



Resources Prima Group Limited
(Company Registration No: 198602949M)

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Unaudited First Quarter Financial Statements for the Financial Period Ended 31 March 2018

INTRODUCTION

Resources Prima Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") makes reference to its announcement dated 13 July 2018, Update Pursuant to Catalist Rule 704(22), and provides the following update.

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

No further update

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

No further update

(C) Litigation

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

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

Following a decision of the West Jakarta District Court to exclude Rinjani from the mediation process due to its bankruptcy and unwillingness to participate, the mediation process recommenced with the first mediation hearing scheduled on 3 July 2018. The mediation hearing was before a panel of 3 judges and included Ruznie, Pilar Mas, and Defendants II and IV amongst others. At the 3 July 2018 mediation hearing, no agreement was reached between the parties and as such a further hearing was set for 10 July 2018. At the 10 July 2018 hearing, Pilar Mas and Defendants II and IV submitted their response to the statement of claim of Ruznie. A further hearing was set for 17 July 2018 during which Ruznie provided his rejoinder to the response of Pilar Mas and Defendants II and IV. As a follow up to the 17 July 2018 hearing, another hearing was set for 1 August 2018 to allow Pilar Mas and Defendants II and IV to provide a response to Ruznie's rejoinder. Following completion of the mediation and hearing process the panel of judges shall then decide either in favour of Ruznie or Pilar Mas and Defendants II and IV.

The Company will make further announcements on the matter as necessary.

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

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

Ongoing Operations:

As previously announced, PT Energy Indonesia Resources ("EIR") recommenced coal hauling operations in October 2017, prior to the contracted start date of 1 November 2017, under a coal hauling service agreement with PT Coalindo Adhi Nusantara ("CAN"). Commencement of coal hauling operations prior to the contracted start date was at the request of CAN.

Although EIR's operations in June 2018 continued to be affected by rainfall even with the onset of the dry season, the amount of coal hauled for June 2018 increased to 46,688 tonnes, a 13% increase from the amount of coal hauled in May of 41,316 tonnes. The average quantity of coal hauled of 35,531 tonnes for the 8-months November 2017 through June 2018 continues to be lesser than the 100,000 tonnes per month as set out in the Company's announcement dated 6 October 2017. The financial performance and cashflows of EIR for June 2018 are expected to show an improvement from those for May 2018.

Management worked and continues to work with CAN to improve the efficiency of the operations as well as commercial viability of the contract in view of the continued lower quantities hauled and address the teething problems of the new operations. In this regard, management met with the executive management of CAN in July 2018 to further assess production targets of CAN for the following months. The Company's management is cautiously optimistic that sufficient quantities of coal will be available from CAN in the near term to achieve higher coal hauling quantities than those achieved during the past months subject to, *inter alia*, external factors such as the rainfall and wet and slippery conditions in the area. The management continues to monitor closely the performance of EIR.

Cashflow analysis:

As a result of the Rinjani situation (including without limitation the loss of control of Rinjani), the Group has been operating under severe cashflow constraints as there was no operating cashflows for the period from July to October 2017. The severe underperformance of the coal hauling agreement with CAN as set out above added more uncertainty to the cash flows that can be generated by the Group. The Board also announced on 28 June 2017 that the Board is of the view that the Company is currently unable to demonstrate its ability to continue as a going concern or reasonably assess its financial position.

Having regard to the above, the Company refers to its announcement on 7 June 2018 in respect of the execution of a non-binding investment term sheet (the "Investment Term Sheet") with Mr Ang Liang Kim ("Investor"), a substantial shareholder of the Company. The Company is negotiating the definitive documentation with the Investor for the provision of financing. Upon execution of the definitive documentation with the Investor, there will be more certainty on the cashflows of the Company and the Company can then be expected to continue as a going concern.

As announced on 6 April 2018, as an interim measure the Directors and Management of the Company will continue not to take any fees/remuneration or to take only nominal salaries until there is more clarity on the Group's cashflow situation.

On 5 July 2018, the Company announced that it was informed by the Singapore Exchange Securities Trading Limited (the "SGX-ST") that, having considered the financial position of the Company, SGX-ST, is of the view that a time extension will be in the interest of shareholders and in this regard SGX-ST has agreed to grant the Company a 3-month extension till 28 September 2018 for the Company to submit its resumption proposal.

Please refer to the Company's announcements dated 7 June 2018, 22 June 2018 and 5 July 2018 for more details.

(E) Board and board committee changes

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

Although the Company has endeavoured to fill the vacant position within the 3 months from 13 February 2018 the Company makes reference to the announcement dated 6 April 2018, wherein it advised that due to the Group's financial position, the independent directors, the executive chairman cum chief executive officer, the executive director, the chief operating officer and the chief financial officer have all agreed not to take any fees or remuneration or to take only

nominal salaries until there is more clarity on the Group's cashflow situation. Hence, it would be challenging for the Group to attract suitable candidates and an appointment of an additional independent director could potentially stretch the Group's financial resources.

Having regard to the above the Company submitted an application to SGX-ST on 11 May 2018, for a 6 month extension to 13 November 2018 to fill the vacancy in its ARMC. On 1 June 2018, the Company announced that SGX-ST had informed the Company that it had no objection to granting a 3-month extension till 10 August 2018 to appoint the additional (third) committee member.

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

(F) Application for extension of time to announce the Group's unaudited financial statements for the full year ended 31 December 2017, hold the Company's annual general meeting in respect of the financial year ended 31 December 2017 and announce the Group's unaudited financial statements for the first quarter ended 31 March 2018.

On 23 February 2018 the Company announced, that the Company has, through its sponsor, made an application to the SGX-ST for a 6-month extension to 31 August 2018 to announce its unaudited financial statements for the full year ended 31 December 2017 ("FY2017 Results Announcement"), an extension of 8 months to 31 December 2018 to hold the Company's annual general meeting ("AGM") and an extension of 5 months to 15 October 2018 to announce the Group's unaudited financial statements for the first quarter ended 31 March 2018 ("1QFY2018 Results Announcement") (the "Extension Application").

On 29 March 2018, the Company announced that it was informed by the SGX-ST that the SGX-ST has no objection to granting, subject to the fulfilment of certain conditions (as disclosed in the announcement made on 29 March 2018), a shorter extension period than as stated in the Extension Application being:

- a. a 3-month extension, till 31 May 2018, to announce its FY2017 Results Announcement (Following approval of a further 1-week extension till 7 June 2018, the results announcement was released on 6 June 2018);
- b. a 4-month extension, till 31 August 2018, to hold its AGM for FY2017; and
- c. a 2.5-month extension, till 31 July 2018 to announce its 1QFY2018 Results Announcement (Announced on 31 July 2018).

(G) Trading resumption

Please refer to Note (D) above for details.

GOING CONCERN

As set out in (D) above, the Company is currently in advanced discussions with the Investor to provide financing to the Company. The Company is confident that the negotiation of the definitive documentation with the Investor for the provision of financing will be completed in the near term. Upon execution of the definitive documentation with the Investor, there will be more certainty on the cashflows of the Company and will secure the Company's and Group's financial position and ensure it can meet its debts and obligations as they fall due for the 12-month period from 31 December 2017 (the reporting date).

In view of the above, the Company has updated its profitability and cashflow analysis for the 12-month period from the reporting date up to 31 December 2018 and the analysis confirms that the Company is able to meet all of its debts and obligations during the forecast period.

The Board is therefore of the view that the Company is currently able to demonstrate that it can continue as a going concern and as such the first quarter financial statements of the Company and Group for the financial period ended 31 March 2018 have been prepared on a going concern basis.

CONSOLIDATED FINANCIAL STATEMENTS – PRESENTATION AND PREPARATION

Financial Reporting Standard 110 – Consolidated financial statements ("FRS 110") establishes the principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. Based on FRS 110 and the Indonesian bankruptcy law, the Company has concluded that it lost its control over PT Rinjani Kartanegara ("Rinjani"), a subsidiary of the Company held through PT Pilar Mas Utama Perkasa ("Pilar Mas"), on 24 August 2017, which was the date:

- the application for suspension of payment was approved by the Commercial Court in Jakarta, and
- two administrators were appointed by the Commercial Court in Jakarta to administer the affairs of Rinjani to protect

the interest of Rinjani's creditors.

Since the approval of the suspension of payment on 24 August 2017, the Management and Board of Directors of Rinjani no longer had sole authority to administer or represent Rinjani or exercise any management or ownership decisions over the assets and operations of Rinjani. As such, the Company no longer had control over Rinjani, was no longer entitled to any returns from its investment in Rinjani, and was unable to affect the amount of returns from its investment in Rinjani.

Due to the Company's loss of control over Rinjani and the suspension of operations of RPG Trading Pte. Ltd. ("**RPG Trading**") and EIR during the financial year ended 31 December 2017 due to the cessation of coal production from Rinjani, the Company's first quarter income statement for the financial period ended 31 March 2017 presents the results of Rinjani, RPG Trading and EIR as discontinued operations ("**Discontinued Operations**") in accordance with 'FRS 105 – Non Current Assets Held for Sale and Discontinued Operations'. However, following the recommencement of EIR's operations in October 2017, after entering into a coal hauling service agreement with CAN, EIR's results together with those of the Company, RPG Trading, Energy Prima Pte Ltd ("**Energy Prima**") and Pilar Mas, for the first quarter ended 31 March 2018 are presented under continuing operations ("**Continuing Operations**").

The results of the Company, Energy Prima and Pilar Mas are presented for the first quarter ended 31 March 2018 as Continuing Operations.

RESULTS ANNOUNCEMENT – ABBREVIATIONS

For ease of reference, the following abbreviations are used in this announcement:

- "**1QFY2017**": The 3-months (first quarter) of the financial year ended 31 December 2017,
- "**1QFY2018**": The 3-months (first quarter) of the financial year ended 31 December 2018,
- "**4QFY2017**": The 3-months (fourth quarter) of the financial year ended 31 December 2017, and
- "**12MFY2017**": The 12-months financial year ended 31 December 2017

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) Income statement and statement of comprehensive income, or a statement of comprehensive income for the group together with a comparative statement for the – corresponding period of immediately preceding year

INCOME STATEMENT

	Group			Ref
	3 months Ended 31.03.18 US\$'000	3 months ended 31.03.17 US\$'000 (Re-presented)	Inc/ (Dec) %	
Continuing Operations				
Revenue	313	-	N.M.	8.1.1
Cost of goods sold	(320)	-	N.M.	8.1.2
Gross loss	(7)	-	N.M.	8.1.3
Other gains/(losses), net	4	(8)	N.M.	8.1.4
Administrative expenses	(305)	(282)	8.2	8.1.5
Finance costs	-	(12)	N.M.	8.1.6
Loss before tax	(308)	(302)	2.0	
Tax expense	(2)	-	N.M.	8.1.7
Loss from continuing operations, net of tax	(310)	(302)	2.6	
Net profit from discontinued operations	-	1,636	N.M.	8.1.8
(Loss)/Profit for the financial period	(310)	1,334	N.M.	
Other comprehensive income				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Currency translation differences arising on consolidation	(12)	378	N.M.	8.1.9
Total comprehensive (loss)/income for the financial period	(322)	1,712	N.M.	
(Loss)/Profit attributable to:				
- Equity holders of the Company	(310)	1,113	N.M.	
- Non-controlling interests	-*	221	N.M.	
	(310)	1,334	N.M.	
Total comprehensive (loss)/income attributable to:				
- Equity holders of the Company	(322)	1,491	N.M.	
- Non-controlling interests	-*	221	N.M.	
	(322)	1,712	N.M.	

N.M. – Not Meaningful

* - Amount is below US\$1,000

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1(a)(ii) Income before tax is stated after charging/(crediting) the following:-

	Group		
	3 months	3 months	Inc/
	31.03.18	31.03.17	(Dec)
	US\$'000	US\$'000	%
Unrealised foreign currency exchange gain	(10)	(13)	(23.1)
Depreciation of property, plant and equipment	65	739 ¹	(91.2)
Amortisation of mining properties	-	788 ²	N.M.
Amortisation of intangible assets	-	10 ²	N.M.
Post-employment benefits	-	107 ²	N.M.
Provision for mine reclamation and rehabilitation	-	50 ²	N.M.
Operating lease expenses	-	244 ²	N.M.
Interest income	-	(10) ²	N.M.
Interest expense	-	296 ²	N.M.

¹: From continued and discontinued operations

²: From discontinued operations

N.M. – Not Meaningful

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1(b)(i) Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Ref	Company	
	As at 31.03.18 US\$'000 (Unaudited)	As at 31.12.17 US\$'000 (Unaudited)		As at 31.03.18 US\$'000 (Unaudited)	As at 31.12.17 US\$'000 (Unaudited)
Non-current assets					
Property, plant and equipment	640	705	8.2.1	-	-
	640	705		-	-
Current assets					
Available-for-sale investment	-*	-*		-*	-*
Inventories	55	51	8.2.3	-	-
Trade and other receivables	127	130	8.2.2	37	50
Cash and cash equivalents	272	322	8.2.4	80	105
	454	503		117	155
Total assets	1,094	1,208		117	155
Equity					
Share capital	100,480	100,480		236,508	236,508
Currency translation reserve	(838)	(826)	8.2.5	(15,847)	(15,835)
Accumulated losses	(100,032)	(99,724)		(221,550)	(221,248)
Equity attributable to equity holders of the Company	(390)	(70)		(889)	(575)
Non-controlling interests	(175)	(174)		-	-
Total equity	(565)	(244)		(889)	(575)
Current liabilities					
Trade and other payables	1,072	840	8.2.6	1,006	730
Finance lease liabilities	99	99	8.2.7	-	-
Tax payable	488	513	8.2.8	-	-
	1,659	1,452		1,006	730
Total liabilities	1,659	1,452		1,006	730
Net assets	(565)	(244)		(889)	(575)
Total equity and liabilities	1,094	1,208		117	155

* - Amount is below US\$1,000

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1(b)(ii) Aggregate amount of group's borrowings and debt securities.

(a) Amount repayable in one year or less, or on demand

31.03.18		31.12.17	
US\$'000	US\$'000	US\$'000	US\$'000
Secured	Unsecured	Secured	Unsecured
99	158	99	155

(b) Amount repayable after one year

31.03.18		31.12.17	
US\$'000	US\$'000	US\$'000	US\$'000
Secured	Unsecured	Secured	Unsecured
-	-	-	-

(c) Details of any collateral

Certain vehicles (such as coal hauling trucks) with an aggregate carrying amount of US\$0.4 million as at 31 March 2018 (31 December 2017: US\$0.5 million) are pledged under existing finance lease arrangements.

A corporate guarantee by Pilar Mas was provided as security for the debt owed by Rinjani to a main supplier amounting to approximately US\$15 million.

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1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	3 months	3 months
	31.03.18	31.03.17
	US\$'000	US\$'000
Cash flows from operating activities		
(Loss)/profit before tax	(308)	2,045
<u>Adjustments for:-</u>		
Depreciation of property, plant and equipment	65	739
Amortisation of mining properties	-	788
Amortisation of intangible assets	-	10
Post-employment benefits	-	107
Provision for mine reclamation and rehabilitation	-	50
Finance costs	-	296
Interest income	-	(10)
Unrealised foreign currency exchange gain	(10)	(13)
Operating (loss)/profit before working capital changes	(253)	4,012
Inventories	(4)	(340)
Trade and other receivables	(6)	2,065
Trade and other payables	232	(5,128)
Currency translation adjustments	(13)	378
Cash (used in)/generated from operations	(44)	987
Interest received		10
Taxes paid	(8)	-
Net cash (used in)/generated from operating activities	(52)	997
Cash flows from investing activities		
Additions to mining properties	-	(148)
Purchases of property, plant and equipment	-	(33)
Net cash used in investing activities	-	(181)
Cash flows from financing activities		
Interest paid	-	(29)
Repayment of finance leases	-	(133)
Net cash used in financing activities	-	(162)
Net (decrease)/ increase in cash and cash equivalents	(52)	654
Cash and cash equivalents at beginning of the financial period	322	2,299
Effects of currency translation on cash and cash equivalents	2	-
Cash and cash equivalents at end of the financial period	272	2,953

1(d)(i) A statement (for the issuer and group) showing either (I) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity

Group	<u>Share capital</u> US\$'000	<u>Currency translation reserve</u> US\$'000	<u>Accumulated losses</u> US\$'000	<u>Equity attributable to equity holders of the Company</u> US\$'000	<u>Non-controlling interests</u> US\$'000	<u>Total equity</u> US\$'000
At 1 January 2017	100,480	(821)	(99,709)	(50)	(195)	(245)
Loss for the 3 months ended 31 March 2017	-	-	(293)	(293)	(1)	(294)
<i>Other comprehensive income:</i>						
- Currency translation differences	-	2	-	2	-	2
Profit and total comprehensive income for the 3 months ended 31 March 2017	-	2	(293)	(291)	(1)	(292)
At 31 March 2017	100,480	(819)	(100,002)	(341)	(196)	(537)
At 1 January 2018	100,480	(826)	(99,724)	(70)	(174)	(244)
Loss for the 3 months ended 31 March 2018	-	-	(310)	(310)	-*	(310)
<i>Other comprehensive income:</i>						
- Currency translation differences	-	(12)	-	(12)	-	(12)
Loss and total comprehensive income for the 3 months ended 31 March 2018	-	(12)	(310)	(322)	-*	(322)
Adjustments	-	-	2	2	(1)	1
At 31 March 2018	100,480	(838)	(100,032)	(390)	(175)	(565)

* - Amount is below US\$1,000

Statement of Changes in Equity (continued)

Company	<u>Share capital</u> US\$'000	<u>Currency translation reserve</u> US\$'000	<u>Accumulated losses</u> US\$'000	<u>Total equity</u> US\$'000
At 1 January 2017	236,508	(18,075)	(175,139)	43,294
Loss for the 3 months ended 31 March 2017	-	-	(264)	(264)
<i><u>Other comprehensive income:</u></i>				
- Currency translation differences	-	1,498	-	1,498
Profit /(loss) and total comprehensive income/(loss) for the 3 months ended 31 March 2017	-	1,498	(264)	1,234
At 31 March 2017	236,508	(16,577)	(175,403)	44,528
At 1 January 2018	236,508	(15,835)	(221,248)	(575)
Loss for the 3 months ended 31 March 2018	-	-	(302)	(302)
<i><u>Other comprehensive income:</u></i>				
- Currency translation differences	-	(12)	-	(12)
Loss and total comprehensive loss for the 3 months ended 31 March 2018	-	(12)	(302)	(314)
At 31 March 2018	236,508	(15,847)	(221,550)	(889)

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	No. of Ordinary Shares	Issued Share Capital (S\$)
At 31 March 2018 and 31 December 2017	1,832,999,998	307,306,455

There were no changes in the Company's share capital since 31 December 2017 and up till 31 March 2018. As at 31 March 2018 and 31 March 2017, the Company had no outstanding share options, other convertibles, treasury shares and subsidiary holdings.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31.03.18	31.12.17
Total number of issued shares (excluding treasury shares)	1,832,999,998	1,832,999,998

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

Not applicable. The Company had no treasury shares at the beginning of the financial period and does not have any at the end of the financial period.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company had no subsidiary holdings at the beginning of the financial period and does not have any at the end of the financial period.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard or practice.

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

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in the Introduction (Consolidated financial statements – Presentation and Preparation) and item 5 below, the Group and the Company have applied the same accounting policies and methods of

computation for the current reporting period as compared with the audited financial statements of the Group and the Company for the preceding financial year.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Except as noted in the Introduction (Consolidated financial statements – Presentation and Preparation), there have been no changes in the accounting policies and methods of computation. The Group and the Company have adopted all the new and revised standards and interpretations of the Singapore Financial Reporting Standards that are effective for annual periods beginning on or after 1 January 2018. The adoption of these standards and interpretations had no significant effect on the financial performance or position of the Group and the Company for the 1QFY2018 and 1QFY2017.

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

	Group	
	3 months ended 31.03.18	3 months ² ended 31.03.17
Continuing Operations¹		
Loss per ordinary share:-		
Basic (US\$ cents)	(0.02)	(0.02)
Diluted (US\$ cents)	(0.02)	(0.02)
Discontinued Operations		
(Loss)/earnings per ordinary share:-		
Basic (US\$ cents)	-	0.08
Diluted (US\$ cents)	-	0.08
Weighted average number of ordinary shares for basic earnings per share	1,832,999,998	1,832,999,998

Diluted earnings per share is the same as basic earnings per share for all reported financial periods ended 31 March 2018 and 2017 as there were no outstanding convertible instruments.

¹Loss/Earnings per share for Continuing Operations excludes non-controlling interest.

²Not previously presented

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.**

	Group	
	As at 31.03.18	As at 31.12.17
Net asset value per ordinary share (US\$ cents)	(0.021)	(0.004)
Number of ordinary shares issued (excluding treasury shares)	1,832,999,998	1,832,999,998

	Company	
	As at 31.03.18	As at 31.12.17
Net asset value per ordinary share (US\$ cents)	(0.048)	(0.031)
Number of ordinary shares issued (excluding treasury shares)	1,832,999,998	1,832,999,998

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8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

INTRODUCTION

The main factors affecting the Group's financial performance are:

(a) Re-presentation of the Group's Income Statement

Due to the Company's loss of control over Rinjani and the resultant suspension of operations of RPG Trading and EIR (see Introduction), the Company's first quarter income statement for the financial period ended 31 March 2017 has been re-presented in accordance with FRS. The re-presentation and previously announced presentation are noted below for information purposes only.

	Group	
	3 months¹ ended 31.03.17 Re-presented	3 months² ended 31.03.17
Revenue	-	14,313
Cost of goods sold	-	(9,648)
Gross profit	-	4,665
Other gains/(losses), net	(8)	(420)
Selling and distribution expenses	-	(918)
Administrative expenses	(282)	(986)
Finance costs	(12)	(296)
Loss before tax	(302)	2,045
Tax expense	-	(711)
Loss from continuing operations, net of tax	(302)	1,334
Discontinued Operations		
Gain from discontinued operations	1,636	-
Profit for the financial period	1,334	1,334
Other comprehensive income		
<u>Items that may be reclassified subsequently to profit or loss</u>		
Currency translation differences arising on consolidation	378	378
Total comprehensive income for the period	1,712	1,712
Profit attributable to:		
- Equity holders of the Company	1,113	1,113
- Non-controlling interests	221	221
	1,334	1,334
Total comprehensive income attributable to:		
- Equity holders of the Company	1,491	1,491
- Non-controlling interests	221	221
	1,712	1,712

¹Not previously presented

²Announced via SGXNet on 12 May 2017

(b) Loss of control - Deconsolidation

As a result of the Company's loss of control of Rinjani on 24 August 2017, the entire assets and liabilities related to Rinjani are deconsolidated and as Rinjani was in a net liabilities position as set out below, the resultant gain on deconsolidation was presented in the statement of comprehensive income under loss from discontinued operations for 12MFY2017. The indicative assets and liabilities of Rinjani were as follows:

	<u>Rinjani</u>
	31.08.17*
	US\$'000
Assets associated with Rinjani are:	
Property, plant and equipment	18,699
Mining properties	5,790
Trade and other receivables	10,825
Deferred tax assets	1,638
Inventory	845
Cash and cash equivalents	1,139
Total	<u>38,936</u>
Liabilities associated with Rinjani are:	
Trade and other payable	51,769
Finance lease liabilities	235
Provisions	1,625
Tax payable	152
Total	<u>53,781</u>

**Deemed to be as at 24 August 2017*

(c) Loss of control – Discontinued Operations

Further to the Company's loss of control of Rinjani and the suspension of operations of RPG Trading and EIR (see Introduction), the entire results from Rinjani as well as RPG Trading and EIR (for the period up to 31 March 2017) are presented separately in the statement of comprehensive income under loss from discontinued operations for 1QFY2017.

The results of the Discontinued Operations are as follows:

	<u>3 months</u>
	<u>ended</u>
	<u>31.03.17</u>
	<u>US\$'000</u>
Revenue	14,313
Cost of goods sold	<u>(9,648)</u>
Gross profit	4,665
Expenses	<u>(2,318)</u>
Profit before tax	2,347
Tax expense	<u>(711)</u>
Net profit after tax	<u><u>1,636</u></u>

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8.1 INCOME STATEMENT

8.1.1 Revenue

Following the deconsolidation of Rinjani and discontinued operations of RPG Trading and EIR and the re-representation of the comparative figures, there is no revenue from continuing operations other than for EIR for 1QFY2018.

	Group		
	3 months	3 months	Inc/
	31.03.18	31.03.17	(Dec)
	US\$'000	US\$'000	%
Revenue by division			
Coal hauling	313	-	NM

EIR recommenced coal hauling operations in October 2017, prior to the contracted start date of 1 November 2017, under a coal hauling service agreement with CAN. Its revenue is derived based on a contracted coal hauling rate per tonne of coal per kilometre hauled. During 1QFY2018, EIR hauled a total of 101,463 tonnes of coal.

8.1.2 Cost of Goods Sold

Following the deconsolidation of Rinjani and discontinued operations of RPG Trading and EIR and the re-representation of the comparative figures, there is no cost of goods sold ("**COGS**") from continuing operations other than for EIR for 1QFY2018.

	Group		
	3 months	3 months	Inc/
	ended	ended	(Dec)
	31.03.18	31.03.17	%
	US\$'000	US\$'000	
Cost of goods sold by division			
Coal hauling	320	-	NM

EIR's COGS for 1QFY2018 includes primarily the costs of manpower, fuel, spare parts and depreciation of its coal hauling trucks.

8.1.3 Gross Loss

Following the deconsolidation of Rinjani and discontinued operations of RPG Trading and EIR and the re-representation of the comparative figures, there is no gross profit from continuing operations other than for EIR for 1QFY2018.

EIR incurred a gross loss of US\$7,000 for 1QFY2018. This gross loss arose due to the reasons noted in the Introduction-point D. Despite the gross loss, EIR has, in fact, generated positive cash flows from operations as non-cash expenses, primarily depreciation, amounted to US\$65,000. The existing cash and cash equivalents of the Group together with the cashflows from operations of EIR were used for operational activities.

8.1.4 Other gains/(losses), net

Other gains/(losses), net comprises primarily foreign exchange gains and losses. During 1QFY2018 foreign exchange gains amounted approximately to US\$4,000 whereas for 1QFY2017, foreign exchange losses of US\$8,000 were incurred.

8.1.5 Administrative expenses

Administrative expenses comprise mainly management remuneration and director's fees of approximately US\$260,200, with the remainder being professional fees (audit and legal), investor relations expenses and listing and sponsorship fees.

The increase in administrative expenses in 1QFY2018 is due to the accrual of certain Management

remuneration of approximately US\$191,000 in the Company's books. This Management remuneration was previously accrued in Rinjani's books. The increase in administrative expenses is partially offset by a decrease in other costs in respect of other service providers.

As set out in the Point D of the Introduction, as an interim measure the Directors and Management of the Company will continue not to take any fees/remuneration or to take only nominal salaries until there is more clarity on the Group's cashflow situation.

8.1.6 Finance costs

Finance costs for 1QFY2018 and 1QFY2017 amounted to Nil and US\$12,000 respectively for interest costs of a subsidiary. The finance costs for 1QFY2018 was Nil as EIR's lease agreements were under renegotiation with the lessor with all lease finance costs deferred until the execution of the new lease agreements in April 2018.

8.1.7 Tax expense

The tax expense is calculated based on the current statutory income tax rates in Singapore and Indonesia. The tax expense of US\$2,000 represents the tax expense of a subsidiary following receipt of a notice of assessment in relation to the Year of Assessment 2017 from the Inland Revenue Authority of Singapore.

8.1.8 Net profit from discontinued operations

	Group		
	3 months ended 31.03.18 US\$'000	3 months ended 31.03.17 US\$'000	Inc/ (Dec) %
Net profit from discontinued operations	-	1,636	NM

The profit from discontinued operations represents the profit from operations of Rinjani, RPG Trading and EIR for 1QFY2017 (see item 8(c) above). There were no discontinued operations in 1QFY2018.

8.1.9 Currency translation difference

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

8.2 ASSETS, LIABILITES AND EQUITY

8.2.1 Property, plant and equipment

Property, plant and equipment ("PP&E") decreased by US\$0.1 million to US\$0.6 million as at 31 March 2018 from US\$0.7 million as at 31 December 2017. The decrease was due to current period depreciation of EIR's coal hauling trucks.

8.2.2 Trade and other receivables

Trade and other receivables comprise primarily of receivables due from CAN for the coal hauling services, deposits and prepayments and the movement in the opening and closing balances results from normal operational activities. Trade and other receivables remained relatively constant between 1QFY2018 and 1QFY2017.

8.2.3 Inventories

Inventories include fuel and spare parts and are stated at the lower of cost and net realisable value. The movement in the opening and closing balances results from normal operational activities.

[This section is intentionally left blank]

8.2.4 Cash and cash equivalents

	Group	
	3 months ended	3 months ended
	31.03.18	31.03.17
	US\$'000	US\$'000
Cash and cash equivalents at beginning of period	322	2,299
Cash flows (used in)/generated from Operating Activities	(52)	997
Cash flows used in Investing Activities	-	(181)
Cash flows used in Financing Activities	-	(162)
Effects of currency translation on cash and cash equivalents	2	-
Net (decrease)/increase in cash and cash equivalents	(50)	654
Cash and cash equivalents at end of period	272	2,953

Cash flows (used in)/generated from operating activities

Cash flows used for operating activities before working capital changes amounted to US\$0.25 million for 1QFY2018. After working capital changes, cash flows used reduced to approximately US\$44,000 for 1QFY2018 due to the non-payment of certain other payables.

Cash flows used in investing activities

There were no investing activities in 1QFY2018 and therefore no cash movement from investing activities.

Cash flows used in financing activities

There were no financing activities in 1QFY2018 and therefore no cash movement from financing activities.

8.2.5 Currency translation reserve

The currency translation reserve represents the balance of translation from the Company's functional currency (in SG\$) to the Group's presentation currency (in US\$) as at 31 March 2018.

8.2.6 Trade and other payables

Trade and other payables comprise amounts due to vendors, service providers, related parties, directors and executive management, shareholder as well as normal accruals.

Trade and other payables increased by US\$0.2 million to US\$1.1 million as at 31 March 2018 from US\$0.8 million as at 31 December 2017 mainly due to the deferral and accrual of management remuneration and director fees as set out above. The accrual of management remuneration and director fees amounts to approximately US\$428,800 as at 31 March 2018 (31 December 2017: approximately US\$168,600).

8.2.7 Finance lease liabilities

Finance lease liabilities represent the outstanding obligation for the hire purchase of coal hauling trucks by EIR. There is no movement in the finance lease liabilities as EIR's lease agreements were under renegotiation with the lessor with all lease payments deferred until the execution of the new lease agreements in April 2018.

8.2.8 Tax payable

Tax payable decreased by approximately US\$25,000 due to payments of approximately US\$8,000, an unrealized foreign exchange gain of approximately US\$9,000 and the utilization of approximately US\$8,000 of prepaid taxes.

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

No forecast or prospect statement has been previously disclosed to shareholders.

10. **A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Factors and events that are relevant to the Group in the next 12 months are highlighted in the Introduction

under items A to G, Going Concern and Consolidated Financial Statements – Presentation and Preparation.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period/year reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for 1QFY2018.

13. Interested Person Transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the “**Catalist Rules**”).

There were no interested person transactions of S\$100,000 or more entered into by the Group during 1QFY2018.

14. Use of Funds

Not applicable

Additional Information Required for Mineral, Oil and Gas Companies

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

1) Use of funds/cash for the quarter ended 31 March 2018:

Nil

2) Projection on the use of funds/cash for the next immediate quarter, including principal assumptions:

Nil

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

Refer to Item 20.

17. Rule 705(7)(a) of the Catalist Rules

Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the issuer and a summary of the expenditure incurred on those activities, including explanations for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated.

Not applicable due to the loss of control of Rinjani with effect from 24 August 2017 and deconsolidation of Rinjani, which holds all mining rights of the Group.

18. Rule 705(7)(b) of the Catalist Rules

An update on its reserves and resources, where applicable, in accordance with the requirements as set out in Practice Note 4C including a summary of reserves and resources as set out in Appendix 7D.

Not applicable due to the loss of control of Rinjani with effect from 24 August 2017 and deconsolidation of Rinjani, which holds all mining rights of the Group.

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

The Company confirms that it has procured all the required undertakings (in the format set out in Appendix 7H of the Catalist Rules) from all its Directors and Executive Officers pursuant to Rule 720(1) of the Catalist Rules.

20. Confirmation by the Board of Directors pursuant to Rule 705(5) and Rule 705(6)(b) of the Catalist Rules

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

On behalf of the Board

Agus Sugiono
Executive Chairman and Chief Executive Officer

31 July 2018