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Unaudited Third Quarter ("3Q") and Nine Months ("9M") Financial Statements for the Financial Period Ended 30 September 2019

INTRODUCTION

Resources Prima Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") makes reference to its announcement dated 21 October 2019, "Update Pursuant to Catalist Rule 704(22) of the Catalist Rules", and provides the following update.

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

1. Termination of Operations: PT Energy Indonesia Resources ("EIR")

The Company had on 15 May 2019, announced that it received a letter of termination ("**Termination Letter**") from PT Coalindo Adhi Nusantara ("**CAN**") terminating the coal hauling service agreement.

i. Follow up on dispute on coal hauling service agreement between EIR and CAN

While the negotiations are ongoing for the disputed amount, CAN continued to make partial and intermittent payments to EIR. The outstanding receivables due from CAN for work done prior to termination of the Contract (as defined below) was US\$100,500 as at the date of this announcement, a decrease from US\$111,100 as stated in the Company's announcement dated 21 October 2019 due to collections.

Under the coal hauling contract with CAN ("**Contract**"), the monthly shortfalls of coal hauled arising from CAN's failure to provide a minimum of 100,000 tonnes per month to EIR ("**Shortfall**") for the period from November 2017 to May 2019 is estimated at some US\$2.7 million. In addition, claim for damages due to breach of Contract by CAN for early termination of the Contract, as set out in the Company's announcement dated 15 May 2019, is estimated at US\$460,000. In total, EIR can claim about US\$3.3 million from CAN.

ii. Advice from Indonesian Legal counsel

As advised by its Indonesian legal counsel, EIR has taken various actions to protect and enforce its rights under the Contract, including, *inter alia*, sending sets of notification letters in accordance to Indonesian Laws prior to any legal proceedings and is contemplating the issuance of letter of demand and as well as commencing legal action against CAN.

The Company will continue to update shareholders via SGXNET in respect of the above and other matters concerning the Group through its monthly update pursuant to Catalist Rule 704(22).

2. Ongoing Operations: RPG Logistics Pte Ltd's ("RPG Logistics") Joint Operation Agreement ("JOA") with PT Prima Dharma Karsa ("PT Prima")

There have been no material developments in respect of the PT Prima JOA since the Company's announcement dated 21 October 2019.

The Company will continue to update shareholders via SGXNET in respect of the above matters on any material development in the Company's monthly update pursuant to Catalist Rule 704(22).

3. Cashflow analysis and resumption of trading

- i. 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 cashflow 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 cashflows 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. As such the Board recommended that in the best interests of the Company, the trading halt of the Company's shares be converted to a trading suspension of the shares with immediate effect. Since 29 June 2017, the Board and Management have been concurrently working towards submitting a trading resumption proposal to the Singapore Exchange Securities Trading Limited (the "SGX-ST") on or before 28 June 2018.

Subsequently, the SGX-ST has granted the Company the following extensions of time to submit its resumption proposal:

- On 5 July 2018, the Company announced that the SGX-ST has granted the Company a 3-month extension till 28 September 2018;
- On 12 November 2018, the Company announced that the SGX-ST has granted a further 6-month extension to 28 March 2019;
- On 29 April 2019, the Company announced that SGX-ST has granted the Company a further 6-month extension till 28 September 2019; and
- On 18 October 2019, the Company announced that SGX-ST has granted the Company a further 6-month extension till 28 March 2020.

Please refer to the Company's announcement dated 18 October 2019 for details.

- ii. Having regard of the deadline imposed by the SGX-ST, the Company announced on 6 August 2018, the entry of an investment agreement with Mr Ang Liang Kim ("**Mr Ang**") ("**Ang Investment Agreement**"), a substantial shareholder of the Company. Mr Ang has, pursuant to the Ang Investment Agreement, committed not less than S\$4 million of investment in the Company by way of a convertible loan (of up to S\$2 million) and a rights issue. These funds are for the purpose of general working capital and where necessary, capital expenditures (including but not limited to potential business opportunities). The first drawdown of funds notice under the convertible loan of S\$250,000 was issued on 10 December 2018 with funds amounting to S\$246,496 being subsequently received by the Company in January 2019 for working capital purposes in compliance with the terms of the Ang Investment Agreement. The second drawdown of funds notice was issued on 23 May 2019 and subsequently funds amounting to S\$248,464, S\$200,000, S\$34,600 and S\$98,017 were received in May 2019, July 2019, August 2019 and October 2019 respectively. In view that the two independent directors have not received any fees since their appointment in December 2017, Mr Ang has agreed to the drawdown of S\$200,000 (included in the second drawdown of funds notice) for the payment of the independent directors' fees until 31 December 2018 amounting to S\$199,689 in July 2019. In summary, as at the date of this announcement, approximately S\$828,000 has been drawn down under the Ang Investment Agreement.

The Company will be holding a general meeting to seek shareholders' approval for the issuance of shares pertaining to the convertible loan and the rights issue, as the case may be, in due course.

- iii. On 31 March 2019, the Company announced that it has entered into an investment agreement with Mr Perman Yadi ("**Mr Yadi**") ("**Yadi Investment Agreement**"). Pursuant to the Yadi Investment Agreement, Mr Yadi will grant the Company a convertible loan with a principal of US\$2 million. The purposes of the convertible loan are extended to the Company for, *inter alia*, business operations and projects undertaken by the Company with Mr Yadi's express approval. The PT Prima JOA is the first project approved by Mr Yadi. As at the date of this announcement, approximately US\$1.2 million has been drawn down under the Yadi Investment Agreement. The amount drawn down has been mainly used for, including but not limited to the rental of barge for transportation of nickel to a loading port, rental of mining equipment such as excavators/dozers and labour for the mining operations.

The Company will be holding a general meeting to seek shareholders' approval for the issuance of shares pertaining to the convertible loan and the rights issue, as the case may be, in due course.

- iv. Following the ongoing efforts in seeking the injection of a sustainable business, the Company had, on 27 September 2019, announced the entry into a sales and purchase agreement to acquire 100% of Kitty Hawk Natural Resources Pte Ltd ("**Target**") (a holding company incorporated in Singapore) ("**Proposed Acquisition**") which operates a coal mine in Indonesia through the Target's 95%-owned subsidiary, PT Rizky Barito Timur ("**Target Subsidiary**"), from Trilax Multi Investments Ltd and Anant Finance Corporation.

Please refer to the Company's announcement dated 27 September 2019 for details.

- v. On 27 September 2019, the Company announced that it has entered into an investment agreement with Mr Chaw Chong Foo ("**Mr Chaw**") ("**Chaw Investment Agreement**"). Pursuant to the Chaw Investment Agreement, Mr Chaw will grant the Company a convertible loan with a principal of S\$1.35 million. The purposes of the convertible loan are extended to the Company for, *inter alia*, costs and expenses in relation to the Proposed Acquisition of the Target. Mr Chaw may also extend an additional loan amount in excess of

S\$1.35 million to accommodate any working capital requirements set out in the Catalist Rules. As at the date of this announcement, no drawdown has been made pursuant to the Chaw Investment Agreement.

Please refer to the Company's announcement dated 27 September 2019 for details.

(B) Bankruptcy proceedings – PT Rinjani Kartanegara (“Rinjani”)

There have been no further updates since the Company's announcement dated 13 August 2019 except that the Company has continued to write directly and/or through its counsel to the curators in respect of the development and sought information on, *inter alia*, the selection criteria for coal contractors, terms with the selected coal contractor, repayment arrangement between Rinjani and the coal contractor, the progress of mining operations, the expected/forecast profitability by the appointed mine contractor and the repayment and distribution arrangement to the creditors of Rinjani, to protect its rights as a creditor of Rinjani in accordance to Indonesian Bankruptcy Law.

The Company will continue to update shareholders via SGXNET in respect of the above matters on any material development in the Company's monthly update pursuant to Catalist Rule 704(22).

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

The Company currently has no credit lines or facilities with its bankers or trustee.

(D) 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 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 an initial hearing was set for 10 July 2018 during which Pilar Mas and Defendants II and IV submitted their response to Ruznie's statement of claim. Following a number of hearings, the latest of which was held on 11 December 2018 the panel of judges decided in favour of Pilar Mas and Defendants II and IV. The formal decision of the Court has been received and Ruznie has appealed against the decision to the higher court. No further actions are required by Pilar Mas, and Defendants II and IV while the higher court considers Ruznie's appeal. The Company will continue to defend its position and does not expect to incur any costs arising from the appeal process.

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

As previously announced, with effect from 9 October 2017, all litigation matters and decisions with respect to the legal proceedings against Rinjani will be handled by the curators appointed by the Commercial Court Jakarta.

(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 Audit and Risk Management Committee (“**ARMC**”).

Although the Company 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 former 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 then. 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 refers to its announcements dated:

- 1 June 2018 wherein it was announced that SGX-ST had no objection to granting a 3-month extension till 10 August 2018 to appoint the additional (third) committee member of the ARMC;
- 27 August 2018 wherein it was announced that based on the information provided by the Company, the SGX-ST has no objection to granting the Company a further 1.5-month extension, till 28 September 2018, to fill the vacancy in the ARMC;
- 12 November 2018 wherein it was announced that the SGX-ST has no objection to granting a 6-month extension till 28 March 2019 to fill the vacancy in the ARMC;
- 29 April 2019 wherein it was announced that the SGX-ST has no objection to granting a further 6-month extension to till 28 September 2019 to fill the vacancy in the ARMC; and
- 18 October 2019 wherein it was announced that SGX-ST has no objection to granting a further 6-month extension till 28 March 2020 for the Company to fill the vacancy in its ARMC.

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) Management changes

The Company had, on 1 November 2019, announced the resignation of Mr Thng Tien Lung (“**Mr Thng**”) as Chief Financial Officer (“**CFO**”) of the Company. His effective date of cessation with the Company will be on 7 December 2019. With the imminent departure of Mr Thng, the Company has stepped up the search of a suitable candidate; reached out to accounting firms to provide accounting and finance support to the Board during the interim period; and has considered re-engaging Mr John Watson, the previous CFO of the Company as a consultant to assist during the interim period.

The Company will continue to update shareholders via SGXNET when there are material developments in respect of this matter.

(G) Trading resumption

Please refer to item (A) above for details. The Company will continue to update shareholders via SGXNET when there are material developments in respect of any matters concerning the Group pursuant to Catalist Rule 704(22).

The Board is of the opinion that all material disclosures have been provided by the Company.

GOING CONCERN

As set out in (A) above, the Company on 6 August 2018 announced the entry into the Ang Investment Agreement with Mr Ang Liang Kim, a substantial shareholder of the Company, pursuant to which Mr Ang has committed not less than S\$4 million of investment in the Company by way of a convertible loan (of up to S\$2 million) and a rights issue. Following execution of the Ang Investment Agreement, there is now more certainty on the cashflows of the Company to ensure it can meet its debts and obligations (excluding salary and fees of Management and Directors) as they fall due for the 12-month period from 31 December 2018 (the reporting date). Further, on 31 March 2019, the Company announced that it has entered into the Yadi Investment Agreement with Mr Yadi. Pursuant to the Yadi Investment Agreement, Mr Yadi will grant the Company a convertible loan with a principal of US\$2 million (“**Yadi Convertible Loan**”). The purposes of the Yadi Convertible Loan are extended to the Company for, *inter alia*, business operations and projects undertaken by the Company with Mr Yadi’s express approval. On 27 September 2019, the Company announced that it has entered into the Chaw Investment Agreement with Mr Chaw. Pursuant to the Chaw Investment Agreement, Mr Chaw will grant the Company a convertible loan with a principal of S\$1.35 million. The purposes of the convertible loan are extended to the Company for, *inter alia*, costs and expenses in relation to the Proposed Acquisition of the Target. Mr Chaw may also extend an additional loan amount in excess of S\$1.35 million to accommodate any working capital requirements set out in the Catalist Rules.

In addition, the Company had, on 31 March 2019 announced that it had, through its wholly owned subsidiary, RPG Logistics which was incorporated on 25 March 2019, entered into the JOA with PT Prima, to provide logistical support, in respect of but not limited to the transportation of nickel to a loading port, the supervision of mining operations as well as provision of mining equipment and mining services to PT Prima in relation to a mining area in Indonesia. In return, PT Prima will pay RPG Logistics an amount equivalent to 60% of the profit per tonne of nickel sold from the mining area by PT Prima, provided always that the amount shall not be less than US\$5 per tonne.

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 2019 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 third quarter financial statements of the Company and Group for the financial period ended

30 September 2019 have been prepared on a going concern basis.

CONSOLIDATED FINANCIAL STATEMENTS – PRESENTATION AND PREPARATION

Application of the New Financial Reporting Framework

The Group has adopted a new financial reporting framework, the Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”), on 1 January 2018 and has prepared its financial information under SFRS(I)s for the third quarter ended 30 September 2019. SFRS(I)s comprise standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and is effective on 1 January 2018. In adopting SFRS(I) on 1 January 2018, the Group has applied all of the specific transition requirements in SFRS(I)1 First-Time Adoption of SFRS(I).

RESULTS ANNOUNCEMENT – ABBREVIATIONS

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

- “**3QFY2019**”: The 3-month period ended 30 September 2019, a.k.a. third quarter of the financial year ending 31 December 2019;
- “**3QFY2018**”: The 3-month period ended 30 September 2018, a.k.a. third quarter of the financial year ended 31 December 2018;
- “**4QFY2018**”: The 3-month period ended 31 December 2018, a.k.a. fourth quarter of the financial year ended 31 December 2018;
- “**9MFY2019**”: The 9-month period ended 30 September 2019 of the financial year ending 31 December 2019;
- “**9MFY2018**”: The 9-month period ended 30 September 2018 of the financial year ended 31 December 2018; and
- “**12MFY2018**”: The 12-month financial year ended 31 December 2018.

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 financial year.

	Group						Ref
	3 months ended 30.09.19	3 months ended 30.09.18	Inc/ (Dec)	9 months ended 30.09.19	9 months ended 30.09.18	Inc/ (Dec)	
	US\$'000	US\$'000	%	US\$'000	US\$'000	%	
Revenue	28	273	(89.7)	114	934	(87.8)	8.1.1
Cost of goods sold	(68)	(315)	(78.4)	(344)	(999)	(65.6)	8.1.2
Gross loss	(40)	(42)	(4.8)	(230)	(65)	>100	8.1.3
Other (losses)/income, net	(29)	34	N.M.	(68)	11	N.M.	8.1.4
Administrative expenses	(328)	(266)	23.3	(797)	(958)	(16.8)	8.1.5
Finance costs	(1)	(3)	(66.7)	(5)	(7)	(28.6)	8.1.6
Loss before tax	(398)	(277)	43.7	(1,100)	(1,019)	7.9	
Tax expense	-	-	N.M.	-*	(2)	N.M.	8.1.7
Loss for the financial period	(398)	(277)	43.7	(1,100)	(1,021)	7.7	
Other comprehensive income							
<u>Items that may be reclassified subsequently to profit or loss</u>							
Currency translation differences arising on consolidation	75	14	>100	58	41	41.5	8.1.8
Total comprehensive loss for the financial period	(323)	(263)	22.8	(1,042)	(980)	6.3	
Loss attributable to:							
- Equity holders of the Company	(398)	(278)	43.2	(1,100)	(1,023)	7.5	
- Non-controlling interests	-*	1	N.M.	-*	2	N.M.	

	(398)	(277)	43.7	(1,100)	(1,021)	7.7
Total comprehensive loss attributable to:						
- Equity holders of the Company	(323)	(264)	22.3	(1,042)	(982)	6.1
- Non-controlling interests	-*	1	N.M.	-*	2	N.M.
	(323)	(263)	22.8	(1,042)	(980)	6.3

N.M. – Not Meaningful

*- Amount is below US\$1,000

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

	Group					
	3 months ended 30.09.19	3 months ended 30.09.18	Inc/ (Dec)	9 months ended 30.09.19	9 months ended 30.09.18	Inc/ (Dec)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Foreign currency exchange loss/(gain)	75	(4)	N.M.	30	42	(28.6)
Depreciation of property, plant and equipment	37	60	(38.3)	112	188	(40.4)
Impairment loss on trade receivables	-	-	N.M.	74	-	N.M.
Interest expense	1	3	(66.7)	5	7	(28.6)
Under provision of income tax expense from prior year	-	-	-	-	2	N.M.

N.M. – Not Meaningful

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 30.09.19	As at 31.12.18		As at 30.09.19	As at 31.12.18
	US\$'000	US\$'000		US\$'000	US\$'000
	(Unaudited)	(Audited)		(Unaudited)	(Audited)
Non-current assets					
Property, plant and equipment	355	467	8.2.1	-	-
	355	467		-	-
Current assets					
Available-for-sale financial asset	-	-*		-*	-*
Financial assets at fair value through profit or loss	-*	-		-	-
Inventories	48	45	8.2.2	-	-
Trade and other receivables	75	183	8.2.3	17	2
Cash and cash equivalents	164	253	8.2.4	119	70
	287	481		136	72
Total assets	642	948		136	72
Equity					
Share capital	100,480	100,480		236,508	236,508
Currency translation reserve	(742)	(800)	8.2.5	(15,776)	(15,809)
Accumulated losses	(102,114)	(101,015)		(223,167)	(222,411)
Equity attributable to equity holders of the Company	(2,376)	(1,335)		(2,435)	(1,712)
Non-controlling interests	(193)	(193)		-	-
Total equity	(2,569)	(1,528)		(2,435)	(1,712)
Non-current liabilities					
Finance lease liabilities	-	15	8.2.8	-	-
	-	15		-	-

Current liabilities					
Trade and other payables	2,184	1,900	8.2.6	2,043	1,784
Advances from Investor	528	-	8.2.7	528	-
Finance lease liabilities	27	56	8.2.8	-	-
Tax payable	472	505	8.2.9	-	-
	<u>3,211</u>	<u>2,461</u>		<u>2,571</u>	<u>1,784</u>
Total liabilities	3,211	2,476		2,571	1,784
Net liabilities	(2,569)	(1,528)		(2,435)	(1,712)
Total equity and liabilities	642	948		136	72

* - Amount is below US\$1,000

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

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

30.09.19		31.12.18	
US\$'000	US\$'000	US\$'000	US\$'000
Secured	Unsecured	Secured	Unsecured
27	678	56	152

(b) Amount repayable after one year

30.09.19		31.12.18	
US\$'000	US\$'000	US\$'000	US\$'000
Secured	Unsecured	Secured	Unsecured
-	-	15	-

(c) Details of any collateral

Certain vehicles (such as coal hauling trucks) with an aggregate carrying amount of US\$0.03 million as at 30 September 2019 (31 December 2018: US\$0.1 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.

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	9 months	9 months
	ended	ended	ended	ended
	30.09.19	30.09.18	30.09.19	30.09.18
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
Loss before tax	(398)	(277)	(1,100)	(1,019)
<u>Adjustments for:</u>				
Impairment loss on trade receivables	-	-	74	-
Depreciation of property, plant and equipment	37	60	112	188
Finance costs (interest expense)	1	3	5	7
Unrealised foreign currency exchange loss/(gain)	75	(4)	30	42
Operating cash flows before working capital changes	(285)	(218)	(879)	(782)
Inventories	-	9	(3)	9
Trade and other receivables	39	17	35	(81)
Trade and other payables	38	281	283	899
Currency translation adjustments	2	39	-	(6)
Cash (used in)/from operating activities	(206)	128	(564)	39
Taxes paid	(1)	(2)	(4)	(10)
Net cash (used in)/from operating activities	(207)	126	(568)	29
Cash flows from financing activities				
Advances from Investor	160	-	528	-
Repayment of finance leases	(14)	(5)	(44)	(19)
Interest paid	(1)	(3)	(5)	(7)
Net cash from/(used in) financing activities	145	(8)	479	(26)
Net (decrease)/increase in cash and cash equivalents	(62)	118	(89)	3
Cash and cash equivalents at beginning of period	226	207	253	322
Effects of currency translation on cash and cash equivalents	-	-	-	-
Cash and cash equivalents at end of period	164	325	164	325

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.

	<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
Group						
At 1 January 2018	100,480	(824)	(99,634)	22	(173)	(151)
Loss for the 3 months ended 31 March 2018	-	-	(310)	(310)	-*	(310)
<u>Other comprehensive income:</u>						
- Currency translation differences	-	(12)	-	(12)	-	(12)
Loss and total comprehensive loss for the 3 months ended 31 March 2018	-	(12)	(310)	(322)	-*	(322)
Adjustments	-	-	2	2	(2)	-
At 31 March 2018	100,480	(836)	(99,942)	(298)	(175)	(473)
Loss for the 3 months ended 30 June 2018	-	-	(435)	(435)	1	(434)
<u>Other comprehensive income:</u>						
- Currency translation differences	-	39	-	39	-	39
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 30 June 2018	-	39	(435)	(396)	1	(395)
At 30 June 2018	100,480	(797)	(100,377)	(694)	(174)	(868)
Loss for the 3 months ended 30 September 2018	-	-	(278)	(278)	1	(277)
<u>Other comprehensive income:</u>						
- Currency translation differences	-	14	-	14	-	14
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 30 September 2018	-	14	(278)	(264)	1	(263)
At 30 September 2018	100,480	(783)	(100,377)	(694)	(173)	(1,131)

* - Amount is below US\$1,000

	<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
Group						
At 1 January 2019	100,480	(800)	(101,015)	(1,334)	(193)	(1,528)
Loss for the 3 months ended 31 March 2019	-	-	(219)	(219)	-*	(219)
<u>Other comprehensive income:</u>						
- Currency translation differences	-	3	-	3	-	3
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 31 March 2019	-	3	(219)	(216)	-*	(216)
Adjustments	-	-	1	1	-	1
At 31 March 2019	100,480	(797)	(101,233)	(1,550)	(193)	(1,743)
Loss for the 3 months ended 30 June 2019	-	-	(483)	(483)	-*	(483)
<u>Other comprehensive income:</u>						
- Currency translation differences	-	(20)	-	(20)	-	(20)
Loss and total comprehensive loss for the 3 months ended 30 June 2019	-	(20)	(483)	(503)	-*	(503)
Adjustments	-	-	(1)	(1)	-	(1)
At 30 June 2019	100,480	(817)	(101,717)	(2,054)	(193)	(2,247)
Loss for the 3 months ended 30 September 2019	-	-	(398)	(398)	-*	(398)
<u>Other comprehensive income:</u>						
- Currency translation differences	-	75	-	75	-	75
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 30 September 2019	-	75	(398)	(323)	-*	(323)
Adjustments	-	-	1	1	-	1
At 30 September 2019	100,480	(742)	(102,114)	(2,376)	(193)	(2,569)

* - Amount is below US\$1,000

	<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
Company				
At 1 January 2018	236,508	(15,833)	(221,159)	(484)
Loss for the 3 months ended 31 March 2018	-	-	(301)	(301)
<u>Other comprehensive income:</u>				
- Currency translation differences	-	(105)	-	(105)
Loss and total comprehensive loss for the 3 months ended 31 March 2018	-	(105)	(301)	(406)
At 31 March 2018	236,508	(15,938)	(221,460)	(890)
Loss for the 3 months ended 30 June 2018	-	-	(345)	(345)
<u>Other comprehensive income:</u>				
- Currency translation differences	-	134	-	134
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 30 June 2018	-	134	(345)	(211)
At 30 June 2018	236,508	(15,804)	(221,805)	(1,101)
Loss for the 3 months ended 30 September 2018	-	-	(270)	(270)
<u>Other comprehensive income:</u>				
- Currency translation differences	-	12	-	12
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 30 September 2018	-	12	(270)	(258)
At 30 September 2018	236,508	(15,792)	(221,075)	(1,359)

	<u>Share capital US\$'000</u>	<u>Currency translation reserve US\$'000</u>	<u>Accumulated losses US\$'000</u>	<u>Total equity US\$'000</u>
Company				
At 1 January 2019	236,508	(15,809)	(222,411)	(1,712)
Loss for the 3 months ended 31 March 2019	-	-	(112)	(112)
<i>Other comprehensive income:</i>				
- Currency translation differences	-	3	-	3
Profit/(Loss) and total comprehensive income/(loss) for the 3 months ended 31 March 2019	-	3	(112)	(109)
At 31 March 2019	236,508	(15,806)	(222,523)	(1,821)
Loss for the 3 months ended 30 June 2019	-	-	(329)	(329)
<i>Other comprehensive income:</i>				
- Currency translation differences	-	(20)	-	(20)
Loss and total comprehensive loss for the 3 months ended 30 June 2019	-	(20)	(329)	(349)
At 30 June 2019	236,508	(15,826)	(222,852)	(2,170)
Loss for the 3 months ended 30 September 2019	-	-	(315)	(315)
<i>Other comprehensive income:</i>				
- Currency translation differences	-	50	-	50
Profit/(Loss) and total comprehensive income/(loss) for the 3 months ended 30 September 2019	-	50	(315)	(265)
At 30 September 2019	236,508	(15,776)	(223,167)	(2,435)

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 (\$)
At 30 September 2019 and 30 June 2019	1,832,999,998	307,306,455

There were no changes in the Company's share capital since 30 June 2019 and up till 30 September 2019. As at 30 September 2019 and 30 September 2018, the Company had no outstanding share options, other convertibles, treasury shares and subsidiary holdings.

Subject to the following corporate actions to be approved by shareholders, the number of ordinary shares will be increased by:

- a) the full drawdown and conversion of the convertible loan extended by Mr Ang into 2 billion shares;
- b) the full drawdown and conversion of the convertible loan extended by Mr Yadi into 2.705 billion shares;
- c) the conversion of the commission payable to Mr Khoo Boo Kok, introducer of the JOA with PT Prima into 676,250,000 shares;
- d) a 1-for-1 rights issue at S\$0.001 to be undertaken pursuant to the Ang Investment Agreement; and
- e) the full drawdown and conversion of the convertible loan extended by Mr Chaw into 1.35 billion shares.

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.

	As at 30.09.19	As at 31.12.18
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, 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 during 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 during the financial period.

2. Whether the figures have been audited, or reviewed and in accordance with which accounting 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 recent audited annual financial statements have been applied.

Except as disclosed in the section entitled “Consolidated financial statements – Presentation and Preparation” and paragraph 5 below, the Group and the Company have applied the same accounting policies and methods of computation for the current reporting period as those of the audit financial statements for the financial year ended 31 December 2018.

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 section entitled “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 SFRS(I) that are effective for annual periods beginning on or after 1 January 2019. 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 3QFY2019 and 9MFY2019.

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	3 months ended	9 months ended	9 months ended
	30.09.19	30.09.18	30.09.19	30.09.18
Losses per ordinary share:				
Basic (US\$ cents)	(0.022)	(0.015)	(0.060)	(0.056)
Diluted (US\$ cents)	(0.022)	(0.015)	(0.060)	(0.056)
Weighted average number of ordinary shares	1,832,999,998	1,832,999,998	1,832,999,998	1,832,999,998

Diluted loss per share is the same as basic loss per share for all reported financial periods ended 30 September 2019 and 2018 as the effect of all potentially dilutive shares outstanding was anti-dilutive.

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 30.09.19	As at 31.12.18
Net asset value per ordinary share (US\$ cents)	(0.130)	(0.073)
Number of ordinary shares issued (excluding treasury shares)	1,832,999,998	1,832,999,998
	Company	
	As at 30.09.19	As at 31.12.18
Net asset value per ordinary share (US\$ cents)	(0.133)	(0.093)
Number of ordinary shares issued (excluding treasury shares)	1,832,999,998	1,832,999,998

- 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.**

8.1 INCOME STATEMENT

8.1.1 Revenue

The significant decrease in revenue in 3QFY2019 and 9MFY2019 was a result of early termination of coal hauling contract in May 2019 as set out in the item (A) of the section entitled "Introduction", partially offset by the new revenue source, namely the royalty fees from the JOA with PT Prima.

8.1.2 Cost of Goods Sold ("COGS")

The significant decrease in revenue in 3QFY2019 and 9MFY2019 was in line with the decrease in revenue due mainly to the early termination of coal hauling contract in May 2019.

The COGS for 3QFY2019 and 9MFY2019 includes primarily the costs of manpower, fuel, repairs and maintenance/spare parts and depreciation of its coal hauling trucks from EIR. The decrease in EIR's COGS is less than proportionate than the decrease in revenue due to certain fixed component of COGS such as manpower cost and depreciation which remain fairly constant throughout the months.

8.1.3 Gross Loss

The Group incurred a gross loss of US\$40,000 and US\$230,000 for 3QFY2019 and 9MFY2019 respectively. This gross loss arose due to the reasons noted in paragraphs 8.1.1 and 8.1.2 as well as item (A) of the section entitled "Introduction".

8.1.4 Other losses, net

Other loss, net comprises primarily foreign exchange losses arising from an adjustment to tax payable of the Group and an impairment provision for 9MFY2019 as set out in paragraph 8.2.3 below.

8.1.5 Administrative expenses

Administrative expenses comprise mainly executive management remuneration, director's fees, professional fees (audit and tax) and fees of the Group's service providers.

Administrative expenses increased by 23.3% (or US\$62,000) to US\$328,000 in 3QFY2019 from US\$266,000 in 3QFY2018 and decreased by 16.8% (or US\$161,000) to US\$797,000 in 9MFY2019 from US\$958,000 in 9MFY2018. The increase in 3QFY2019 was due to accruals of professional fees incurred including, *inter alia* audit and other services. The decrease in 9MFY2019 was primarily due to departure of some key executives and reductions in the costs/fees of certain service providers and professionals.

8.1.6 Finance costs

Finance costs is in relation to lease finance costs and amounted to US\$1,000 for 3QFY2019 and US\$5,000 for 9MFY2019. The finance costs represent lease interests following the completion of the renegotiated lease agreements since April 2018.

8.1.7 Tax expense

The tax expense is calculated based on the current statutory income tax rates in Singapore and Indonesia.

There was no tax expense incurred in 3QFY2019 and 9MFY2019. The US\$2,000 noted in 9MFY2018 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 Currency translation difference

The currency translation differences arise from translation of the financial statements of the Company from its functional currency (in S\$) to the Group's presentation currency (in US\$).

8.2 ASSETS, LIABILITES AND EQUITY

8.2.1 Property, plant and equipment

Property, plant and equipment ("PP&E") decreased by US\$112,000 to US\$355,000 as at 30 September 2019 from US\$467,000 as at 31 December 2018. The decrease was due to current period depreciation of EIR's coal hauling trucks.

Since the early termination of coal hauling contract in May 2019 as set out in the item (A) of the section entitled "Introduction", EIR has been looking out for alternative coal hauling partners. At this juncton, no impairment is provided for EIR's coal hauling trucks but the Company will review the need for impairment of the coal hauling trucks on a quarter to quarter basis and make the provisions where necessary.

8.2.2 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, if any, results from normal operational activities.

8.2.3 Trade and other receivables

Trade and other receivables comprise primarily of receivables due from CAN for the coal hauling services and prepayments.

Trade and other receivables decreased by US\$108,000 to US\$75,000 as at 30 September 2019 from US\$183,000 as at 31 December 2018 mainly due to impairment provision of US\$74,000 in respect of the trade receivables and collection of trade receivables, partially offset by revenue earned during the period and prepayment during the period.

As collection from CAN is slow and intermittent, based on current credit risk assessment on CAN, the only trade debtor as at 30 September 2019, expected credit losses amounting to Nil and US\$74,000 have been recorded for 3QFY2019 and 9MFY2019 while a provision amounting to US\$27,000 has been booked for the 4QFY2018 and 12MFY2018 in accordance with the adoption of the SFRS(I) as set out in the section entitled "Consolidated Financial Statements – Presentation and Preparation".

8.2.4 Cash and cash equivalents

	Group	
	9 months ended 30.09.19 US\$'000	9 months ended 30.09.18 US\$'000
Cash and cash equivalents at beginning of financial period	253	322
Cash flows (used in)/from operating activities	(568)	29
Cash flows from/(used in) financing activities	479	(26)
Net (decrease)/increase in cash and cash equivalents	(89)	3
Cash and cash equivalents at end of financial period	164	325

Cash flows used in operating activities

Cash flows used for operating activities before working capital changes amounted to US\$307,000 and US\$901,000 for 3QFY2019 and 9MFY2019 respectively as set out in paragraph 1(c) on Cash flow statement for the Group above. After working capital changes, cash flows used in operating activities reduced to US\$206,000 and US\$564,000 for 3QFY2019 and 9MFY2019 respectively due mainly to the increase in other payables.

Cash flows from financing activities

There were drawdowns of amount totaling US\$528,000 from the Ang Investment Agreement as set out in the item (A)(3)(ii) of the section entitled "Introduction" and paragraph 8.2.7 on Advances from Investor below for 9MFY2019. Cash flows used in financing activities amounted to US\$49,000 from the repayment of lease obligations and interests for 9MFY2019.

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 30 September 2019.

8.2.6 Trade and other payables

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

Trade and other payables increased by US\$0.3 million to US\$2.2 million as at 30 September 2019 from US\$1.9 million as at 31 December 2018 mainly due to the accrual (and deferred payment) of executive management remuneration and director fees for 9MFY2019 amounting to US\$0.6 million, partially offset by payment of US\$0.3 million to certain service providers and professionals for their past services in 9MFY2019.

8.2.7 Advances from Investor

The Company and the Group had made drawdowns from the Ang Investment Agreement in January 2019, May 2019, July 2019 and August 2019 for the financial period under review for its working capital requirements as set out in item (A)(3)(ii) of the section entitled "Introduction".

No interest has been accrued on the basis that the controlling shareholder and the entities controlled by the controlling shareholder have given undertakings, *inter alia*, to vote and/or procure the voting of all the undertaking shares of 742,384,980 ordinary shares, representing approximately 40.5% of the total number of issued shares of the Company, in favour of the resolutions at any extraordinary general meeting of the Company to be held to approve, among others, the transactions contemplated in the Ang Investment Agreement, including but not limited to the convertible loan, the issuance of shares pursuant to the convertible loan, the whitewash waiver, and the rights issue.

As at 30 September 2019, no drawdown has been made pursuant to the Yadi Investment Agreement and the Chaw Investment Agreement.

8.2.8 Finance lease liabilities (current and non-current)

Finance lease liabilities represent the outstanding obligation for the hire purchase of coal hauling trucks by EIR.

Finance lease liabilities decreased by US\$44,000 to US\$27,000 as at 30 September 2019 from US\$71,000 as at 31 December 2018 due to lease payments during 9MFY2019.

8.2.9 Tax payable

Tax payable decreased by US\$33,000 due to the reason as set out in paragraph 8.1.4 above.

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 sections entitled "Introduction" and "Going Concern".

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 and the reason(s) for the decision.

No dividend has been declared or recommended for 3QFY2019 and 9MFY2019 as the Group is loss making during the respective financial period.

13. Interested Person Transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Catalyst Rule 920(1)(a)(ii).

There were no interested person transactions of S\$100,000 or more entered into by the Group during 9MFY2019.

14. Use of Funds

Not applicable. In accordance with the use of proceeds as stated in the Company's offer document dated 30 September 2014, the remaining S\$38,000 which was allocated for the upgrading of coal mining facilities is no longer available to the Group following the loss of control of Rinjani.

Additional Information Required for Mineral, Oil and Gas Companies

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

1) Use of funds/cash for the quarter ended 30 September 2019.

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

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

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

16. Catalyst Rule 705(6)(b)

Refer to paragraph 19 below.

17. Catalyst Rule 705(7)(a)

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. Confirmation by the Company pursuant to Catalyst Rule 720(1)

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

19. Confirmation by the Board of Directors pursuant to Catalyst Rule 705(5) and Catalyst Rule 705(6)(b)

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

14 November 2019