

**UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 MARCH 2021**

In view of the disclaimer of opinion issued by the Company's independent auditor, PKF-CAP LLP, on the audited financial statements of the Group for the financial ended 31 December 2020, the Company is required by the Singapore Exchange Securities Trading Limited to announce its quarterly financial statements pursuant to Catalyst Rule 705.

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY, HALF-YEAR AND FULL YEAR RESULTS**

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

The board of directors (the "**Board**") of the Company is pleased to announce the unaudited consolidated financial results of the Group for the first quarter ended 31 March 2021 ("**1Q2021**") and the corresponding first quarter ended 31 March 2020 ("**1Q2020**").

**1(a)(i) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding year**

**Consolidated Statement of Comprehensive Income**

	GROUP		
	Unaudited 1Q2021 US\$	Unaudited 1Q2020 US\$ (Restated)	Change +/- %
Sales	1,578,590	2,735,007	(42)
Cost of Sales	(1,225,158)	(2,047,306)	(40)
Gross Profit	353,432	687,701	(49)
Other income	4,425	3,476	27
Other gains/(losses)			
- Currency translation differences	(106,488)	(683,228)	(84)
Fair value gains, financial liabilities at FVPL	108,576	73,007	49
Expenses			
- Administrative	(748,968)	(878,484)	(15)
- Finance	(703,986)	(239,177)	194
<b>Loss before tax</b>	(1,093,009)	(1,036,705)	5
Income tax expense	(923)	-	n.m.
<b>Loss net of tax</b>	(1,093,932)	(1,036,705)	6

*n.m. denotes not meaningful*

	GROUP		
	Unaudited 1Q2021 US\$	Unaudited 1Q2020 US\$ (Restated)	Change +/- %
<b>Other Comprehensive Income/Loss:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation differences arising from consolidation	276,309	853,265	(68)
<i>Items that may not be reclassified subsequently to profit or loss</i>			
Currency translation differences arising from consolidation	6,357	20,077	(68)
<b>Other comprehensive income, net of tax</b>	<b>282,666</b>	<b>873,342</b>	<b>(68)</b>
<b>Total comprehensive loss, net of tax</b>	<b>(811,266)</b>	<b>(163,363)</b>	<b>397</b>
<b>Net loss attributable to:</b>			
- Equity holders of the Company	(1,086,254)	(1,029,809)	5
- Non-controlling interests	(7,678)	(6,896)	11
	<u>(1,093,932)</u>	<u>(1,036,705)</u>	<u>6</u>
<b>Total comprehensive loss attributable to:</b>			
- Equity holders of the Company	(809,945)	(176,544)	359
- Non-controlling interests	(1,321)	13,181	(110)
	<u>(811,266)</u>	<u>(163,363)</u>	<u>397</u>

*n.m. denotes not meaningful*

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

	GROUP		
	Unaudited 1Q2021 US\$	Unaudited 1Q2020 US\$ (Restated)	Change +/- %
Interest income	2,029	2,442	(17)
Employee compensation & directors' fees	(208,741)	(194,701)	7
Professional fees, travelling and corporate social responsibility expenses	(136,635)	(237,520)	(42)
Legal and licensing expenses	(86,274)	(93,372)	(8)
Rental expenses	(12,587)	(9,016)	40
Geology and surveyor expenses	-	(152,548)	n.m.
Depreciation of property, plant and equipment	(15,518)	(2,924)	431

*n.m. denotes not meaningful*

*Restated comparatives for 1Q2020 reflect the financial figures in the Company's audited financial statements for year ended 31 December 2020*

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

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>Unaudited As at 31/3/2021 US\$</b>	<b>Audited As at 31/12/2020 US\$</b>	<b>Unaudited As at 31/3/2021 US\$</b>	<b>Audited As at 31/12/2020 US\$</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	324,861	440,015	147,630	301,122
Restricted cash	2,082	8,796	-	-
Trade and other receivables	4,050,998	4,081,802	52,372	131,286
Inventories	260,506	510,147	-	-
Deposits and prepayments	453,239	384,823	14,948	20,229
	<b>5,091,686</b>	<b>5,425,583</b>	<b>214,950</b>	<b>452,637</b>
<b>Non-current assets</b>				
Property, plant and equipment	59,228	76,679	34,417	45,903
Investment in subsidiaries	-	-	1,415	1,415
Restricted cash	74,028	66,631	-	-
	<b>133,256</b>	<b>143,310</b>	<b>35,832</b>	<b>47,318</b>
<b>Total assets</b>	<b>5,224,942</b>	<b>5,568,893</b>	<b>250,782</b>	<b>499,955</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	2,959,845	2,806,829	1,198,818	1,260,427
Accrued operating expenses	6,630,706	5,998,840	811,885	712,906
Borrowings	57,479	404,936	26,610	36,591
Financial liabilities, at amortised cost	970,968	937,417	970,968	937,417
Financial liabilities, at FVPL	985,903	1,113,028	985,903	1,113,028
Current income tax liability	4,637	3,792	4,569	3,721
	<b>11,609,538</b>	<b>11,264,842</b>	<b>3,998,753</b>	<b>4,064,090</b>
<b>Non-current liabilities</b>				
Borrowings	10,681	11,173	-	-
Loans from shareholders	3,256,658	3,550,667	-	-
Provisions	490,409	497,955	-	-
Other non-current liabilities	101,674	98,501	-	-
	<b>3,859,422</b>	<b>4,158,296</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>15,468,960</b>	<b>15,423,138</b>	<b>3,998,753</b>	<b>4,064,090</b>
<b>NET ASSETS</b>	<b>(10,244,018)</b>	<b>(9,854,245)</b>	<b>(3,747,971)</b>	<b>(3,564,135)</b>

	GROUP		COMPANY	
	Unaudited As at 31/3/2021 US\$	Audited As at 31/12/2020 US\$	Unaudited As at 31/3/2021 US\$	Audited As at 31/12/2020 US\$
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	56,453,281	56,453,281	171,550,476	171,550,476
Currency translation reserve	(2,433,118)	(2,709,427)	446,709	381,478
Other reserve	2,830,999	2,410,416	296,169	296,169
Accumulated losses	(66,825,587)	(65,739,333)	(176,041,325)	(175,792,258)
	(9,974,425)	(9,585,063)	(3,747,971)	(3,564,135)
<b>Non-controlling interests</b>	(269,593)	(269,182)	-	-
<b>Total equity</b>	<b>(10,244,018)</b>	<b>(9,854,245)</b>	<b>(3,747,971)</b>	<b>(3,564,135)</b>

**1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-**

**(a) the amount repayable in one year or less, or on demand;**

	As at 31/3/2021		As at 31/12/2020	
	Secured	Unsecured	Secured	Unsecured
	US\$	US\$	US\$	US\$
Borrowings	10,329	47,150	340,925	64,011

- The secured borrowings as at 31 March 2021 and 31 December 2020 are financing facilities provided from a bank and are secured by the account receivables of the Group.
- The unsecured borrowings as at 31 March 2021 and 31 December 2020 relate to lease liabilities.

**(b) the amount repayable after one year;**

	As at 31/3/2021		As at 31/12/2020	
	Secured	Unsecured	Secured	Unsecured
	US\$	US\$	US\$	US\$
Borrowings	-	10,681	-	11,173
Shareholders' loans	-	3,256,658	-	3,550,667

- The unsecured borrowings as at 31 March 2021 and 31 December 2020 are lease liabilities.
- The above relates to shareholders' loans from Twin Gold Ventures S.A. ("TGV") and Novel Creation Holdings Limited ("Novel Creation") (together, the "Lenders"). These loans are non-interest bearing, unsecured and repayable upon demand.

- On 31 March 2021, the Group entered into a seventh supplemental deed with the Lenders to extend until 31 March 2023 the period during which the Lenders have agreed not to demand repayment. There has been no request for repayment to date, which can be further extended by the shareholders.
- The Group has drawn down US\$4,184,847 of the shareholders' loan to date and the remaining undrawn facility amounts to US\$35,815,153. The Group has not drawn on its shareholders' loan facilities in 1Q2021. Any movements arising are from fair valuation of the shareholders' loans.

**(c) Details of any collateral**

Not applicable.

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

	<b>Unaudited 1Q2021 US\$</b>	<b>Unaudited 1Q2020 US\$ (Restated)</b>
<b>Cash flows from operating activities</b>		
Total Loss	(1,093,932)	(1,036,705)
Adjustments for:		
- Depreciation of property, plant and equipment	15,518	2,924
- Fair value gains, financial liabilities FVPL	(108,576)	(73,007)
- Interest income	(2,029)	(2,442)
- Interest expense	703,986	239,177
- Income tax expense	923	-
- Provision for mine reclamation and rehabilitation	14,365	37,144
- Unrealised currency translation differences	96,802	449,551
	<u>(372,943)</u>	<u>(383,358)</u>
Change in working capital:		
Inventories	227,194	(606,333)
Deposit and prepayments	(84,743)	1,155
Trade and other receivables	(684,685)	(1,225,399)
Trade and other payables	1,137,116	1,084,081
Provision for employee benefits	7,507	12,899
Cash used in operations	<u>229,446</u>	<u>(1,116,955)</u>
Tax paid	-	-
<b>Net cash generated by/(used in) operating activities</b>	<u>229,446</u>	<u>(1,116,955)</u>
<b>Cash flows from investing activities</b>		
Addition of property, plant and equipment	-	(1,896)
Interest received	2,029	2,442
<b>Net cash provided by investing activities</b>	<u>2,029</u>	<u>546</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of convertible bonds	-	1,404,593
Proceeds from borrowings	-	1,987,377
Repayment of borrowings	(315,595)	(1,306,193)
Principal repayment of lease liabilities	(15,398)	(9,403)
Placement of restricted cash	(4,002)	(1,354)
Interest paid	(653)	(5,176)
<b>Net cash (used in)/provided by financing activities</b>	<u>(335,648)</u>	<u>2,069,844</u>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	(104,173)	953,435
Cash and cash equivalents at the beginning of the period	440,015	89,132
Effects of currency translation on cash and cash equivalents	<u>(10,981)</u>	<u>(13,124)</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>324,861</u>	<u>1,029,443</u>

*Restated comparatives for 1Q2020 reflect the financial figures in the Company's audited financial statements for year ended 31 December 2020*

**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.**

**GROUP - Current period**

	Share Capital	Other Reserve	Currency Translation reserve	Accumulated losses	Non-controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 31 December 2020	56,453,281	2,410,416	(2,709,427)	(65,739,333)	(269,182)	(9,854,245)
Fair value of interest-free loans	-	420,583	-	-	910	421,493
Loss for the period	-	-	-	(1,086,254)	(7,678)	(1,093,932)
Other comprehensive income for the period	-	-	276,309	-	6,357	282,666
Balance at 31 March 2021	<u>56,453,281</u>	<u>2,830,999</u>	<u>(2,433,118)</u>	<u>(66,825,587)</u>	<u>(269,593)</u>	<u>(10,244,018)</u>

**GROUP - Prior period**

	Share Capital	Other Reserve	Currency Translation reserve	Accumulated losses	Non-controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 31 December 2019 (Restated)	56,312,822	1,614,648	(2,531,727)	(61,718,287)	(248,464)	(6,571,008)
Fair value of interest-free loans	-	206,084	-	-	-	206,084
Loss for the period (Restated)	-	-	-	(1,029,809)	(6,896)	(1,036,705)
Other comprehensive income for the period (Restated)	-	-	853,265	-	20,077	873,342
Balance at 31 March 2020 (Restated)	<u>56,312,822</u>	<u>1,820,732</u>	<u>(1,678,462)</u>	<u>(62,748,096)</u>	<u>(235,283)</u>	<u>(6,528,287)</u>

**COMPANY - Current period**

	Share Capital	Other Reserve	Currency Translation reserve	Accumulated losses	Total equity
	US\$	US\$	US\$	US\$	US\$
Balance at 31 December 2020	171,550,476	296,169	381,478	(175,792,258)	(3,564,135)
Loss for the period	-	-	-	(249,067)	(249,067)
Other comprehensive income for the period	-	-	65,231	-	65,231
Balance at 31 March 2021	<u>171,550,476</u>	<u>296,169</u>	<u>446,709</u>	<u>(176,041,325)</u>	<u>(3,747,971)</u>

**COMPANY - Prior period**

	Share Capital	Other Reserve	Currency Translation reserve	Accumulated losses	Total equity
	US\$	US\$	US\$	US\$	US\$
Balance at 31 December 2019	171,410,017	296,169	481,364	(174,089,408)	(1,901,858)
Loss for the period	-	-	-	(382,953)	(382,953)
Other comprehensive income for the period	-	-	114,629	-	114,629
Balance at 31 March 2020 (Restated)	<u>171,410,017</u>	<u>296,169</u>	<u>595,993</u>	<u>(174,472,361)</u>	<u>(2,170,182)</u>

*Restated comparatives for 1Q2020 reflect the financial figures in the Company's audited financial statements for year ended 31 December 2020*

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

**Changes in the Company's share capital**

	<b>No. of Shares</b>	<b>Share capital (US\$)</b>
<b>2021</b>		
As at 31 December 2020	1,017,077,103	171,550,476
As at 31 March 2021	<u>1,017,077,103</u>	<u>171,550,476</u>
	<b>No. of Shares</b>	<b>Share capital (US\$)</b>
<b>2020</b>		
As at 31 December 2019	1,003,743,770	171,410,017
As at 31 March 2020	<u>1,003,743,770</u>	<u>171,410,017</u>

There were no changes in the issued and paid-up share capital of the Company from 31 December 2020 to 31 March 2021.

The Company has, on 26 March 2020, partially completed the issue of its Series A Convertible Bonds. An aggregate of S\$2,000,000 of convertible bonds were issued.

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

There were 133,333,332 outstanding convertible shares granted under the Series A Convertible Bonds, and no outstanding share options granted as at 31 March 2021 and 31 March 2020.

There were no treasury shares or subsidiary holdings held or issued as at 31 March 2021 and 31 March 2020.



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

	As at 31 March 2021	As at 31 December 2020
Number of issued shares excluding treasury shares	1,017,077,103	1,017,077,103

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

Not applicable. The Company does not have any treasury shares.

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

Not applicable. The Company does not have any subsidiary holdings.

**2. Please state whether the figures have been audited or reviewed, and if so which auditing standard or practice has been followed.**

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

**3. If the figures have been audited or reviewed, please provide a statement on whether there are any qualifications or emphasis of matter.**

Not applicable.

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

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

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

In the Company's latest audited financial statements for the financial year ended 31 December 2020 ("**FY2020**"), PKF-CAP LLP, the Group's auditors, has issued a disclaimer of opinion in respect of the Going Concern ("**Going Concern Assumption**").

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

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

The Board confirms that all impact of outstanding audit issues on the financial statements in relation to FY2020 have been adequately disclosed.

**4. Please state whether the same accounting policies and method of computation as in the issuer's most recently audited financial statements have been followed.**

Accounting policies and methods of computations used in the consolidated financial statements for the quarter ended 31 March 2021 are consistent with those applied in the financial statements for the year ended 31 December 2020, except for the adoption of accounting standards (including its subsequent amendments) and interpretations applicable for the financial period beginning 1 January 2021.

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

The Group has adopted all new and revised Singapore Financial Reporting Standards ("SFRS") that are effective for annual periods beginning on or after 1 January 2021.

The adoption of the new or revised accounting standards and interpretations does not have any material effect on the financial statements of the Group.

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

	1Q2021 US\$	1Q2020 US\$
Loss for the financial period	(1,086,254)	(1,029,809)
Weighted average number of shares for the purpose of computing basic loss per share	1,017,077,103	1,003,743,770
Basic loss per share (cents)	(0.11)	(0.10)
Weighted average number of shares for the purpose of computing fully diluted loss per share	1,150,410,435	1,012,632,659
Fully diluted loss per share (cents)	(0.09)	(0.10)

**7. Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:-**

**(a) Current financial period reported on; and**

**(b) Immediately preceding financial year.**

	31 Mar 2021 US\$	31 Dec 2020 US\$
Net assets of the Group	(10,244,018)	(9,854,245)
No. of ordinary shares in issue	1,017,077,103	1,017,077,103
Net asset value of the Group per ordinary share (cents)	(1.01)	(0.97)

Net assets of the Company	(3,747,971)	(3,564,135)
No. of ordinary shares in issue	1,017,077,103	1,017,077,103
Net asset value of the Company per ordinary share (cents)	(0.37)	(0.35)

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Review of Profit & Loss**

Revenue

Revenue is generated through the sale of coal from its coal mining activities to its customers.

Revenue amounted to US\$1.6M in 1Q2021, as compared to US\$2.7M in 1Q2020. This is due to a reduction in demand of approximately 46% from customers and slight reduction in selling price.

Cost of sales

Cost of sales ("COS") comprises mainly cost incurred in relation to mining contractors, coal processing, depreciation and royalties to the Indonesian government pertaining to coal mining.

COS amounted to US\$1.2M in 1Q2021, as compared to US\$2.0M in 1Q2020. The decrease in COS is in line with the drop in sales volume, which is lower than those recorded in 1Q2020.

Gross Profit

The Group recorded a gross profit of US\$353K in 1Q2021 as compared to gross profit of US\$688K in 1Q2020.

The reduced gross profit margin of 22% in 1Q2021 from 25% in 1Q2020 was mainly attributable to lower selling prices in 1Q2021.

Currency translation differences

The Group recorded a currency translation loss of US\$106K in 1Q2021, as compared to a currency translation loss of US\$683K in 1Q2020.

The currency translation loss in 1Q2021 was mainly due to translation differences on shareholders' loans at its Singapore and Indonesia subsidiaries. The United States Dollar (being the currency in which these liabilities are denominated) had strengthened against the Singapore Dollar and the Indonesia Rupiah (being the recording currencies for these liabilities), thereby accounting for the currency translation loss.

### Fair value gains, financial liabilities at FVPL

The Group recorded other gains of US\$109K in 1Q2021 from fair value movements in financial liabilities, fair value through profit or loss (“**FVPL**”) in relation to the conversion options from the Series A convertible bonds.

### Administrative Expenses

Administrative expenses mainly relate to staff remuneration and expenses relating to licensing and compliance, rental and recurring professional fees.

Administrative expenses decreased by US\$130K or 15% from US\$878K in 1Q2020 to approximately US\$749K in 1Q2021. The decrease was mainly attributable to:

- reduction in professional fees of US\$52K due to efforts to reduce the costs of professional services, and
- the non-recurrence of an one-off mining contractor costs amounting to US\$153K in 1Q2020 for mobilization of additional machinery at the Group’s mining concession.

which were partially offset by:

- an increase in staff costs of US\$14K due to a rise in headcount.

### Finance Expenses

Finance expenses increased by US\$465K from US\$239K in 1Q2020 to approximately US\$704K in 1Q2021 due to increased financing costs and fair valuation of shareholders loans.

### **Loss after tax**

As a result of the above factors, the Group recorded net losses of US\$1.1M in 1Q2021 against net losses of US\$1.0M in 1Q2020.

### **Review of Statement of Financial Position**

#### Current assets

Current assets comprise cash and cash equivalents, restricted cash, inventories, trade and other receivables, as well as deposits and prepayments.

Current assets decreased by US\$334K from US\$5.4M as at 31 December 2020 to US\$5.1M as at 31 March 2021.

Cash and cash equivalents decreased by US\$115K, mainly arising from receipts from customers offset against payments to suppliers. Please refer to Note 1(c) Cash Flow Statement for more details.

Inventories decreased by US\$250K due to lower production activities arising from bad weather conditions at the mining concession in 1Q2021.

Trade and other receivables decreased by US\$31K due to lower sales and faster collection of debts from the Group’s customers.

Deposits and prepayments increased by US\$68K, mainly due to prepayments to vendors for the Group's production activities.

#### Non-current assets

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

Non-current assets decreased by US\$10K, from US\$143K as at 31 December 2020 to US\$133K as at 31 March 2021, mainly due to depreciation of property, plant and equipment of US\$16K, partially offset by placement of restricted cash of US\$7K.

#### Current liabilities

Current liabilities comprise trade and other payables, current tax liability, accrued operating expenses, financial liabilities at amortised cost, financial liabilities at FVPL and borrowings (including lease liabilities, current portion).

Current liabilities increased by US\$345K, from US\$11.3M as at 31 December 2020 to US\$11.6M as at 31 March 2021. The increase was mainly due to increase in trade and other payables of US\$153K, owing to mining and transportation contractors and increase in accrued operating expenses of US\$632K for the Group's operation.

which were partially offset by:

- a decrease in borrowings and lease liabilities of US\$347K from repayment of the liabilities, and
- a decrease in financial liabilities, FVPL of US\$127K, mainly being fair value movements on the convertible option of Series A convertible bonds.

#### Non-current liabilities

Non-current liabilities comprise borrowings (including lease liabilities, non-current portion), loans from shareholders, other non-current liabilities and provision for reclamation and rehabilitation of land.

Non-current liabilities decreased by US\$299K from US\$4.2M as at 31 December 2020 to US\$3.9M as at 31 March 2021. The decrease was mainly due to fair value movements in shareholders' loans of US\$294K.

#### Going Concern and Working Capital

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

As stated in the going-concern assumptions provided in the FY2020 Annual Report, please see paragraphs (iv) and (v) below, as well as further updates and efforts undertaken by the Group in paragraph (i) and (iii) below:

- (i) On 30 January 2021, the Group has entered into 3 (three) convertible bond agreements to raise an aggregate of S\$5.0M from the Series A Bonds and up to S\$20.0M from a subsequent tranche of Series B Bonds. Please refer to the Company's announcement dated 5 February 2021 for details<sup>1,2</sup>;

(ii) As at the date of this announcement, the Company had received S\$2.0M from the Series A Bonds;

(iii) On 5 February 2020, the Company had announced that it has signed an offtake agreement with a new customer (on 29 January 2020) to supply coal at a minimum quantity of not less than 4.8 million tonnes of coal per year. On 29 January 2021, the offtake agreement was extended to 29 January 2022. If successful, the profits from the sales are expected to improve the Group's cash flow position;

(iv) The Group has an available loan facility from its shareholders amounting to US\$35,815,153 from which it can draw upon when required; and

(v) The Group has secured supply chain financing facilities from a bank to support its operations.

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

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

## **Review of Statement of Cash Flows**

### 1Q2021

The Group recorded net cash generated by operating activities of US\$229K for 1Q2021 which was a result of operating losses before changes in working capital of approximately US\$373K, adjusted for changes in net working capital of US\$602K.

Net cash provided by investing activities of US\$2K in 1Q2021 was mainly due to proceeds from interest income from current account and time deposits.

Net cash used in financing activities of US\$336K was mainly due to repayment of external borrowings amounting to US\$316K and repayment of lease liabilities amounting to US\$15K.

As a result of the above, the Group recorded a net decrease in cash and cash equivalents of US\$104K in 1Q2021.

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

Not applicable as the Company has not disclosed any forecast or prospect statement to its shareholders previously.

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

Argus Media<sup>3</sup> reported on 5 April 2021, according to a report by PT Perusahaan Listrik Negara (“PLN”), coal is expected to remain the dominant power source in Indonesia’s energy mix this decade, in expectation of 14-16 gigawatts of generation capacity to come on stream by 2030. This will account for up to 36.6% of proposed total capacity additions of 40.9 gigawatts, which also includes power plants being developed under the country's 35 gigawatt power generation project. The additional coal-fired capacity will be broken down into an expected 3.5 gigawatts of mine-mouth capacity and 12.5 gigawatts of non-mine-mouth capacity.

Coal demand for power generation will increase significantly if power plant construction follows the targets set out in a report by PLN, Indonesia’s national electricity provider. If all projects come on line on their targeted commercial operation dates, the power sector will need 140 to 170 million tons of coal by 2030, a 33% to 62% increase from last year's consumption of 105million tons. The consumption volume will depend on demand growth in the coming years, PLN said.

An increase in coal demand in Indonesia will make the domestic market an attractive alternative to the export market for local coal mining firms because of lower transportation costs, especially if coal prices decline as a result of oversupply, the country's energy and mineral resources ministry (ESDM) said.

The Group’s current operation is not significantly impacted by the ongoing Covid-19 pandemic. The global proliferation of Covid-19 remains a risk factor and its effects are expected to continue in FY2021. In view of the current situation, along with a possible resurgence of Covid-19 and its variants, the management remains vigilant against the pandemic and will continue enforcing various precautionary measures required to support the Group’s operations.

News Articles:

*Note 3* Source: <https://www.argusmedia.com/en/news/2202132-indonesian-coalfired-capacity-to-rise-by-1416gw-pln>

**11. If a decision regarding dividend has been made:-**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

None.

**(b)(i) Amount per share**

Not applicable.

**(b)(ii) Previous corresponding period**

None.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended during 1Q2021. The Group has not declared any dividend for 1Q2021 as the Group is loss-making and requires the existing cash to fund its operating activities.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate from shareholders for interested person transactions (“IPTs”) pursuant to Rule 920(1)(a)(ii) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“Catalist Rules”).

Below is the table detailing the amount of shareholders’ loan that was drawn down during 1Q2021:

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transaction conducted under the shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transaction less than S\$100,000)
	S\$	S\$
	1Q2021	1Q2021
N.A.	-	-

There were no interested person transactions entered into by the Group during 1Q2021.



#### 14. Use of Proceeds from Issuance Series A Bonds

Pursuant to Rule 1204(5)(f) of the Catalist Rules, the Board wishes to provide an update on the use of the proceeds arising from the issuance of Series A Bonds :

<b>Intended use of Series A Net Proceeds</b>	<b>Allocation of Net Proceeds as disclosed in the announcement dated 5 February 2020 (\$)</b>	<b>After reallocation of Net Proceeds (\$)</b>	<b>Net Proceeds utilised as at date of this announcement (\$)</b>	<b>Balance of the Net Proceeds as at the date of this announcement (\$)</b>
Payment of outstanding professional fees due to Group's auditors, legal counsel and Sponsor	795,000	561,000	561,000	-
Payment of outstanding director's fees	167,000	185,000	185,000	-
Working capital	958,000	1,174,000	1,174,000 <sup>(2)</sup>	-
<b>Total</b>	<b>1,920,000<sup>(1)</sup></b>	<b>1,920,000</b>	<b>1,920,000</b>	<b>-</b>

**Note :-**

- (1). As at the date of this announcement, an aggregate of S\$2,000,000 was received from the completion of the Series A Bonds issuance to Kingpin and Atrium Asia. The convertible bond agreement with Jinzhou Business Investment Logistics Co., Ltd had lapsed on 30 September 2020. As such, the amount of Net Proceeds is now S\$1,920,000.
- (2). Working Capital comprises (a) staff costs and administrative expenses of S\$421,000; (b) other professional fees of S\$629,000, current year director fees S\$78,000 and (d) other operating expenses of S\$46,000.

On 14 August 2020, it was decided that S\$18,000 originally intended for repayment of outstanding professional fees be used for payment of outstanding director's fees instead. As of 1Q2021, on continued review of the Group's cash flow and working capital requirements, it was decided that a further S\$216,000 originally intended for repayment of outstanding professional fees be used for working capital instead.

#### ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES

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

##### i. Use of funds/cash for the quarter:-

In 1Q2021, funds were mainly used for the following activities:-

<b>Purpose</b>	<b>Forecasted usage of funds (US\$)</b>	<b>Actual usage of funds (US\$)</b>
Production activities	705,000	267,000
General working capital	714,000	529,000
<b>Total</b>	<b>1,419,000</b>	<b>796,000</b>

Actual cash used for production activities and general working capital was lower than forecasted by US\$623,000 because payment to contractors/suppliers are to be made in 2Q2021.

**ii. Projection on the use of funds/cash for the next immediate quarter, including principal assumptions:-**

For the next immediate quarter (financial period from 1 April 2021 to 30 June 2021 (“2Q2021”)), the Group’s use of funds for production activities are expected to be as follows:-

Purpose	Amount
	(US\$)
Production activities	302,000
General working capital	728,000
Total	1,030,000

Principal Assumptions

Projected use of funds for certain items includes, but not limited to, expenses to be incurred for the Group’s mine development activities, which will vary according to the Group’s rate of coal mining and production. Accordingly, if the Group’s rate of coal mining and production changes, the Group’s use of funds for mine development activities will change as well.

**15 (a). 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.

**15 (b). Rule 705(7) of the Catalist Rules**

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

During 1Q2021, no exploration activities were conducted. In relation to production activities, a total of approximately 26,000 metric tonnes of coal were produced during 1Q2021.

During 1Q2021, cash expenditure paid for production activities amounted to US\$796,000

## **16. Confirmation by the Company to Rule 720(1) of the Catalist Rules**

The Company confirms that it has procured all the required undertakings from all directors and executive officers of the Company under Rule 720(1) of the Catalist Rules.

### **BY ORDER OF THE BOARD**

Soh Sai Kiang  
Independent Non-Executive Chairman

Andreas Rinaldi  
Executive Director and CEO

14 May 2021

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This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. David Yeong (Telephone number: +65 6232 3210), at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

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