

**UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD
 ENDED 30 SEPTEMBER 2018**
**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY, HALF-YEAR
 AND FULL YEAR RESULTS**
**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE THIRD QUARTER AND
 NINE MONTHS ENDED 30 SEPTEMBER 2018**

The board of directors (the “**Board**”) of the Company is pleased to announce the unaudited consolidated financial results of the Group for the third quarter (“**3Q2018**”) and nine months (“**9M2018**”) ended 30 September 2018. The corresponding unaudited consolidated financial results for the third quarter (“**3Q2017**”) and nine months (“**9M2017**”) ended 30 September 2017 are presented for comparison.

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

	GROUP					
	Unaudited 3Q2018	Unaudited 3Q2017	Change +/-	Unaudited 9M2018	Unaudited 9M2017	Change +/-
	US\$	US\$	%	US\$	US\$	%
Sales	879,548	1,894,451	(54)	4,366,162	3,370,638	30
Cost of Sales	(838,349)	(1,815,274)	(54)	(3,677,633)	(3,382,794)	9
Gross Profit / (Loss)	41,199	79,177	(48)	688,529	(12,156)	n.m.
Other income	3,846	2,747	40	8,369	7,830	7
Currency translation differences	(208,486)	27,089	n.m.	(376,389)	149,916	n.m.
Expenses						
- Administrative	(846,034)	(1,160,649)	(27)	(3,099,102)	(3,972,500)	(22)
- Finance	(54,117)	(43)	n.m.	(79,061)	(153)	n.m.
- Others	(358)	-	n.m.	(358)	(695)	(48)
Loss before tax	(1,063,950)	(1,051,679)	1	(2,858,012)	(3,827,758)	(25)
Income tax expense	(56)	-	n.m.	(56)	-	n.m.
Loss net of tax	(1,064,006)	(1,051,679)	1	(2,858,068)	(3,827,758)	(25)

n.m. denotes not meaningful

	GROUP					
	Unaudited 3Q2018 US\$	Unaudited 3Q2017 US\$	Change +/- %	Unaudited 9M2018 US\$	Unaudited 9M2017 US\$	Change +/- %
Other Comprehensive Income/Loss:						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Currency translation differences arising from consolidation	(484,504)	(234,469)	107	(1,118,666)	(147,079)	n.m.
Other comprehensive losses, net of tax	(484,504)	(234,469)	107	(1,118,666)	(147,079)	n.m.
Total comprehensive loss, net of tax	(1,548,510)	(1,286,148)	20	(3,976,734)	(3,974,837)	-
Net loss attributable to:						
- Equity holders of the Company	(1,057,717)	(1,047,086)	1	(2,845,338)	(3,805,086)	(25)
- Non-controlling interests	(6,289)	(4,593)	37	(12,730)	(22,672)	(44)
	<u>(1,064,006)</u>	<u>(1,051,679)</u>	1	<u>(2,858,068)</u>	<u>(3,827,758)</u>	(25)
Total comprehensive loss attributable to:						
- Equity holders of the Company	(1,538,229)	(1,275,495)	21	(3,957,828)	(3,940,821)	-
- Non-controlling interests	(10,281)	(10,653)	(3)	(18,906)	(34,016)	(44)
	<u>(1,548,510)</u>	<u>(1,286,148)</u>	20	<u>(3,976,734)</u>	<u>(3,974,837)</u>	-

n.m. denotes not meaningful

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

	GROUP					
	Unaudited 3Q2018 US\$	Unaudited 3Q2017 US\$	Change +/- %	Unaudited 9M2018 US\$	Unaudited 9M2017 US\$	Change +/- %
Interest income	2,613	2,538	3	7,167	7,357	(3)
Employee compensation & directors' fees	(340,661)	(395,330)	(14)	(1,232,654)	(1,138,163)	8
Professional fees, travelling and corporate social responsibility expenses	(166,125)	(197,558)	(16)	(638,240)	(738,125)	(14)
Legal and licensing expenses	(81,037)	(101,624)	(20)	(300,407)	(521,825)	(42)
Rental expenses	(70,842)	(73,915)	(4)	(247,680)	(173,269)	43
Depreciation of property, plant and equipment	(65,452)	(10,340)	n.m.	(210,282)	(24,450)	n.m.
Amortisation of mining properties	-	(36,324)	n.m.	(18,038)	(87,347)	(79)
Loss on disposal of property, plant and equipment	(358)	-	n.m.	(358)	-	n.m.

n.m. denotes not meaningful

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

	GROUP		COMPANY	
	Unaudited As at 30/9/2018 US\$	Audited As at 31/12/2017 US\$	Unaudited As at 30/9/2018 US\$	Audited As at 31/12/2017 US\$
ASSETS				
Current assets				
Cash and cash equivalents	610,581	1,203,825	29,840	1,086,089
Trade and other receivables	1,650,246	1,066,133	22,713,124	23,091,975
Inventories	3,434,558	2,436,891	-	-
Deposits and prepayments	196,399	456,221	18,576	31,636
	<u>5,891,784</u>	<u>5,163,070</u>	<u>22,761,540</u>	<u>24,209,700</u>
Non-current assets				
Property, plant and equipment	4,851,596	5,587,009	4,063	6,466
Mining properties	7,089,975	7,835,048	-	-
Exploration and evaluation expenditure	1,281,670	1,406,942	-	-
Deposits and prepayments	792,819	870,309	-	-
Investment in subsidiaries	-	-	92,752,976	92,752,976
Restricted cash	172,500	189,360	-	-
	<u>14,188,560</u>	<u>15,888,668</u>	<u>92,757,039</u>	<u>92,759,442</u>
Total assets	20,080,344	21,051,738	115,518,579	116,969,142
LIABILITIES				
Current liabilities				
Trade and other payables	3,132,314	720,234	1,047,649	714,557
Accrued operating expenses	2,020,495	2,448,456	224,340	249,650
Finance lease liabilities	-	1,856	-	-
Borrowings	694,945	-	-	-
Current tax liability	107,465	76,313	164	413
	<u>5,955,219</u>	<u>3,246,859</u>	<u>1,272,153</u>	<u>964,620</u>
Non-current liabilities				
Provision for employee benefit	103,772	82,266	-	-
Loans from shareholders	4,184,847	4,184,847	-	-
Other provisions	156,094	101,230	-	-
	<u>4,444,713</u>	<u>4,368,343</u>	<u>-</u>	<u>-</u>
Total liabilities	10,399,932	7,615,202	1,272,153	964,620
NET ASSETS	9,680,412	13,436,536	114,246,426	116,004,522
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	55,797,181	55,619,594	170,894,376	170,716,789
Currency translation reserve	(2,417,050)	(1,304,560)	732,373	1,213,380
Other reserve	43,023	-	43,023	-
Accumulated losses	<u>(43,651,641)</u>	<u>(40,806,303)</u>	<u>(57,423,346)</u>	<u>(55,925,647)</u>
	9,771,513	13,508,731	114,246,426	116,004,522
Non-controlling interests	<u>(91,101)</u>	<u>(72,195)</u>	<u>-</u>	<u>-</u>
Total equity	9,680,412	13,436,536	114,246,426	116,004,522

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

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

	As at 30/9/2018		As at 31/12/2017	
	Secured	Unsecured	Secured	Unsecured
	US\$	US\$	US\$	US\$
Borrowings	-	694,945	-	-

(b) the amount repayable after one year;

	As at 30/9/2018		As at 31/12/2017	
	Secured	Unsecured	Secured	Unsecured
	US\$	US\$	US\$	US\$
Shareholders' loans	-	4,184,847	-	4,184,847

The above relates to shareholders' loans from Twin Gold Ventures S.A. ("**TGV**") and Novel Creation Holdings Limited ("**Novel Creation**") (together, the "**Lenders**"). These loans are non-interest bearing, unsecured and repayable upon demand.

On 29 March 2018, the Group entered into a fourth supplemental deed with the Lenders to extend until 31 March 2020 the period during which the Lenders have agreed not to demand repayment. There has been no request for repayment to date, which can be further extended by the shareholder.

The Group currently has a remaining undrawn facility amounting to US\$35,815,153 on the abovementioned shareholders' loan facilities.

(c) Details of any collateral

Not Applicable.

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

	Unaudited 3Q2018 US\$	Unaudited 3Q2017 US\$
Cash flows from operating activities		
Loss after tax	(1,064,006)	(1,051,679)
Adjustments for:		
- Depreciation of property, plant and equipment	65,452	10,340
- Amortisation of mining properties	-	36,324
- Share-based compensation expense	32,699	-
- Loss on disposal of property, plant and equipment	358	-
- Interest income from fixed deposits and current account	(2,613)	(2,538)
- Interest expense	54,117	43
- Income tax expense	56	-
- Unrealised currency translation differences	190,721	36,656
	<hr/>	<hr/>
	(723,216)	(970,854)
Change in working capital:		
Inventories	(109,956)	(965,558)
Deposit and prepayments	31,189	(66,292)
Trade and other receivables	891,820	(811,356)
Trade and other payables	524,742	695,221
Provision for employee benefits	11,180	12,528
Other provisions	14,320	22,426
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Cash used in operating activities	640,079	(2,083,885)
Tax paid	(8,447)	(40,052)
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Net cash provided by / (used in) operating activities	631,632	(2,123,937)
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,885)	(2,934)
Additions to mining properties	-	(200,413)
Acquisition of land use rights	-	(868,406)
Interest received	2,613	2,538
	<hr/>	<hr/>
Net cash used in investing activities	(5,272)	(1,069,215)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	-	5,918,676
Proceeds from borrowings	39,507	-
Repayment of borrowings	(262,441)	-
Repayment of finance lease	(460)	(614)
Interest paid	(4)	(43)
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Net cash (used in) / provided by financing activities	(223,398)	5,918,019
Net increase in cash and cash equivalents	402,962	2,724,867
Cash and cash equivalents at the beginning of the period	208,641	240,484
Effects of currency translation on cash and cash equivalents	(1,022)	1,220
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	610,581	2,966,571

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP - Current period

	Share Capital	Other Reserve	Currency Translation reserve	Accumulated losses	Non-controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 30 June 2018	55,797,181	10,324	(1,936,538)	(42,593,924)	(80,820)	11,196,223
Employee share awards						
- Value of employee services	-	32,699	-	-	-	32,699
Total comprehensive loss for the period	-	-	(480,512)	(1,057,717)	(10,281)	(1,548,510)
Balance at 30 September 2018	55,797,181	43,023	(2,417,050)	(43,651,641)	(91,101)	9,680,412

GROUP - Prior period

	Share Capital	Other Reserve	Currency Translation reserve	Accumulated losses	Non-controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 30 June 2017	49,700,918	-	(1,059,274)	(36,580,210)	(10,437)	12,050,997
Issuance of placement Shares	5,918,676	-	-	-	-	5,918,676
Total comprehensive loss for the period	-	-	(228,409)	(1,047,086)	(10,653)	(1,286,148)
Balance at 30 September 2017	55,619,594	-	(1,287,683)	(37,627,296)	(21,090)	16,683,525

COMPANY - Current period

	Share Capital	Other Reserve	Currency Translation reserve	Accumulated losses	Total equity
	US\$	US\$	US\$	US\$	US\$
Balance at 30 June 2018	170,894,376	10,324	793,497	(57,015,553)	114,682,644
Employee share awards					
- Value of employee services	-	32,699	-	-	32,699
Total comprehensive loss for the period	-	-	(61,124)	(407,793)	(468,917)
Balance at 30 September 2018	170,894,376	43,023	732,373	(57,423,346)	114,246,426

COMPANY - Prior period

	Share Capital	Other Reserve	Currency Translation reserve	Accumulated losses	Total equity
	US\$	US\$	US\$	US\$	US\$
Balance at 30 June 2017	164,798,113	-	20,660	(23,748,173)	141,070,600
Issuance of placement Shares	5,918,676	-	-	-	5,918,676
Total comprehensive loss for the period	-	-	377,421	(636,345)	(258,924)
Balance at 30 September 2017	170,716,789	-	398,081	(24,384,518)	146,730,352

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in the Company's share capital

	No. of Shares	Share capital (US\$)
As at 30 June 2018	936,610,437	170,894,376
As at 30 September 2018	<u>936,610,437</u>	<u>170,894,376</u>

There were no outstanding convertibles or share options granted as at 30 September 2018 and 30 September 2017.

There were no treasury shares or subsidiary holdings held or issued as at 30 September 2018 and 30 September 2017.

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

	As at 30 September 2018	As at 31 December 2017
Number of issued shares excluding treasury shares	936,610,437	930,860,437

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

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

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

Not applicable, as the Company does not have any subsidiary holdings.

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

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

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

Not applicable.

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

Accounting policies and methods of computations used in the consolidated financial statements for the period ended 30 September 2018 are consistent with those applied in the financial statements for the year ended 31 December 2017, except for the adoption of accounting standards (including its subsequent amendments) and interpretations applicable for the financial period beginning on or after 1 January 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.

The Group adopted the new/revised Financial Reporting Standards ("FRS") that are effective for annual periods beginning on or after 1 January 2018. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS.

The following are the new or amended FRS that are relevant to the Group:

- FRS 109 Financial Instruments
- FRS 115 Revenue from Contracts with Customers
- FRS 116 Leases
- Adoption of Singapore Financial Reporting Standards (International)

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

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

	9M2018 US\$	9M2017 US\$
Basic loss per share (cents)	(0.30)	(0.45)
Weighted average number of shares for the purpose of computing basic loss per share	933,008,789	851,356,315
Fully diluted loss per share (cents)	(0.30)	(0.45)
Weighted average number of shares for the purpose of computing fully diluted loss per share	933,447,313	851,356,315

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

(a) Current financial period reported on; and

(b) Immediately preceding financial year.

	30 Sep 2018	31 Dec 2017
	US\$	US\$
Net asset value of the Group per ordinary share (cents)	1.0	1.4
No. of ordinary shares in issue	936,610,437	930,860,437
Net asset value of the Company per ordinary share (cents)	12.2	12.5
No. of ordinary shares in issue	936,610,437	930,860,437

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

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

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

Review of Profit & Loss

Revenue

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

Revenue decreased by US\$1.0M from US\$1.9M in 3Q2017 to US\$880K in 3Q2018. This was due to a reduction in sales volume arising from a slowdown in the Group's deliveries to its customers and a reduction in the volume required for delivery by customers during the current quarter.

Revenue increased by US\$996K from US\$3.4M in 9M2017 to US\$4.4M in 9M2018. The was due to (i) an increase in sales volume, and (ii) an upward revision of coal sale price during 2Q2018.

Cost of Goods Sold

Cost of Sales ("COS") comprises mainly of costs incurred in relation to mining contractors, coal processing, royalties payable to the government, depreciation and amortisation of mining properties and coal inventory.

COS amounted to US\$838K in 3Q2018 and US\$3.7M in 9M2018, as compared to US\$1.8M in 3Q2017 and US\$3.4M in 9M2017. The variance in COS is in line with the movements in sales volume for the periods reported.

Gross Profit

The Group recorded a gross profit of US\$41K in 3Q2018 and a gross profit of US\$689K in 9M2018. The improved gross margins in 3Q2018 and 9M2018 were mainly attributable to (i) a higher selling price, (ii) lowered costs of production and (iii) reduced logistics costs of coal delivery to the Group's customers.

Currency translation loss

The Group recorded a currency translation loss of US\$208K in 3Q2018, as compared to currency translation gain of US\$27k in 3Q2017, and currency translation loss of US\$376K in 9M2018, as compared to currency translation gain of US\$150K in 9M2017.

The currency translation loss in 3Q2018 and 9M2018 was mainly due to translation differences in shareholders' loans and intercompany balances at its subsidiaries. The United States Dollars (being the currency in which these loans are denominated) had strengthened against the Singapore Dollar and the Indonesia Rupiah (being the recording currency for these liabilities), thereby accounting for the currency translation loss.

Administrative Expenses

Administrative expenses mainly relate to employees' remuneration, directors' fees and expenses relating to licensing and compliance, geologist and survey, rental and recurring professional fees.

Administrative expenses decreased by US\$315K or 27% from US\$1.2M in 3Q2017 to approximately US\$846K in 3Q2018. The decrease was mainly attributable to: -

- a decrease in the directors' fees of US\$48K due to a reduction in the number of directors on the Board with effect from March 2018;
- a decrease in legal and licensing expenses of US\$21K as the Group had completed the construction and commenced use of its jetty in November 2017;
- a decrease in fees to placement agent of US\$151K as there was a one-time payment for the share placements completed in 3Q2017 which did not recur in 3Q2018.

Administrative expenses decreased by US\$873K, or 22%, from US\$4.0M in 9M2017 to approximately US\$3.1M in 9M2018. The decrease was mainly attributable to: -

- a decrease in legal and licensing expenses of US\$221K as the Group had completed the construction, and commenced use of its jetty in November 2017;
- a decrease in mining, geologist and surveyor expenses of US\$524K as there was no mobilisation of heavy equipment by contractors in 9M2018;
- a decrease in professional fee of US\$78K due to a reduction in professional services contracted;
- a decrease in fees to placement agent of US\$209K as there was a one-time payment for the placements completed in 9M2017 which did not recur in 9M2018.

Partially offset by: -

- an aggregated increase in directors' fees of US\$72K from the value of the non-cash share awards granted in 2Q2018, partially offset by a decrease in the directors' fees of US\$112k due to a reduction in the number of directors on the Board with effect from March 2018, and
- an increase in depreciation expenses of US\$164K mainly in respect of a newly constructed jetty for which usage commenced in November 2017.

Finance Expenses

Finance expenses increased by US\$54K from US\$1K in 3Q2017 to approximately US\$54K in 9M2018 due to an increase in interest-bearing borrowings.

Finance expenses increased by US\$79K from US\$1K in 9M2017 to approximately US\$79K in 9M2018 due to an increase in interest-bearing borrowings.

Loss after tax

As a result of the abovementioned factors, the Group recorded net losses of US\$1.1M in 3Q2018 and US\$2.9M in 9M2018, against net losses of US\$1.1M in 3Q2017 and US\$3.8M in 9M2017.

Review of Statement of Financial Position

Current assets

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

Current assets increased by US\$729K from US\$5.2M as at 31 December 2017 to US\$5.9M as at 30 September 2018.

Inventories increased by US\$998K as the Group continues to expand its production capacities and build up its coal inventory for sale to its customers.

Trade and other receivables increased by US\$584K due to increased sales, partially offset by collections received from the Group's customers.

Deposits and prepayments decreased by US\$260K mainly due to utilisation of the prepayments for payment to the contractors amounting to US\$238K.

This was partly offset by a US\$593K decrease in cash and cash equivalents, mainly arising from payments from production activities and working capital purposes. Please refer for Note 1(c) Cash Flow Statement for more details.

Non-current assets

Non-current assets of the Group comprise of property, plant and equipment, mining properties, exploration and evaluation expenditure, restricted cash, as well as deposits and prepayments.

Non-current assets decreased by US\$1.7M from US\$15.9M as at 31 December 2017 to US\$14.2M as at 30 September 2018, mainly due to (i) depreciation of property, plant and equipment of US\$277K¹, (ii) amortisation of mining properties of US\$47K¹, (iii) foreign exchange differences of US\$1.4M and (iv) partially offset by additions to property, plant and equipment of US\$26K.

Note 1: Depreciation and amortisation expenses are initially recorded under "inventories" and subsequently transferred to profit and loss when the coal inventory is sold. As at end of the period, a portion of depreciation and amortisation expenses remain recorded as inventories.

Current liabilities

Current liabilities comprise of trade and other payables, current tax liability, accrued operating expenses, finance lease liabilities (current portion) and borrowings.

Current liabilities increased by US\$2.8M from US\$3.2M as at 31 December 2017 to US\$6.0M as at 30 September 2018. The increase was mainly due to (i) an increase in trade and other payables of US\$2.4M to its mining and transportation contractors for the Group's production activities, and (ii) an increase in borrowings of US\$695K, which were partially offset by a decrease in accrued operating expenses, due to payment to vendors of US\$480K.

Non-current liabilities

Non-current liabilities comprise of loans from shareholders, provision for employee benefits and other provisions.

Non-current liabilities increased by US\$76K from US\$4.4M as at 31 December 2017 to US\$4.4M as at 30 September 2018. The increase was mainly due to an increase in provision for employee benefits and other provisions.

Working capital

The Group recorded negative working capital of US\$63K as at 30 September 2018, against working capital of US\$1.9M as at 31 December 2017. In view of this, the Group is exploring certain financing options to meet its short-term payment obligations. In addition, the Group has an available loan facility from its shareholders from which it can draw upon when required.

Review of Statement of Cash Flows

3Q2018

The Group recorded a net cash provided by operating activities of US\$632K for 3Q2018 which was a result of operating losses before changes in working capital of approximately US\$723K, adjusted for net working capital inflows of approximately US\$1.4M. The improvement in working capital inflow was mainly due to faster collection of receivables due from customers during the quarter.

Net cash used in investing activities of US\$5K in 3Q2018 was mainly due to cash used for the purchase of property, plant and equipment of US\$8K, partially offset by interest income of US\$3K from current account and time deposits.

Net cash used in financing activities of US\$223K was mainly due to cash proceeds of US\$40K from borrowings, partially offset by repayment of borrowings of US\$262K, and the repayment of finance lease liabilities of US\$1K.

As a result of the abovementioned, the Group recorded a net increase in a cash and cash equivalents of US\$403K in 3Q2018.

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

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

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

According to an article published by Akurat.co, Mr Heru Dewanto, Secretary General of the Indonesian Society of Electric Power, stated that with coal being the most efficient in terms of energy generation capacity, it will remain the dominant fuel source for electricity generation until year 2040.

In another article published by Tempo.co regarding the production of coal, Mr Sri Raharjo, the Director of Coal Business and Development at Indonesia's Ministry of Energy and Mineral Resources ("MEMR"), said that Indonesia saw coal production of 311 million tonnes in 3Q2018, 60% higher than the coal production for the same comparable period last year, according to data released by MEMR. Also commenting on the matter, Mr Hendra Sinadia, Executive Director of the Indonesian Coal Mining Association, stated that the increase in production was in line with domestic and export coal needs which would continue to increase.

Given the current market conditions and Indonesian government's stance on the significance of coal usage, the Company continues to expect healthy demand for coal in the local Indonesian market, especially for the purpose of electric power generation.

PT Santosa Makmur Sejahtera Energy ("SMS") and PT Soma Daya Utama ("SDU"), both of which are independent power plant owners with which the Group has in place long-term coal sales agreements (as previously disclosed), have each informed the Group that they expect delays in the completion of their respective power plants. Consequently, barring unforeseen circumstances, the Group's deliveries of coal to these customers will be postponed and are now expected to commence in 1Q2019. No penalties will be imposed on the Group as the delays were not the fault of the Group.

With regard to the Riau-1 Project, the Heads of Agreement ("HOA") which was signed on 15 September 2017 has expired as the shareholders' agreement for the establishment of a joint venture company was not executed within one (1) year from the date of the HOA. Consequently, the letter of intent for the Riau-1 Project awarded to the consortium on 23 January 2018 will no longer be valid. Despite the expiry of the HOA, the Company remains keen on the project and will await PLN's decision on whether to proceed with the Riau-1 Project.

Notwithstanding the expiry of the HOA, the Group's business continues unaffected and continues as usual. The Group intends to capitalise on the rising demand for coal and its existing coal resource assets by expanding its network of customers in the region, to secure a stronger competitive edge in the locality of its coal mine.

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

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

None.

(b)(i) Amount per share

Not applicable.

(b)(ii) Previous corresponding period

None.

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended during 3Q2018.

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

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

There were no interested person transactions that were individually more than S\$100,000 entered into by the Group during 3Q2018 or 9M2018.

Below is the table detailing the amount of shareholders’ loan that was drawn down during 3Q2018 and 9M2018:

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transaction conducted under the shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transaction less than S\$100,000)	
	S\$		S\$	
	3Q2018	9M2018	3Q2018	9M2018
N.A.	-	-	-	-

There were no interested person transactions that were individually more than S\$100,000 entered into by the Group during 3Q2018 or 9M2018.

ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES

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

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

In 3Q2018, funds were mainly used for the following activities:-

Purpose	Forecasted usage of funds (US\$)	Actual usage of funds (US\$)
Production activities	691,000	398,000
General working capital	115,000	87,000
Total	806,000	485,000

Actual cash used for production activities and general working capital was lower than forecasted by US\$321K because payment to contractor/suppliers are to be made in the subsequent quarter.

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

For the next immediate quarter (financial period from 1 October 2018 to 31 December 2018 ("4Q2018")), the Group's use of funds for production activities are expected to be as follows:

Purpose	Amount
	(US\$)
Production activities	436,000
General working capital	124,000
Total	560,000

Principal Assumptions

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

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

The Board confirms that to the best of its knowledge, nothing has come to its attention which may render the above information provided to be false or misleading in any material aspect.

14 (c). Rule 705(7) of the Catalist Rules

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

During 3Q2018, no exploration or development activities and production activities were conducted.

During 3Q2018, cash expenditure paid for production activities amounted to US\$398K.

15. Negative confirmation pursuant to Rule 705(5) of the Catalist Rules

To the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results of Group and the Company for 3Q2018 to be false or misleading in any aspect.

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

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

BY ORDER OF THE BOARD

Philip Cecil Rickard
Executive Chairman and CEO

James Rijanto
Executive Director and CIO

12 November 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement. The Sponsor has not drawn on any specific technical expertise in its review 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 Ms. Tay Sim Yee (Telephone number: +65 6232 3210), at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.
