital reserve (Note 27)** Rp million	**Total equity** Rp million
Group					
At 1 July 2017	**1,153,516**	**(806,137)**	**13**	**11,565**	**358,957**
Loss for the year	–	(78,826)	–	–	(78,826)
Re-measurement loss on defined benefit plan, representing total other comprehensive income for the year, net of tax	–	(106)	–	–	(106)
Total comprehensive income for the year, net of tax	–	(78,932)	–	–	(78,932)
At 30 June 2018	**1,153,516**	**(885,069)**	**13**	**11,565**	**280,025**
At 1 July 2016	**1,044,920**	**(760,227)**	**13**	**11,565**	**296,271**
Loss for the year	–	(45,961)	–	–	(45,961)
Re-measurement gain on defined benefit plan, representing total other comprehensive income for the year, net of tax	–	51	–	–	51
Total comprehensive income for the year, net of tax	–	(45,910)	–	–	(45,910)
Issuance of ordinary shares, representing total transactions with owners in their capacity as owners	108,596	–	–	–	108,596
At 30 June 2017	**1,153,516**	**(806,137)**	**13**	**11,565**	**358,957**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY (continued)

For the financial year ended 30 June 2018

	Attributable to owners of the Company		
	Share capital (Note 25)	**Accumulated losses**	**Total equity**
	Rp million	Rp million	Rp million
Company			
At 1 July 2017	**3,109,639**	**(2,066,993)**	**1,042,646**
Profit for the year, representing total comprehensive income for the year, net of tax	–	1,148	1,148
At 30 June 2018	**3,109,639**	**(2,065,845)**	**1,043,794**
At 1 July 2016	**3,001,043**	**(390,993)**	**2,610,050**
Loss for the year, representing total comprehensive income for the year, net of tax	–	(1,676,000)	(1,676,000)
Issuance of ordinary shares, representing total transactions with owners in their capacity as owners	108,596	–	108,596
At 30 June 2017	**3,109,639**	**(2,066,993)**	**1,042,646**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 30 June 2018

	Note	2018	2017
		Rp million	Rp million
Cash flows from operating activities			
Loss before tax		(78,826)	(45,961)
Adjustments for:			
Loss on disposal of property, plant and equipment	6	–	1
Unrealised foreign exchange differences		5,363	(1,945)
Interest expense	24	15,153	–
Interest income		(1,001)	(65)
Depreciation of property, plant and equipment	12	2,066	1,614
Amortisation of intangible assets	13	180	179
Write off of inventories	20	30	–
Amortisation of prepaid leases	4	3,560	2,972
Increase in employee benefits liability	7	649	529
Operating cash flows before working capital changes		**(52,826)**	**(42,676)**
(Increase)/decrease in prepayments		(46,480)	6,919
(Increase)/decrease in other debtors and deposits		(283)	2,148
Increase in inventories		(2,851)	–
Increase/(decrease) in trade payables		3,346	(4,530)
(Decrease)/increase in amount due to a related party		(1,452)	1,365
Increase/(decrease) in other payables and accruals		3,367	(311)
Cash flows used in operations		**(97,179)**	**(37,085)**
Interest received		1,001	65
Net cash flows used in operating activities		**(96,178)**	**(37,020)**
Cash flows from investing activities			
Investment in exploration and evaluation assets (Note A)		(25,978)	(17,955)
Investment in intangible assets	13	(7)	–
Investment in investment securities		(10)	–
Prepayment of land lease	15	–	(17,033)
Purchase of property, plant and equipment	12	(2,558)	(3,476)
Investment in long term fixed deposits	16	(170)	(250)
Net cash flows used in investing activities		**(28,723)**	**(38,714)**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT (continued)

For the financial year ended 30 June 2018

	Note	2018 Rp million	2017 Rp million
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		–	108,596
Proceeds from project financing liability, net	24	130,073	–
Proceeds from short term bank loan	24	23,214	–
Net cash generated from financing activities		**153,287**	**108,596**
Net increase in cash and cash equivalents		**28,386**	**32,862**
Effect of exchange rate changes on cash and cash equivalents		2,506	1,998
Cash and cash equivalents at 1 July		96,691	61,831
Cash and cash equivalents at 30 June	21	**127,583**	**96,691**

Note A

Aggregate cost of exploration and evaluation assets acquired	10	(25,996)	(18,025)
Less: Rehabilitation costs capitalised	10	18	70
Cash payments to acquire exploration and evaluation assets		(25,978)	(17,955)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

1. Corporate information

Wilton Resources Corporation Limited (the “Company” or “WRC”) is a limited liability company incorporated and domiciled in Singapore. The Company is a sponsored company listed on Catalist Board (“Catalist”) of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The registered office and principal place of business of the Company is located at 62 Ubi Road 1, #03-10 Oxley Bizhub 2, Singapore 408734.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 14.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Indonesian Rupiah (“IDR” or “Rp”) and all values are rounded to the nearest million (“Rp Million”) unless otherwise indicated.

<u>Convergence with International Financial Reporting Standards</u>

On 29 December 2017, the Accounting Standards Council issued Singapore Financial Reporting Standards (International) (“SFRS(I)s”), Singapore’s equivalent of the International Financial Reporting Standards (“IFRSs”). The new financial reporting framework is available for application by Singapore-incorporated companies listed on the Singapore Exchange for annual periods beginning on or after 1 January 2018. The Group will adopt SFRS(I) on 1 July 2018.

The Group has performed an assessment of the impact of adopting SFRS(I). Other than the adoption of the new standards that are effective on 1 July 2018, the Group expects that the adoption of SFRS(I) will have no material impact on the financial statements in the year of initial application. The Group expects that the impact of adopting the new standards that are effective on 1 July 2018 will be similar to that as disclosed in Note 2.3.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 July 2017, including the Amendments to FRS 7 *Disclosure Initiatives*. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 109 *Financial Instruments*	1 January 2018
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
INT FRS 122 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
FRS 116 *Leases*	1 January 2019
INT FRS 123 *Uncertainty over Income Tax Treatments*	1 January 2019
Improvements to FRSs (March 2018)	
- Amendments to FRS 103 *Business Combinations*	1 January 2019
- Amendments to FRS 12 *Income Taxes*	1 January 2019
- Amendments to FRS 23 *Borrowing Costs*	1 January 2019

As disclosed in Note 2.1, the Group will adopt SFRS(I) on 1 July 2018. Upon adoption of SFRS(I) on 1 July 2018, the SFRS(I) equivalent of the above standards that are effective on 1 July 2018 will be adopted at the same time.

Except for FRS 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 are described below. The Group expects that the impact of adopting SFRS(I) 16 will be similar to the impact of adoption of FRS 116.

FRS 116 *Leases*

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemptions for lessees - leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Group expects the adoption of the new standard will result in increase in total assets and total liabilities.

The Group is currently in the process of analysing the transitional approaches and practical expedients to be elected on transition to FRS 116 and assessing the possible impact of adoption.

2.4 *Basis of consolidation and business combinations*

(a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation and business combinations (cont'd)*

(a) *Basis of consolidation (cont'd)*

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;

– de-recognises the carrying amount of any non-controlling interest;

– de-recognises the cumulative translation differences recorded in equity;

– recognises the fair value of the consideration received;

– recognises the fair value of any investment retained;

– recognises any surplus or deficit in profit or loss;

– re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) *Business combinations*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation and business combinations (cont'd)*

(b) *Business combinations (cont'd)*

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

(c) *Business combinations involving entities under common control*

Business combinations involving common control are accounted for by applying the pooling-of-interest method which involves the following:

– The assets and liabilities of the combining entities are reflected at the carrying amounts reported in the consolidated financial statements of the controlling holding company.

– No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.

– No additional goodwill is recognised as a result of the combination.

– Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.

– The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.

Comparatives are restated to reflect the combination as if it had occurred from the beginning of the earliest period presented in the financial statements or from the date the entities had come under common control, if later.

2.5 *Foreign currency*

The financial statements are presented in Indonesian Rupiah, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.6 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, all items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Motor vehicles	–	8 years
Electrical and office equipment	–	3 to 8 years
Furniture and fittings	–	3 to 8 years
Renovations	–	3 to 4 years
Electrical installations	–	4 to 8 years
Heavy equipment	–	16 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

2.7 *Mineral exploration, evaluation and development expenditures*

(a) *Pre-mining rights costs*

Pre-license costs relate to costs incurred before the Group has obtained legal rights to explore in a specific area. Such costs are expensed in the period in which they are incurred.

(b) *Exploration and evaluation costs*

Exploration and evaluation activities involve the search for mineral, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Such activities include:

(i) gathering exploration data through topographical, geochemical and geophysical studies;

(ii) exploratory drilling, trenching and sampling;

(iii) determining and examining the volume and grade of the resource; and

(iv) surveying transportation and infrastructure requirements.

Administration costs that are not directly attributable to a specific exploration area are charged to profit or loss.

License costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised from the commencement of commercial production.

2. Summary of significant accounting policies (cont'd)

2.7 *Mineral exploration, evaluation and development expenditures (cont'd)*

(b) *Exploration and evaluation costs (cont'd)*

Once the legal right to explore has been acquired, exploration and evaluation expenditures are charged to profit or loss as incurred, unless the director concludes that future economic benefits are more likely than not to be realised. These expenditures include acquisition and renewal of rights to explore; technical feasibility, processing and mining study; management and monitoring; drilling, explosives permitting and other exploration costs paid to contractors and consultants.

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:

  (i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

  (ii) exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Capitalised exploration and evaluation costs are recorded under "Exploration and evaluation assets" and are subsequently measured at cost less any allowance for impairment. Such assets are not depreciated as they are not available for use but monitored for indications of impairment. Where a potential impairment is indicated, an assessment is performed for each area of interest in conjunction with the group of operating assets (representing a cash generating unit) to which the exploration is attributed. To the extent that exploration and evaluation costs are not expected to be recovered, these are charged to profit or loss.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, all exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mine under construction, which is a subset of mine properties.

2.8 *Mine properties*

Mining properties include assets in production and in development, and assets transferred from exploration and evaluation assets. Mining properties in development are not amortised until production commences.

Upon transfer of "Exploration and evaluation assets" into "Mines under construction" in "Mine properties", all subsequent expenditures on the construction, installation or completion of infrastructure facilities are capitalised in "Mines under construction". Development expenditure is net of proceeds from the sale of ore extracted during the development phase. The "Mines under construction" is not amortised until it is completed and the production stage is commenced, and the assets are transferred into "Producing mines" in "Mine properties".

2. Summary of significant accounting policies (cont'd)

2.8 *Mine properties (cont'd)*

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development.

The accumulated costs of producing mines are amortised on the unit-of-production basis over the economically recoverable reserves of the mine concerned.

2.9 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Software

Software are amortised over the estimated useful life of 8 years and assessed for impairment whenever there is an indication that the software asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

De-recognition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

2.10 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.11 ***Subsidiaries***

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.12 ***Financial instruments***

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group. Derivatives, including separated embedded derivatives are also classified as held for trading.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

2. Summary of significant accounting policies (cont'd)

2.12 *Financial instruments (cont'd)*

(a) *Financial assets (cont'd)*

Subsequent measurement (cont'd)

(ii) Financial assets at fair value through profit or loss (cont'd)

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2. Summary of significant accounting policies (cont'd)

2.12 ***Financial instruments (cont'd)***

(b) *Financial liabilities (cont'd)*

Subsequent measurement (cont'd)

(ii) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.13 ***Impairment of financial assets***

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

2. Summary of significant accounting policies (cont'd)

2.13 *Impairment of financial assets (cont'd)*

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.14 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.15 *Inventories*

Inventories comprise of stockpiles of unprocessed ore and processed gold which are measured at the lower of cost and net realisable value. The cost comprises all actual costs incurred during pre-production stage to deliver ore to stockpiles and subsequently to process them to gold. Stockpiles are classified as a non-current asset where the stockpile is expected to be processed more than 12 months after the end of the reporting period.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.16 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 *Employee benefits*

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme.

2. Summary of significant accounting policies (cont'd)

2.17 *Employee benefits (cont'd)*

(b) *Defined benefit plans*

The Group also provides additional provisions for employee service entitlements in order to meet the minimum benefits required to be paid to qualified employees, as required under the Indonesian Labour Law No.13/2003 (the "Labour Law"). The said additional provisions, which are unfunded, are estimated by actuarial calculations using the projected unit credit method.

The estimated liability for employee benefits is the aggregate of the present value of the defined benefit obligations at the end of the reporting period.

Defined benefit obligation comprises of the following:

- Service costs
- Net interest on the net defined benefit liability; and
- Re-measurements of the net defined benefit liability

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability is the change during the period in the net defined benefit liability that arises from the passage of time which is determined by applying the discount rate to the net defined benefit liability. Net interest on the net defined benefit liability is recognised as expense or income in profit or loss.

Re-measurements comprising actuarial gains and losses are recognised immediately in other comprehensive income in the consolidated statement of comprehensive income in the period in which they arise. Re-measurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

(c) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2.18 *Leases*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2. Summary of significant accounting policies (cont'd)

2.19 ***Revenue***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

The Group's revenue pertains to the sale of gold dore.

(b) *Interest income*

Interest income is recognised using the effective interest method.

2.20 ***Taxes***

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Summary of significant accounting policies (cont'd)

2.20 *Taxes (cont'd)*

(b) *Deferred tax (cont'd)*

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

2. Summary of significant accounting policies (cont'd)

2.21 *Segment reporting*

The Group operates as a gold mining group in Indonesia, which management considers as a single reportable segment. Accordingly, separate information on other operating segments have not been presented. As the Group has recently commenced trading activity, the Group does not have any reliance on any major customer.

2.22 *Share capital and share issue expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.23 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3. Significant accounting judgments and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 *Judgments made in applying accounting policies*

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Impairment of non-financial assets pertaining to mining operation

The Group's non-financial assets pertaining to mining operation include exploration and evaluation assets, mine properties, property, plant and equipment, intangible assets, prepaid leases and prepayments. The carrying amount of these assets is dependent on the successful development and commercial exploitation of the Group's mines. These assets are assessed for impairment if sufficient data exists to determine the technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

The Group's non-financial assets pertaining to mining operation are tested for impairment when any of the following facts and circumstances exists:

- The term of exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;

- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;

3. Significant accounting judgments and estimates (cont'd)

3.1 ***Judgments made in applying accounting policies (cont'd)***

Impairment of non-financial assets pertaining to mining operation (cont'd)

- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified area; or

- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale as supported by ore reserve and mineral estimates (Note 3.2(a)).

Management has assessed that certain facts and circumstances above exist and accordingly, have assessed the exploration and evaluation assets for impairment.

3.2 ***Key sources of estimation uncertainty***

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets pertaining to mining operation

In determining whether the Group's non-financial assets pertaining to mining operation is impaired requires an estimation of value in use. The value in use calculation requires the management to estimate future cash flows and a suitable discount rate in order to calculate the present value of cash flows.

The key assumptions used in value in use calculation are as follows:

(a) Gold prices of USD 1,220/oz – USD 1,300/oz (2017: USD 1,250/oz)

(b) Gold grade of 3.00 - 7.71 g/t (2017: 3.00 - 8.00 g/t)

(c) Average operating expenses of USD 305 - 569/oz (2017: USD 500 – 736/oz)

(d) Capital expenditure of USD 84 million (2017: USD 93 million)

(e) Discount rate of 18% (2017: 18%)

(f) Maintenance capital expenditure of 2% of revenue (2017: 5% of revenue)

The value in use calculation is most sensitive to discount rate and operating expenses. If discount rate were to increase by 4% and operating expenses increased by 35% with all other factors remaining constant, an impairment loss of Rp 88 billion would have been recognised.

3. Significant accounting judgments and estimates (cont'd)

3.2 ***Key sources of estimation uncertainty (cont'd)***

(b) Impairment of investment in subsidiaries

The Company's subsidiary, WRH, is the penultimate holding company of PT WWI and PT LTC which hold the mining licences. The carrying amount of the investment in subsidiary as at 30 June 2018 is Rp 584,811 million (2017: Rp 584,811 million). Investment in subsidiary is tested for impairment whenever there is objective evidence or indication that these assets may be impaired. Judgment is required to determine if any such indication exists, based on the evaluation of both internal and external sources of information. If any such indication exists, management assesses the recoverable amount of the investment in subsidiary based on the value in use of the mining operations at the end of the reporting period.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared for the Group's mining operations. These budgets and forecast calculations cover the life of the mine, i.e. for a period of 15 years.

If the value in use of the subsidiary is less than its carrying amount, an impairment loss is recognised in profit or loss to reduce the carrying amount of the investment in subsidiary to its recoverable amount.

Management has assessed that the carrying amount of the investment falls within the range of their value in use calculation and accordingly no impairment loss is recognised. In the previous financial year, management has written down the investment in WRH to its recoverable amount based on its value in use at the end of the reporting period. An impairment loss of Rp 1,648 billion was recognised in the previous financial year.

The key assumptions are consistent with the disclosure in Note 3.2(a).

The value in use calculation is most sensitive to discount rate and operating expenses. If discount rate were to increase by 2% with all other factors remaining constant, an impairment loss of Rp 94 billion would have been recognised. If operating expenses increased by 10% with all other factors remaining constant, an impairment loss of Rp 77 billion would have been recognised.

(c) Accounting for the financing arrangement with Karl Hoffman Mineral Pte Ltd ("KHM")

The carrying amount of the Group's loans and borrowings with KHM as at 30 June 2018 is Rp 153,009 million (2017: Nil).

At initial recognition, management estimated the effective interest rate of the loan based on the forecasted future payments over the loan tenure. Management assesses the carrying amount of the loan based on the forecasted repayment amounts which is a function of the profitability of the Group's mining facility. Changes in estimate of the Group's mining facility profitability will impact the forecasted repayment owing to KHM and thus will have an effect on the carrying amount of the loan.

The Group bases its forecasted repayment on the detailed cash flow forecast prepared for the Group's mining facility. The key assumptions are consistent with the disclosure in Note 3.2(a) and the loan terms and is applied over the loan tenure of 10 years.

Management has also applied judgement in assessing the value of the embedded derivatives by considering the probability that an event of default will occur based on the Group's current business outlook and progress of the construction of the mining facility. Based on that, they have assessed that the fair value of the derivatives as at 30 June 2018 was immaterial.

4. Other operating expenses

	Group	
	2018	2017
	Rp million	Rp million
Amortisation of prepaid leases	3,560	2,972
Site expenses	10,645	5,222
	14,205	8,194

5. Finance costs

	Group	
	2018	2017
	Rp million	Rp million
Interest expense on:		
- Project financing liability	15,153	–
	15,153	–

6. Loss before tax

The following items have been included in arriving at loss before tax:

	Group	
	2018	2017
	Rp million	Rp million
Audit fees:		
- Auditor of the Company	1,229	1,055
- Other auditor	1,534	1,081
Non-audit fees:		
- Auditor of the Company	224	93
Depreciation of property, plant and equipment (Note 12)	2,066	1,614
Loss on disposal of property, plant and equipment	–	1
Amortisation of intangible assets (Note 13)	180	179
Employee benefits expense (Note 7)	21,877	17,305
Write off of inventory	30	–
Foreign exchange loss	4,484	1,601
Operating lease expense (Note 29)	652	629

7. Employee benefits

	Group 2018 Rp million	Group 2017 Rp million
Employee benefits expense (including directors):		
- Salaries and bonuses	18,249	14,388
- Short term employee benefits	2,007	1,676
- Post employment benefits	649	528
- Contributions to defined contribution plans	972	713
	21,877	17,305

Employee defined benefit plan

The Group has recorded provisions for employee service entitlements to meet the minimum benefits required to be paid to the qualified employees, under the Indonesian Labour Law. The amounts of such additional provisions were determined based on actuarial computations prepared by an independent actuary using the "Projected Unit Credit" method. As at 30 June 2018 and 2017, the balance of the related actuarial liability for employee benefits is presented as "Employee benefits liability" in the consolidated balance sheets.

The following tables summarises the components of net benefit expense recognised in profit or loss and other comprehensive income and balance sheet:

	Group 2018 Rp million	Group 2017 Rp million
At 1 July	2,006	1,528
Recognised in profit of loss		
Current service costs	532	440
Interest cost	117	89
	649	529
Recognised in other comprehensive income		
Actuarial loss/(gains) recognised during the year	106	(51)
At 30 June	2,761	2,006

The key assumptions used in the actuarial calculations in 30 June 2018 and 2017 are as follows:

(a) Annual discount rate: 8.36% (2017: 7.44%)

(b) Annual salary increase: 7% (2017: 7%)

(c) Retirement age: 55 years old (2017: 55 years old)

(d) Mortality rate reference: Indonesian Mortality Table TMI 3 (2011) (2017: Indonesian Mortality Table TMI 3 (2011))

7. Employee benefits (cont'd)

Employee defined benefit plan (cont'd)

Sensitivity analysis to the principal assumptions used in determining employee benefits liability is as follows:

	Quantitative sensitivity analysis		
		2018	**2017**
	Increase/ (decrease)	**(Decrease)/increase in employee benefit liability**	
		Rp million	Rp million
Annual discount rate	1%/(1%)	(90)/107	(68)/81
Future annual salary increase	1%/(1%)	107/(91)	81/(69)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit liability as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The Group is not expected to contribute (2017: Nil) to the defined benefit plan in the financial year ended 30 June 2018.

The average duration of the defined benefit plan at the end of the reporting period is 12.32 years (2017: 12.23).

8. Income tax expense

(a) Relationship between tax expense and accounting loss

The reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 30 June 2018 and 2017 is as follows:

	Group	
	2018	**2017**
	Rp million	Rp million
Loss before tax	(78,826)	(45,961)
Tax at the domestic rates applicable to profits in the countries where the Group operates	(17,454)	(9,105)
Adjustments:		
Non-deductible expenses	9,357	2,806
Income not subject to taxation	(7,590)	(600)
Deferred tax assets not recognised	15,687	6,899
Income tax expense recognised in profit or loss	–	–

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction. The domestic tax rate in Singapore and Indonesia is 17% and 25% respectively.

8. Income tax expense (cont'd)

(b) Unrecognised tax losses

At the end of the financial year, the Group has temporary differences amounting to Rp 2,421 million (2017: Rp 1,772 million) and unused tax losses that are available for offset against future taxable profits of the companies in which the unused tax losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The amounts of unutilised tax losses and the expiry dates are set out below:

	Group			
	2018		2017	
	Amount	**Expiry Date**	**Amount**	**Expiry Date**
	Rp million		Rp million	
Unrecognised tax losses	11,590	30 June 2021	11,590	30 June 2021
	13,561	30 June 2022	13,561	30 June 2022
	45,747	30 June 2023	19,865	No expiry
	43,910	No expiry		

The use of these tax losses is subject to the agreement of the tax authorities of respective countries in which the companies operate. In the previous financial year, the Indonesian subsidiaries took part in the Tax Amnesty Program initiated by the Indonesian Government. As a result, the fiscal losses accumulated prior to FY2016 amounting to Rp 26,459 million were forfeited.

9. Loss per share

The basic and diluted loss per share are calculated by dividing the loss for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2018	**2017**
	Rp million	Rp million
Loss for the year attributable to owners of the Company	(78,826)	(45,961)

	Group	
	No. of Shares	**No. of shares**
	'000	'000
Weighted average number of ordinary shares for basic loss per share computation	2,436,700	2,337,248
Weighted average number of ordinary shares for diluted loss per share computation	2,436,700	2,337,248

On 28 November 2016, the Company issued 50,000,000 placement shares for S$ 3 million (Rp 28,414 million) at a placement price of S$ 0.06 per placement share (the "Placement"). On 9 January 2017, the Company issued 150,000,000 placement shares for S$ 8.63 million (Rp 80,182 million) at a placement price of S$ 0.05751 per placement share. After the Placement, the total number of ordinary shares is 2,436,700,286 shares.

9. Loss per share (cont'd)

For FY2017, the weighted average number of shares for the year is calculated based on actual number of ordinary shares of the Company outstanding during the financial year, being 2,236,700,286 shares from 1 July 2016 to 27 November 2016, 2,286,700,286 shares from 28 November 2016 to 8 January 2017 and 2,436,700,286 shares from 9 January 2017 to 30 June 2017.

For FY2018, the weighted average number of shares for the year is calculated based on actual number of ordinary shares of the Company outstanding during the financial year, being 2,436,700,286 shares from 1 July 2017 to 30 June 2018.

The diluted loss per share was the same as the basic loss per share as there were no outstanding convertible securities for the financial years ended 30 June 2018 and 2017.

10. Exploration and evaluation assets

	Group	
	2018	**2017**
	Rp million	Rp million
At 1 July	214,455	196,430
Additions	25,996	18,025
Transfer to mines under construction (Note 10)	(8,035)	–
At 30 June	232,416	214,455

Included in additions is an amount of Rp 18 million (2017: Rp 70 million) which relates to provision for rehabilitation costs.

Impairment of non-financial assets pertaining to mining operation

During the current financial year, the recoverable amount of the Group's non-financial assets pertaining to mining operation, comprising exploration and evaluation assets, mine properties, property, plant and equipment, intangible assets, prepaid leases and prepayments have been determined based on their value in use. The discount rate in measuring value in use was 18% (2017: 18%) per annum. Management has assessed that the recoverable amount exceeds the carrying amount and no impairment was recorded.

11. Mine properties

	Group	
	2018	**2017**
	Rp million	Rp million
Mines under construction		
At 1 July	388	388
Transferred from exploration and evaluation assets (Note 10)	8,035	–
At 30 June	8,423	388

During the current financial year, Rp 8,035 million of exploration and evaluation expenditures were transferred to mine properties (2017: Nil).

12. Property, plant and equipment

	Motor vehicles	Electrical and office equipment	Furniture and fittings	Reno-vations	Electrical installations	Heavy equipment	Total
	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million
Group							
Cost							
At 1 July 2016	5,274	1,487	1,502	694	57	–	9,014
Additions	660	216	–	235	–	2,365	3,476
Disposals	–	(7)	–	–	–	–	(7)
At 30 June 2017 and 1 July 2017	5,934	1,696	1,502	929	57	2,365	12,483
Additions	1,370	148	–	1,040	–	–	2,558
Disposals	–	(20)	–	–	–	–	(20)
At 30 June 2018	7,304	1,824	1,502	1,969	57	2,365	15,021
Accumulated depreciation							
At 1 July 2016	1,081	733	460	360	18	–	2,652
Charge for the year	731	270	395	178	13	27	1,614
Disposals	–	(6)	–	–	–	–	(6)
At 30 June 2017 and 1 July 2017	1,812	997	855	538	31	27	4,260
Charge for the year	857	285	395	368	13	148	2,066
Disposals	–	(20)	–	–	–	–	(20)
At 30 June 2018	2,669	1,262	1,250	906	44	175	6,306
Net carrying amount							
At 30 June 2017	4,122	699	647	391	26	2,338	8,223
At 30 June 2018	4,635	562	252	1,063	13	2,190	8,715

12. Property, plant and equipment (cont'd)

	Electrical and office equipment	Furniture and fittings	Total
	Rp million	Rp million	Rp million
Company			
Cost			
At 1 July 2016, 30 June 2017 and 1 July 2017	130	1,331	1,461
Disposals	(20)	–	(20)
At 30 June 2017, 1 July 2017 and 30 June 2018	110	1,331	1,441
Accumulated depreciation			
At 1 July 2016	59	290	349
Charge for the year	29	395	424
At 30 June 2017 and 1 July 2017	88	685	773
Charge for the year	24	395	419
Disposals	(20)	–	(20)
At 30 June 2018	92	1,080	1,172
Net carrying amount			
At 30 June 2017	42	646	688
At 30 June 2018	18	251	269

13. Intangible assets

	Software
	Rp million
Group	
Cost	
At 1 July 2016, 30 June 2017, 1 July 2017	1,436
Additions	7
At 30 June 2018	1,443
Accumulated amortisation	
At 1 July 2016	246
Charge for the year	179
At 30 June 2017 and 1 July 2017	425
Charge for the year	180
At 30 June 2018	605
Net carrying amount	
At 30 June 2017	1,011
At 30 June 2018	838

The intangible assets have an average remaining amortisation period of 5 years (2017: 6 years). The amortisation of software is included in the "General and administrative expenses" line item in profit or loss.

14. Investment in subsidiaries

	Company	
	2018	2017
	Rp million	Rp million
Shares, at cost	2,232,811	2,232,811
Impairment losses	(1,648,000)	(1,648,000)
	584,811	584,811

Movements in allowance for impairment are as follows:

	Company	
	2018	2017
	Rp million	Rp million
At 1 July	1,648,000	–
Charge for the year	–	1,648,000
At 30 June	1,648,000	1,648,000

14. Investment in subsidiaries (cont'd)

During the current financial year, management performed an impairment test for the investment in Wilton Resources Holdings Pte. Ltd. ("WRH"), a wholly-owned subsidiary of the Company. No impairment loss was recognised for the current financial year. In the previous financial year, the Company has written down the investment in WRH to its recoverable amount based on its value in use at the end of the reporting period. An impairment loss of Rp 1,648 billion was recognised for the previous financial year.

The Group has the following investment in subsidiaries:

Name (Country of incorporation and place of business)	Principal activities	Proportion (%) of ownership interest 2018 %	2017 %
Held by the Company			
Wilton Resources Holdings Pte. Ltd.[#] (Singapore)	Investment holding	100	100
Subsidiary held by Wilton Resources Holdings Pte. Ltd.			
P.T. Wilton Investment[##] (Indonesia)	Gold mining	100[(1)]	100[(1)]
Subsidiary held by P.T. Wilton Investment			
P.T. Wilton Wahana Indonesia[##] (Indonesia)	Mining, general trading, transportation, industry, construction, real estate, logging, farming, plantation, forestry, electrical, mechanical, computer, workshop, printing and services	100[(2)]	100[(2)]
Subsidiary held by P.T. Wilton Wahana Indonesia			
P.T. Liektucha Ciemas[##] (Indonesia)	Mining, general trading, transportation, industry, construction, real estate, logging, farming, plantation, forestry, electrical, mechanical, computer, workshop, printing and services	100[(3)]	100[(3)]

(1) 1% shareholding of PT WI is held by WL, in compliance with Indonesian law which requires a minimum of (2) shareholders in a limited liability company. WL has executed a power of attorney in favour of WRH for the assignment to WRH of dividends and voting rights in respect of his 1% shareholding interests in PT WI. Accordingly, the effective equity held by the WRH in PT WI is 100%.

(2) 1% shareholding of PT WWI is held by WL, in compliance with Indonesian law which requires a minimum of (2) shareholders in a limited liability company. WL has executed a power of attorney in favour of the PT WI for the assignment to PT WI of dividends and voting rights in respect of his 1% shareholding interests in PT WWI. Accordingly, the effective equity held by PT WI in PT WWI is 100%.

(3) 1% shareholding of PT LTC is held by WL, in compliance with Indonesian law which requires a minimum of (2) shareholders in a limited liability company. WL has executed a power of attorney in favour of the PT WWI for the assignment to PT WWI of dividends and voting rights in respect of his 1% shareholding interests in PT LTC. Accordingly, the effective equity held by PT WWI in PT LTC is 100%.

Audited by Ernst & Young LLP, Singapore

Audited by Purwantono, Sungkoro & Surja, member firm of Ernst & Young Global in Indonesia

15. Prepaid leases

	Group	
	2018	2017
	Rp million	Rp million
Current	3,687	3,687
Non-current	39,826	43,386
	43,513	47,073

In the current financial year, there are no additional plots of land. During the previous financial year, a subsidiary of the Company has prepaid for the lease of 2 additional plots of land for future mining activities in the Ciemas Sukabumi region, Republic of Indonesia, which amounted to Rp 17,033 million (Rp 6,564 million reclassified from "Prepayment").

	Group	
	2018	2017
	Rp million	Rp million
Amount to be amortised:		
Within one year	3,687	3,687
After one year but not more than five years	14,239	14,239
More than five years	25,587	29,147
	43,513	47,073

16. Long term fixed deposits

Long term fixed deposits pertain to rehabilitation guarantee. Long term fixed deposits bear interest of 4.75% (2017: 4.75%) per annum and are made for a period of 12 months (2017: 24 months).

17. Other debtors and deposits

	Group		Company	
	2018	2017	2018	2017
	Rp million	Rp million	Rp million	Rp million
Deposits	117	106	114	104
Other receivables	374	91	103	88
	491	197	217	192

18. Prepayments

	Group		Company	
	2018	**2017**	**2018**	**2017**
	Rp million	Rp million	Rp million	Rp million
Current	19,297	1,541	850	448
Non-current	28,724	–	–	–
	48,021	1,541	850	448

In the current financial year, management was in the process of negotiating an agreement to rent a parcel of land for future mining activities and the Group made a down-payment of Rp 15,893 million for the land to an agent, and the amount has been included in "Prepayments" in current assets as at 30 June 2018. The non-current prepayments pertain to a down-payment of Rp 28,724 million made to a vendor to purchase a processing machine.

19. Amounts due from/(to) subsidiaries and to a related party

Subsidiaries

Amounts due from/(to) subsidiaries are non-trade in nature, interest-free, repayable on demand, denominated in SGD and are expected to be settled in cash.

Related party

Amount due to a related party is due to the Executive Chairman of the Group. The amount is non-trade in nature, interest-free, repayable on demand, denominated in IDR and is expected to be settled in cash.

20. Inventories

	Group	
	2018	**2017**
	Rp million	Rp million
Balance sheet:		
Current asset		
Finished goods (at cost)	2,851	–
Non-current asset		
Raw materials (at cost)	–	30
	2,851	30
Income statement:		
Inventories recognised as an expense in cost of sales	2,915	–
Inclusive of the following charge:		
- Write off of inventories	30	–

21. Cash and cash equivalents

	Group		Company	
	2018	2017	2018	2017
	Rp million	Rp million	Rp million	Rp million
Fixed deposits	53,808	–	28,808	–
Cash at banks and on hand	73,775	96,691	11,372	85,055
	127,583	96,691	40,180	85,055

Cash and cash equivalents denominated in foreign currencies at 30 June are as follows:

	Group		Company	
	2018	2017	2018	2017
	Rp million	Rp million	Rp million	Rp million
Singapore Dollar	3,257	15,969	1,612	4,733
United States Dollar	98,368	80,356	38,568	80,322
Australian Dollar	80	78	–	–
Renminbi	21	20	–	–

In the current financial year, fixed deposits bear interest at 2.4% to 5.0% per annum (2017: 1.0% to 1.2% per annum) and are made for a period of 3 months (2017: 3 months).

22. Trade payables

	Group	
	2018	2017
	Rp million	Rp million
Third party payables	5,430	2,084

Trade payables are non-interest bearing, normally settled on 30 to 90 days' terms (2017: 30 to 90 days) and are denominated in IDR.

23. Other payables and accruals

	Group		Company	
	2018	2017	2018	2017
	Rp million	Rp million	Rp million	Rp million
Other payables				
- external party	842	627	729	110
Accruals	7,427	4,178	2,912	2,365
	8,269	4,805	3,641	2,475

23. Other payables and accruals (cont'd)

Other payables and accruals denominated in foreign currencies at 30 June are as follows:

	Group		Company	
	2018	2017	2018	2017
	Rp million	Rp million	Rp million	Rp million
Singapore Dollar	3,795	2,627	3,641	2,475
Australian Dollar	204	248	–	–

Other payables

These amounts are non-interest bearing and have a payment term of 3 months (2017: 3 months).

24. Loans and borrowings

		Group		Company	
		2018	2017	2018	2017
	Maturity	Rp million	Rp million	Rp million	Rp million
Current liabilities					
Bank overdrafts, secured	On demand	23,214	–	–	–
Non-current liabilities					
Project Financing Liability	10 years from the start of operations	153,009	–	153,009	–
		176,223	–	153,009	–

Bank overdrafts, secured

Bank overdrafts are denominated in IDR, bear interest at 1.0% above the fixed deposits used as collateral and are secured by fixed deposits of Rp 25,000 million (Note 21).

Project Financing Liability

On 26 October 2017, the Group secured a project financing arrangement of US$ 13.5 million with Karl Hoffmann Mineral Pte. Ltd. ("KHM") to build a 500 tonnes per day flotation and carbon-in-leach mineral processing facility ("the Facility") at the Group's Ciemas Gold Project located in West Java, Indonesia ("the Project Financing Liability"). In the current financial year, the Group has drawn down US$ 10 million. The Project Financing Liability is recorded at amortised cost.

24. Loans and borrowings (cont'd)

Repayment

The repayment amount for the project financing over the tenure of the arrangement is variable as it is dependent on the future profitability of the Group's mining facility. The repayments are repayable on a semi-annual basis until maturity and are denominated in USD. The repayment of the Project Financing Liability will commence, for a period of 10 years, once the Facility has operated at the designed capacity and processed no less than 500 tonnes per day of gold ore for a continuous period of no less than 7 days. The Facility is expected to commence operations in FY2019.

The fixed repayment of the project financing is US$1.6 million per annum. The variable repayment of the project financing is dependent on the profitability of the Facility. If there are subsequent changes to the forecasted future payments, the carrying amount of the Project Financing Liability will be adjusted to reflect the present value of the revised estimated future payments at the Project Financing Liability's original effective interest rate. Any consequent adjustment is recognised immediately in profit or loss as interest expense.

Embedded derivatives

The project financing arrangement carries an option for the holder to extend the tenure of the loan if the Facility delays commencement of operations or does not maintain the minimum production volume agreed upon. In an event of default, the project financing arrangement carries an option for the holder to terminate the arrangement and settle on an amount defined in the contract. If the Group is unable to settle in cash, the holder has the option to convert the outstanding loan into shares of the Company.

The Company identified that the options feature are derivatives that should be recognised separately and through profit or loss measured at fair value at each reporting date. As at 30 June 2018, the Company made an assessment of the fair value considering the probability of occurrence of the above trigger events and determined the fair value of the derivatives to be immaterial.

A reconciliation of liabilities arising from financing activities is as follows:

	2017	Cash flows		Non-cash changes		2018
		Proceeds	Commission fee	Accretion of interests	Foreign exchange movement	
	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million
Bank overdrafts, secured	–	23,214	–	–	–	23,214
Project financing liability	–	136,900	(6,827)	15,153	7,783	153,009
	–	160,114	(6,827)	15,153	7,783	176,223

25. Share capital

	Group		Company	
	No. of shares	Rp million	No. of shares	Rp million
Issued and fully paid				
At 1 July 2016	2,236,700,286	1,044,920	2,236,700,286	3,001,043
Share placement on 28 November 2016	50,000,000	28,414	50,000,000	28,414
Share placement on 9 January 2017	150,000,000	80,182	150,000,000	80,182
At 30 June 2017, 1 July 2017 and 30 June 2018	2,436,700,286	1,153,516	2,436,700,286	3,109,639

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value. The share capital of the Group and the Company differ due to the acquisition of Wilton Resources Holdings Pte Ltd and its subsidiaries by the Company which had been completed and accounted for as a reverse acquisition in the financial year ended 2013.

26. Merger reserve

Merger reserve represents the difference between the consideration paid and the equity acquired under common control.

27. Capital reserve

Capital reserve represents the additional capital injected by the Executive Chairman to indemnify the WRH Group against any liabilities, till such date the Reverse Acquisition by WRH Group has been completed. The reverse acquisition transaction was previously completed on 12 December 2013.

28. Significant related party transactions

(a) *Sale and purchase of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year.

	Group	
	2018	**2017**
	Rp million	Rp million
Rental expense paid to a director for the rental of office premises	236	236

28. Significant related party transactions (cont'd)

(b) *Compensation of key management personnel*

	Group	
	2018	**2017**
	Rp million	Rp million
Salaries and bonuses	12,752	10,612
Short term employee benefits	1,548	2,261
Central Provident Fund contributions	381	390
Directors' fees	2,138	1,905
	16,819	15,168
Comprise amounts paid to:		
Directors of the Company	9,525	9,600
Other key management personnel	7,294	5,568
	16,819	15,168

(c) *Transactions with key management personnel*

At the end of the financial year, a net amount of Rp 485 million (2017: Rp 1,937 million) was due to WL, classified as amount due to a related party on the consolidated balance sheet.

The Company's subsidiary, PT WWI entered into rental agreement with WL for the office building occupied by the PT WWI and its subsidiary which is valid for 1 year and can be extended upon agreement by both parties (Note 28(a)).

29. Commitments and contingencies

Operating lease commitments - as lessee

Group as lessee

The Group has entered into commercial property leases for the rental of the office premises. These non-cancellable leases have remaining lease terms of 6 months (2017: 18 months).

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 30 June 2018 amounted to Rp 652 million (2017: Rp 629 million).

Future minimum lease payments under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2018	**2017**
	Rp million	Rp million
Within one year	366	531
After one year but not more than five years	–	496
	366	1,027

30. Fair values of financial instruments

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Long term fixed deposits (Note 16), other debtors and deposits (Note 17), amount due to a related party (Note 19), amounts due from/(to) subsidiaries (Note 19), cash and cash equivalents (Note 21), trade payables (Note 22), other payables and accruals (Note 23) and loans and borrowings (Note 24).

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short term nature or because they are re-priced frequently.

Classification of financial instruments

	Group		Company	
	2018	**2017**	**2018**	**2017**
	Rp million	Rp million	Rp million	Rp million
Financial assets				
Long term fixed deposits	420	250	–	–
Other debtors and deposits	491	197	217	192
Amounts due from subsidiaries	–	–	574,784	374,535
Cash and cash equivalents	127,583	96,691	40,180	85,055
Total loans and receivables	128,494	97,138	615,181	459,782
Financial liabilities				
Trade payables	5,430	2,084	–	–
Other payables and accruals	8,269	4,805	3,641	2,475
Amount due to a related party	485	1,937	–	–
Amounts due to subsidiaries	–	–	667	608
Loans and borrowings	176,223	–	153,009	–
Total financial liabilities carried at amortised cost	190,407	8,826	157,317	3,083

31. Financial risk management objectives and policies

The Group and Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include liquidity risk and foreign currency risk. The board of directors reviews and agrees policies and procedures for the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process. The Group does not trade in derivative financial instruments.

31. Financial risk management objectives and policies (cont'd)

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) ***Liquidity risk***

Liquidity risk is the risk that the Group and/or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

In the management of liquidity risk, the Group and Company monitor and maintain a level of cash and cash equivalents, deemed adequate by management to finance the Group's and Company's operations and mitigate the effects of fluctuations in cash flows.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted payments.

	2018			
	1 year or less	**1 to 5 years**	**Over 5 years**	**Total**
	Rp million	Rp million	Rp million	Rp million
Group				
Financial assets				
Long term fixed deposits	–	–	420	420
Other debtors and deposits	491	–	–	491
Investment securities	10	–	–	10
Cash and cash equivalents	127,583	–	–	127,583
Total undiscounted financial assets	128,084	–	420	128,504
Financial liabilities				
Trade payables	5,430	–	–	5,430
Other payables and accruals	8,269	–	–	8,269
Amount due to a related party	485	–	–	485
Loans and borrowings	53,469	548,042	762,010	1,363,521
Total undiscounted financial liabilities	67,653	548,042	762,010	1,377,705
Total net undiscounted financial assets/(liabilities)	60,431	(548,042)	(761,590)	(1,249,201)

31. Financial risk management objectives and policies (cont'd)

(a) *Liquidity risk (cont'd)*

Analysis of financial instruments by remaining contractual maturities (cont'd)

	2017		
	1 year or less	**More than 1 year**	**Total**
	Rp million	Rp million	Rp million
Group			
Financial assets			
Long term fixed deposits	–	250	250
Other debtors and deposits	197	–	197
Cash and cash equivalents	96,691	–	96,691
Total undiscounted financial assets	96,888	250	97,138
Financial liabilities			
Trade payables	2,084	–	2,084
Other payables and accruals	4,805	–	4,805
Amount due to a related party	1,937	–	1,937
Total undiscounted financial liabilities	8,826	–	8,826
Total net undiscounted financial assets	88,062	250	88,312

	2018			
	1 year or less	**1 to 5 years**	**Over 5 years**	**Total**
	Rp million	Rp million	Rp million	Rp million
Company				
Financial assets				
Other debtors and deposits	217	–	–	217
Amounts due from subsidiaries	574,784	–	–	574,784
Cash and cash equivalents	40,180	–	–	40,180
Total undiscounted financial assets	615,181	–	–	615,181
Financial liabilities				
Other payables and accruals	3,641	–	–	3,641
Amount due to subsidiaries	667	–	–	667
Loans and borrowings	30,255	548,042	762,010	1,340,307
Total undiscounted financial liabilities	34,563	548,042	762,010	1,344,615
Total net undiscounted financial assets/(liabilities)	580,618	(548,042)	(762,010)	(729,434)

31. Financial risk management objectives and policies (cont'd)

(a) ***Liquidity risk (cont'd)***

Analysis of financial instruments by remaining contractual maturities (cont'd)

	2017	
	1 year or less	**Total**
	Rp million	Rp million
Company		
Financial assets		
Other debtors and deposits	192	192
Amounts due from subsidiaries	374,535	374,535
Cash and cash equivalents	85,055	85,055
Total undiscounted financial assets	459,782	459,782
Financial liabilities		
Other payables and accruals	2,475	2,475
Amounts due to subsidiaries	608	608
Total undiscounted financial liabilities	3,083	3,083
Total net undiscounted financial assets	456,699	456,699

(b) ***Foreign currency risk***

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's cash and short-term deposits, other payables and accruals and loans and borrowings are denominated in foreign currencies. As at the end of the reporting period, such foreign currency balances are mainly in SGD and United States Dollars ("USD").

Sensitivity analysis for foreign currency risk

As at 30 June 2018, if SGD and USD had strengthened/weakened against IDR with all other variables held constant, the effects arising from the net financial position on the Group's loss before tax will be as follows:

		Group Loss before tax Increase/(decrease)	
		2018	**2017**
		Rp million	Rp million
SGD	- strengthened 3% (2017: 2%)	16	(267)
	- weakened 3% (2017: 2%)	(16)	267
USD	- strengthened 4% (2017: 2%)	3,935	1,607
	- weakened 4% (2017: 2%)	(3,935)	(1,607)

32. Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and stage of development of the Group's mining activities. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2018 and 30 June 2017.

As at the end of the financial year, the Group's capital is the equity of the Group.

33. Segment information

The Group principally operates a gold mining business which management considers a single operating segment.

The breakdown of non-current assets by geographical information is as follows:

Geographical information

Non-current assets

	Group	
	2018	**2017**
	Rp million	Rp million
Singapore	269	688
Indonesia	319,093	267,055
	319,362	267,743

Non-current assets information provided above consists of exploration and evaluation assets, mine properties, property, plant and equipment, intangible assets, inventories, prepaid leases, prepayments and long term fixed deposits as presented in the consolidated balances sheets.

Revenue

	Group	
	2018	**2017**
	Rp million	Rp million
Singapore	–	–
Indonesia	4,326	–
	4,326	–

34. Authorisation of financial statements for issue

The financial statements for the financial year ended 30 June 2018 were authorised for issue in accordance with a resolution of the directors on 8 October 2018.

STATISTICS OF SHAREHOLDINGS

As at 20 September 2018

Number of issued shares	**:**	**2,436,700,286**
Class of shares	**:**	**Ordinary share**
Voting rights	**:**	**One vote per ordinary share**
Number of treasury shares and percentage	**:**	**Nil**
Number of subsidiary holdings and percentage	**:**	**Nil**

SUBSTANTIAL SHAREHOLDERS

	DIRECT INTERESTS		DEEMED INTERESTS	
	NO. OF SHARES	%	NO. OF SHARES	%
Wijaya Lawrence[1]	582,640,000	23.91	–	0.00
Ngiam Mia Je Patrick[2]	364,150,000	14.94	–	0.00
Seah Cheong Leng & Ng Suk Sian[3]	205,395,600	8.43	–	0.00
Winstedt Chong Thim Pheng	196,306,005	8.06	–	0.00
Lauw Hui Kun	189,358,000	7.77	–	0.00

Notes:

(1) Mr. Wijaya Lawrence has a direct interest in the 582,640,000 shares held under Raffles Nominees (Pte.) Limited.

(2) Mr. Ngiam Mia Je Patrick has a direct interest in the 182,075,000 shares held under DBS Nominees (Private) Limited.

(3) Mr. Seah Cheong Leng & Ms. Ng Suk Sian have a direct interest in the 71,741,300 shares held under Bank Julius Baer & Co. Ltd., 68,654,300 shares held under BNP Paribas Singapore (Wealth Management) and 65,000,000 shares held under UBS AG (Singapore).

DISTRIBUTION OF SHAREHOLDINGS

RANGE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	97	8.52	2,052	0.00
100 - 1,000	64	5.62	44,432	0.00
1,001 - 10,000	155	13.61	972,787	0.04
10,001 - 1,000,000	766	67.25	103,728,545	4.26
1,000,001 AND ABOVE	57	5.00	2,331,952,470	95.70
TOTAL	**1,139**	**100.00**	**2,436,700,286**	**100.00**

STATISTICS OF SHAREHOLDINGS (continued)

As at 20 September 2018

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	RAFFLES NOMINEES (PTE.) LIMITED	685,391,498	28.13
2	DBS NOMINEES (PRIVATE) LIMITED	335,549,433	13.77
3	CHONG THIM PHENG	196,306,005	8.06
4	LAUW HUI KUN	189,358,000	7.77
5	NGIAM MIA JE PATRICK	182,075,000	7.47
6	CITIBANK NOMINEES SINGAPORE PTE LTD	160,339,832	6.58
7	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	68,654,300	2.82
8	LIAN SENG INVESTMENT PTE LTD	68,449,012	2.81
9	CHOW BON TONG	52,047,336	2.14
10	NICCO INVESTMENT PTE. LTD.	37,000,000	1.52
11	NGIAM MIA HAI BERNARD	34,622,500	1.42
12	NGIAM MIA HONG ALFRED	34,622,500	1.42
13	CHUA LEONG HAI @CHUA LEANG HAI	25,080,667	1.03
14	LI JICHENG	24,266,666	1.00
15	CHEONG CHOONG KONG	23,437,500	0.96
16	MAYBANK KIM ENG SECURITIES PTE LTD	20,472,397	0.84
17	TAN LIM HUI	17,654,447	0.72
18	TAY SHU CHIN (ZHENG SHUQIN)	14,796,956	0.61
19	OCBC SECURITIES PRIVATE LIMITED	12,014,500	0.49
20	LUM TUCK SENG	9,870,000	0.41
	TOTAL	**2,192,008,549**	**89.97**

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information available to the Company as at 20 September 2018, approximately 36.89% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) is held by the public and therefore Rule 723 of the SGX-ST Listing Manual - Section B: Rules of Catalist is complied with.

WILTON RESOURCES CORPORATION LIMITED
(Company Registration No. 200300950D)
(Incorporated in the Republic of Singapore)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2018 Annual General Meeting ("**AGM**") of Wilton Resources Corporation Limited (the "**Company**", and together with its subsidiaries, the "**Group**") will be held at Kensington Ballroom II, Serangoon Gardens Country Club, 22 Kensington Park Road, Singapore 557271 on Tuesday, 30 October 2018 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 30 June 2018 together with the Auditors' Report thereon. **Resolution 1**

2. To approve the payment of Directors' fees of S$210,000 for the financial year ending 30 June 2019, to be payable quarterly in arrears. (2018: S$210,000) **Resolution 2**

3. To re-elect each of the following Directors of the Company retiring pursuant to Regulation 91 of the Constitution of the Company, and who, being eligible, offer himself for re-election, as a Director of the Company:

   Mr. Wijaya Lawrence **Resolution 3**
   Mr. Tan Cher Liang **Resolution 4**

   [See Explanatory Note (i)]

4. To re-appoint Messrs Ernst & Young LLP, Certified Public Accountants, as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **Resolution 5**

5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as ordinary resolutions, with or without any modifications:

6. **Authority to allot and issue shares**

   That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore ("**Companies Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company ("**Directors**") be and are hereby authorised and empowered to:

   (a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares pursuant to any Instrument made or granted by the Directors while this Resolution is in force, provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares and Instruments to be issued other than on a *pro rata* basis to existing shareholders of the Company (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments) that may be issued under sub-paragraph (1) above, the percentage of issued Shares and Instruments shall be based on the number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:

  (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities outstanding at the time this Resolution is passed;

  (b) (where applicable) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided that such share options or awards (as the case may be) were granted in compliance with the Catalist Rules; and

  (c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Company's Constitution for the time being in force; and

(4) unless revoked or varied by the Company in a general meeting, the authority conferred by this Resolution shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Shares in accordance with the terms of the Instruments. **Resolution 6**

[See Explanatory Note (ii)]

By Order of the Board

Chew Kok Liang
Shirley Tan Sey Liy
Company Secretaries
Singapore, 12 October 2018

Explanatory Notes:

(i) Mr. Wijaya Lawrence will, upon re-election as a Director, remain as the Executive Chairman and President of the Company, and a member of the Remuneration Committee.

Mr. Tan Cher Liang will, upon re-election as a Director, remain as an Independent Non-Executive Director, Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee. Mr. Tan Cher Liang has no relationship (including immediate family relationships) with the rest of the Directors, the Company, its related corporation, its 10% shareholders or its officers. The Board considers Mr. Tan Cher Liang to be independent for the purposes of Rule 704(7) of the Catalist Rules.

Further detailed information on the abovementioned Directors can be found under the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Company's 2018 Annual Report.

(ii) Ordinary Resolution 6 proposed in item 6 above, if passed, will empower the Directors from the date of the AGM until the date of the next AGM, or the date by which the next AGM is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares, and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any), of which up to fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) may be issued other than on a *pro rata* basis to shareholders of the Company.

For the purpose of determining the aggregate number of Shares and Instruments that may be issued, the percentage of the aggregate number of Shares and Instruments will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time this Resolution is passed, after adjusting for new Shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards which are outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

Notes:

1. A member of the Company (other than a Relevant Intermediary*) is entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

2. A Relevant Intermediary may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her (which number and class of shares shall be specified).

3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 62 Ubi Road 1, Oxley Bizhub 2, #03-10, Singapore 408734 not less than forty-eight (48) hours before the time appointed for holding the AGM.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy

By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and/or representatives appointed for the AGM and/or any adjournment thereof and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM and/or any adjournment thereof, and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

*This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. ("**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this notice.*

This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.

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

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WILTON RESOURCES CORPORATION LIMITED
(Company Registration No. 200300950D)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING
PROXY FORM
(Please see notes overleaf before completing this form)

IMPORTANT:

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF Investors and/or SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF Investor and/or SRS Investor shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF Investors and/or SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ______________________________ (Name) ____________________ (NRIC / Passport No.)

of ____ (Address)

being *a member/members of **WILTON RESOURCES CORPORATION LIMITED** (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of shareholdings	
		No. of Shares	**(%)**
Address			

*and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of shareholdings	
		No. of Shares	**(%)**
Address			

or failing either or both of the persons referred to above, the Chairman of the Annual General Meeting of the Company (the "**Meeting**"), as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Meeting to be held at Kensington Ballroom II, Serangoon Gardens Country Club, 22 Kensington Park Road, Singapore 557271 on Tuesday, 30 October 2018 at 10.00 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

No.	Resolutions relating to:	No. of Votes 'For'**	No. of votes 'Against'**
Ordinary Business			
1	The Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 30 June 2018, together with the Auditors' Report thereon		
2	Directors' fees of S$210,000 for the financial year ending 30 June 2019, to be payable quarterly in arrears		
3	Re-election of Mr. Wijaya Lawrence as a Director of the Company		
4	Re-election of Mr. Tan Cher Liang as a Director of the Company		
5	Re-appointment of Messrs Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration		
Special Business			
6	Authority to allot and issue shares		

*** Voting will be conducted by poll. If you wish to exercise all your votes 'For' or 'Against', please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this __________ day of ______________ 2018

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s)
and/or, Common Seal of Corporate Shareholder

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company (other than a Relevant Intermediary*), entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member (other than a Relevant Intermediary*) appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).

5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 62 Ubi Road 1, Oxley Bizhub 2, #03-10, Singapore 408734 not less than 48 hours before the time appointed for the Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

9. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF Investors and/or SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF Investor and/or SRS Investor shall be precluded from attending the Meeting.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms as set out in the Notice of Annual General Meeting dated 12 October 2018.

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