



This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("the Exchange") and the Exchange 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 Ms Lee Khai Yinn, at 1 Robinson Road #21-00, AIA Tower, Singapore 048542, telephone (65) 6232-3210.

In view of the modified opinion (including qualified opinion and material uncertainty related to going concern) issued by the Company's independent auditor, Baker Tilly TFW LLP, on the audited financial statements of the Group for the financial ended 31 December 2018, the Company is required by the Exchange to announce its quarterly financial statements pursuant to Catalist Rule 705.

Unaudited Full Year Financial Statements for the Financial Year Ended 31 December 2019

INTRODUCTION

Resources Prima Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") makes reference to its announcement dated 20 January 2020, "Update Pursuant to 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

The outstanding receivables due from CAN for work done prior to termination of the Contract (as defined below) amounting to US\$85,000 as at the date of this announcement, remains unchanged from the Company's announcement dated 20 January 2020.

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 announcement dated 15 May 2019, is estimated at US\$460,000. In total, EIR can claim approximately US\$3.16 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 Operations Agreement ("JOA") with PT Prima Dharma Karsa ("PT Prima")

A supplemental agreement was entered into between RPG Logistics and PT Prima on 21 February 2020 detailing, amongst others, PT Prima to bear the costs and expenses incurred by RPG Logistics in respect of the services provided under the JOA. Please refer to the Company's announcement dated on 21 February 2020 for details.

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 Catalyst 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 Company also announced on 28 June 2017 that the Board was of the view that the Company was 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 were 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, S\$98,017 and S\$74,998 were received in May 2019, July 2019, August 2019, October 2019 and November 2019 respectively for working capital purposes. 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.

The third drawdown of funds notice was issued on 10 January 2020 for funds amounting to S\$97,426 for working capital purposes. The full amount of funds in the third drawdown notice was subsequently received by the Company on 12 February 2020.

In summary, as at the date of this announcement, a total of approximately S\$1 million 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\$1.3 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 in respect of the services provided under the JOA. This amount is fully recoverable from PT Prima.

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

Please refer to the Company's announcement dated 31 March 2019 for details.

- 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.

The Company appointed the various relevant professionals in October/November 2019 and most of these professionals commenced their due diligence on the Proposed Acquisition subsequently. There was an initial delay in the commencement of the due diligence due to certain protests along the hauling road used by the Target which resulted in restricted access to the area. The protest was subsequently resolved with the involvement of the relevant government officials and state owned enterprises and the Management (Mr Agus Sugiono and our then CFO Mr Thng Tien Lung) conducted a site visit to the said mine in November 2019 together with the relevant professionals and had various discussions with the management of the Target. During the site visit, certain preliminary issues were noted and these were resolved by the Company together with the relevant professionals and the Vendors.

Certain of the professionals have completed substantially their due diligence work and have issued draft reports in respect of the work conducted. These drafts are currently being reviewed by the Company and its professionals. Concurrently, the Company together with its professionals and the vendors of the Target are in the midst of addressing certain issues highlighted in the draft reports.

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.

The first drawdown of funds notice was issued on 6 November 2019 with funds amounting to S\$230,000 being subsequently received by the Company on 9 December 2019 for payment of professional fees in relation to the Proposed Acquisition which is in compliance with the terms of 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 Catalist Rule 704(7).

(F) 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 an Investment Agreement with Mr Ang Liang Kim, a substantial shareholder of the Company (the “Investor”) pursuant to which the Investor 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 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 2019 (the reporting date). Further, 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 (“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 the Investor’s express approval. The Company had, most recently on 27 September 2019, 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 for the purposes of, *inter alia*, costs and expenses in relation to the proposed acquisition of Kitty Hawk Natural Resources Pte. Ltd. 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 a joint operation agreement (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. A supplemental agreement was entered into between RPG Logistics and PT Prima on 21 February 2020 detailing, amongst others, PT Prima to bear the costs and expenses incurred by RPG Logistics in respect of the services provided under the JOA. Please refer to the Company’s announcement on 21 February 2020 for details.

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 2020 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 unaudited full year financial statements of the Company and the Group for the financial year ended 31 December 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 years ended 31 December 2019 and 31 December 2018. 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:

- “4QFY2019”: The 3-months (fourth quarter) of the financial year ended 31 December 2019;
- “4QFY2018”: The 3-months (fourth quarter) of the financial year ended 31 December 2018;
- “12MFY2019”: The 12-months financial year ended 31 December 2019; and
- “12MFY2018”: The 12-months financial year ended 31 December 2018;

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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.

	Group						Ref
	3 months ended	3 months ended	Inc/ (Dec)	12 months ended	12 months ended	Inc/ (Dec)	
	31.12.19	31.12.18	(Dec)	31.12.19	31.12.18	(Dec)	
	US\$'000	US\$'000	%	US\$'000	US\$'000	%	
Revenue	-	237	N.M.	114	1,171	(90.3)	8.1.1
Cost of sales	(61)	(280)	(78.2)	(405)	(1,279)	(68.3)	8.1.2
Gross loss	(61)	(43)	41.9	(291)	(108)	>100	8.1.3
Other expenses	(210)	(14)	>100	(278)	(3)	>100	8.1.4
Administrative expenses	(586)	(322)	82.0	(1,383)	(1,280)	8.0	8.1.5
Finance costs	(213)	(1)	>100	(218)	(8)	>100	8.1.6
Loss before tax	(1,070)	(380)	>100	(2,170)	(1,399)	55.1	
Tax credit/(expense)	6	-	N.M.	6	(2)	N.M.	8.1.7
Loss for the financial period/year	(1,064)	(380)	>100	(2,164)	(1,401)	54.5	
Other comprehensive income/(loss)							
<u>Items that are or may be reclassified subsequently to profit or loss:</u>							
Currency translation differences arising on consolidation	(139)	(17)	>100	(81)	24	N.M.	8.1.8
Total comprehensive loss for the period/year	(1,203)	(397)	>100	(2,245)	(1,377)	63.0	
Loss attributable to:							
- Equity holders of the Company	(1,063)	(358)	>100	(2,163)	(1,381)	56.6	
- Non-controlling interests	(1)	(22)	(95.5)	(1)	(20)	(95.0)	
	(1,064)	(380)	>100	(2,164)	(1,401)	54.5	
Total comprehensive loss attributable to:							
- Equity holders of the Company	(1,202)	(375)	>100	(2,244)	(1,357)	65.4	
- Non-controlling interests	(1)	(22)	(95.5)	(1)	(20)	(95.0)	
	(1,203)	(397)	>100	(2,245)	(1,377)	63.0	

N.M. – Not Meaningful

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1(a)(ii) Loss for the financial period/year is stated after charging/(crediting) the following:

	Group					
	3 months ended	3 months ended	Inc/	12 months ended	12 months ended	Inc/
	31.12.19	31.12.18	(Dec)	31.12.19	31.12.18	(Dec)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Unrealised foreign currency exchange (gain)/loss	(59)	(29)	>100	(29)	13	N.M.
Depreciation of property, plant and equipment	37	50	(26.0)	149	238	(37.4)
(Write-back of impairment loss)/Impairment loss on trade receivable	(15)	27	N.M.	59	27	>100
Fair value loss on derivative liability	312	-	N.M.	312	-	N.M.
Interest expense	213	1	>100	218	8	>100
(Over)/Under provision of income tax expense from prior year	(6)	-	N.M.	(6)	2	N.M.

N.M. – Not Meaningful

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

	Group		Ref	Company	
	As at 31.12.19 US\$'000 (Unaudited)	As at 31.12.18 US\$'000 (Audited)		As at 31.12.19 US\$'000 (Unaudited)	As at 31.12.18 US\$'000 (Audited)
Non-current assets					
Investment in subsidiaries	-	-		-*	-
Property, plant and equipment	318	467	8.2.1	-	-
	318	467		-*	-
Current assets					
Available-for-sale financial asset	-	-*		-	-*
Financial asset at fair value through profit or loss	-*	-		-*	-
Inventories	57	45	8.2.2	-	-
Trade and other receivables	1,305	183	8.2.3	1,264	2
Cash and bank balances	145	253	8.2.4	98	70
	1,507	481		1,362	72
Total assets	1,825	948		1,362	72
Equity					
Share capital	100,480	100,480		236,508	236,508
Currency translation reserve	(881)	(800)	8.2.5	(15,861)	(15,809)
Convertible loans equity reserve	141	-	8.2.6	141	-
Accumulated losses	(103,179)	(101,015)		(224,236)	(222,411)
Equity attributable to equity holders of the Company	(3,439)	(1,335)		(3,448)	(1,712)
Non-controlling interests	(194)	(193)		-	-
Total equity	(3,633)	(1,528)		(3,448)	(1,712)
Non-current liabilities					
Finance lease liabilities	-	15	8.2.9	-	-
	-	15		-	-
Current liabilities					
Trade and other payables	2,484	1,900	8.2.7	2,322	1,784
Convertible loans	1,897	-	8.2.8	1,897	-
Derivative liabilities	591	-	8.2.8	591	-
Finance lease liabilities	19	56	8.2.9	-	-
Tax payable	467	505		-	-
	5,458	2,461		4,810	1,784
Total liabilities	5,458	2,476		4,810	1,784
Net liabilities	(3,633)	(1,528)		(3,448)	(1,712)
Total equity and liabilities	1,825	948		1,362	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

As at 31.12.19		As at 31.12.18	
US\$'000	US\$'000	US\$'000	US\$'000
Secured	Unsecured	Secured	Unsecured
19	2,642	56	152

(b) Amount repayable after one year

As at 31.12.19		As at 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\$45,000 as at 31 December 2019 (31 December 2018: US\$114,000) are pledged under existing finance lease arrangements.

As at 31 December 2019, a corporate guarantee by Pilar Mas remained in place as security for the debt owed by Rinjani to its main supplier amounting to approximately US\$15 million.

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

	Group			
	3 months ended 31.12.19 US\$'000	3 months ended 31.12.18 US\$'000	12 months ended 31.12.19 US\$'000	12 months ended 31.12.18 US\$'000
Cash flows from operating activities				
Loss before tax	(1,070)	(380)	(2,170)	(1,399)
Adjustments for:-				
Depreciation of property, plant and equipment	37	50	149	238
(Write-back of impairment loss)/Impairment loss on trade receivable	(15)	27	59	27
Interest expense	213	1	218	8
Fair value loss in derivative liability	312	-	312	-
Unrealised foreign currency exchange (gain)/loss	(59)	(29)	(29)	13
Operating cash flows before working capital changes	(582)	(331)	(1,461)	(1,113)
Inventories	(9)	(3)	(12)	6
Trade and other receivables	47	(29)	77	(110)
Trade and other payables	300	253	588	1,152
Currency translation adjustments	(81)	60	(81)	54
Cash used in operations	(325)	(50)	(889)	(11)
Taxes paid	-	-	(4)	(10)
Net cash used in operating activities	(325)	(50)	(893)	(21)
Cash flows from financing activities				
Issuance of convertible loans	314	-	842	-
Interest paid	(2)	(1)	(7)	(8)
Repayment of finance leases	(6)	(21)	(50)	(40)
Net cash from/(used in) financing activities	306	(22)	785	(48)
Net decrease in cash and cash equivalents	(19)	(72)	(108)	(69)
Cash and cash equivalents at beginning of period/year	164	325	253	322
Cash and cash equivalents at end of period/year	145	253	145	253

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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> <u>US\$'000</u>	<u>Currency translation reserve</u> <u>US\$'000</u>	<u>Accumulated losses</u> <u>US\$'000</u>	<u>Equity attributable to equity holders of the Company</u> <u>US\$'000</u>	<u>Non-controlling interests</u> <u>US\$'000</u>	<u>Total equity</u> <u>US\$'000</u>
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)	(100,655)	(958)	(173)	(1,131)
Loss for the 3 months ended 31 December 2018	-	-	(358)	(358)	(22)	(380)
<u>Other comprehensive income:</u>						
- Currency translation differences	-	(17)	-	(17)	-	(17)
Total comprehensive loss for the 3 months ended 31 December 2018	-	(17)	(358)	(375)	(22)	(397)
Adjustments	-	-	(2)	(2)	2	-
At 31 December 2018	100,480	(800)	(101,015)	(1,335)	(193)	(1,528)

* - Amount is below US\$1,000

	<u>Share capital</u> US\$'000	<u>Currency translation reserve</u> US\$'000	<u>Convertible loans equity 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)	(1,335)	(193)	(1,528)
Loss for the 3 months ended 31 March 2019	-	-	-	(219)	(219)	-*	(219)
<i>Other comprehensive income:</i>							
- Currency translation differences	-	3	-	-	3	-	3
Loss and total comprehensive income/(loss) for the 3 months ended 31 March 2019	-	3	-	(219)	(216)	-*	(216)
At 31 March 2019	100,480	(797)	-	(101,234)	(1,551)	(193)	(1,744)
Loss for the 3 months ended 30 June 2019	-	-	-	(483)	(483)	-*	(483)
<i>Other comprehensive income:</i>							
- 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)	-	(101,718)	(2,055)	(193)	(2,248)
Loss for the 3 months ended 30 September 2019	-	-	-	(398)	(398)	-*	(398)
<i>Other comprehensive income:</i>							
- Currency translation differences	-	75	-	-	75	-	75
Loss and total comprehensive income/(loss) for the 3 months ended 30 September 2019	-	75	-	(398)	(323)	-*	(323)
At 30 September 2019	100,480	(742)	-	(102,116)	(2,378)	(193)	(2,571)
Loss for the 3 months ended 31 December 2019	-	-	-	(1,063)	(1,063)	(1)	(1,064)
<i>Other comprehensive income:</i>							
- Currency translation differences	-	(139)	-	-	(139)	-	(139)
Loss and total comprehensive loss for the 3 months ended 31 December 2019	-	(139)	-	(1,063)	(1,202)	(1)	(1,203)
Transactions with owners, directly recognised in equity							
Issuance of convertible loans	-	-	141	-	141	-	141
At 31 December 2019	100,480	(881)	141	(103,179)	(3,439)	(194)	(3,633)

* - 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)
<i>Other comprehensive income:</i>				
- 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)
<i>Other comprehensive income:</i>				
- Currency translation differences	-	134	-	134
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)
<i>Other comprehensive income:</i>				
- Currency translation differences	-	12	-	12
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)	(222,075)	(1,359)
Loss for the 3 months ended 31 December 2018	-	-	(336)	(336)
<i>Other comprehensive income:</i>				
- Currency translation differences	-	(17)	-	(17)
Loss and total comprehensive loss for the 3 months ended 31 December 2018	-	(17)	(336)	(353)
At 31 December 2018	236,508	(15,809)	(222,411)	(1,712)

	<u>Share capital</u> US\$'000	<u>Currency translation reserve</u> US\$'000	<u>Convertible loans equity reserve</u> US\$'000	<u>Accumulated losses</u> US\$'000	<u>Total equity</u> US\$'000
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
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
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)
Loss for the 3 months ended 31 December 2019	-	-	-	(1,069)	(1,069)
<i>Other comprehensive income:</i>					
- Currency translation differences	-	(85)	-	-	(85)
Loss and total comprehensive loss for the 3 months ended 31 December 2019	-	(85)	-	(1,069)	(1,154)
Transactions with owners, directly recognised in equity					
Issuance of convertible loans	-	-	141	-	141
At 31 December 2019	236,508	(15,861)	141	(224,236)	(3,448)

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

	No. of Ordinary Shares	Issued Share Capital (S\$)
At 31 December 2019 and 2018	1,832,999,998	307,306,455

There were no changes in the Company's share capital since 30 September 2019 and up till 31 December 2019.

As at 31 December 2019 and 2018, the Company had no outstanding share options, other convertibles, treasury shares and subsidiary holdings save for the following, which is subject to approval by shareholders:

- a) the full drawdown and conversion of the convertible loan extended by Mr Ang Liang Kim 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 PT Prima JOA into 676,250,000 shares, assuming that the total revenue from the JOA amounts to US\$5 million;
- d) a 1-for-1 rights issue at S\$0.001 to be undertaken pursuant to the investment agreement entered into by the Company with Mr Ang Liang Kim; and
- e) the full drawdown and conversion of the convertible loan extended by Mr Chaw Chong Foo 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 31.12.19	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 and at the end of the financial year.

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 and at the end of the financial year.

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

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 modifications or emphasis of matter).

Not applicable.

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

- a) **Updates on the efforts taken to resolve each outstanding audit issue.**
- b) **Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

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

- (a) As the Group was unable to obtain the audited financial statements of Rinjani from 1 January 2017 to 24 August 2017 following its loss of control of Rinjani on 24 August 2017 from the curators of Rinjani despite its various attempts and as all affairs of Rinjani were managed by the curators since, the auditors of the Company had issued a qualified opinion on the consolidated financial statements of the Group for the financial year ended 31 December 2017 ("**12MFY2017**") on the basis that they were unable to form an opinion as to whether the management accounts of Rinjani were prepared in accordance with the Financial Reporting Standards in Singapore and in form and content appropriate and proper for the purpose of preparation of the consolidated financial statements of the Group, in particular, the determination of the respective line items in the analysis of the loss from discontinued operations of the Group.

Please refer to item (B) of the section entitled "Introduction" above for details on the bankruptcy proceedings of Rinjani.

As the qualified opinion is in respect of the consolidated financial statements of the Group for 12MFY2017, it is envisaged that there will not be a qualified opinion issued on the same matter in the Independent Auditor's Report to be presented in the upcoming 2019 annual report which will comprise of the consolidated financial statements of the Group for 12MFY2019 and 12MFY2018.

- (b) The Board confirms that the impact of the qualified opinion on the financial statements has been adequately disclosed.

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

Except as disclosed in the 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 audited 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 disclosed 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 4QFY2019 and 12MFY2019.

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	12 months ended	12 months ended
	31.12.19	31.12.18	31.12.19	31.12.18
Loss per ordinary share*:				
Basic (US cents)	(0.058)	(0.020)	(0.118)	(0.075)
Diluted (US cents)	(0.058)	(0.020)	(0.118)	(0.075)
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 31 December 2019 and 2018 as the effect of all potentially dilutive shares outstanding was anti-dilutive.

**Loss per ordinary share excludes non-controlling interests.*

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 31.12.19	As at 31.12.18
Net liability value per ordinary share (US cents)	(0.188)	(0.073)
Number of ordinary shares in issue (excluding treasury shares)	1,832,999,998	1,832,999,998
	Company	
	As at 31.12.19	As at 31.12.18
Net liability value per ordinary share (US cents)	(0.188)	(0.093)
Number of ordinary shares in issue (excluding treasury shares)	1,832,999,998	1,832,999,998

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

8.1 INCOME STATEMENT

8.1.1 Revenue

The significant decrease in revenue in 4QFY2019 and 12MFY2019 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". 12MFY2019 revenue includes royalty fees of US\$28,000 from the JOA with PT Prima.

The first shipment of the Nickel ores commenced on 30 May 2019. On its maiden trip, 5,500 metric tonnes of nickel ores have been shipped. The PT Prima JOA took time to be implemented due to ascertaining and resolution of logistical and practical issues for the shipment of the nickel ores to PT Indonesia Guang Ching Nickel and Stainless Steel Industry ("PTIGCN") which has surfaced from the trial shipment of 5,500 tonnes of nickel ores. The primary focus currently is securing sailing rights around the fish farms and fishing villages situated along the route that the barges take to PTIGCN as well as the protocol for testing of samples with PTIGCN and refining of the payment process. Further, following the recent export ban by Indonesia of nickel ore that took effect from 1 January 2020, PT Prima is also in the process of expanding their local distribution network.

8.1.2 Cost of sales ("COS")

The significant decrease in COS in 4QFY2019 and 12MFY2019 was in line with the decrease in revenue due mainly to the early termination of coal hauling contract in May 2019.

The COS for 4QFY2109 and 12MFY2019 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 COS is proportionately less than the decrease in revenue due to certain fixed components of COS 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\$61,000 and US\$291,000 for 4QFY2019 and 12MFY2019 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 expenses

Other expenses amounting to US\$278,000 for 12MFY2019 comprises primarily of US\$312,000 fair value loss on derivative liability recorded from one of the convertible loans (Please see separate disclosure in paragraph 8.2.8.). This was partially offset by other income arising primarily from unrealised foreign exchange gains on revaluing accrued expenses that are denominated in other than USD.

8.1.5 Administrative expenses

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

Administrative expenses increased by 82.0% (or US\$264,000) to US\$586,000 in 4QFY2019 from US\$322,000 in 4QFY2018 and increased by 8.0% (or US\$103,000) to US\$1,383,000 in 12MFY2019 from US\$1,280,000 in 12MFY2018.

The increase in 4QFY2019 was due to accruals of professional fees incurred including, *inter alia*, audit and other services for the proposed acquisition of the Target.

8.1.6 Finance costs

Finance costs is primarily in relation to the accretion of US\$212,000 on the convertible loans. Please see separate disclosure in paragraph 8.2.8.

8.1.7 Tax credit/(expense)

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

The US\$6,000 tax credit for 4QFY2019 and 12MFY2019 results from the writeback of a prior year overprovision for tax of a subsidiary. The US\$2,000 noted in 12MFY2018 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\$149,000 to US\$318,000 as at 31 December 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 juncture, 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 the amount receivable of US\$1,258,000 from PT Prima to RPG Logistics to perform the services as stipulated in the JOA and the supplemental agreement.

8.2.4 Cash and cash equivalents

	Group	
	12 months ended 31.12.19 US\$'000	12 months ended 31.12.18 US\$'000
Cash and cash equivalents at beginning of financial year	253	322
Cash flows used in Operating Activities	(893)	(21)
Cash flows from/(used in) Financing Activities	785	(48)
Net decrease in cash and cash equivalents	(108)	(69)
Cash and cash equivalents at end of financial year	145	253

Cash flows used in operating activities

Cash flows used for operating activities before working capital changes amounted to US\$582,000 and US\$1,461,000 for 4QFY2019 and 12MFY2019 respectively as set out in paragraph 1(c) on Cash flow Statement for the Group above. After working capital changes and taxes paid, cash flows used in operating activities amounted to approximately US\$325,000 and US\$893,000 for 4QFY2019 and 12MFY2019 respectively mainly due to the increase in other payables.

Cash flows used in investing activities

There were no investing activities in 12MFY2019 and therefore no cash movement from investing activities.

Cash flows from financing activities

A total of US\$2.1 million were drawdown in 12MFY2019, partially offset by the repayment of lease obligations and interest of US\$57,000. Of this US\$2.1 million, US\$671,000 was from the Ang Investment Agreement, US\$1.26 million from the Yadi Investment Agreement and US\$171,000 from the Chaw Investment Agreement. The amount drawdown from the Yadi Investment Agreement funded the joint operations with PT Prima directly, hence no cash movement is reflected under financing activities. This amount is fully recoverable from PT Prima as set out in paragraph 8.2.3 above.

8.2.5 Currency translation reserve

The currency translation reserve represents the balance of translation from the Company's functional currency (in S\$) to the Group's presentation currency (in US\$) as at 31 December 2019.

8.2.6 Convertible loans equity reserve

This represents the equity component of two of the convertible loans that were issued during the year. Please see separate disclosure in paragraph 8.2.8.

8.2.7 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\$0.6 million to US\$2.5 million as at 31 December 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 12MFY2019 amounting to US\$1.0 million, partially offset by payment of US\$0.4 million to certain service providers and professionals for their past services in 12MFY2018.

[This section is intentionally left blank]

8.2.8 Convertible loans / derivative liabilities

The Company and the Group had made drawdowns totaling US\$671,000 (S\$903,000) from the Ang Investment Agreement for the financial year for its working capital requirements as set out in item (A)(3)(ii) of the section entitled "Introduction".

The Company and the Group had also made drawdowns totaling US\$1.3 million (S\$1.7 million) from the Yadi Investment Agreement, as set out in item (A)(3)(iii) of the section entitled "Introduction".

The Company and the Group had also made drawdowns totaling US\$171,000 (S\$230,000) from the Chaw Investment Agreement, as set out in item (A)(3)(v) of the section entitled "Introduction".

The drawdowns set out above under the 3 investment Agreements are accounted for in accordance with SFRS(I)1-32. Accordingly, the Company has to determined if 3 convertible loans respectively contain both a liability and equity component.

In accordance with SFRS(I)1-32, the Company considers the Ang Investment Agreement and Chaw Investment Agreement to be compound instruments with a liability and equity component and has thus presented the liability (i.e. Convertible Loan) and equity (i.e. Convertible Loan Equity Reserve) components separately. As for the Yadi Investment Agreement, the Company considers it to be a hybrid instrument in accordance with SFRS(I)9 and accordingly, presented the host contract (i.e. the convertible loan) and embedded derivative separately as Convertible Loan and Derivative Liabilities respectively, and any fair value changes to the Derivative Liabilities are taken to profit or loss.

Shown below is the movement of the convertible loans during the financial year:

	Ang US\$'000	Yadi US\$'000	Chaw US\$'000	Total US\$'000	
Face value of convertible loan at issuance	671	1,258	171	2,100	
Equity conversion component at initial recognition	(124)		(17)	(141)	Presented as Convertible Loan Equity Reserve see below
Embedded equity conversion		(274)		(274)	
Liability component at initial recognition	547	984	154	1,685	
Accretion of loan	64	148	-	212	Presented as Finance costs
Liability component at end of year	611	1,132	154	1,897	Presented as Convertible Loans
Embedded equity conversion at initial recognition		274		274	
Fair value loss through profit or loss		312		312	Presented as Other Expenses
Foreign currency translation		5		5	
At year end		591		591	Presented as Derivative Liabilities

Further, no interest has been accrued on the 3 investment agreements stated above 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 Investment Agreements, including but not limited to the convertible loan, the issuance of shares pursuant to the convertible loan, the whitewash waiver, and the rights issue.

[This section is intentionally left blank]

8.2.9 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\$52,000 to US\$19,000 as at 31 December 2019 from US\$71,000 as at 31 December 2018 due to lease payments during 12MFY2019 by EIR.

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 4QFY2019 and 12MFY2019 as the Group is loss making during the respective financial periods.

13. Interested Person Transactions

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

There were no interested person transactions of S\$100,000 or more entered into by the Group during 12MFY2019.

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. **Catalist Rule 705(6)(a)**

1) **Use of funds/cash for the quarter ended 31 December 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. **Catalist Rule 705(6)(b)**

Refer to paragraph 19 below.

17. **Catalist 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 Catalist Rule 720(1)**

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.

19. **Part II Additional Information Required for Full Year Announcement**

19.1 **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 provision of hauling and logistical support services. All of the Group's sales/revenue from hauling and logistical support services of coal and nickel as well as most of its assets are in Indonesia.

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

Refer to section entitled "Introduction" and paragraph 8 above.

[This section is intentionally left blank]

19.3 Breakdown of sales as follows:

	Latest Financial Year	Previous Financial Year	% increase/ (decrease)
	US\$'000	US\$'000	
	Group	Group	Group
(a) Sales reported for first half year	86	661	(87.0)
(b) Operating profit/loss after tax before deducting non-controlling interests reported for first half year	(702)	(745)	(5.5)
(c) Sales reported for second half year	28	510	(94.5)
(d) Operating profit/loss after tax before deducting non-controlling interests reported for second half year	(1,461)	(636)	>100

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

Not applicable as the Group did not declare dividends for 12MFY2019 and 12MFY2018.

19.5 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 Catalyst Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.

Not applicable as there are no such persons.

On behalf of the Board

Agus Sugiono
Executive Chairman and Chief Executive Officer
28 February 2020