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

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Advisors Private Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

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.

The contact person for the Sponsor is Mr Sebastian Jones, Director, at 1 Robinson Road #21-02, AIA Tower, Singapore 048542, telephone (65) 6532-3829. SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.

Unaudited Full Year Financial Statements for the Financial Year Ended 31 December 2016

INTRODUCTION

On 12 November 2014, Sky One Holdings Limited announced the completion of the reverse takeover ("**RTO**") pursuant to which its name was changed to Resources Prima Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**").

The Group engages in coal mining and the provision of coal mining facilities to third party mine owners. On 31 March 2015, the Company announced the acquisition of RPG Trading Pte. Ltd., with the intention of trading and marketing of coal.

On 2 September 2015, the Company announced the change of its financial year end from 31 March to 31 December. This change was effected to align the financial year of the Company with that of its Indonesian subsidiaries following completion of the RTO.

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

- "**FY2016**": The 12-month period ended 31 December 2016 of the financial year ended 31 December 2016;
- "**FYE12/15**": The 9-month period ended 31 December 2015 of the financial period ended 31 December 2015; and
- "**FY2015**": The 3-month period ended 31 March 2015 of the financial year ended 31 March 2015 (**4QFYE03/15**) plus the 9-month period ended 31 December 2015 of the financial period ended 31 December 2015 (**9MFYE12/15)** which consisted of 9 months due to the change of financial year end.

[This section is intentionally left blank]

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

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

INCOME STATEMENT

	Group		
	12 months 31.12.16 US$'000 (Unaudited)	**9 months 31.12.15[1] US$'000 (Audited)**	**Inc/ (Dec) %**
Revenue	**57,899**	**50,964**	**13.6**
Cost of goods sold	(48,896)	(40,473)	20.8
Gross profit	**9,003**	**10,491**	**(14.2)**
Other income	167	675	(75.3)
Selling and distribution expenses	(4,287)	(4,486)	(4.4)
Administrative expenses	(3,843)	(2,795)	37.5
Finance costs	(1,131)	(1,000)	13.1
Other expenses	(2,433)	(957)	>100.0
(Loss)/profit before tax	**(2,524)**	**1,928**	**N.M.**
Tax expense	(48)	(1,331)	(96.4)
(Loss)/profit for the financial year	**(2,572)**	**597**	**N.M.**
(Loss)/profit attributable to:			
- Equity holders of the Company	(1,856)	616	N.M.
- Non-controlling interests	(716)	(19)	>100.0
	(2,572)	**597**	**N.M.**
Other comprehensive (loss)/income			
Item that may not be reclassified subsequently to profit or loss:			
Remeasurement of post-employment benefits, net of tax	(145)	4	N.M.
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising on consolidation	(228)	(352)	(35.2)
Total comprehensive (loss)/income for the year	**(2,945)**	**249**	**N.M.**
Total comprehensive (loss)/income attributable to:			
- Equity holders of the Company	(2,228)	267	N.M.
- Non-controlling interests	(717)	(18)	>100.0
	(2,945)	**249**	**N.M.**

N.M. – Not Meaningful

[1]The Group changed its financial year end from 31 March to 31 December in December 2015. The previous financial year covered a period of 9 months from 1 April to 31 December 2015 whereas the current financial year covers a period of 12 months from 1 January to 31 December 2016. This difference in reporting period generally accounted for the higher revenue and expenses for the current year and as such the percentage changes compared with the previous year are arithmetical only.

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

	Group		
	12 months 31.12.16 US$'000	**9 months 31.12.15 US$'000**	**Inc/ (Dec) %**
Unrealised loss/(gain) foreign currency exchange, net	100	(232)	N.M.
Depreciation of property, plant and equipment	2,988	2,219	34.6
Amortisation of mining properties	2,278	2,037	11.8
Amortisation of intangible assets	40	31	29.0
Post-employment benefits	414	171	>100.0
Provision for mine reclamation and rehabilitation	474	97	>100.0
Operating lease expenses	1,419	1,657	(14.4)
Interest income	(28)	(15)	86.7
Interest expense	1,131	1,000	13.1
Impairment of trade receivables	2,174	-	N.M.
Fair value loss on non-current interest free loan	-	523	N.M.
Loss on disposal of property, plant and equipment	-	5	N.M.

N.M. – Not Meaningful

[This section is intentionally left blank]

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

	Group		Ref	Company	
	As at 31.12.16 US$'000 (Unaudited)	As at 31.12.15 US$'000 (Audited)		As at 31.12.16 US$'000 (Unaudited)	As at 31.12.15 US$'000 (Audited)
Non-current assets					
Property, plant and equipment	21,836	23,727	**8.2.1**	-	-
Investment in subsidiaries	-	-	**8.2.2**	32,391	50,615
Intangible assets	170	210	**8.2.3**	-	-
Mining properties	6,765	5,892	**8.2.4**	-	-
Trade and other receivables	8,260	727	**8.2.5**	-	-
Deferred tax assets	1,900	856	**8.2.6**	-	-
	38,931	31,412		32,391	50,615
Current assets					
Inventories	235	2,375	**8.2.7**	-	-
Trade and other receivables	5,874	16,052	**8.2.5**	11,179	12,595
Cash and cash equivalents	2,299	4,714	**8.2.8**	100	76
	8,408	23,141	**8.2.16**	11,279	12,671
Total assets	**47,339**	**54,553**		**43,670**	**63,286**
Equity					
Share capital	100,480	100,480		236,508	236,508
Currency translation reserve	(1,383)	(1,155)	**8.2.9**	(17,995)	(16,759)
Accumulated losses	(84,157)	(82,156)		(175,140)	(156,686)
Equity attributable to equity holders of the Company	14,940	17,169		43,373	63,063
Non-controlling interests	(4,537)	(3,821)	**8.2.10**	-	-
Total equity	**10,403**	**13,348**		**43,373**	**63,063**
Non-current liabilities					
Trade and other payables	12,512	40	**8.2.11**	-	-
Post-employment benefits	1,171	549	**8.2.12**	-	-
Finance lease liabilities	258	696	**8.2.13**	-	-
Provisions	1,498	973	**8.2.14**	-	-
	15,439	2,258		-	-
Current liabilities					
Trade and other payables	20,392	37,679	**8.2.11**	297	223
Finance lease liabilities	536	797	**8.2.13**	-	-
Tax payable	569	471	**8.2.15**	-	-
	21,497	38,947	**8.2.16**	297	223
Total liabilities	**36,936**	**41,205**		**297**	**223**
Net assets	**10,403**	**13,348**		**43,373**	**63,063**
Total equity and liabilities	**47,339**	**54,553**		**43,670**	**63,286**

[This section is intentionally left blank]

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

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

As at 31.12.16		As at 31.12.2015	
US$'000	**US$'000**	**US$'000**	**US$'000**
Secured	**Unsecured**	**Secured**	**Unsecured**
536	143	797	1,427

(b) Amount repayable after one year

As at 31.12.16		As at 31.12.2015	
US$'000	**US$'000**	**US$'000**	**US$'000**
Secured	**Unsecured**	**Secured**	**Unsecured**
258	-	696	-

(c) Details of any collateral

Certain vehicles and machinery (such as coal hauling trucks and heavy equipment) with an aggregate carrying amount of US$2.0 million as at 31 December 2016 (31 December 2015: US$3.1 million) are pledged under existing finance lease arrangements.

Fiduciary security over coal inventory of PT Rinjani Kartanegara ("**Rinjani**") (a subsidiary of the Company held through PT Pilar Mas Utama Perkasa ("**Pilar Mas**") and corporate guarantee by Pilar Mas have been provided to secure the debt of Rinjani to a main supplier, included in trade payables of the Group as at 31 December 2016 and 31 December 2015.

[This section is intentionally left blank]

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	
	12 months 31.12.16 US$'000	**9 months 31.12.15 US$'000**
Cash flows from operating activities		
(Loss)/profit before tax	(2,524)	1,928
Adjustments for:-		
Depreciation of property, plant and equipment	2,988	2,219
Amortisation of mining properties	2,278	2,037
Amortisation of intangible assets	40	31
Post-employment benefits	414	171
Provision for mine reclamation and rehabilitation	474	97
Finance costs (interest expense)	1,131	1,000
Interest income	(28)	(15)
Impairment of trade receivables	2,174	-
Fair value loss on non-current interest-free loan	-	523
Loss on disposal of property, plant and equipment	-	5
Unrealised foreign currency exchange loss/(gain)	100	(232)
Operating profit before working capital changes	**7,047**	**7,764**
Inventories	2,140	(1,381)
Trade and other receivables	476	2,459
Trade and other payables	(6,798)	2,627
Currency translation adjustments	(228)	(352)
Cash generated from operations	**2,637**	**11,117**
Interest received	28	15
Income tax paid	(6)	(378)
Net cash generated from operating activities	**2,659**	**10,754**
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	57
Additions to mining properties	(1,699)	(169)
Purchase of property, plant and equipment	(1,007)	(11,080)
Proceeds/advance payment from disposal of available for sale investment	-	884
Net cash used in investing activities	**(2,706)**	**(10,308)**
Cash flows from financing activities		
Interest paid	(213)	(146)
Repayment of finance lease	(857)	(1,121)
Repayment of loan from related party	(42)	-
Repayment of loan from third party	(1,256)	-
Net cash used in from financing activities	**(2,368)**	**(1,267)**
Net decrease in cash and cash equivalents	(2,415)	(821)
Cash and cash equivalents at beginning of the year	4,714	5,535
Cash and cash equivalents at end of the year	**2,299**	**4,714**

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.**

Statements of Changes in Equity

Group	**Share capital US$'000**	**Currency translation reserve US$'000**	**Accumulated losses US$'000**	**Equity attributable to equity holders of the Company US$'000**	**Non-controlling interests US$'000**	**Total equity US$'000**
At 1 April 2015	**100,480**	**(803)**	**(82,788)**	**16,889**	**(3,790)**	**13,099**
Contributions and distributions to owners:						
- Acquisition of non-controlling interest	-	-	13	13	(13)	-
Profit for the 3 months ended 30 June 2015	-	-	1,564	1,564	169	1,73 3
Other comprehensive income						
- Currency translation differences	-	269	-	269	-	269
Profit and total comprehensive income for the 3 months ended 30 June 2015	-	269	1,577	1,846	156	2,002
At 30 June 2015	**100,480**	**(534)**	**(81,211)**	**18,735**	**(3,634)**	**15,101**
Profit for the 3 months ended 30 September 2015	-	-	1,071	1,071	290	1,361
Other comprehensive loss:						
- Currency translation differences	-	(753)	-	(753)	-	(753)
Profit and total comprehensive (loss)/income for the 3 months ended 30 September 2015	-	(753)	1,071	318	290	608
At 30 September 2015	**100,480**	**(1,287)**	**(80,140)**	**19,053**	**(3,344)**	**15,709**
Loss for the 3 months ended 31 December 2015	-	-	(2,019)	(2,019)	(478)	(2,497)
Other comprehensive income						
- Remeasurement of employee benefit, net of tax	-	-	3	3	1	4
- Currency translation differences	-	132	-	132	-	132
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 31 December 2015	-	132	(2,016)	(1,884)	(477)	(2,361)
At 31 December 2015	**100,480**	**(1,155)**	**(82,156)**	**17,169**	**(3,821)**	**13,348**

Statements of Changes in Equity (continued)

Group (continued)	Share capital US$'000	Currency translation reserve US$'000	Accumulated losses US$'000	Equity attributable to equity holders of the Company US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 January 2016	**100,480**	**(1,155)**	**(82,156)**	**17,169**	**(3,821)**	**13,348**
Profit/(loss) for the 3 months ended 31 March 2016	-	-	671	671	(29)	642
Other comprehensive income:						
- Currency translation differences	-	567	-	567	-	567
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 31 March 2016	-	567	671	1,238	(29)	1,209
At 31 March 2016	**100,480**	**(588)**	**(81,485)**	**18,407**	**(3,850)**	**14,557**
Loss for the 3 months ended 30 June 2016	-	-	(654)	(654)	(281)	(935)
Other comprehensive income:						
- Currency translation differences	-	18	-	18	-	18
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 30 June 2016	-	18	(654)	(636)	(281)	(917)
At 30 June 2016	**100,480**	**(570)**	**(82,139)**	**17,771**	**(4,131)**	**13,640**
Profit/(loss) for the 3 months ended 30 September 2016	-	-	6	6	(69)	(63)
Other comprehensive loss:						
- Currency translation differences	-	(149)	-	(149)	-	(149)
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 30 September 2016	-	(149)	6	(143)	(69)	(212)
At 30 September 2016	**100,480**	**(719)**	**(82,133)**	**17,628**	**(4,200)**	**13,428**
Loss for the 3 months ended 31 December 2016	-	-	(1,879)	(1,879)	(337)	(2,216)
Other comprehensive loss:						
- Remeasurement of employee benefit, net of tax	-	-	(145)	(145)	-	(145)
- Currency translation differences	-	(664)	-	(664)	-	(664)
Loss and total comprehensive loss for the 3 months ended 31 December 2016	-	(664)	(2,024)	(2,688)	(337)	(3,025)
At 31 December 2016	**100,480**	**(1,383)**	**(84,157)**	**14,940**	**(4,537)**	**10,403**

Statements of Changes in Equity (continued)

Company	Share capital US$'000	Currency translation reserve US$'000	Accumulated losses US$'000	Total equity US$'000
At 1 April 2015	**236,508**	**(11,446)**	**(23,775)**	**201,287**
Loss for the 3 months ended 30 June 2015	-	-	(78)	(78)
Other comprehensive income				
- Currency translation differences	-	4,321	-	4,321
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 30 June 2015	-	4,321	(78)	4,243
At 30 June 2015	**236,508**	**(7,125)**	**(23,853)**	**205,530**
Loss for the 3 months ended 30 September 2015	-	-	(420)	(420)
Other comprehensive loss:				
- Currency translation differences	-	(11,226)	-	(11,226)
Loss and total comprehensive loss for the 3 months ended 30 September 2015	-	(11,226)	(420)	(11,646)
At 30 September 2015	**236,508**	**(18,351)**	**(24,273)**	**193,884**
Loss for the 3 months ended 31 December 2015	-	-	(132,413)	(132,413)
Other comprehensive income:				
- Currency translation differences	-	1,592	-	1,592
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 31 December 2015	-	1,592	(132,413)	(130,821)
At 31 December 2015	**236,508**	**(16,759)**	**(156,686)**	**63,063**

Statements of Changes in Equity (continued)

Company (continued)	Share capital US$'000	Currency translation reserve US$'000	Accumulated losses US$'000	Total equity US$'000
At 1 January 2016	**236,508**	**(16,759)**	**(156,686)**	**63,063**
Loss for the 3 months ended 31 March 2016	-	-	(285)	(285)
Other comprehensive income:				
- Currency translation differences	-	2,920	-	2,920
Profit /(loss) and total comprehensive income/(loss) for the 3 months ended 31 March 2016	-	2,920	(285)	2,635
At 31 March 2016	**236,508**	**(13,839)**	**(156,971)**	**65,698**
Loss for the 3 months ended 30 June 2016	-	-	(296)	(296)
Other comprehensive income:				
- Currency translation differences	-	100	-	100
Profit /(loss) and total comprehensive income/(loss) for the 3 months ended 30 June 2016	-	100	(296)	(196)
At 30 June 2016	**236,508**	**(13,739)**	**(157,267)**	**65,502**
Loss for the 3 months ended 30 September 2016	-	-	(267)	(267)
Other comprehensive loss:				
- Currency translation differences	-	(794)	-	(794)
Loss and total comprehensive loss for the 3 months ended 30 September 2016	-	(794)	(267)	(1,061)
At 30 September 2016	**236,508**	**(14,533)**	**(157,534)**	**64,441**
Loss for the 3 months ended 31 December 2016	-	-	(17,606)	(17,606)
Other comprehensive loss:				
- Currency translation differences	-	(3,462)	-	(3,462)
Loss and total comprehensive loss for the 3 months ended 31 December 2016	-	(3,462)	(17,606)	(21,068)
At 31 December 2016	**236,508**	**(17,995)**	**(175,140)**	**43,373**

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, as well as number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

There were no changes in the Company's issued and paid-up share capital from 30 September 2016 to 31 December 2016

	No. of Ordinary Shares	Issued Share Capital (S$)
At 31 December 2016 and 2015	**1,832,999,998**	**307,306,455**

As at 31 December 2016 and 2015, the Company had no outstanding share options, convertibles or treasury 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 31.12.16	As at 31.12.15
Total number of issued shares (excluding treasury shares)	**1,832,999,998**	**1,832,999,998**

The Company did not have any treasury shares as at 31 December 2016 and 2015.

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

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

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

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

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

Not applicable.

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

Except as disclosed in item 5 below, the Group and the Company have applied the same accounting policies and methods of computation for the current reporting period as compared with the most recently audited financial statements of the Group and the Company for the financial period ended 31 December 2015.

[This section is intentionally left blank]

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 and the Company have adopted all the new and revised standards and interpretations of the Singapore Financial Reporting Standards, which are effective for financial periods beginning on or after 1 January 2016. 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 12-month financial period ended 31 December 2016.

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	
	12 months 31.12.16	**9 months 31.12.15**
(Loss)/earnings per ordinary share:-		
Basic (US$ cents)	(0.10)	0.03
Diluted (US$ cents)	(0.10)	0.03
Weighted average number of ordinary shares for basic earnings per share	1,832,999,998	1,832,999,998

Diluted earnings per share is the same as basic earnings per share for both the financial periods ended 31 December 2016 and 2015 as there were no outstanding dilutive instruments.

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

	Group	
	As at 31.12.16	**As at 31.12.15**
Net asset value per ordinary share (US$ cents)	0.82	0.94
Number of ordinary shares in issue (excluding treasury shares)	1,832,999,998	1,832,999,998

	Company	
	As at 31.12.16	**As at 31.12.15**
Net asset value per ordinary share (US$ cents)	2.37	3.44
Number of ordinary shares in issue (excluding treasury shares)	1,832,999,998	1,832,999,998

[This section is intentionally left blank]

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

INTRODUCTION

The main factors affecting the Group's financial performance for the twelve months ended 31 December 2016 versus the nine months ended 31 December 2015 are:

(a) **Coal production and sales.** Coal production increased by 128,166 tonnes or 10.2%, to 1,387,285 tonnes for FY2016 from 1,259,119 tonnes for FYE12/15. The main determinant of coal production is the mine plan and related stripping ratio. Mining activity and the stripping ratio for FY2016 were in accordance with the Group's mine plan. However, coal production was adversely impacted by the unusually heavy rainfall at the Group's mine site since September 2016.

Coal sales increased by 266,411 tonnes or 23.2%, to 1,415,471 tonnes for FY2016 from 1,149,060 tonnes for FYE12/15.. Coal sales were adversely impacted by lower production primarily due to the unusually heavy rainfall as noted above.

(b) **Cost of waste mining operations.** Waste mining is contracted out to a third party waste mining contractor. Although waste mining costs are set by long-term contract, the Group has been able to renegotiate rates downwards, subject to certain conditions, to reflect changes in market conditions. However, should market conditions improve, as reflected by the Argus Coalindo ICI2 coal price index ("**ICI2**"), the waste mining contractor is entitled to an increase in the waste mining rate. The waste mining rate shall be increased by US$0.04 per bcm per US$1.00 increment in ICI2 should ICI2 be above US$60.00 per tonne. Such increase in the waste mining rate is up to a maximum of US$0.40 per bcm or when the ICI2 reaches US$70.00 per tonne. As the ICI2 price exceeded US$70.00 per tonne in November 2016, the waste mining rate was increased by US$0.40 per bcm.

(c) **Coal sales price.** The average selling price (FOB Barge) of the Group's coal decreased by US$3.1 per tonne or 7.2% to US$40.0 per tonne for FY2016 from US$43.1 per tonne for FYE12/15. The decrease was in line with the fall of ICI2 to US$47.9 per tonne as end of June 2016 from US$50.3 per tonne as at end of September 2015 with the lowest price reached US$46.5. However, the ICI2 price since July 2016 has increased to US$75.1 per tonne as at the end of December 2016.

(d) **Stripping ratio.** The stripping ratio, which is the key determinant of operating cost, and the mine plan are continually reviewed and updated based on current and future market considerations. In accordance with the mine plan, the average stripping ratio increased by 0.5 bank cubic metres of overburden per tonne of coal ("**bcm/t**") or 5.7% to 9.3 bcm/t in FY2016 from 8.8 bcm/t in FYE12/15. The increase in the stripping ratio was due to ongoing depletion of the Group's first "borrow-use" permit ("**IPPKH1**") and commencement of mining of the second "borrow-use" permit ("**IPPKH2**").

(e) **Efficient operation cost.** The Group is cost competitive as a result of its own fully integrated coal mining facilities such as the coal stockpile, coal crushers, coal conveyor system and jetty facilities. This cost competitiveness when coupled with cost and operational efficiencies from having its own coal hauling road and trucks provides a competitive advantage for the Group. Costs are controlled through competitive bidding and the introduction of new suppliers when appropriate. The cost of goods sold per tonne increased by US$3.1 or 9.7% to US$35.2 per tonne in FY2016 from US$32.1 per tonne in FYE12/15. This increase resulted from primarily an increase in the waste mining rate (as described in paragraph 8(b) above).

(f) **Additional recurring income.** The Group generates additional income and cash flow through provision of its coal mining facilities to a third party mine owner. For FY2016 and FYE12/15, this recurring income contributed 2.8% and 3.0% of revenue, respectively.

(g) **Working capital (to be read in conjunction with item 8.2.16).** Sufficient cash flow for operations given the past low coal pricing environment is a priority for the Group. The Group has focused on maintaining sufficient cash for operations and the development of IPPKH2 through the restructuring of the outstanding debt owed to its waste mining contractor by extending the repayment deadline from 31 December 2016 to 31 December 2018 (as previously announced), the deferral of fixed asset acquisitions and through reassessing and revising the mine development plan as well as closely managing available cash resources.

8.1 INCOME STATEMENT

Review of performance for the twelve months ended 31 December 2016 versus the twelve months ended 31 December 2015

With the change of financial year ended from 31 March to 31 December in 2015, the previous financial year covers a nine-month period whereas the current financial year covered a twelve-month period. Generally, this accounted for the higher revenue and expenses for the current financial year. As such the percentage changes compared with the current year as presented in section 1(a)(i) are arithmetical only.

For the purpose of this section, the review of performance for the twelve-month period ended 31 December 2016 has been compared with the twelve-month period ended 31 December 2015.

	Group			
	12 months ended 31.12.16 US$'000 (Unaudited)	**12 months ended 31.12.15 US$'000 (Unaudited)**	**Inc/ (Dec) %**	**Ref**
Revenue	**57,899**	**69,359**	**(16.5)**	**8.1.1**
Cost of goods sold	(48,896)	(53,628)	(8.8)	8.1.2
Gross profit	**9,003**	**15,731**	**(42.8)**	**8.1.3**
Other income	167	5,400	(96.9)	8.1.4
Selling and distribution expenses	(4,287)	(5,877)	(27.1)	8.1.5
Administrative expenses	(3,843)	(3,254)	18.1	8.1.6
Finance costs	(1,131)	(529)	>100.0	8.1.7
Other expenses	(2,433)	(3,089)	(21.2)	8.1.8
(Loss)/profit before tax	**(2,524)**	**8,382**	**N.M.**	
Tax expense	(48)	(1,955)	(97.5)	8.1.9
(Loss)/profit for the financial year	**(2,572)**	**6,427**	**N.M.**	
(Loss)/profit attributable to:				
- Equity holders of the Company	(1,856)	5,782	N.M.	
- Non-controlling interests	(716)	645	N.M.	
	(2,572)	**6,427**	**N.M.**	
Other comprehensive (loss)/income				
Item that may not be reclassified subsequently to profit or loss:				
Remeasurement of post-employment benefits, net of tax	(145)	(6)	>100.0	
Items that may be reclassified subsequently to profit or loss				
Currency translation differences arising on consolidation	(228)	(1,447)	(84.2)	
Total comprehensive (loss)/income for the period	**(2,945)**	**4,974**	**N.M.**	

	Group			
	12 months ended 31.12.16 US$'000 (Unaudited)	12 months ended 31.12.15 US$'000 (Unaudited)	Inc/ (Dec) %	Ref
Total comprehensive (loss)/income attributable to:				
- Equity holders of the Company	(2,228)	4,328	N.M.	
- Non-controlling interests	(717)	646	N.M.	
	(2,945)	**4,974**	**N.M.**	

8.1.1 Revenue

Revenue is generated primarily by Rinjani, through the sale of coal from its coal mining activities. Rinjani sells its coal through an offtake agreement with a sole trader. Since November 2015 such sales were transacted through a subsidiary, RPG Trading Pte. Ltd. ("**RPG Trading**"). The price of such coal sales is based on international prices. Additional revenue is generated from the use of Rinjani's coal facilities by a third party mine owner.

	Group		
	12 months ended 31.12.16 US$'000	12 months ended 31.12.15 US$'000	Inc/ (Dec) %
Revenue by division			
Coal sales	56,288	67,269	(16.3)
Facility usage income	1,611	2,090	(22.9)
Total	**57,899**	**69,359**	**(16.5)**

In FY2016, revenue decreased by 16.5% (US$11.5 million) to US$57.9 million from US$69.4 million in FY2015.

Revenue from coal sales decreased by 16.3% (US$11.0 million) to US$56.3 million from US$67.3 million mainly due to a decrease in both the sales price of 10.7% from US$44.8 per tonne to US$40.0 per tonne and a decrease in sales quantity of 5.1% from 1,492,275 tonnes to 1,415,471 tonnes in FY2016.

Revenue from facility usage decreased by 22.9% (US$0.5 million) to US$1.6 million in FY2016 from US$2.1 million in FY2015 as a result of lower throughput from a third party mine owner.

8.1.2 Cost of Goods Sold

	Group		
	12 months ended 31.12.16 US$'000	12 months ended 31.12.15 US$'000	Inc/ (Dec) %
Waste mining costs	26,630	33,520	(20.6)
Coal hauling costs	4,061	8,905	(54.4)
Heavy equipment rental cost	1,419	1,760	(19.4)
Fuel	1,241	2,141	(42.0)
Staff costs	3,496	3,126	11.8
Depreciation and amortisation	5,059	5,517	(8.3)
Other	6,990	(1,341)	N.M.
Total	**48,896**	**53,628**	**(8.8)**

Cost of goods sold for FY2016 comprised mainly waste mining costs, which accounted for 54.5% of the total cost of goods sold. The other main costs included coal hauling costs, depreciation and amortisation and other, which in total accounted for 8.3%, 10.3% and 14.3% of the total cost of goods sold. Waste mining and coal hauling costs are contracted through specific agreements.

In FY2016, cost of goods sold decreased by 8.8% (US$4.7 million) to US$48.9 million from US$53.6 million in FY2015. The decrease in cost of goods sold was mainly attributable to decreases in: (i) waste mining costs of US$6.9 million; (ii) coal hauling costs of US$4.8 million; and (iii) fuel costs of US$0.9 million. The decrease was offset by an increase in other costs of US$8.3 million.

In FY2016, waste mining cost decreased in line with a reduction in both the waste mining rate and coal production quantity. The average waste mining rate decreased to US$2.14/bcm in FY2016 from US$2.47/bcm in FY2015 and production quantity decreased to 1,387,285 in FY2016 from 1,623,829 in FY2015. Coal hauling costs decreased due to a decrease in coal production quantity and hauling rate as well as the reclassification of certain costs to coal hauling costs, which was recorded as other costs in FY2015. Other costs increased due to changes in the inventory value at period end and the inclusion of a credit balance in the comparative period as noted above.

8.1.3 Gross Profit

	12 months ended 31.12.16	12 months ended 31.12.15	Inc/ (Dec) %
Gross profit (US$'000)	9,003	15,731	(42.8)
Gross profit margin (%)	15.5	22.7	

The gross profit decreased by US$6.7 million, mainly due to a decrease in revenues. The decrease in revenue resulted from a decline in both sales quantity and average selling price of coal (refer to item 8(a) and (c) above).

The gross profit margin decreased to 15.5% from 22.7%. The decrease in gross profit was due primarily to a decrease in both sales quantity and average selling price of coal.

8.1.4 Other income

Other income decreased by 96.9% (US$5.2 million) to approximately US$0.2 million from US$5.4 million in FY2015 due to: (i) a non-recurring gain on waiver of amount due to a former subsidiary of Sky One Network (Holding) Ltd and waiver of interest payable on convertible bonds both of which occurred during FY2015 amounting to US$2.4 million and US$1.5 million respectively; and (ii) decrease in foreign exchange gain in FY2016 by 94.5% (US$1.2 million) to US$74,000 from US$1.3 million in FY2015.

8.1.5 Selling and distribution expenses

Selling and distribution expenses comprise mainly royalties calculated at 5% to 7% of coal sales revenue. Such royalties are payable to the Indonesian government. Other selling and distribution expenses include freight charges, coal analysis fees as well as port and clearance charges.

Selling and distribution expenses decreased by 27.1% (US$1.6 million) to US$4.3 million from US$5.9 million were in line with the decrease in revenue.

8.1.6 Administrative expenses

Administrative expenses comprise mainly staff costs, professional fees, travelling and transportation, office rental, listing fees, sponsorship fees and investor relation costs.

Administrative expenses increased by 18.1% (US$0.6 million) to US$3.8 million from US$3.3 million due primarily to an increase in depreciation and amortisation expenses. The increase in depreciation was due to a credit from the reclassification of depreciation expense to cost of goods sold in the comparative period.

8.1.7 Finance costs

Finance costs comprise interest expenses incurred mainly in relation to: (i) the debt due to Rinjani's waste mining contractor; (ii) amortised interest on the loan from a related party, Forrest Point Enterprises Limited; and (iii) interest from leasing.

Finance costs increased to US$1.1 million from US$0.5 million as there was a credit from the reclassification of amortised interest from convertible bonds to other expenses in the comparative period partially offset by a reduction in the interest expense of Rinjani's debt with its waste mining contractor.

8.1.8 Other expenses

Other expenses decreased by 21.2% (US$0.7 million) to US$2.4 million from US$3.1 million as there was no fair value loss incurred on the derivative financial liability relating to the Group's convertible bonds which in FY2015 amounted to US$3.0 million. This variance was partially offset by higher land compensation and provision for trade receivables impairment of US$2.2 million based on the repayment schedule.

8.1.9 Tax expense

The tax expense is calculated based on the current statutory income tax rates in Singapore and Indonesia. During both FY2016 and FYE12/15, the applicable tax rates in Singapore and Indonesia were 17% and 25% respectively. The tax expense in FY2016 arose from the generation of taxable income in subsidiaries.

8.2 ASSETS, LIABILITES AND EQUITY

8.2.1 Property, plant and equipment

Property, plant and equipment ("**PP&E**") decreased by US$1.9 million to US$21.8 million as at 31 December 2016 from US$23.7 million as at 31 December 2015. The decrease was mainly due to current period depreciation offset by the addition of PP&E during the year.

8.2.2 Investment in subsidiaries (Company level only)

Investment in subsidiaries decreased by US$18.2 million to US$32.4 million as at 31 December 2016 from US$50.6 million as at 31 December 2015 mainly due to the impairment of the investment in a subsidiary amounting to US$17.1 million with the balance resulting from the strengthening of the United States Dollar ("USD") against the Singapore Dollar ("SGD") as the investment was converted to the reporting currency (USD) as at 31 December 2016. This impairment charge is non-cash and does not impact the financial results of the Group.

The impairment follows the annual review of the Company's asset values in accordance with International Financial Reporting Standards and reflects changes to both reserve, price and cost assumptions as well as the mine development plan for IPPKH2 and the remaining concession area for IPPKH1. The review compared the value in use (present value of future cash flows) of the subsidiaries' cash generating unit, i.e. the mine concession, with the carrying value of the investment and identified a shortfall of US$17.1 million (equivalents with SGD24.7 million).

This impairment results from an internal reassessment and reduction in future coal production specifically from the southern area of the IPPKH2 concession area due to: (i) higher stripping ratios and additional development costs; (ii) higher sulphur content, and (iii) and decline in the Group's internal forward price curve. Although the Company expects to enjoy the benefit of the recent coal price rise, prices are forecast to decline in 2017 and 2018 and as such the Company has also reduced its coal price assumptions for the short to medium term.

8.2.3 Intangible assets

Intangible assets decreased by US$40,000 to US$170,000 as at 31 December 2016 from US$210,000 as at 31 December 2015 due to current period amortization.

8.2.4 Mining properties

Mining properties include costs transferred from deferred exploration and evaluation following the completion of technical feasibility and commercial viability of the Group's IPPKH1 as well as mine development costs and certain costs related to IPPKH2. As at 31 December 2016, the balance increased by US$0.9 million to US$6.8 million from US$5.9 million at 31 December 2015. This was due to additional mining properties expenditure for exploration and evaluation activities, technical services, licenses and permits related to IPPKH2 during FY2016 offset with normal amortisation charges of US$2.3 million. Amortisation of mining properties uses the units-of-production method based on estimated Coal Reserves as at 31 December 2015 for IPPKH1 and the Company's internal estimate for potential coal reserves for IPPKH2.

8.2.5 Trade and other receivables (current and non-current)

Trade and other receivables (current portion) comprised primarily of receivables from coal sales and facility usage income. Trade and other receivables decreased by US$10.2 million to US$5.9 million as at 31 December 2016 from US$16.1 million as at 31 December 2015 mainly due to reclassification of receivables amounting to US$7.1 million based on an agreed repayment schedule and provision for the impairment of trade receivables by Rinjani as of 31 December 2016 of US$2.2 million.

Trade and other receivables (non-current portion) comprised mainly of receivables from coal sales, deposits for rentals and reclamation. Trade and other receivables increased by US$7.6 million to US$8.3 million as at 31 December 2016 from US$0.7 million as at 31 December 2015 due to reclassification of trade receivables as noted above and an increase in the deposits for reclamation and mine closure.

8.2.6 Deferred tax assets

A deferred tax asset is an item that may be used to reduce taxable income. A deferred tax asset is recognised on carried forward tax losses to the extent there are sufficient estimated future taxable profits and/or taxable temporary differences against which the tax losses can be utilised. At 31 December 2015, the Group through its subsidiaries had utilised the balance of its carry forward tax losses. The increase in the deferred tax assets balance by US$1.0 million to US$1.9 million as at 31 December 2016 from US$0.9 million as at 31 December 2015 was mainly due to an increase in taxable temporary differences, which have the potential to reduce taxable income in a future period.

8.2.7 Inventories

Inventories include coal on hand, fuel and spare parts and are stated at the lower of cost and net realisable value. Inventories decreased by US$2.2 million to US$0.2 million as at 31 December 2016 from US$2.4 million as at 31 December 2015, due to a decrease in the quantity of coal on hand by 76,644 tonnes to 434 tonnes as at 31 December 2016 from 77,078 tonnes as at 31 December 2015 as the sales volume exceeded the production volume for the year ended 31 December 2016.

8.2.8 Cash and cash equivalents

	Group	
	12 months ended 31.12.16 US$'000	**9 months ended 31.12.15 US$'000**
Cash and cash equivalents at beginning of period	4,714	5,535
Cash flows generated from Operating Activities	2,659	10,754
Cash flows used in Investing Activities	(2,706)	(10,308)
Cash flows used in Financing Activities	(2,368)	(1,267)
Net decrease in cash and cash equivalents	(2,415)	(821)
Cash and cash equivalents at 31 December	**2,299**	**4,714**

Cash flows from operating activities

Cash flows generated from operating activities before working capital changes amounted to US$7.0 million and US$7.8 million for FY2016 and FYE12/15, respectively. After working capital changes, cash flows decreased by US$4.4 million to US$2.7 million for FY2016 primarily due to payment to vendors and offset by a decrease in inventories. In FYE12/15, after working capital changes, cash flows increased by US$3.0 million to US$10.8 million primarily due to receipts from receivables and decrease in inventories, offset by decrease in trade and other payables.

Cash flows use in investing activities

Net cash flows used in investing activities amounted to US$2.7 million and US$10.3 million for FY2016 and FYE12/15, respectively. The cash was mainly used for additions to mining properties and purchase of PP&E.

Cash flows use in financing activities

Net cash used in financing activities was US$2.4 million and US$1.3 million for FY2016 and FYE12/15, respectively. In FY2016, the cash was mainly used in relation to the repayment of loans from third, related parties and finance leases while for FYE12/15, the cash was mainly used in relation to the repayment of finance leases.

8.2.9 Currency translation reserve

The currency translation reserve represents the balance of translation from the Company's functional currency (in SGD) to its presentation currency (in USD) as at 31 December 2016.

8.2.10 Non-controlling interests

The negative balance for non-controlling interests increased due to the loss attributable to non-controlling interests of US$0.4 million in Rinjani.

8.2.11 Trade and other payables (current and non-current)

Trade and other payables (current portion) decreased by US$17.3 million to US$20.4 million as at 31 December 2016 from US$37.7 million as at 31 December 2015 mainly due to reclassification of Rinjani's payable to its waste mining contractor to non-current as a result of a restructuring of the repayment schedule and the repayment of loans to related and third parties. The latest amendment to the debt settlement agreement dated 29 March 2016 with Rinjani's waste mining contractor requires Rinjani to make installments based on sales quantities over a 3-year period. The installments commenced on 1 January 2016 with payment conditional on a selling floor price of no less than US$38.0 per tonne (after adjusting to a Free On Board Barge basis and to account for Rinjani's coal quality) and an average stripping ratio of no greater than 9.0 bcm/t.

The trade and other payables (non-current) increased by US$12.5 million to US$12.5 million as at 31 December 2016 from approximately US$40,000 mainly due to the reclassification as noted above.

8.2.12 Post-employment benefits

Post-employment benefits increased by US$0.7 million to US$1.2 million as at 31 December 2016 from US$0.5 million as at 31 December 2015 due to the FY2016 provision for Rinjani's employees as well as an additional provision for new participants from PT Energy Indonesia Resources (a subsidiary of the Company – "EIR").

8.2.13 Finance lease liabilities

Finance lease liabilities represent the outstanding obligation for the lease of light vehicles and motor vehicles of Rinjani and hire purchase of coal hauling trucks by EIR. Finance lease liabilities (both current and non-current) decreased by US$0.7 million to US$0.8 million as at 31 December 2016 from US$1.5 million as at 31 December 2015 primarily due to lease payments during the period which were partially offset by additional finance leases for the purchase of heavy equipment.

8.2.14 Provisions

The Group had provided for mine reclamation as well as rehabilitation and asset retirement obligations (mine closure costs). The increase in provisions by US$0.5 million to US$1.5 million as at 31 December 2016 from US$1.0 million as at 31 December 2015 was due to the annual accruals based on the total estimated obligations of the Group for the mining concession.

8.2.15 Tax payable

Tax payable increased by US$0.1 million as at 31 December 2016 based on estimated tax payable for the current period by the Group's subsidiaries.

8.2.16 Working Capital (31 December 2016)

The Group recorded negative working capital of US$13.1 million as at 31 December 2016, due primarily to: (i) the reclassification of receivables to non-current based on an agreed repayment schedule; (ii) provision for trade receivables impairment by Rinjani (refer to item 8.2.5 above); (iii) the funding of exploration and development activities (non-current assets) from available cash flows; (iv) the minimal cash flow impact from the recent coal price increases; and (v) negative impact on production and therefore cash flows from the unusually heavy rainfall during 4QFYE12/16. As noted in item 8(g) above, the Group is be able to meet its obligations as and when due and continue to operate as a going concern. Based on current assumptions, the Directors expect that the Group's negative working capital position will be overcome over the longer-term as the Group realises the benefits from the recent improvement in market sentiment.

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.

During the first 9 months of FY2016, the coal industry remained challenging due to the prevailing market conditions and the continued depressed export prices for coal. Although the Group has benefited from the recent rally in thermal coal prices, it is expected that coal prices may see a downward correction in 2017 but are likely to remain above the low prices recorded in 2016.

As noted in 8 (b) above, waste mining is contracted out to a third party waste mining contractor. Although the Group has been able to renegotiate rates downwards to reflect changes in market conditions, the recent price rise in ICI2 has resulted in the waste mining rate also increasing. This has and will continue to put pressure on the Group's profit and cash margins at least in the near term while ICI2 remains above US$64.00/mt.

Other factors that may impact the Group in the next 12 months include:

1) **Cost maintenance and reduction programme**

The Group is continuously monitoring all costs. Management is confident that its existing cost advantage enjoyed through the usage of its own fully integrated coal mining facilities such as the coal stockpile, coal crushers, coal conveyor system and jetty facilities as well as control over its coal hauling road and trucks, will allow the Group to continue to maintain tight control of its operating costs in view of the uncertainty of market prices to minimise any impact on its profitability.

2) **Stripping ratio maintenance**

With continuing uncertainty surrounding future coal prices, the Group will continue to review and manage its stripping ratio through a dynamic mine plan. The stripping ratio will be closely managed during the next 12 months to enable Rinjani to efficiently manage its stripping cost and maintain positive margins.

3) Diversification and additional source of income

The Group continues to explore all possibilities to diversify its recurring income through the provision of its coal mining facilities to additional third party mine owners.

4) Exploration, development and production of IPPKH2

With the granting of IPPKH2 in 2016, the Group had carried out its exploration and evaluation plan in IPPKH2-West Block and limited exploration and evaluation activities in the IPPKH2-South Block. The Group has commenced and will continue production in IPPKH2-West Block. The Group will defer further exploration and development activities of the IPPKH2-South Block due to a number of reasons including higher than expected stripping ratios, sulphur content of the coal and land compensation demands.

5) Letter of Demand ("LoD")

The Company refers to the Company's announcements on 21 July 2016, 11 November 2016 and 14 November 2016 in relation to the legal proceedings against the Group's subsidiary, Rinjani. Legal proceedings are currently ongoing in the Singapore High Court and Rinjani continues to take such steps as are necessary to vigorously defend against the plaintiff's claim. The Company will release further announcements on any material developments in relation to the aforesaid matters as and when appropriate.

11. Dividend

(a) Current Financial Period Reported On

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

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) *Date payable*

Not applicable.

(d) *Books closure date*

Not applicable.

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

No dividend has been declared or recommended for FY2016.

13. Interested Person Transactions

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

There were no interested person transactions of S$100,000 or more entered into by the Group during FY2016.

[This section is intentionally left blank]

14. Use of Funds

In accordance with the use of proceeds as stated in the Company's offer document dated 30 September 2014 ("**Offer Document**"), the net proceeds ("**Net Proceeds**") have been utilised as follows

Purpose	**Allocation of proceeds to each purpose as announced on 24 November 2014 (S$'000)**	**Proceeds utilised at the date of this announcement (S$'000)**	**Balance (S$'000)**
Carrying Out Civil Works	500	500	-
Upgrading Coal Mining Facilities	900	862	38
Partial repayment of existing debt to CK	10,000	10,000	-
General Working Capital (2)	1,961	1,961	-
Outstanding Expense (1)	2,658	2,658	-
Underwriting and placement commission (1)	581	581	-
Total	**16,600**	**16,562**	**38**

Note:

(1) Excluding applicable goods and service tax

(2) General Working Capital consists mainly of operating expenses of the Group

The utilisation of the Net Proceeds is consistent with the intended uses as stated in the Offer Document.

Additional Information Required for Mineral, Oil and Gas Companies

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

1) Use of funds/cash for the fourth quarter ended 31 December 2016:

The forecast use of funds for exploration, evaluation and development activities for the quarter ended 31 December 2016 and actual usage are as follows:

#	**Activity**	**Remarks**	**Forecast use of funds (US$'000)**	**Actual use of funds (US$'000)**
1	Land acquisition compensation	Land acquisition for drilling, pit and waste dumps	515	37
2	Commencement of drilling and logging	Drilling rigs and logging equipment (mobilisation)	73	243
3	Exploration and development support	Camp facilities, manpower, technical consultants and coal core analysis and geotechnical laboratory analysis	63	54
	Total		**651**	**333**

Actual use of funds for exploration, evaluation and development activities in 4QFYE12/16 amounted to approximately US$0.3 million (excluding payable for land compensation) which was US$0.4 million lower than the forecast use of funds. This was due to the management of available cash through the rescheduling of work schedules and payment milestones.

The expenditure incurred in 4QFYE12/16 was primarily for: (i) mobilisation to site and outcrop drilling and logging; and (ii) land compensation for the West Block to allow immediate access to commence exploration, evaluation and development activities.

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

The Group will continue with its existing mine operations in IPPKH1. Following receipt of IPPKH2 on 14 July 2016, Rinjani commenced its exploration, evaluation and development activities within the new permit area during 4QFYE12/16. The principal assumptions for such activities in the quarter ending 31 March 2017 (1QFY2017) include:

- Land acquisition to allow further access to carry out additional exploration, evaluation and development activities in respect of IPPKH2; and
- Technical consultants and preparation of updated Resources and Reserves statements.

The anticipated use of funds/cash for the above activities is as follows:

#	Activity	Forecast use of funds in the quarter ending 31 March 2017 (US$'000)
1	Land acquisition for drilling, pit and waste dumps	75
2	Technical consultants and updates Resources and Reserves statements	100
	Total	**175**

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

Refer to Item 22.

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

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

Details of exploration and mining activities include (i) land acquisition compensation; (ii) commencement of drilling and logging; and (iii) exploration and development support. Total activities amounted to US$1.7 million for FY2016.'

In relation to production activities, the Group continued with its existing mine operations in IPPKH1 and further development in IPPKH2. These activities included an update to its mine plan in response to the ongoing changes in market conditions in order to manage costs, profit margins and cash flows. All production costs incurred during FY2016 are described in item 8.1.2 above.

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

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

On 11 April 2016, the Company announced and published an updated independent qualified person's report ("**IQPR**") prepared by the Company's independent consultant, SMG Consultants ("**SMGC**"), which included an estimate of Coal Reserves and Coal Resources for the 1,933 ha mining concession area of Rinjani ("**PT Rinjani Mining Concession Area**") as at 31 December 2015.

The Company is in the process of updating its Coal Resources and Coal Reserves estimates as at 31 December 2016. The updated estimates will be announced as soon as practicable and will be based on an updated IQPR. The Company expects a similar estimate of Coal Reserves as a result of depletion due to production offset by an increase resulting from the exploration and evaluation activities performed in IPPKH2 during 2016.

Save for the above, the Company presently has no other material updates to its Coal Resources and Coal Reserves estimates as at 31 December 2015.

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

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

20. Part II Additional Information Required for Full Year Announcement

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

The Group only has one reportable segment, which is the mining and marketing of coal and the majority of the Group's sales and all of its assets are in Indonesia.

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

Not applicable as the Group's only significant operations are in Indonesia within the coal mining segment.

A breakdown of sales as follows:

Details	Latest Financial Year US$'000 Group	Previous Financial Year US$'000 Group	% Inc/ (dec) Group
(a) Sales reported in first half year	30,723	35,046	(12.3)
(b) Income after tax before deducting minority interest reported for first half year	17	2,635	(99.4)
(c) Sales reported in second half year[(1)]	27,176	15,918	70.7
(d) Loss after tax before deducting minority interest reported for second half year	(1,873)	(2,019)	(7.2)

[(1)] The Group changed its financial year end from 31 March to 31 December in December 2015. The previous financial year covered a period of 9 months from 1 April to 31 December 2015 whereas the current financial year covered a period of 12 months from 1 January to 31 December 2016. As a result, the second half year for the previous financial year consists of only three-months (October – December 2015).

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

Total annual Dividend – Ordinary shares:

	Latest Financial Year 2016 US$'000	Previous Financial Year 2015 US$'000
Interim	-	-
Total	-	-

21. Disclosure of person 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) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

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
Joseba Nathania Sugijono	27	Joseba's brother, Gabriel Giovani Sugiono, is the ultimate beneficial owner of Madrone Enterprises Limited, which is a controlling and substantial shareholder of the Company. Joseba's father, Agus Sugijono is the Executive Chairman and CEO of the Company and Gabriel Giovani Sugiono is a Director of the Company	Resigned: 30 June 2016 Previously: General Manager – Procurement Rinjani	Resigned 30 June 2016

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

We, Agus Sugiono and Gabriel Giovani Sugiono, the undersigned, being Directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company (the "**Board**"), that, to the best of our knowledge, nothing has come to the attention of the Board which may render:

- the full year financial statements, and
- the additional information provided for mineral, oil and gas companies to be false or misleading in any material aspect.

On behalf of the Board

Agus Sugiono
Executive Chairman and Chief Executive Officer

Gabriel Giovani Sugiono
Executive Director

28 February 2017