



RESOURCES GLOBAL DEVELOPMENT LIMITED

(Company Registration No. 201841763M)

(Incorporated in the Republic of Singapore)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

This announcement has been prepared by Resources Global Development Limited (the “Company”) and its contents have been reviewed by the Company’s sponsor, ZICO Capital Pte. Ltd. (the “Sponsor”), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by 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.

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Background

Resources Global Development Limited (the “Company”, and together with its subsidiaries, the “Group”) was listed on Catalist on 31 January 2020. The Group is an established coal trader and coal shipping company in Indonesia. The Group procures thermal coal from coal mines located in South Kalimantan for domestic sales and exports. It also owns a relatively young and well-maintained fleet of nine Indonesian-flagged vessels, and provides chartering services of tugboats, barges and bulk carrier to transport coal within the Indonesian territories. For more information, please visit the Company’s website at www.rgd.sg.

The Group was formed pursuant to a restructuring exercise (the “Restructuring Exercise”) which involved a series of acquisitions, the rationalisation of its corporate and shareholding structure as well as business and operations for the purposes of the Company’s listing on Catalist. Please refer to the Company’s offer document dated 14 January 2020 (registered by the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore on 14 January 2020) (“Offer Document”) in respect of the initial public offering of the shares of the Company (“IPO”), for further details on the Restructuring Exercise. Pursuant to the IPO, the Company issued and allotted 15,000,000 new shares in the capital of the Company at S\$0.20 each through a placement exercise (“Placement”), with a resultant post-IPO issued and paid-up share capital of 90,000,000 shares.

For the purpose of this announcement, the financial results of the Group for the financial year ended 31 December 2020 (“FY2020”) and the comparative results of the Group for the financial year ended 31 December 2019 (“FY2019”) have been prepared on the assumption that the Group’s structure pursuant to the Restructuring Exercise had been in place since 1 January 2019.

PART 1 – INFORMATION REQUIRED FOR HALF YEAR AND FULL YEAR RESULTS ANNOUNCEMENT

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding year of the immediately preceding financial year.

	GROUP		
	FY2020	FY2019	Increase/ (Decrease)
	S\$	S\$	%
	(Unaudited)	(Audited)	
Revenue	73,246,735	84,425,363	(13.2)
Cost of sales and services	(63,664,534)	(78,863,269)	(19.3)
Gross profit	9,582,201	5,562,094	72.3
Interest income	128,027	230,559	(44.5)
Other income	279,669	269	NM
Administrative expenses ⁽¹⁾	(4,155,873)	(3,572,978)	16.3
Finance costs	(618,626)	(393,324)	57.3
Profit before tax	5,215,398	1,826,620	185.5
Tax expense	(692,028)	(819,582)	(15.6)
Profit for the financial year	4,523,370	1,007,038	349.2
Other comprehensive (loss)/income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation	(552,246)	430,222	NM
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Re-measurement of post-employment benefits liabilities, net of tax	(18,611)	(7,867)	136.6
Currency translation differences arising from consolidation	(406,227)	355,528	NM
Other comprehensive (loss)/income for the financial year, net of tax	(977,084)	777,883	NM
Total comprehensive income for the financial year	3,546,286	1,784,921	98.7
Profit for the financial year attributable to:			
Equity holders of the Company	3,080,953	764,135	303.2
Non-controlling interests	1,442,417	242,903	493.8
	4,523,370	1,007,038	349.2
Total comprehensive income attributable to:			
Equity holders of the Company	2,512,862	1,188,503	111.4
Non-controlling interests	1,033,424	596,418	73.3
	3,546,286	1,784,921	98.7

"NM" denotes "Not meaningful"

Note:

- (1) Included listing expenses of S\$0.4 million and S\$0.7 million in FY2020 and FY2019, respectively. If such listing expenses have been excluded, profit before tax and profit for the financial year would have been S\$5.6 million and S\$4.9 million respectively, in FY2020 (S\$2.5 million and S\$1.7 million respectively, in FY2019).

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

The Group's net profit was arrived after charging the following:

	GROUP		
	FY2020	FY2019	Increase/ (Decrease)
	S\$	S\$	%
	(Unaudited)	(Audited)	
<i>Profit before tax has been arrived at after charging:</i>			
Depreciation of property, plant and equipment ⁽¹⁾	4,123,114	2,875,761	43.4
Property, plant and equipment written off	-	2,788	(100.0)
Listing expenses	419,274	691,156	(39.3)
Post-employment benefits ⁽²⁾	122,449	186,622	(34.4)
Foreign exchange losses ⁽³⁾	1,161,324	101,242	1,047.1

Notes:

- (1) The increase in depreciation charges in FY2020 was mainly due to (i) S\$0.7 million increase in depreciation of the vessels and barges as a result of three set of tugboats and barges and a pre-owned bulk carrier that became operationally deployed in the second half of FY2019; and (ii) S\$0.5 million increase in the depreciation of deferred docking charges in connection to the newly purchased pre-owned bulk carrier in FY2019.
- (2) The decrease in post-employment benefits in FY2020 was mainly due to adjustments in respect of changes in the present value of defined benefit obligations arising from a one-off past employment services rendered by certain new Indonesian employees of the Group in FY2019.
- (3) Please refer to section 8(E) Administrative Expenses for the explanation on the foreign exchange losses.

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.

	GROUP		COMPANY	
	As at 31 December 2020 S\$ (Unaudited)	As at 31 December 2019 S\$ (Audited)	As at 31 December 2020 S\$ (Unaudited)	As at 31 December 2019 S\$ (Audited)
Non-current assets				
Property, plant and equipment	30,652,759	35,100,035	143,759	241,169
Deferred tax assets	8,387	7,618	-	-
Other receivables	2,557	2,636	-	-
Investment in subsidiaries	-	-	2,061,028	1,701,028
	30,663,703	35,110,289	2,204,787	1,942,197
Current assets				
Inventories	1,990,903	37,804	-	-
Trade and other receivables	11,272,365	7,824,013	4,006,433	169,394
Contract assets	390,026	201,951	45,949	-
Cash and cash equivalents	5,845,187	7,971,299	1,378,759	262,155
	19,498,481	16,035,067	5,431,141	431,549
Total assets	50,162,184	51,145,356	7,635,928	2,373,746
Non-current liabilities				
Liabilities for post-employment benefits	336,585	230,598	-	-
Borrowings	4,816,076	7,990,915	43,455	128,643
	5,152,661	8,221,513	43,455	128,643
Current liabilities				
Trade and other payables	6,409,550	10,459,973	4,018,588	1,191,226
Contract liabilities	1,617,592	1,807,550	-	-
Borrowings	115,989	220,647	85,187	83,202
Tax payable	426,182	483,011	-	-
	8,569,313	12,971,181	4,103,775	1,274,428
Total liabilities	13,721,974	21,192,694	4,147,230	1,403,071
Net assets	36,440,210	29,952,662	3,488,698	970,675
Equity				
Share capital	5,701,262	3,000,000	5,701,262	3,000,000
Retained earnings/(accumulated losses)	17,451,319	14,386,211	(2,212,564)	(2,029,325)
Currency translation reserve	(1,138,229)	(585,983)	-	-
Equity attributable to equity holders of the Company	22,014,352	16,800,228	3,488,698	970,675
Non-controlling interests	14,425,858	13,152,434	-	-
Total equity	36,440,210	29,952,662	3,488,698	970,675

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 year reported on with comparative figures as at the end of the immediately preceding financial year

	GROUP	
	As at 31 December 2020 S\$	As at 31 December 2019 S\$
Borrowings, secured and non-guaranteed ⁽¹⁾	98,423	135,666
Borrowings, unsecured and non-guaranteed	4,833,642	8,075,896
	4,932,065	8,211,562

Amount repayable in one year or less, or on demand

As at 31 December 2020 (S\$)		As at 31 December 2019 (S\$)	
Secured	Unsecured	Secured	Unsecured
30,802	85,187	34,194	186,453

Amount repayable after one year

As at 31 December 2020 (S\$)		As at 31 December 2019 (S\$)	
Secured	Unsecured	Secured	Unsecured
67,621	4,748,455	101,472	7,889,443

Details of any collateral

(1) The Group's borrowings are in connection with the financing of company motor vehicles and secured by the rights of the leases of these motor vehicles.

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

	Group	
	FY2020	FY2019
	S\$	S\$
	Unaudited	Audited
Cash flows from operating activities		
Profit before tax	5,215,398	1,826,620
Adjustments for:		
Depreciation of property, plant and equipment	4,123,114	2,875,761
Property, plant and equipment written off	-	2,788
Post-employment benefits	122,449	186,622
Interest income	(128,027)	(230,559)
Interest expense	618,626	393,324
Operating cash flows before working capital changes	9,951,560	5,054,556
Change in operating assets and liabilities:		
Inventories	(1,953,099)	(6,597)
Receivables	(3,636,349)	(738,779)
Payables	(3,773,352)	5,755,328
Currency translation difference	(247,574)	484,198
Cash generated from operations	341,186	10,548,706
Interest received	128,027	230,559
Taxes paid	(731,980)	(864,450)
Net cash (used in)/generated from operating activities	(262,767)	9,914,815
Cash flows from investing activities		
Purchases of property, plant and equipment, representing net cash used in investing activities	(694,475)	(20,510,280)

	Group	
	FY2020	FY2019
	S\$	S\$
	Unaudited	Audited
Cash flows from financing activities		
Proceeds from issuance of shares	3,000,000	-
Proceeds from issuance of shares to non-controlling interests	240,000	-
Transaction costs directly attributable to issue of shares	(298,738)	-
Repayment of advances from a related party	(500,000)	-
Interest paid	(618,626)	(162,945)
Advances received from a related party	-	500,000
Loan from a shareholder	-	7,656,964
Repayment of loan from a shareholder	-	(7,807,200)
Proceeds from a bank loan	-	7,714,877
Repayment of lease liabilities	(215,679)	(88,775)
Repayment of bank loans	(2,775,900)	(576,924)
Net cash (used in)/generated from financing activities	(1,168,943)	7,235,997
Net decrease in cash and cash equivalents	(2,126,185)	(3,359,468)
Effect of exchange rate changes on cash and cash equivalents	73	4,095
Cash and cash equivalents at beginning of financial year	7,971,299	11,326,672
Cash and cash equivalents at end of financial year	5,845,187	7,971,299

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding year of the immediately preceding financial year.

GROUP	← Attributable to equity holders of the Company →			Total S\$	Non- controlling interests S\$	Total equity S\$
	Share capital S\$	Retained earnings S\$	Currency translation reserve S\$			
Balance at 1 January 2020	3,000,000	14,386,211	(585,983)	16,800,228	13,152,434	29,952,662
Profit for the financial year	-	3,080,953	-	3,080,953	1,442,417	4,523,370
Other comprehensive loss						
Currency translation differences arising from consolidation	-	-	(552,246)	(552,246)	(406,227)	(958,473)
Remeasurement of post-employment benefits liabilities	-	(15,845)	-	(15,845)	(2,766)	(18,611)
Other comprehensive loss for the financial year, net of tax	-	(15,845)	(552,246)	(568,091)	(408,993)	(977,084)
Total comprehensive income/(loss) for the financial year	-	3,065,108	(552,246)	2,512,862	1,033,424	3,546,286
Issue of new shares	3,000,000	-	-	3,000,000	240,000	3,240,000
Share issue expenses	(298,738)	-	-	(298,738)	-	(298,738)
Balance at 31 December 2020	<u>5,701,262</u>	<u>17,451,319</u>	<u>(1,138,229)</u>	<u>22,014,352</u>	<u>14,425,858</u>	<u>36,440,210</u>

GROUP	← Attributable to equity holders of the Company →			Total S\$	Non- controlling interests S\$	Total equity S\$
	Share capital S\$	Retained earnings S\$	Currency translation reserve S\$			
Balance at 1 January 2019	3,000,000	13,515,043	(1,016,205)	15,498,838	12,438,524	27,937,362
Profit for the financial year	-	764,135	-	764,135	242,903	1,007,038
Other comprehensive income/(loss)						
Currency translation differences arising from consolidation	-	-	430,222	430,222	355,528	785,750
Remeasurement of post-employment benefits liabilities	-	(5,854)	-	(5,854)	(2,013)	(7,867)
Other comprehensive (loss)/income for the financial year, net of tax	-	(5,854)	430,222	424,368	353,515	777,883
Total comprehensive income for the financial year	-	758,281	430,222	1,188,503	596,418	1,784,921
Fair value gain on loan from a shareholder	-	112,887	-	112,887	117,492	230,379
Balance at 31 December 2019	<u>3,000,000</u>	<u>14,386,211</u>	<u>(585,983)</u>	<u>16,800,228</u>	<u>13,152,434</u>	<u>29,952,662</u>

COMPANY	Share capital S\$	Accumulated losses S\$	Total equity S\$
Balance at 1 January 2020	3,000,000	(2,029,325)	970,675
Issue of new shares	3,000,000	-	3,000,000
Share issue expenses	(298,738)	-	(298,738)
Loss for the year	<u>-</u>	<u>(183,239)</u>	<u>(183,239)</u>
Balance at 31 December 2020	<u>5,701,262</u>	<u>(2,212,564)</u>	<u>3,488,698</u>

COMPANY	Share capital S\$	Accumulated losses S\$	Total equity S\$
Balance at 1 January 2019	3,000,000	(424,210)	2,575,790
Loss for the year	<u>-</u>	<u>(1,605,115)</u>	<u>(1,605,115)</u>
Balance at 31 December 2019	<u>3,000,000</u>	<u>(2,029,325)</u>	<u>970,675</u>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercises 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 year 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 year reported on and as at the end of the corresponding year 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 year reported on and as at the end of the corresponding year of the immediately preceding financial year.

	Number of shares	Issued and paid-up share capital (S\$)
Issued and paid-up share capital as at 31 December 2019	75,000,000	3,000,000
Issuance of new shares pursuant to the Placement on 30 January 2020	<u>15,000,000</u>	<u>3,000,000</u>
Resultant issued and paid-up share capital immediately after the IPO on 31 January 2020	90,000,000	6,000,000
Share issue expenses	<u>-</u>	<u>(298,738)</u>
Issued and paid-up share capital as at 31 December 2020	<u>90,000,000</u>	<u>5,701,262</u>

The Company did not have any treasury shares, subsidiary holdings or other convertibles as at 31 December 2020 and 31 December 2019.

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

	As at 31 December 2020	As at 31 December 2019
Total number of issued shares excluding treasury shares	<u>90,000,000</u>	<u>75,000,000</u>

The Company did not have any treasury shares as at 31 December 2020 and 31 December 2019.

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

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial year reported on.

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

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial year reported on.

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

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications 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 to resolve each outstanding audit issue; and (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been disclosed.

Not applicable. The latest audited financial statements of the Group for the financial year ended 31 December 2019 are not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

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 paragraph 5, the Group has applied the same accounting policies and methods of computation for the current financial year reported on, as in the most recently audited financial statements for FY2019.

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 applicable new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and Interpretations of SFRS(I) ("**SFRS(I) INT**") which are effective for the financial year beginning 1 January 2020.

The adoption of the new and revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial statements.

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

	GROUP	
	FY2020 S\$	FY2019 S\$
Profit attributable to equity holders of the Company	3,080,953	764,135
Weighted average number of shares	88,811,475⁽¹⁾	75,000,000 ⁽²⁾
Basic and diluted earnings per share (S\$ cents)	3.5	1.0

Notes:

(1) The basic and diluted earnings per share for FY2020 was calculated based on the net profit attributable to equity holders of the Company divided by weighted average number of ordinary shares, adjusted for the issuance and allotment of new shares pursuant to the IPO (as detailed in section 1(d)(ii) above).

(2) The earnings per ordinary share for FY2019 was calculated based on the total number of shares in issue of 75,000,000 ordinary shares as at 31 December 2019, before the placement of 15,000,000 shares on 30 January 2020.

The basic and diluted earnings per share were the same as there were no potential dilutive ordinary shares during the respective financial year.

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

	GROUP		COMPANY	
	As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
Net asset value (" NAV ") attributable to equity holders of the Company (S\$)	22,014,352	16,800,228	3,488,698	970,675
Number of ordinary shares as at the end of the financial year	90,000,000	75,000,000	90,000,000	75,000,000
NAV per ordinary share (S\$ cents)	24.5	22.4	3.9	1.3

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 year 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 year reported on.

REVIEW OF CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE GROUP

(A) Revenue

The total revenue decreased by S\$11.2 million (13.2%), from S\$84.4 million in FY2019 to S\$73.2 million in FY2020. The breakdown of revenue by business and geographical segment is set out below:

Business Segment	FY2020		FY2019	
	S\$	%	S\$	%
Coal Trading Business	59,569,066	81.3	74,361,462	88.1
Coal Shipping Services	13,677,669	18.7	10,063,901	11.9
Total	73,246,735	100.0	84,425,363	100.0

Geographical Segment	FY2020		FY2019	
	S\$	%	S\$	%
Indonesia	67,415,098	92.0	84,425,363	100.0
China	5,831,637	8.0	-	-
Total	73,246,735	100.0	84,425,363	100.0

Coal Trading Business

Revenue from Coal Trading Business decreased by S\$14.8 million (19.9%), from S\$74.4 million in FY2019 to S\$59.6 million in FY2020. This was mainly due to decrease in the average selling price from S\$47.20 per metric ton ("mt") in FY2019 to S\$37.80 per mt in FY2020, while total sales volume remained largely unchanged at about 1.6 million metric tons in FY2019 and FY2020.

In geographical terms, revenue from Coal Trading Business in FY2020 were derived from sales to Indonesia (90.2%) (FY2019: 100%) and China (9.8%) (FY2019: NIL), as the Group took efforts in FY2020 to expand and diversify its customer base beyond Indonesia, in particular to China.

Coal Shipping Business

Revenue from Coal Shipping Services increased by S\$3.6 million (35.9%), from S\$10.1 million in FY2019 to S\$13.7 million in FY2020. This was mainly due to the increased shipping capacity from the full year contribution of the newly added three tugboats (with accompanying barges) and a bulk carrier in FY2020.

Revenue from Coal Shipping Services were entirely derived from Indonesia.

(B) Gross profit

Gross profit increased by S\$4.0 million (72.3%) from S\$5.6 million in FY2019 to S\$9.6 million in FY2020, while the gross profit margin increased by 6.5 percentage points from 6.6% in FY2019 to 13.1% in FY2020. The breakdown of the gross profit margin by business segment is set out as below:

Business Segment	FY2020 S\$	FY2019 S\$
Coal Trading Business		
Gross profit	5,196,577	3,603,587
Gross profit margin	8.7%	4.8%
Coal Shipping Services		
Gross profit	4,385,624	1,958,507
Gross profit margin	32.1%	19.5%
Overall		
Gross profit	9,582,201	5,562,094
Gross profit margin	13.1%	6.6%

Coal Trading Business

Gross profit of Coal Trading Business increased by S\$1.6 million (44.2%), from S\$3.6 million in FY2019 to S\$5.2 million in FY2020. Gross profit margin increased by 3.9 percentage points from 4.8% in FY2019 to 8.7% in FY2020. This was mainly attributable to the fixed term coal contracts renewed with suppliers with more favorable terms, coupled with lower freight charges on trans-shipment with third-party service providers.

Coal Shipping Services

Gross profit of Coal Shipping Services increased by S\$2.4 million (123.9%), from S\$2.0 million in FY2019 to S\$4.4 million in FY2020, due to the increase in sales activities contributed by this segment in FY2020, coupled with a decrease in operation costs as explained below.

Gross profit margin from this segment increased by 12.6 percentage points, from 19.5% in FY2019 to 32.1% in FY2020. The increase was attributed to the initial set up costs (which comprised staff costs, fuel costs, spare parts, equipment and maintenance) incurred in FY2019 as fixed costs ahead of new vessels and barges being operationally deployed during FY2019, and no such costs were incurred in FY2020. In addition, the lower bunker fuel costs during FY2020 have further reduced the operating costs of the vessels, thereby improving gross profit margins accordingly.

(C) Interest income

Interest income, which comprised interest from bank and fixed deposit, decreased by S\$0.1 million (44.5%), from S\$0.2 million in FY2019 to S\$0.1 million in FY2020. The decrease was mainly due to lower cash amounts placed with financial institutions for time deposits in FY2020.

(D) Other income

Other income in FY2020 mainly relates to a one-off S\$0.2 million listing grant from the Monetary Authority of Singapore under the Grant for Equity Market Singapore (or GEMS) pursuant to the Company's successful IPO in January 2020, together with the wage support grant from the Singapore government under the Jobs Support Scheme. There were no such items in FY2019.

(E) Administrative expenses

Administrative expenses increased by S\$0.6 million (16.3%), from S\$3.6 million in FY2019 to S\$4.2 million in FY2020. The increase was mainly due largely attributed to (i) foreign exchange loss of S\$1.2 million incurred in FY2020 which was due to the conversion of the Group's US\$ to IDR as working capital when IDR strengthened against the US\$; partially offset by decrease in IPO expenses by S\$0.2 million as the bulk of IPO expenses had been recognized in FY2019 and decrease in staff costs by S\$0.2 million as no staff bonus was declared in FY2020.

(F) Finance costs

Finance costs increased by S\$0.2 million (57.3%), from S\$0.4 million in FY2019 to S\$0.6 million in FY2020, mainly due to interest expenses incurred on an interest-bearing loan obtained in the fourth quarter of FY2019.

(G) Profit before tax

As a result of the above, profit before tax increased by S\$3.4 million (185.5%), from S\$1.8 million in FY2019 to S\$5.2 million in FY2020. Had listing expenses of S\$0.4 million and S\$0.7 million in FY2020 and FY2019, respectively, been excluded, profit before tax would have been S\$5.6 million and S\$2.5 million in FY2020 and FY2019, respectively.

(H) Tax expense

Tax expense decreased by S\$0.1 million (15.6%), from S\$0.8 million in FY2019 to S\$0.7 million in FY2020 mainly due to the lower taxable profit recorded for the Coal Trading Business in FY2020 and a lower corporate income tax in Indonesia from 25% in FY2019 to 22% in FY2020.

(I) Profit for the financial year

As a result of the above, profit for the financial year increased from S\$1.0 million in FY2019 to S\$4.5 million in FY2020.

REVIEW OF STATEMENTS OF FINANCIAL POSITION OF THE GROUP

(J) Non-current assets

Non-current assets decreased by S\$4.4 million (12.7%), from S\$35.1 million as at 31 December 2019 to S\$30.7 million as at 31 December 2020, mainly due to the depreciation charges recognized in FY2020.

(K) Current assets

Current assets increased by S\$3.5 million (21.6%), from S\$16.0 million as at 31 December 2019 to S\$19.5 million as at 31 December 2020. This was mainly due to the following:

Inventories

Inventories amounted to S\$2.0 million as at 31 December 2020 (31 December 2019: S\$38,000), which mainly comprised inventory-in-transit loaded onto our barges awaiting customer's appointed bulk carrier, which was delayed to few days after year end.

Trade and other receivables

Trade and other receivables increased by S\$3.5 million (44.1%), from S\$7.8 million as at 31 December 2019 to S\$11.3 million as at 31 December 2020. The increase was mainly attributable to an increase in trade receivables balance on sales occurred towards the end of the year, mainly in respect of our Coal Trading Business. All trade receivable balances have been fully collected by the Group as at the date of this announcement.

Contract assets

Contract assets increased by S\$0.2 million (93.1%), from S\$0.2 million as at 31 December 2019 to S\$0.4 million as at 31 December 2020. The increase was due mainly to an increase in services rendered but not yet billed at year end, mainly in respect of our Coal Shipping Services.

Cash and cash equivalents

Cash and cash equivalents decreased by S\$2.2 million (26.7%), from S\$8.0 million as at 31 December 2019 to S\$5.8 million as at 31 December 2020. Please refer to the section entitled "Review of Cash Flow of the Group" below for information on the decrease in cash and cash equivalents.

(L) Non-current liabilities

Non-current liabilities decreased by S\$3.0 million (37.3%), from S\$8.2 million as at 31 December 2019 to S\$5.2 million as at 31 December 2020. This was mainly due to the following:

Liabilities for post-employment benefits

Liabilities for post-employment benefits relate to the retirement funds payable to the Indonesian employees of the Group. Such liabilities increased by S\$0.1 million (46.0%), from S\$0.2 million as at 31 December 2019 to S\$0.3 million as at 31 December 2020, due mainly to charges incurred in FY2020.

Borrowings

Borrowings decreased by S\$3.2 million (39.7%), from S\$8.0 million as at 31 December 2019 to S\$4.8 million as at 31 December 2020. The decrease was mainly attributable to a partial repayment of about S\$2.8 million (IDR30.0 billion) on a bank loan in FY2020.

(M) Current liabilities

Current liabilities decreased by S\$4.4 million (33.9%), from S\$13.0 million as at 31 December 2019 to S\$8.6 million as at 31 December 2020. This was mainly due to the following:

Trade and other payables

Trade and other payables decreased by S\$4.1 million (38.7%), from S\$10.5 million as at 31 December 2019 to S\$6.4 million as at 31 December 2020. The decrease was mainly due to payments made to the vendors and a refund of deposits to a customer in FY2020.

Contract liabilities

Contract liabilities decreased by S\$0.2 million (10.5%), from S\$1.8 million as at 31 December 2019 to S\$1.6 million as at 31 December 2020.

The contract liabilities as at 31 December 2019 was mainly due to an advance billing for future deliveries of services in respect of Coal Shipping Services at year end.

The contract liabilities as at 31 December 2020 was mainly due to an advance billing of S\$1.3 million for future deliveries of coal in respect of Coal Trading Business at year end and a shipping services in progress of S\$0.3 million in respect of Coal Shipping Services.

Borrowings

Borrowings, which comprised lease liabilities, decreased by S\$0.1 million (47.4%), from S\$0.2 million as at 31 December 2019 to S\$0.1 million as at 31 December 2020. The decrease was mainly attributable to repayment made during FY2020.

(N) Working capital position

As a result of the above, the working capital of the Group improved from S\$3.1 million as at 31 December 2019, to S\$10.9 million as at 31 December 2020.

REVIEW OF CASH FLOW OF THE GROUP

During FY2020, the net cash used in operating activities amounted to approximately S\$0.3 million. This comprises positive operating cash flows before changes in working capital of S\$9.9 million, adjusted by net working capital outflow of S\$9.6 million, interest received and taxes paid of S\$0.1 million and S\$0.7 million, respectively.

Net cash used in investing activities of S\$0.7 million in FY2020 mainly relates to the docking costs for the vessels recognized during the financial year.

Net cash used in financing activities of S\$1.2 million in FY2020 was mainly due to (i) repayment of bank loan of S\$2.8 million, (ii) repayment of advances from a related party of S\$0.5 million, (iii) payment of interest expenses of S\$0.6 million, (iv) repayment of lease liabilities of S\$0.2 million, and (v) transaction costs directly attributed to the issue of shares of S\$0.3 million; partially offset by (i) proceeds from issuance of new shares pursuant to the IPO of S\$3.0 million, and (ii) proceeds from non-controlling shareholders on the issuance of new shares for incorporation of a new subsidiary of S\$0.2 million. As a result of the above, cash and cash equivalents decreased by S\$2.2 million, from S\$8.0 million as at 31 December 2019 to S\$5.8 million as at 31 December 2020.

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

In FY2020, the Group reported revenue of S\$73.2 million and gross profit margin of 13.1% (“**Actual Results**”) (as compared to S\$84.4 million and 6.6% respectively in FY2019).

In the trend information disclosed in the section entitled “General Information on our Group – Trend Information” of the Offer Document, the Company indicated that it expects the Group to record a stable revenue and lower gross margin for the next twelve months from 17 December 2019 (“**Prospect Statement**”).

Please refer to the section 8(A) Revenue and section 8(B) Gross margin above for information on the explanation.

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 year and the next 12 months.

The COVID-19 outbreak in early 2020 has caused severe disruption to the global economy and businesses. This inevitably had an impact on our Group’s operations.

Coal Trading Business

With the global economy gradually recovering from the COVID-19 impact, coal prices have shown some firming at the beginning of FY2021. We hope that this recovery process will sustain, and are cautiously optimistic of the business going forward.

The Group will continue its ongoing efforts in exploring new customers both within and beyond Indonesia.

Coal Shipping Services

While the freight rate of the Group’s Coal Shipping Services is expected to remain relatively stable, the increasing costs of fuel in FY2021 will put a pressure on its gross profit margin.

The management will continue to focus on maintaining high utilisation of the Group’s fleet and raising operational efficiency through better management and scheduling on current fleet of vessels.

Fertilizer Trading Business

The COVID-19 pandemic and the recent political event in Myanmar has disrupted the development of the Group’s new fertilizer trading business, which mainly targeting customers based in Myanmar and Cambodia. The Company will keep its shareholders posted on the progress of this new business from time to time.

Update on the Group’s Operations in relation to the COVID-19 Pandemic

Further to the Company’s announcements on 20 January 2021 and 29 January 2021, the Board wishes to update that there is no new case of Covid-19 infection reported within the Group. All of the Group’s current fleet of vessels and coal trading activities remain fully operational.

The Group has put in place precautionary measures to ensure that the workplace remain safe for its employees and to reduce impact of disruption to operations.

The Company will continue to monitor the COVID-19 situation and release further announcements should there be any material developments in its business and operations.

The Group is exploring growth beyond its traditional coal shipping and trading businesses, and to seek beneficial business opportunities. Such effort may include, but not limited to, vertical and/or horizontal integration/expansion. The Company will make the necessary announcement(s) as and when there are material developments on the aforementioned business opportunities.

11. Dividend

(a) Any dividend recommended/declared for the current financial year reported on?

Nil.

(b) Any dividend recommended/declared for the corresponding year of the immediately preceding financial year?

Nil.

(c) Date payable

Not applicable.

(d) 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 the effect and the reason(s) for the decision.

No dividend has been declared or recommended for FY2020, as the Group is conserving its cash for future growth and expansion.

13. If the group has obtained a general mandate from shareholders for interested person transactions (“IPT”), 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 has obtained a general mandate from shareholders of the Company for interested person transactions in respect of the purchase of coal from PT Angsana Jaya Energi (“PT AJE”) and PT Akbar Mitra Jaya (“PT AMJ”). The aggregate values of the respective IPTs (above S\$100,000) entered into during FY2020 are as follows:

Name of interested person	Nature of relationship	Aggregate value of all IPTs (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920) (S\$’000)	Aggregate value of all IPTs conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (S\$’000)
PT AJE	A coal mining company incorporated in Indonesia. Up to 13 August 2020, PT AJE is an associated company of PT Deli Coal ⁽¹⁾ . With effect from 14 August 2020, PT AJE ceased to be an interested person of the Group ⁽³⁾ .	-	9,847
PT AMJ	A coal mining company incorporated in Indonesia. Up to 1 October 2020, PT AMJ is an associated company of PT Deli Coal ⁽¹⁾ . With effect from 2 October 2020, PT AMJ ceased to be an interested person of the Group ⁽³⁾ .	-	19,049
Ever Grace International Trading Limited	An investment holding company incorporated in Hong Kong, which is indirectly wholly-owned by Ms Lenny Limanto ⁽²⁾	500	-

Notes:

- (1) PT Deli Coal is indirectly owned by certain Founding Shareholders⁽⁴⁾ (namely Mr Djunaidi Hardi, Mr Arifin Ang, Mr Juhadi and Mr Arifin Tan) and their associates (namely Mdm Ratih Anggaraini and Mdm Lai Hong).
- (2) Ms Lenny Limanto is the daughter of Mr Djunaidi Hardi and niece of Mr Arifin Ang, Mr Juhadi and Mr Limas Ananto. Each of Mr Djunaidi Hardi, Mr Arifin Ang, Mr Juhadi and Mr Limas Ananto is a Founding Shareholder⁽⁴⁾.
- (3) Each of PT AJE and PT AMJ ceased to be an interested person of the Group with effect from 14 August 2020 and 2 October 2020, respectively, as the equity interest of the Founding Shareholders in PT AJE and PT AMJ fell below 30% and consequently, PT AJE and PT AMJ ceased to be an associate of the Founding Shareholders.
- (4) Founding Shareholders refer to Mr Juhadi, Mr Arifin Tan, Mr Djunaidi Hardi, Mr Arifin Ang and Mr Limas Ananto. The Founding Shareholders are deemed to be interested in the shares of the Company held by Deli International Resources Pte. Ltd. (the controlling shareholder of the Company).

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

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

15. Use of IPO proceeds

The Company received gross proceeds from the IPO of S\$3.0 million (the “**Gross Proceeds**”). The Gross Proceeds have been fully utilised as at the date of this announcement as follows:

	Amount on a re-allocated basis (as announced on 27 March 2020) (S\$'000)	Amount utilised as at 12 January 2021 ⁽¹⁾ (S\$'000)	Amount utilised from 13 January 2021 up to the date of this announcement (S\$'000)	Balance as at the date of this announcement (S\$'000)
General working capital	1,830	(1,716)	(114) ⁽²⁾	-
Listing expenses:				
Professional fees	950	(950)	-	-
Placement commission	200	(200)	-	-
Listing and application fees	20	(20)	-	-
Gross Proceeds	3,000	(2,886)	(114)	-

Notes:

(1) As announced by the Company on 12 January 2021.

(2) The breakdown of the usage of the Gross Proceeds for general working capital is as follows:

	S\$'000
Staff costs and Directors' fees	61
Professional fees	33
Operating expenses	20
Total	114

The use of Gross Proceeds is in accordance with the Amended Allocation as announced on 27 March 2020.

PART 2 – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.**

(A) Business segments

FY2020	Coal Trading S\$	Coal Shipping S\$	Total S\$
Revenue:			
External customers	59,569,066	13,677,669	73,246,735
Total revenue	59,569,066	13,677,669	73,246,735
Segment profit/(loss):			
Interest income	3,698,484	3,492,519	7,191,003
Finance costs	66,614	61,404	128,018
Unallocated corporate expenses	(13,818)	(600,698)	(614,516)
	-	-	(1,489,107)
Profit before tax	3,751,280	2,953,225	5,215,398
Income tax expense			(692,028)
Profit for the year			4,523,370

FY2019	Coal Trading S\$	Coal Shipping S\$	Total S\$
Revenue:			
External customers	74,361,462	10,063,901	84,425,363
Total revenue	74,361,462	10,063,901	84,425,363
Segment profit/(loss):			
Interest income	2,795,452	796,277	3,591,729
Finance costs	95,102	135,442	230,544
Unallocated corporate expenses	(13,155)	(377,383)	(390,538)
	-	-	(1,605,115)
Profit before tax	2,877,399	554,336	1,826,620
Income tax expense			(819,582)
Profit for the year			1,007,038

(B) Geographical segments

The Group's information about the segment revenue by geographical location is detailed as below:

	Revenue	
	2020	2019
	S\$	S\$
Based on location of customer:		
Indonesia	67,415,098	84,425,363
China	5,831,637	-
Total	73,246,735	84,425,363

	Non-current assets	
	2020	2019
	S\$	S\$
Indonesia	30,519,944	34,869,120
Singapore	143,759	241,169
Total	30,663,703	35,110,289

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by operating segments.

Please refer to section 8 on analysis of the factors leading to material changes in the contributions to turnover and earnings by the operating segments.

18. A breakdown of sales

	GROUP		% Change
	FY2020	FY2019	
	S\$	S\$	
(i) Sales from continued operations reported for:			
First half year	39,204,047	40,923,478	(4.2)
Second half year	34,042,688	43,501,885	(21.7)
	73,246,735	84,425,363	(13.2)

	GROUP		% Change
	FY2020	FY2019	
	S\$	S\$	
(ii) Operating profit after tax deducting non-controlling interests reported for:			
First half year	784,308	367,014	113.7
Second half year	2,296,645	397,121	478.3
	3,080,953	764,135	303.2

19. A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year.

	FY2020 S\$	FY2019 S\$
Ordinary Share:		
Final dividend	<u>Nil</u>	<u>Nil</u>
Interim dividend	<u>Nil</u>	<u>Nil</u>

20. If any person is occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10).

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Salim Limanto	38	<p>Son of Mr Djunaidi Hardi and the nephew of each of Mr Juhadi, Mr Arifin Ang and Mr Limas Ananto (“Founding Shareholders”).</p> <p>The Founding Shareholders are deemed to be interested in the shares held by Deli International Resources Pte. Ltd. (the controlling shareholder of the Company).</p>	<ul style="list-style-type: none"> Executive Director of the Company’s subsidiaries, namely PT Deli Pratama Angkutan Laut (since 1 May 2013), and PT Deli Niaga Sejahtera (since 2 January 2018) Executive Director of the Company (since 12 December 2019) Chief Operating Officer of the Company (since 1 January 2019) <p>Mr Salim Limanto is responsible for the overall operations and business development activities of the Group.</p>	-

BY ORDER OF THE BOARD

Francis Lee
Executive Director and CEO

Salim Limanto
Executive Director and COO

26 February 2021