



RESOURCES GLOBAL DEVELOPMENT LIMITED

(Company Registration No. 201841763M)
(Incorporated in the Republic of Singapore)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

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

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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Background

The Company, and together with its subsidiaries, (the “**Group**”) was listed on Catalist Board on 31 January 2020. The Group is an established coal trader and coal shipping company in Indonesia. The Group procures thermal coal from coal mines located in South Kalimantan for domestic sales and exports. It also owns a relatively young and well-maintained fleet of Indonesian-flagged vessels, comprising ten (10) sets of tugboat and barge (“**TBBG**”) and one (1) bulk carrier (“**IMV**”), providing chartering services to transport coal within and beyond the Indonesian territories. For more information, please visit the Company’s website at www.rgd.sg.

RESOURCES GLOBAL DEVELOPMENT LIMITED

Condensed Interim Financial Statements
For the six months ended
30 June 2022

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	The Group		Increase/ (Decrease) %
		H1 2022	H1 2021	
		S\$	S\$	
		(Unaudited)	(Unaudited)	
Revenue	4	69,134,845	62,450,309	10.7
Cost of sales and services		(54,440,775)	(52,517,869)	3.7
Gross profit		14,694,070	9,932,440	47.9
Interest income		138,616	77,257	79.4
Other income		20,113	14,520	38.5
Administrative expenses		(1,766,945)	(977,027)	80.8
Finance costs		(27,506)	(202,811)	(86.4)
Profit before tax	6	13,058,348	8,844,379	47.6
Tax expense	7	(1,331,775)	(1,275,264)	4.4
Profit for the financial period		11,726,573	7,569,115	54.9
Other comprehensive loss				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising from consolidation		(730,636)	(642,676)	13.7
Other comprehensive loss for the financial period, net of tax		(730,636)	(642,676)	13.7
Total comprehensive income for the financial period		10,995,937	6,926,439	58.8
Profit for the financial period attributable to:				
Equity holders of the Company		8,120,834	5,908,093	37.5
Non-controlling interests		3,605,739	1,661,022	117.1
		11,726,573	7,569,115	54.9
Total comprehensive income attributable to:				
Equity holders of the Company		7,646,385	5,518,930	38.5
Non-controlling interests		3,349,552	1,407,509	138.0
		10,995,937	6,926,439	58.8
Earnings per share for the profit for the period attributable to the owners of the Company during the period⁽¹⁾				
Basic & Diluted (SGD in cent)		9.0	6.6	36.4

"H1 2022" denotes six months period ended 30 June 2022.

"H1 2021" denotes six months period ended 30 June 2021.

Note:

(1) The basic and diluted earnings per share was calculated based on the weighted average number of shares on issue of 90,000,000 in H1 2022 and H1 2021.

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		30 June	31 December	30 June	31 December
		2022	2021	2022	2021
		S\$	S\$	S\$	S\$
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
Non-current assets					
Property, plant and equipment	10	43,089,355	40,548,725	3,330,943	3,147,084
Intangible assets		113,845	115,220	-	-
Deferred tax assets		11,024	7,846	-	-
Other receivables	11	15,103	2,572	-	-
Investment in subsidiaries		-	-	2,061,028	2,061,028
		43,229,327	40,674,363	5,391,971	5,208,112
Current assets					
Contract assets		585,256	531,523	-	-
Inventories		2,674,718	4,180,409	-	-
Trade and other receivables	11	21,918,686	7,110,085	57,150	242,384
Cash and cash equivalents		16,426,715	20,346,000	3,002,949	3,628,977
		41,605,375	32,168,017	3,060,099	3,871,361
Total assets		84,834,702	72,842,380	8,452,070	9,079,473
Non-current liabilities					
Liabilities for post-employment benefits		385,816	318,971	-	-
Borrowings	12	2,378,927	2,461,381	2,304,385	2,382,750
		2,764,743	2,780,352	2,304,385	2,382,750
Current liabilities					
Trade and other payables	13	13,482,905	9,648,892	462,352	411,196
Contract liabilities		736,407	1,748,401	-	-
Borrowings	12	1,203,024	1,246,698	1,155,954	1,201,385
Tax payable		774,346	1,640,697	-	1,166
		16,196,682	14,284,688	1,618,306	1,613,747
Total liabilities		18,961,425	17,065,040	3,922,691	3,996,497
Net assets		65,873,277	55,777,340	4,529,379	5,082,976
Equity					
Share capital	14	5,701,262	5,701,262	5,701,262	5,701,262
Retained earnings/(accumulated losses)		39,502,615	32,281,781	(1,171,883)	(618,286)
Currency translation reserve		(1,368,184)	(893,735)	-	-
Equity attributable to equity holders of the Company		43,835,693	37,089,308	4,529,379	5,082,976
Non-controlling interests		22,037,584	18,688,032	-	-
Total equity		65,873,277	55,777,340	4,529,379	5,082,976

C. Condensed interim statements of changes in equity

	← Attributable to equity holders of the Company →			Total S\$	Non- controlling interests S\$	Total equity S\$
	Share capital S\$	Retained earnings S\$	Currency translation reserve S\$			
The Group						
Balance at 1 January 2022	5,701,262	32,281,781	(893,735)	37,089,308	18,688,032	55,777,340
Profit for the financial period	-	8,120,834	-	8,120,834	3,605,739	11,726,573
Other comprehensive loss Currency translation differences arising from consolidation	-	-	(474,449)	(474,449)	(256,187)	(730,636)
Other comprehensive loss for the financial period, net of tax	-	-	(474,449)	(474,449)	(256,187)	(730,636)
Total comprehensive income/(loss) for the financial period	-	8,120,834	(474,449)	7,646,385	3,349,552	10,995,937
Dividend paid to shareholders of the Company ⁽¹⁾	-	(900,000)	-	(900,000)	-	(900,000)
Balance at 30 June 2022 (Unaudited)	<u>5,701,262</u>	<u>39,502,615</u>	<u>(1,368,184)</u>	<u>43,835,693</u>	<u>22,037,584</u>	<u>65,873,277</u>

Note:

- (1) The final cash dividend of S\$0.01 per ordinary share in respect of financial year ended 31 December 2021 was approved by the Company's shareholders at the Annual General Meeting of the Company held on 29 April 2022. The dividend was paid by the Company on 25 May 2022.

C. Condensed interim statements of changes in equity (cont'd)

	← Attributable to equity holders of the Company →			Total S\$	Non- controlling interests S\$	Total equity S\$
	Share capital S\$	Retained earnings S\$	Currency translation reserve S\$			
The Group						
Balance at 1 January 2021	5,701,262	17,451,319	(1,138,229)	22,014,352	14,425,858	36,440,210
Profit for the financial period	-	5,908,093	-	5,908,093	1,661,022	7,569,115
Other comprehensive loss Currency translation differences arising from consolidation	-	-	(389,163)	(389,163)	(253,513)	(642,676)
Other comprehensive loss for the financial period, net of tax	-	-	(389,163)	(389,163)	(253,513)	(642,676)
Total comprehensive income/(loss) for the financial period	-	5,908,093	(389,163)	5,518,930	1,407,509	6,926,439
Dividend paid to shareholders of the Company	-	-	-	-	-	-
Balance at 30 June 2021 (Unaudited)	<u>5,701,262</u>	<u>23,359,412</u>	<u>(1,527,392)</u>	<u>27,533,282</u>	<u>15,833,367</u>	<u>43,366,649</u>

C. Condensed interim statements of changes in equity (cont'd)

The Company	Share capital S\$	Accumulated losses S\$	Total equity S\$
Balance at 1 January 2022	5,701,262	(618,286)	5,082,976
Profit for the financial period	-	346,403	346,403
Dividend paid to shareholders of the Company ⁽¹⁾	-	(900,000)	(900,000)
Balance at 30 June 2022 (Unaudited)	<u>5,701,262</u>	<u>(1,171,883)</u>	<u>4,529,379</u>

Note:

(1) The final cash dividend of S\$0.01 per ordinary share in respect of financial year ended 31 December 2021 was approved by the Company's shareholders at the Annual General Meeting of the Company held on 29 April 2022. The dividend was paid by the Company on 25 May 2022.

The Company	Share capital S\$	Accumulated losses S\$	Total equity S\$
Balance at 1 January 2021	5,701,262	(2,212,564)	3,488,698
Profit for the financial period	-	202,729	202,729
Balance at 30 June 2021 (Unaudited)	<u>5,701,262</u>	<u>(2,009,835)</u>	<u>3,691,427</u>

D. Condensed interim consolidated statement of cash flows

	The Group	
	H1 2022	H1 2021
	S\$	S\$
Cash flows from operating activities	(Unaudited)	(Unaudited)
Profit before tax	13,058,348	8,844,379
Adjustments for:		
Depreciation of property, plant and equipment	2,358,508	2,137,165
Post-employment benefits	71,316	68,412
Waiver of advances to non-controlling shareholders by a subsidiary	236,781	-
Interest income	(138,615)	(77,257)
Interest expense	27,506	202,811
Operating cash flows before working capital changes	15,613,844	11,175,510
Change in operating assets and liabilities:		
Inventories	1,505,691	(459,205)
Receivables	(14,874,865)	2,855,961
Payables	5,317,610	3,124,409
Currency translation difference	(222,275)	(219,315)
Cash generated from operations	7,340,005	16,477,360
Interest received	138,615	77,257
Taxes paid	(2,189,800)	(921,717)
Net cash generated from operating activities	5,288,820	15,632,900
Cash flows from investing activities		
Purchases of property, plant and equipment, representing net cash used in investing activity ⁽¹⁾	(7,845,374)	(397,194)
Advances to non-controlling shareholders by a subsidiary	(236,781)	-
Net cash used in investing activities	(8,082,155)	(397,194)
Cash flows from financing activities		
Payment of dividends	(900,000)	-
Interest paid	(27,506)	(202,811)
Prepayment of lease liabilities	(69,525)	(60,380)
Repayment of bank loan	(77,200)	(4,640,000)
Net cash used in from financing activities	(1,074,231)	(4,903,191)
Net (decrease)/increase in cash and cash equivalents	(3,867,566)	10,332,515
Effect of exchange rate changes on cash and cash equivalents	(51,719)	(2,924)
Cash and cash equivalents at beginning of financial period	20,346,000	5,845,187
Cash and cash equivalents at end of financial period	16,426,715	16,174,778

Note (1):

	The Group	
	30 June 2022	30 June
	S\$	2021
		S\$
Aggregate cost of property, plant and equipment acquired in the current financial period	(5,349,783)	(2,754,067)
Less: additions to right-of-use assets	-	23,489
Less: unpaid portion of the construction for TBBG	-	2,333,384
Less: unpaid portion of dry-docking costs for TBBG	297,779	-
Add: payment for dry-docking costs for MV	(108,218)	-
Add: payment for the construction for TBBG ⁽ⁱ⁾	(2,685,152)	-
	<hr/>	<hr/>
Net cash outflow for purchase of property, plant and equipment	(7,845,374)	(397,194)

Note:

- (i) Payment for the remaining outstanding balance payable to the shipyard for the TBBG delivered in FY2021.

E. Notes to the condensed interim consolidated financial statements

1 Corporate information

Resources Global Development Limited (Co. Reg. No. 201841763M) was incorporated on 12 December 2018 and domiciled in Singapore. The Company was listed on the Catalist Board of Singapore Exchange Securities Trading Limited on 31 January 2020.

The principal place of business of the Company is located at 144 Robinson Road, #11-02 Robinson Square, Singapore 068908.

The principal activities of the Group are:

- (a) Coal Trading Business
- (b) Coal Shipping Services

The Company's immediate and ultimate holding company is Deli International Resources Pte. Ltd., incorporated in Singapore.

2 Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to the standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3 Seasonal operations

The seasonal wet weather conditions during the year affect the ability of our coal suppliers to increase their production to meet increased demands and the efficiency of our coal shipping services.

4 Segment and revenue information

The Group is organised into the following main business segments:

- Segment 1: Coal Trading Business
- Segment 2: Coal Shipping Services

Inter-segment revenue is eliminated on consolidation. There is no inter-segment revenue during the current and previous financial year.

Inter-segment assets and liabilities are eliminated to arrive at the total assets and liabilities reported in the consolidated statement of financial position.

Segment results

Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Income taxes are managed on a group basis and operating results of the investment holding company are not allocated to operating segments. Sales between operating segments are on terms agreed by the group companies concerned.

Segment assets

The amounts provided to the management with respect to total assets are measured in a manner consistent with that of the condensed interim financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segment except for deferred tax assets, prepaid taxes and assets of the Singapore entities. These assets are classified as unallocated assets.

Segment liabilities

The amounts provided to the management with respect to total liabilities are measured in a manner consistent with that of the condensed interim financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments other than tax payable and liabilities of the Singapore entities. These liabilities are classified as unallocated liabilities.

4.1 Reportable segments

	The Group		
	Coal Trading Business	Coal Shipping Services	Consolidated
	1 January 2022 to 30 June 2022	1 January 2022 to 30 June 2022	1 January 2022 to 30 June 2022
	S\$	S\$	S\$
Revenue:			
External customers	53,263,758	15,871,087	69,134,845
Total Revenue	<u>53,263,758</u>	<u>15,871,087</u>	<u>69,134,845</u>
Segment Profit:	6,289,739	7,633,477	13,923,216
Interest income	125,347	13,268	138,615
Finance Cost	(6,654)	(2,502)	(9,156)
Unallocated corporate expenses	-	-	(994,327)
Profit before tax	<u>6,408,432</u>	<u>7,644,243</u>	<u>13,058,348</u>
Income tax expense			<u>(1,331,775)</u>
Profit for the financial period			<u>11,726,573</u>
Assets			
Segment assets	26,785,015	51,389,563	78,174,578
Unallocated assets			<u>6,660,124</u>
			<u>84,834,702</u>
Liabilities			
Segment liabilities	9,133,327	5,486,233	14,619,560
Unallocated liabilities			<u>4,341,865</u>
			<u>18,961,425</u>
Other segment information			
Capital Expenditure	35,774	5,072,514	5,108,288
Unallocated capital expenditure			<u>263,563</u>
			<u>5,371,851</u>
Depreciation	34,484	2,244,320	2,278,804
Unallocated corporate depreciation			<u>79,704</u>
			<u>2,358,508</u>
Other non-cash expenses	<u>13,860</u>	<u>57,456</u>	<u>71,316</u>

4.1 Reportable segments (Cont'd)

	The Group		
	Coal Trading Business	Coal Shipping Services	Consolidated
	1 January 2021 to 30 June 2021 S\$	1 January 2021 to 30 June 2021 S\$	1 January 2021 to 30 June 2021 S\$
Revenue:			
External customers	53,421,535	9,028,774	62,450,309
Total Revenue	<u>53,421,535</u>	<u>9,028,774</u>	<u>62,450,309</u>
Segment Profit:			
Interest income	6,153,278	3,457,548	9,610,826
Finance Cost	57,216	20,025	77,241
Unallocated corporate expenses	(5,292)	(196,204)	(201,496)
Profit before tax	-	-	(642,192)
Income tax expense	<u>6,205,202</u>	<u>3,281,369</u>	<u>8,844,379</u>
Profit for the financial period			<u>(1,275,264)</u>
			<u>7,569,115</u>
Assets			
Segment assets	22,216,770	34,098,656	56,315,426
Unallocated assets			1,896,448
			<u>58,211,874</u>
Liabilities			
Segment liabilities	10,255,330	3,560,443	13,815,773
Unallocated liabilities			1,029,452
			<u>14,845,225</u>
Other segment information			
Capital Expenditure	2,290	2,750,279	2,752,569
Unallocated capital expenditure			1,499
			<u>2,754,068</u>
Depreciation	29,682	2,056,430	2,086,112
Unallocated corporate depreciation			51,053
			<u>2,137,165</u>
Other non-cash expenses	<u>9,504</u>	<u>58,908</u>	<u>68,412</u>

4.2 Disaggregation of Revenue

	The Group		
	Coal Trading Business	Coal Shipping Services	Total
	1 January 2022 to 30 June 2022	1 January 2022 to 30 June 2022	1 January 2022 to 30 June 2022
	S\$	S\$	S\$
Types of goods or service:			
Sale of coals	53,263,758	-	53,263,758
Rendering of coal shipping services	-	15,871,087	15,871,087
Total revenue	<u>53,263,758</u>	<u>15,871,087</u>	<u>69,134,845</u>
Timing of revenue recognition:			
At a point in time	53,263,758	-	53,263,758
Over time	-	15,871,087	15,871,087
Total revenue	<u>53,263,758</u>	<u>15,871,087</u>	<u>69,134,845</u>
Geographical information:			
Indonesia	45,422,953	15,309,180	60,732,133
China	-	561,907	561,907
Philippines	7,840,805	-	7,840,805
Total revenue	<u>53,263,758</u>	<u>15,871,087</u>	<u>69,134,845</u>

	The Group		
	Coal Trading Business	Coal Shipping Services	Total
	1 January 2021 to 30 June 2021	1 January 2021 to 30 June 2021	1 January 2021 to 30 June 2021
	S\$	S\$	S\$
Types of goods or service:			
Sale of coals	53,421,535	-	53,421,535
Rendering of coal shipping services	-	9,028,774	9,028,774
Total revenue	<u>53,421,535</u>	<u>9,028,774</u>	<u>62,450,309</u>
Timing of revenue recognition:			
At a point in time	53,421,535	-	53,421,535
Over time	-	9,028,774	9,028,774
Total revenue	<u>53,421,535</u>	<u>9,028,774</u>	<u>62,450,309</u>
Geographical information:			
Indonesia	45,587,616	9,028,774	54,616,390
China	7,833,919	-	7,833,919
Total revenue	<u>53,421,535</u>	<u>9,028,774</u>	<u>62,450,309</u>

5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021:

	The Group		The Company	
	30 June 2022 S\$	31 December 2021 S\$	30 June 2022 S\$	31 December 2021 S\$
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Financial Assets				
At Amortised Costs	37,871,460	26,419,044	3,018,899	3,644,277
Financial Liabilities				
At Amortised Costs	17,064,856	13,356,971	3,922,692	3,995,331

6 Profit before tax

6.1 Significant items

	The Group	
	H1 2022 S\$	H1 2021 S\$
Other Income		
Government grant income ⁽¹⁾	8,513	14,520
Rental income	11,600	-
	<u>20,113</u>	<u>14,520</u>
Finance costs		
Interest on bank loans	18,146	193,824
Interest on lease liabilities	9,360	8,987
	<u>27,506</u>	<u>202,811</u>
Included in cost of sales and services:		
Coal purchases	44,847,599	43,955,318
Depreciation of vessels and vessel equipment	2,201,600	2,012,350
Freight charter	1,411,621	2,346,553
Fuel expenses	2,318,994	1,165,773
Insurance expenses	199,871	158,100
Loading/discharging expenses	378,148	660,588
Mooring and anchoring expenses	30,161	19,287
Repair and maintenance	422,722	255,365
Staff costs	1,211,324	859,545

Note:

(1) Government grant income consists of the Jobs Support Scheme ("JSS").

6 Profit before tax (cont'd)

6.1 Significant items (cont'd)

	The Group	
	H1 2022 S\$	H1 2021 S\$
Included in administrative expenses:		
Audit fees paid/payable to:		
- auditor of the Company	47,500	50,160
- other auditor ⁽¹⁾	23,418	20,009
Depreciation of property, plant and equipment	156,908	124,815
Insurance expenses	18,368	18,325
Loss/(gain) on foreign currency exchange, net	62,402	(287,552)
Office supplies	55,619	34,278
Professional fees	102,182	101,259
Waiver of advances to non-controlling shareholders by a subsidiary ⁽²⁾	236,781	-
Staff Costs	990,655	876,496

Note:

(1) Includes independent member firm of Baker Tilly International network.

(2) relate to a waiver on advances to non-controlling shareholders by a dormant subsidiary, RG Nutrients Pte. Ltd., pending on the completion of an application submitted on 5 May 2022 to the Accounting and Corporate Regulatory Authority to strike off from the register of Companies pursuant to Section 344A of the Companies Act 1967 ("**Strike-Off**").

6.2 Related party transactions

The following significant transactions took place between the Group and the related parties at terms agreed by the parties:

	The Group	
	H1 2021 S\$	H1 2022 S\$
Advances to non-controlling shareholders by a subsidiary on the Strike-Off	236,781	-
Wavier of advances to non-controlling shareholders by a subsidiary on the Strike-Off	(236,781)	-

7 Tax Expense

The Group calculates the period income tax expenses using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or losses are:

	The Group	
	H1 2022 S\$	H1 2021 S\$
Current income tax expense	1,335,077	1,277,058
Deferred income tax credit	(3,302)	(1,794)
	<u>1,331,775</u>	<u>1,275,264</u>

8 Net Asset Value

	The Group		The Company	
	30 June 2022 S\$	31 December 2021 S\$	30 June 2022 S\$	31 December 2021 S\$
Net asset value per ordinary share (SGD in cent) ⁽¹⁾	48.7	41.2	5.0	5.6

Note:

(1) Calculated based on the net asset value attributable to equity holders of the Company over the issued and allotted total shares of 90,000,000 as at 30 June 2022 and 31 December 2021.

9 Fair Value of assets and liabilities

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making measurements. The fair value hierarchy have the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying amounts of other financial assets and liabilities (excluding lease liabilities) of the Group are reasonable approximation of their fair values due to relatively short-term maturity of these financial instruments.

The fair value of the borrowings approximate their carry values based on the discounted cash flow analysis using a discount rate based upon market lending rate for similar borrowings.

10 Property, plant and equipment

During the six months ended 30 June 2022, the property, plant and equipment has a total addition of S\$5,349,783 (30 June 2021: S\$2,754,068) and no disposal of assets (30 June 2021: Nil). Included in the addition during H1 2022 are:

- down payment of three (3) new sets of TBBG totalled S\$3,880,200 as at 30 June 2022 (30 June 2021: down payment for two (2) sets of TBBG totalled S\$2,333,385), with remaining balance of S\$2,114,104 as at 30 June 2022 (30 June 2021: S\$2,333,383) payable to the shipyard vendor by monthly instalments within FY2022;
- dry docking costs of S\$937,236 incurred for the TBBG as at 30 June 2022 (30 June 2021: S\$297,895), with remaining balance of S\$116,922 as at 30 June 2022 (30 June 2021: Nil) payable to the vendor within FY2022;
- purchase of vessel equipment of S\$255,078 as at 30 June 2022 (30 June 2021: S\$121,462); and
- leasehold improvement of S\$261,250 as at 30 June 2022 on renovation costs incurred for a new office unit in Singapore (30 June 2021: Nil);

The Group has a capital commitment on property, plant and equipment of about S\$2.1 million (equivalent to about US\$1.5 million) as at 30 June 2022, representing the remaining monthly instalment payable within FY2022 to the shipyard on the remaining purchase cost of the new TBBG.

11 Trade and other receivables

	The Group		The Company	
	30 June 2022 S\$	31 December 2021 S\$	30 June 2022 S\$	31 December 2021 S\$
Current				
Trade receivables	21,408,983	5,996,843	-	-
Other receivables	3,935	57,545	-	-
Advance payment to suppliers	1,001	5,831	-	-
Deposits	16,724	16,084	15,950	15,300
Prepaid taxes	258,058	544,189	-	-
Prepayments	223,540	225,311	34,755	22,407
GST receivable	6,445	204,677	6,445	204,677
VAT receivable	-	59,605	-	-
	21,918,686	7,110,085	57,150	242,384
Non-current				
Other deposits	15,103	2,572	-	-

12 Borrowings

	The Group		The Company	
	30 June 2022 S\$	31 December 2021 S\$	30 June 2022 S\$	31 December 2021 S\$
<u>Amount repayable within one year or on demand</u>				
Secured ⁽¹⁾	155,954	154,788	155,954	154,788
Unsecured ⁽²⁾	1,047,070	1,091,910	1,000,000	1,046,597
	1,203,024	1,246,698	1,155,954	1,201,385
<u>Amount repayable after one year</u>				
Secured ⁽¹⁾	2,304,385	2,382,750	2,304,385	2,382,750
Unsecured ⁽²⁾	74,542	78,631	-	-
	2,378,927	2,461,381	2,304,385	2,382,750

Notes:

- (1) The Group's secured borrowings as at 31 December 2021 and 30 June 2022 are in connection with the financing provided by a bank and secured by an office unit in Singapore. The Executive Director and Chief Operating Officer, Salim Limanto, has provided a personal guarantee for this bank loan.
- (2) The Group's unsecured borrowings as at 31 December 2021 and 30 June 2022 are mainly in connection with the S\$1.0 million financing provided by the immediate holding company to partially finance the purchase of a new office during the financial year ended 31 December 2021 ("FY2021"). This short-term loan is interest free, unsecured and repayable within 12 months.

13 Trade and other payables

	The Group		The Company	
	30 June 2022 S\$	31 December 2021 S\$	30 June 2022 S\$	31 December 2021 S\$
Trade payables	10,488,338	3,969,026	-	-
Other payables	158,029	163,862	356,828	26,254
Payable to shipyard for dry-docking costs of TBBG	297,779	108,218	-	-
Payable to shipyard for purchase of TBBG ⁽¹⁾	2,114,104	4,799,256	-	-
Accrued operating expenses	424,655	608,530	105,524	384,942
	13,482,905	9,648,892	462,352	411,196

Note:

(1) The amount payable to shipyard for the new sets of TBBG delivered in FY2021.

14 Share capital

	The Company and the Group			
	30 June 2022		31 December 2021	
	Number of shares	Amount S\$	Number of shares	Amount S\$
Beginning and end of the interim period/financial year	90,000,000	5,701,262	90,000,000	5,701,262

The Company did not have any treasury shares, subsidiary holdings or other convertibles as at 30 June 2022 and 31 December 2021.

14.1 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 during and as at the end of the current financial period reported on.

14.2 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 does not have subsidiary holdings during and as at the end of the current financial period report on.

15 Subsequent events

A subsidiary of the Company, PT Deli Pratama Angkutan Laut (“**PT DPAL**”), had on 25 July 2022, entered into sales and purchase agreements and addendums with an unrelated shipyard to purchase seven (7) sets of newly built TBBG (the “**Purchase**”) for a cash consideration of US\$24.0 million (the “**Purchase Consideration**”). PT DPAL has paid US\$3.7 million for the first down payment on the Purchase and will be making another payment of US\$3.5 million for the second down payment on the Purchase in September 2022. The remaining balance of the Purchase Consideration is to be paid over a 12-month interest free instalment upon the delivery of the TBBG.

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES

1. Review

The condensed consolidated statement of financial position of Resources Global Development Limited and its subsidiaries as at 30 June 2022 and the related condensed consolidation profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

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

- (a) Updates on the efforts take 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.

Not applicable. The latest audited financial statements of the Group for the financial year ended 31 December 2021 are not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

2. Review of performance of the Group

Review of consolidated statement of comprehensive income of the Group

(A) Revenue

Total revenue increased by S\$6.6 million (10.7%), from S\$62.5 million in H1 2021 to S\$69.1 million in H1 2022. The breakdown of revenue by business and geographical segment is set out below:

<u>Business Segment</u>	<u>H1 2022</u>		<u>H1 2021</u>	
	<u>S\$</u>	<u>%</u>	<u>S\$</u>	<u>%</u>
Coal Trading Business	53,263,758	77.0	53,421,535	85.5
Coal Shipping Services	15,871,087	23.0	9,028,774	14.5
Total	<u>69,134,845</u>	<u>100.0</u>	<u>62,450,309</u>	<u>100.0</u>
<u>Geographical Segment</u>	<u>H1 2022</u>		<u>H1 2021</u>	
	<u>S\$</u>	<u>%</u>	<u>S\$</u>	<u>%</u>
<u>Coal Trading Business</u>				
Indonesia	45,422,953	85.3	45,587,616	85.3
China	-	-	7,833,919	14.7
Philippines	7,840,805	14.7	-	-
Total	<u>53,263,758</u>	<u>100.0</u>	<u>53,421,535</u>	<u>100.0</u>
<u>Coal Shipping Services</u>				
Indonesia	15,309,180	96.5	9,028,774	100.0
China	561,907	3.5	-	-
Total	<u>15,871,087</u>	<u>100.0</u>	<u>9,028,774</u>	<u>100.0</u>

Coal Trading Business

Revenue from the coal trading business were comparable in both financial periods, at S\$53.4 million in H1 2021 and S\$53.3 million in H1 2022, despite decrease in sales volume, from 926,000 mt in H1 2021 to 525,000 mt in H1 2022. This was due to the increase in average selling price from S\$57.70 per metric ton ("**mt**") in H1 2021 to S\$101.50 per mt in H1 2022.

The decrease in the sales volume was due to the decision by one of our end-user customers in Indonesia ("**End-User**") to purchase directly from the coal mine due to a tax planning structure that the End-User is pursuing. The loss of sales to the End-User was partially mitigated by the securing of a new customer, coupled with the higher average sales price in H1 2022.

In terms of geographical segmentation, revenue from Coal Trading Business in H1 2022 was derived from Indonesia (85.3%) (H1 2021: 85.3%), Philippines (14.7%) (H1 2021: Nil). There was no sales to China in H1 2022 (H1 2021: 14.7%). The Group continues to take efforts to expand and diversify its customer base within and beyond Indonesia.

Coal Shipping Services

Revenue from Coal Shipping Services increased by S\$6.9 million (75.8%), from S\$9.0 million in H1 2021 to S\$15.9 million in H1 2022. This was due mainly to increase in shipping volume from 1.8 million mt in H1 2021 to 2.7 million mt in H1 2022, and increase in freight rate in H1 2022.

The increase in shipping volume in H1 2022 was attributed to (i) increase in the Group's fleet of TBBGs from 8 sets in H1 2021 to 10 sets in H1 2022; and (ii) improved shipping efficiency with faster turnaround time taken for each voyage.

In terms of geographical segmentation, revenue from Coal Shipping Services in H1 2022 was derived from Indonesia (96.5%) (H1 2021: 100%) and China (3.5%) (H1 2021: Nil).

(B) Gross profit

Gross profit increased by S\$4.8 million (47.9%) from S\$9.9 million in H1 2021 to S\$14.7 million in H1 2022, while the gross profit margin increased from 15.9% in H1 2021 to 21.3% in H1 2022. The breakdown of the gross profit margin by business segment is set out as below:

Business Segment	H1 2022 S\$	H1 2021 S\$
Coal Trading Business		
Gross profit	6,581,797	6,138,047
Gross profit margin	12.4%	11.5%
Coal Shipping Services		
Gross profit	8,112,273	3,794,393
Gross profit margin	51.1%	42.0%
Overall		
Gross profit	14,694,070	9,932,440
Gross profit margin	21.3%	15.9%

Coal Trading Business

Gross profit of Coal Trading Business increased by S\$0.5 million (7.2%), from S\$6.1 million in H1 2021 to S\$6.6 million in H1 2022, and gross profit margin increased from 11.5% in H1 2021 to 12.4% in H1 2022. These increases were mainly due to the Group's ability to source ahead of the rising price trend, resulting in a higher gross profit margin.

Coal Shipping Services

Gross profit of Coal Shipping Services increased by S\$4.3 million (113.8%), from S\$3.8 million in H1 2021 to S\$8.1 million in H1 2022. The increase was in line with the increase in the business activities in this segment in H1 2022.

Gross profit margin from this segment increased from 42.0% in H1 2021 to 51.1% in H1 2022. The increase was mainly due to (i) improved shipping efficiency with shortened turnaround trip in H1 2022; and (ii) increase in freight rate for transshipment services in H1 2022.

(C) Interest income

Interest income, which comprised interest from bank and fixed deposit, increased by S\$62,000 (79.4%), from S\$77,000 in H1 2021 to S\$139,000 in H1 2022. The increase was mainly due to higher cash amounts placed with financial institutions for time deposits during H1 2022.

(D) Other income

Other income increased by S\$5,000 (38.5%) from S\$15,000 in H1 2021 to S\$20,000 in H1 2022.

Other income in H1 2021 mainly related to a wage support grant from the Singapore government under the Jobs Support Scheme (“**JSS Grant**”).

Other income in H1 2022 comprised the JSS Grant and a temporary rental income received from an office unit in Singapore.

(E) Administrative expenses

Administrative expenses increased by S\$0.8 million (80.8%), from S\$1.0 million in H1 2021 to S\$1.8 million in H1 2022. The increase was mainly due to (i) foreign exchange gain of S\$0.3 million attained in H1 2021, compared to foreign exchange loss of S\$64,000 incurred in H1 2022, attributed to the exchange rate fluctuation of Indonesian Rupiah (IDR) against the United States Dollar (US\$); (ii) increase in staff costs mainly due to salary increment; and (iii) a waiver of advances to non-controlling shareholders by a subsidiary on the Strike-Off.

(F) Finance costs

Finance costs decreased by S\$175,000 (86.4%), from S\$203,000 in H1 2021 to S\$28,000 in H1 2022. The decrease was mainly due to full repayment of a bank loan in H1 2021.

(G) Profit for the financial period

As a result of the above, profit for the financial period increased by S\$4.2 million (54.9%) from S\$7.6 million in H1 2021 to S\$11.7 million in H1 2022.

Review of statement of financial position of the Group

(H) Non-current assets

Non-current assets increased by S\$2.5 million (6.3%), from S\$40.7 million as at 31 December 2021 to S\$43.2 million as at 30 June 2022, mainly due to the S\$3.9 million down payments for three (3) new sets of TBBG contracted during H1 2022, and S\$0.9 million incurred for docking costs, partially offset by a S\$2.4 million of depreciation charges recognized in H1 2022.

(I) Current assets

Current assets increased by S\$9.4 million (29.3%), from S\$32.2 million as at 31 December 2021 to S\$41.6 million as at 30 June 2022. The net increase was mainly due to the following:

Trade and other receivables

Trade and other receivables increased by S\$14.8 million (208.3%), from S\$7.1 million as at 31 December 2021 to S\$21.9 million as at 30 June 2022, attributable to an increase in trade receivable of S\$21.4 million (31 December 2021: S\$6.0 million) as sales picked up towards later half of the period, mainly from the Coal Trading Business. All trade receivable balances have been fully collected by the Group at the date of this announcement.

Contract assets

Contract assets increased by S\$53,000 (10.1%), from S\$532,000 as at 31 December 2021 to S\$585,000 as at 30 June 2022. The increase was mainly due to services rendered but not yet billed under the coal shipping segment in H1 2022.

Inventories

Inventories decreased by S\$1.5 million (36.0%) from S\$4.2 million as at 31 December 2021 to S\$2.7 million as at 30 June 2022. The decrease was mainly due to no coal inventory-in-transit as at 30 June 2022 (31 December 2021: S\$2.5 million), partially offset by an increase in fuel onboard the vessels from S\$1.3 million as at 31 December 2021 to S\$2.3 million as at 30 June 2022.

Cash and cash equivalents

Cash and cash equivalents decreased by S\$3.9 million (19.3%), from S\$20.3 million as at 31 December 2021 to S\$16.4 million as at 30 June 2022. Please refer to the section entitled "Review of Cash Flow of the Group" below for information on the increase in cash and cash equivalents.

(J) Current liabilities

Current liabilities increased by S\$1.9 million (13.4%), from S\$14.3 million as at 31 December 2021 to S\$16.2 million as at 30 June 2022. The increase was mainly due to the following:

Trade and other payables

Trade and other payables increased by S\$3.9 million (39.7%), from S\$9.6 million as at 31 December 2021 to S\$13.5 million as at 30 June 2022. Trade payable increased from S\$4.0 million as at 31 December 2021 to S\$10.5 million as at 30 June 2022, attributed to slower payment. This increase was partially offset by a decrease in amount payable to shipyard for purchase of TBBGs, from S\$4.8 million as at 31 December 2021 to S\$2.1 million as at 30 June 2022, attributed to monthly instalment payment in H1 2022.

Contract liabilities

Contract liabilities decreased by S\$1.0 million (57.9%), from S\$1.7 million as at 31 December 2021 to S\$0.7 million as at 30 June 2022.

Contract liabilities as at 31 December 2021 was mainly due to an advance of S\$1.3 million for future deliveries of coal in respect of the Coal Trading Business at year end and a S\$0.4 million relate to billing in excess of revenue recognized to-date in respect to Coal Shipping Services.

Contract liabilities as at 30 June 2022 of S\$0.7 million relate to billing in excess of revenue recognized to-date in respect to Coal Shipping Services.

Tax payable

Tax payable decreased by S\$0.8 million (52.8%), from S\$1.6 million as at 31 December 2021 to S\$0.8 million as at 30 June 2022. The decrease was due to payment made by the Company in H1 2022.

(K) Working capital position

As a result of the above, the working capital of the Group improved by S\$7.5 million (42.1%) from S\$17.9 million as at 31 December 2021 to S\$25.4 million as at 30 June 2022.

Review of cash flow of the Group

During H1 2022, net cash generated from operating activities amounted to approximately S\$5.3 million. This comprises positive operating cash flows before changes in working capital of S\$15.6 million, adjusted by net working capital outflow of S\$8.3 million, interest received and taxes paid of S\$139,000 and S\$2.2 million, respectively.

Net cash used in investing activities of S\$8.1 million in H1 2022, mainly due to the down payments made for three new sets of TBBGs and docking costs incurred for existing TBBGs and a waiver of advances to non-controlling shareholders by a subsidiary on the Strike-Off.

Net cash used in financing activities of S\$1.1 million in H1 2022 was mainly due to (i) payment of a final dividend amounted to S\$900,000 in H1 2022 for the financial year ended 31 December 2021; (ii) monthly instalment payment of a bank loan amounted to about S\$77,000; and (iii) monthly instalment payment of finance lease amounted to about S\$70,000.

As a result of the above, cash and cash equivalents decreased by S\$3.9 million (19.3%), from S\$20.3 million as at 31 December 2021 to S\$16.4 million as at 30 June 2022.

3. 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.

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

Global thermal coal prices have been volatile in the wake of the Russia-Ukraine war, which has disrupted trade flows and demand-supply dynamics. ICI4 Index began to climb in February 2022, almost at the start of the Russia-Ukraine conflict, to a high of over US\$130/mt in March 2022, before dropping back to about US\$80/mt currently.

The Russian-Ukraine conflict has also resulted in competitive Russian thermal coal being offered into the region, easing much of the regional supply tightness.

Our coal shipping services, on the other hand, have seen healthy demands from the movement of commodities within the Indonesian archipelago.

5. Dividend

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

Nil.

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

Nil.

(c) Date payable

Not applicable.

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

Not applicable.

(e) If no dividend has been declared/recommended, a statement to the effect and the reason(s) for the decision.

No dividend has been declared or recommended for H1 2022, as the Group is conserving its cash for growth and expansion.

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

There was no transaction conducted under the shareholders' mandate in H1 2022.

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

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

8. Negative assurance on condensed interim financial statements pursuant to Rule 705(5) of the Catalist Rules

To the best of our knowledge and belief, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group and the Company for the half year ended 30 June 2022 to be false or misleading in any material aspect.

9. Disclosure pursuant to Rule 706A of the Catalist Rules

The Company did not acquire or dispose shares in an entity which will result in that entity in becoming or ceasing to be, a subsidiary or associated company of the Company, or result in a change in the Company's shareholding percentage in a subsidiary or associated company, during H1 2022.

BY ORDER OF THE BOARD

Francis Lee
Executive Director and CEO
14 August 2022

Salim Limanto
Executive Director and COO