

**FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS**

## Issuer &amp; Securities

## Issuer/ Manager

WILTON RESOURCES CORPORATION LIMITED

## Securities

WILTON RESOURCES CORP LIMITED - SG2G45999965 - 5F7

## Stapled Security

No

## Announcement Details

## Announcement Title

Financial Statements and Related Announcement

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Chew Kok Liang

## Designation

Company Secretary

## Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please refer to the attachment.

## Additional Details

## For Financial Period Ended

31/12/2019

## Attachments

[WRC%201HFY2020%20Results.pdf](#)

Total size =642K MB



Unaudited Financial Statements and Dividend Announcement for the  
Half Year Ended 31 December 2019

This announcement has been prepared by Wilton Resources Corporation 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.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.

**PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

- 1(a) An 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 the immediately preceding financial year.**

**Consolidated statement of comprehensive income**

	Group		Increase/ (decrease) %
	1HFY20 <sup>1</sup> Rp million (Unaudited)	1HFY19 <sup>2</sup> Rp million (Unaudited)	
Revenue	4,353	4,221	3.1%
Cost of sales	(3,098)	(2,970)	4.3%
<b>Gross profit</b>	<b>1,255</b>	<b>1,251</b>	0.3%
<b>Other items of income</b>			
Other income	5,855	1,696	245.2%
Interest income from loans and receivables	580	738	-21.4%
<b>Other items of expenses</b>			
Other expenses	(549)	(65)	N.M.
Other operating expenses	(3,798)	(15,357)	-75.3%
Finance costs	(67,098)	(40,705)	64.8%
General and administrative expenses	(30,547)	(31,535)	-3.1%
<b>Loss before tax</b>	<b>(94,302)</b>	<b>(83,977)</b>	12.3%
Income tax expense	-	-	-
<b>Loss net of tax for the period</b>	<b>(94,302)</b>	<b>(83,977)</b>	12.3%
<b>Attributable to:</b>			
<b>Owners of the Company</b>	<b>(93,629)</b>	<b>(83,977)</b>	11.5%
<b>Non-controlling interests</b>	<b>(673)</b>	<b>-</b>	N.M.
	<b>(94,302)</b>	<b>(83,977)</b>	12.3%
<b>Total comprehensive income for the period</b>	<b>(94,302)</b>	<b>(83,977)</b>	12.3%
<b>Attributable to:</b>			
<b>Owners of the Company</b>	<b>(93,629)</b>	<b>(83,977)</b>	11.5%
<b>Non-controlling interests</b>	<b>(673)</b>	<b>-</b>	N.M.
	<b>(94,302)</b>	<b>(83,977)</b>	12.3%
<b>Operating loss before tax is stated after charging the following:</b>			
Depreciation of property, plant and equipment	(1,420)	(1,085)	30.9%
Amortisation of intangible assets	(90)	(90)	0.0%
Amortisation of prepaid leases <sup>3</sup>	-	(1,780)	-100.0%
Depreciation of right-of-use assets <sup>3</sup>	(2,724)	-	N.M.
Foreign exchange gain	5,855	1,691	246.2%

N.M. = Not meaningful

Notes:

(1) "1HFY20": Half year financial period from 1 July 2019 to 31 December 2019.

(2) "1HFY19": Half year financial period from 1 July 2018 to 31 December 2018.

(3) Depreciation of right-of-use assets (previously classified as amortisation of prepaid leases) increased by Rp 0.9b, from Rp 1.8b in 1HFY19 to Rp 2.7b in 1HFY20, as more prepaid leases were entered into during the second half of the financial year ended 30 June 2019. In addition, there was an increase in depreciation of operating leases in 1HFY20, arising from

**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.**

<b>Consolidated statement of financial position</b>				
	<b>Group</b>		<b>Company</b>	
	<b>As at 31/12/2019 Rp million (Unaudited)</b>	<b>As at 30/6/2019 Rp million (Audited)</b>	<b>As at 31/12/2019 Rp million (Unaudited)</b>	<b>As at 30/6/2019 Rp million (Audited)</b>
<b>Non-current assets</b>				
Exploration and evaluation assets	286,367	261,137	-	-
Mine properties	8,881	8,881	-	-
Property, plant and equipment	182,566	180,033	4	-
Intangible assets	567	657	-	-
Right-of-use assets	53,803	-	469	-
Investment in subsidiaries	-	-	1,238,852	1,217,860
Prepaid leases	-	50,719	-	-
Prepayments	2,736	2,736	-	-
Deposits	101	102	83	84
Long term fixed deposits	420	420	-	-
	<b>535,441</b>	<b>504,685</b>	<b>1,239,408</b>	<b>1,217,944</b>
<b>Current assets</b>				
Other debtors and deposits	358	352	77	31
Prepaid leases	-	5,104	-	-
Prepayments	9,452	3,363	146	264
Inventories	7,535	10,094	-	-
Investment securities	10	10	-	-
Cash and cash equivalents	32,525	27,723	3,808	445
	<b>49,880</b>	<b>46,646</b>	<b>4,031</b>	<b>740</b>
<b>Total assets</b>	<b>585,321</b>	<b>551,331</b>	<b>1,243,439</b>	<b>1,218,684</b>
<b>Current liabilities</b>				
Trade payables	5,806	16,960	-	-
Other payables and accruals	87,609	86,213	8,013	6,461
Amount due to a related party	126	847	-	-
Lease liability	474	-	474	-
Derivative liability	-	58,155	-	-
Loans and borrowings	6,994	25,000	-	-
	<b>101,009</b>	<b>187,175</b>	<b>8,487</b>	<b>6,461</b>
<b>Net current liabilities</b>	<b>(51,129)</b>	<b>(140,529)</b>	<b>(4,456)</b>	<b>(5,721)</b>
<b>Non-current liabilities</b>				
Loans and borrowings	317,494	256,798	317,494	256,798
Employee benefits liability	3,592	3,328	-	-
Provision for rehabilitation	420	420	-	-
	<b>321,506</b>	<b>260,546</b>	<b>317,494</b>	<b>256,798</b>
<b>Total liabilities</b>	<b>422,515</b>	<b>447,721</b>	<b>325,981</b>	<b>263,259</b>
<b>Net assets</b>	<b>162,806</b>	<b>103,610</b>	<b>917,458</b>	<b>955,425</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	1,187,008	1,153,516	3,143,131	3,109,639
Accumulated losses	(1,238,567)	(1,144,938)	(2,225,673)	(2,154,214)
Merger reserve	13	13	-	-
Capital reserve	220,806	160,841	-	-
Other reserve	-	(58,155)	-	-
	<b>169,260</b>	<b>111,277</b>	<b>917,458</b>	<b>955,425</b>
<b>Non-controlling interests</b>	<b>(6,454)</b>	<b>(7,667)</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>162,806</b>	<b>103,610</b>	<b>917,458</b>	<b>955,425</b>
<b>Total equity and liabilities</b>	<b>585,321</b>	<b>551,331</b>	<b>1,243,439</b>	<b>1,218,684</b>

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

**Amount repayable in one year or less, or on demand**

**(In Rp Million)**

As at 31 December 2019		As at 30 June 2019	
Secured	Unsecured	Secured	Unsecured
6,994	Nil	25,000	Nil

**Amount repayable after one year**

**(In Rp Million)**

As at 31 December 2019		As at 30 June 2019	
Secured	Unsecured	Secured	Unsecured
Nil	317,494	Nil	256,798

**Details of any collateral**

As at 31 December 2019, the Group recorded a short-term loan outstanding of Rp 2.0b (30 June 2019: Rp 25.0b), which relates to a short-term overdraft facility that is secured over a short-term bank deposit of Rp 25.0b (30 June 2019: Rp 25.0b).

During 1HFY20, the Company's subsidiary, Wilton Resources Holdings Pte Ltd, entered into a sale of shares and repurchase agreement, whereby a short-term loan of Rp 5.0b (30 June 2019 : Nil) was secured against the shares of PT Wilton Makmur Indonesia Tbk (formerly known as PT Renuka Coalindo Tbk) that were sold to be repurchased at a later date ("**Share Repurchase Agreement**").

**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.**

**Consolidated statement of cash flows**

	<b>1HFY20</b>	<b>1HFY19</b>
	<b>Rp Million</b>	<b>Rp Million</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(94,302)	(83,977)
Adjustments for:		
Unrealised foreign exchange differences	(5,242)	150
Interest expense	67,098	40,705
Interest income	(580)	(738)
Depreciation of property, plant and equipment	1,420	1,085
Depreciation of right-of-use assets	2,724	-
Amortisation of prepaid leases	-	1,780
Amortisation of intangible assets	90	90
Increase in employee benefits liability	264	264
<b>Operating cash flows before working capital changes</b>	<b>(28,528)</b>	<b>(40,641)</b>
Increase in prepayments	(6,089)	(27,530)
Increase in other debtors and deposits	(6)	(283)
Decrease/(increase) in inventories	2,559	(2,218)
(Decrease)/increase in trade payables	(11,154)	238
Decrease in amount due to a related party	(721)	(485)
Increase/(decrease) in other payables and accruals	885	(2,313)
<b>Cash used in operations</b>	<b>(43,054)</b>	<b>(73,232)</b>
Interest received	580	738
Interest paid	(690)	(517)
<b>Net cash used in operating activities</b>	<b>(43,164)</b>	<b>(73,011)</b>
<b>Cash flows from investing activities</b>		
Investment in exploration and evaluation assets	(25,230)	(40,771)
Purchases of property, plant and equipment	(3,953)	(1,278)
<b>Net cash used in investing activities</b>	<b>(29,183)</b>	<b>(42,049)</b>
<b>Cash flows from financing activities</b>		
Proceeds received in respect of placement exercise	33,492	-
Proceeds from project financing liability, net	-	48,711
Repayment of short term bank loan	(23,006)	-
Proceeds from short term borrowing	5,000	-
Payment for mandatory takeover offer	(20,658)	-
Proceeds from sale of shares in subsidiaries	82,510	-
Decrease in lease liability	(223)	-
<b>Net cash generated from financing activities</b>	<b>77,115</b>	<b>48,711</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,768</b>	<b>(66,349)</b>
Effects of exchange rate changes on cash and cash equivalents	34	(520)
Cash and cash equivalents at beginning of the year	27,723	127,583
<b>Cash and cash equivalents at the end of the period</b>	<b>32,525</b>	<b>60,714</b>

**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.**

**Statement of changes in equity**

Group	Attributable to owners of the Company					Non-controlling interests Rp million	Total equity Rp million
	Share capital Rp million	Accumulated losses Rp million	Merger reserve Rp million	Capital reserve Rp million	Other reserve Rp million		
At 1 July 2019	1,153,516	(1,144,938)	13	160,841	(58,155)	(7,667)	103,610
Loss for the period, representing total comprehensive income for the period, net of tax	-	(93,629)	-	-	-	(673)	(94,302)
<u>Changes in ownership of subsidiaries</u>							
Net acquisition of non-controlling interests without a change in control	-	-	-	59,965	58,155	1,886	120,006
<u>Contribution by and distribution to owners</u>							
Issuance of ordinary shares	33,492	-	-	-	-	-	33,492
<b>At 31 December 2019</b>	<b>1,187,008</b>	<b>(1,238,567)</b>	<b>13</b>	<b>220,806</b>	<b>-</b>	<b>(6,454)</b>	<b>162,806</b>
At 1 July 2018	1,153,516	(885,069)	13	11,565	-	-	280,025
Loss for the period, representing total comprehensive income for the period, net of tax	-	(83,977)	-	-	-	-	(83,977)
<b>At 31 December 2018</b>	<b>1,153,516</b>	<b>(969,046)</b>	<b>13</b>	<b>11,565</b>	<b>-</b>	<b>-</b>	<b>196,048</b>

Company	Attributable to owners of the Company		
	Share capital Rp million	Accumulated losses Rp million	Total equity Rp million
At 1 July 2019	3,109,639	(2,154,214)	955,425
Loss for the period, representing total comprehensive income for the period, net of tax	-	(71,459)	(71,459)
Issuance of ordinary shares, representing total transactions with owners in their capacity of owners	33,492	-	33,492
<b>At 31 December 2019</b>	<b>3,143,131</b>	<b>(2,225,673)</b>	<b>917,458</b>
At 1 July 2018	3,109,639	(2,065,845)	1,043,794
Loss for the period, representing total comprehensive income for the period, net of tax	-	(49,900)	(49,900)
<b>At 31 December 2018</b>	<b>3,109,639</b>	<b>(2,115,745)</b>	<b>993,894</b>

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

	Issued and fully paid up ordinary shares	Share Capital Rp million
<b>As at 30 June 2019</b>	2,436,700,286	3,109,639
Issuance of new shares pursuant to a share placement exercise on 11 October 2019 <sup>(1)</sup>	125,000,000	33,492
<b>As at 31 December 2019</b>	2,561,700,286	3,143,131

**Note:**

- (1) On 11 October 2019, the Company issued an aggregate 125,000,000 new shares in the capital of the Company, at an issue price of S\$0.0261 each.

The Company did not have any outstanding options, convertible securities, treasury shares or subsidiary holdings as at 31 December 2019 and 31 December 2018.

- 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 December 2019	As at 30 June 2019
<b>Number of issued shares</b>	2,561,700,286	2,436,700,286

There were no treasury shares as at 31 December 2019 and 30 June 2019.

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

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

- 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 did not have any subsidiary holdings during and as at the end of the current financial period reported on.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the auditors.



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

Not applicable. The figures have not been audited nor reviewed by the auditors.

**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.**

Not applicable. The latest audited financial statements of the Company and the Group for the financial year ended 30 June 2019 are not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those in the audited financial statements for the financial year ended 30 June 2019, except for the adoption of new or revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and Interpretations of SFRS(I) ("**INT SFRS(I)**") that are mandatory for financial years beginning on or after 1 July 2019. The adoption of these SFRS(I) and INT SFRS(I) has no significant impact on the Group's financial statements.

**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 SFRS(I) 16 Leases starting from 1 July 2019, using the modified retrospective approach at the date of initial application.

SFRS(I) 16 introduces a single on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("**ROU**") asset representing its right to use the underlying asset and a lease liability representing its lease obligation to make lease payments. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

On initial recognition, the Group has chosen on a lease-by-lease basis, to measure the ROU asset at an amount equal to the lease liability, adjusted by the amount of any prepaid lease payments relating to that lease recognised in the statement of financial position immediately before 1 July 2019. No changes were made to the opening retained earnings on 1 July 2019.

In addition, the Group elected the following practical expedients:

- not to reassess whether a contract is, or contains, a lease at the date of initial application and to apply this standard to all contracts that were previously identified as leases
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months from 1 January 2019 and for leases of low-value assets

- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

Subsequent to initial recognition, ROU assets are measured using the cost model less accumulated depreciation and accumulated impairment loss. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

The Group rents office space (previously treated as operating leases) as well as prepaid leases of land within the Concession Blocks, which are recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16.

- 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.**  
**(a) Based on the weighted average number of ordinary shares on issue; and**  
**(b) On a fully diluted basis (detailing any adjustments made to the earnings).**

	Group	
	1HFY20	1HFY19
Loss per ordinary share for the period based on net loss attributable to shareholders:		
(a) Basic loss per share (Rp)	(37.57)	(34.46)
- Basic loss per share (S\$ cents)	(0.36)	(0.32)
Weighted average number of shares	2,492,406,808	2,436,700,286
(b) On a fully diluted basis (Rp)	(37.57)	(34.46)
- On a fully diluted basis (S\$ cents)	(0.36)	(0.32)

The diluted loss per share and the basic loss per share for each of 1HFY19 and 1HFY20 were the same as there were no outstanding convertible securities during the respective periods.

For illustration purposes, the loss per share and diluted loss per share in Rp are converted to S\$ cents using the average rate of S\$1.00 : Rp10,297.25 for 1HFY20 (1HFY19: S\$1.00 : Rp10,720.77).

- 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 financial period reported on; and**  
**(b) immediately preceding financial year.**

	Group		Company	
	31 December 2019	30 June 2019	31 December 2019	30 June 2019
Net asset value (Rp million)	169,260	111,277	917,458	955,425
Number of shares at the end of the period	2,561,700,286	2,436,700,286	2,561,700,286	2,436,700,286
Net asset value per share (Rp)	66.07	45.67	358.14	392.10
Net asset value per share (S\$ cents)	0.64	0.44	3.47	3.75

For illustration purposes, the net asset value per share in Rp was converted at the exchange rate of S\$1.00 : Rp10,320.74 as at 31 December 2019 and S\$1.00 : Rp10,445.81 as at 30 June 2019.

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.

#### **(A) REVIEW OF FINANCIAL RESULTS**

##### Revenue/ Cost of sales/Gross profit

For 1HFY20, the Group sold a total of 6.6 kilograms of gold dore at an average price approximately US\$ 1,458/oz of gold. Accordingly, the Group reported revenue of Rp 4.4b for 1HFY20, as compared to Rp 4.2b in 1HFY19. Correspondingly, the Group recorded cost of sales of Rp 3.0b in 1HFY19, as compared to Rp 3.1b in 1HFY20. As a result, the Group recorded gross profit of Rp 1.3b for 1HFY20 (1HFY20: Rp 1.3b).

##### Other income

Other income increased by Rp 4.2b, from Rp 1.7b in 1HFY19 to Rp 5.9b in 1HFY20. Other income mainly relates to foreign exchange gain, which increased in 1HFY20 as a result of lower USD to IDR exchange rate in 1HFY20, as most of the Group's liabilities are denominated in USD.

##### Interest income from loans and receivables

Interest income decreased by Rp 0.1b, from Rp 0.7b in 1HFY19 to Rp 0.6b in 1HFY20, mainly due to lower fixed deposits placed with banks.

##### Other expenses

Other expenses increased by Rp 0.4b, from Rp 0.1b in 1HFY19 to Rp 0.5b in 1HFY20, mainly due to higher expenses incurred by PT WMI and bank charges.

##### Other operating expenses

Other operating expenses decreased by Rp 11.6b, from Rp 15.4b in 1HFY19, to Rp 3.8b in 1HFY20, mainly due to the absence of expenses incurred in the preparation of the Independent Qualified Person's Report ("IQPR") and feasibility study of Rp 10.4b in 1HFY19, partially offset by higher site expenses of Rp 1.4b in 1HFY20.

##### Finance costs

Finance costs increased by Rp 26.4b, from Rp 40.7b in 1HFY19 to Rp 67.1b in 1HFY20, mainly due to (i) increase in interest expenses incurred on the project financing arrangement obtained by the Group from Karl Hoffman Mineral Pte. Ltd. on 26 October 2018 ("**Project Financing**") as the fund was only fully disbursed to the Company during the half year ended 31 December 2018, resulting in lower interest in 1HFY19; (ii) increase in interest expenses from the short term loan; and (iii) interest expenses incurred for the overdraft facilities by the Company's subsidiaries in Indonesia.

##### General and administrative ("**G&A**") expenses

G&A expenses decreased by Rp 1.0b, from Rp 31.5b in 1HFY19 to Rp 30.5b in 1HFY20. The decrease in 1HFY20 was mainly due to the absence in 1HFY20 of expenses incurred in respect of visiting the vendor/contractor and equipment inspection in preparation of the 500 Tonnes Processing Facility in 1HFY19. Depreciation expenses increased by Rp 0.3b,

from Rp 1.1b in 1HFY19 to Rp 1.4b due to additional property, plant and equipment acquired in 1HFY20 of Rp 4.0b.

#### Loss before tax

As a result of the above, the Group's loss before tax increased by Rp 10.3b, from Rp 84.0b in 1HFY19 to Rp 94.3b in 1HFY20.

#### Net loss attributable to non-controlling interests

In 1HFY20, the Company, through its subsidiary, Wilton Resources Holdings Pte. Ltd. (a wholly-owned subsidiary of the Company), sold certain of its holdings of shares in PT Wilton Makmur Indonesia Tbk ("**PT WMI**") (a subsidiary of the Company listed on the Indonesia Stock Exchange). Accordingly, the Group reported a net loss attributable to non-controlling interests of Rp 0.7b in 1HFY20. There was no non-controlling interest recorded in 1HFY19 as the Group's acquisition of PT WMI was only completed in February 2019.

### **(B) REVIEW OF FINANCIAL POSITION**

#### Assets

Exploration and evaluation assets ("**EEA**") increased by Rp 24.3b, from Rp 261.1b as at 30 June 2019 to Rp 285.4b as at 31 December 2019, due to the additional exploration and evaluation expenses capitalised in 1HFY20.

Mine properties remained unchanged at Rp 8.9b as at 31 December 2019, as no EEA was transferred to mine properties in 1HFY20.

Property, plant and equipment ("**PPE**") increased by Rp 2.6b, from Rp 180.0b as at 30 June 2019 to Rp 182.6b as at 31 December 2019, mainly due to additions to PPE of Rp 4.0b, partially offset by depreciation charges of Rp 1.4b.

ROU assets (non-current) of Rp 53.8b as at 31 December 2019 relates to prepaid leases of land within the Group's Concession Blocks as well as office rental. These were reclassified from prepaid leases due to the adoption of SFRS(I) 16 Leases for the financial year beginning 1 July 2019. ROU assets (non-current) as at 31 December 2019 decreased by Rp 2.0b when compared to prepaid leases (current and non-current) as at 30 June 2019, mainly due to depreciation charge of Rp 2.7b, partially offset by an increase in office rental of Rp 0.7b. Please refer to Section 5 of this announcement for further information on ROU assets.

Prepaid leases (non-current and current) decreased by Rp 55.8b, from Rp 55.8b as at 30 June 2019 to Nil as at 31 December 2019, due to the reclassification of prepaid leases to ROU assets as a result of the adoption of SFRS(I) 16 Leases.

Prepayments (current) increased by Rp 6.1b, from Rp 3.4b as at 30 June 2019 to Rp 9.5b as at 31 December 2019, mainly due to prepayments made by the Group in 1HFY20 to the logistics provider for transportation of the equipment for the 500 Tonnes Per Day Processing Plant.

Inventories decreased by Rp 2.6b, from Rp 10.1b as at 30 June 2019 to Rp 7.5b as at 31 December 2019, due to the sale of gold from inventories of Rp 2.6b in 1HFY20.

Cash and cash equivalents increased by Rp 4.8b, from Rp 27.7b as at 30 June 2019 to Rp 32.5b as at 31 December 2019. Please refer to the section on "Cashflow" below on the movement in cash and cash equivalents.

## Liabilities

Trade payables decreased by Rp 11.2b, from Rp 17.0b as at 30 June 2019 to Rp 5.8b as at 31 December 2019, mainly due to payment of amount due to vendors, resulting in lower trade payables.

Other payables and accruals increased by Rp 1.4b, from Rp 86.2b as at 30 June 2019 to Rp 87.6b as at 31 December 2019, mainly due to audit fees incurred and other operating expenses.

Amount due to related party decreased by Rp 0.7b to Rp 0.1b as at 31 December 2019, from Rp 0.8b as at 30 June 2019 due to repayments made in 1HFY20.

Lease liability of Rp 0.5b as at 31 December 2019 (30 June 2019: Nil) relates to the adoption of SFRS(I) 16 Leases. Please refer to Section 5 of this announcement for further information.

Derivative liability decreased by Rp 58.2b to nil as at 31 December 2019, from Rp 58.2b as at 30 June 2019. This relates to the reversal of the potential liability from the mandatory tender offer (“MTO”) obligation of Wilton Resources Holdings Pte. Ltd. (a wholly-owned subsidiary of the Company) to purchase the non-controlling interest of PT WMI (a subsidiary of the Company listed on the Indonesia Stock Exchange), which is no longer required following the completion of the MTO on 4 November 2019.

Loans and borrowings (current) decreased by Rp 18.0b to Rp 7.0b as at 31 December 2019, from Rp 25.0b as at 30 June 2019, as the Group made a repayment of Rp 23.0b on its short-term overdraft facility in 1HFY20, partially offset by a loan of Rp 5.0b in 1QFY20 which was secured against the shares of PT WMI that were sold to be repurchased at a later date pursuant to a share repurchase agreement.

Loans and borrowings (non-current) increased by Rp 60.7b, from Rp 256.8b as at 30 June 2019 to Rp 317.5b as at 31 December 2019, due to interest expenses of Rp 65.9b, partially offset by an unrealised exchange differences of Rp 5.2b.

Employee benefits liability increased by Rp 0.3b, from Rp 3.3b as at 30 June 2019 to Rp 3.6b as at 31 December 2019, mainly due to increased headcount of the pension plans in Indonesia.

## Working Capital

The Group’s working capital improved by Rp 89.4b, from a net current liabilities position of Rp 140.5b as at 30 June 2019 to a net current liabilities position of Rp 51.1b as at 31 December 2019. Please refer to the above sections on “Assets” and “Liabilities” on the movement in current assets and current liabilities. The Company is exploring options to secure funding arrangement for working capital and capital expenditure financial requirements. Notwithstanding, the board of directors of the Company is of the view that the Company is able to operate as a going concern as the Group is in a net asset position and the Company may raise additional funding via sale of shares of PT WMI (which is listed on the Indonesia Stock Exchange).

## Cashflow

Net cash outflow for operating activities of Rp 43.2b in 1HFY20 was mainly due to the operating loss before working capital changes of Rp 28.5b, working capital changes of Rp 14.6b, interest received of Rp 0.6b, and interest paid of Rp 0.7b.

Changes in working capital in 1HFY20 was mainly due to (i) increase in prepayment of Rp 6.1b; (ii) decrease in trade payables of Rp 11.2b; and (iii) decrease in amount due to a related party of Rp 0.7b; partially offset by (iv) decrease in inventories of Rp 2.6b; and (v) decrease in other payables and accruals of Rp 0.9b.

Net cash used in investing activities of Rp 29.2b in 1HFY20 was mainly due to investment in EEA of Rp 25.2b and purchase of property, plant and equipment of Rp 4.0b.

Net cash generated from financing activities in 1HFY20 of Rp 77.1b comprised (i) Rp 33.5b from the proceeds of a placement exercise; (ii) proceeds from sale of shares in subsidiaries of Rp 82.5b; (iii) proceeds of Rp 5.0b from the Share Repurchase Agreement, partially offset by (iv) payment of Rp 20.7b for the completion of MTO; (v) the partial repayment of Rp 23.0b of the short-term overdraft; and (vi) decrease in lease liability of Rp 0.2b.

As at 31 December 2019, the Group had cash and cash equivalents of Rp 32.5b, representing an increase of Rp 4.8b from Rp 27.7b as at 30 June 2019.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

**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.**

Since the beginning of July 2019, gold price has increased by 13.2% from US\$1,390/oz to the current price of approximately US\$1,573/oz<sup>1</sup> as at 7 February 2020, due to the increased market uncertainty over the recent novel coronavirus (“COVID-19”) outbreak, US-Iran crisis, US-China trade war and Brexit.

The Group is working on the completion of the installation of the processing equipment and components for the 500 Tonnes Processing Facility. The Group will work on the other supporting facility for the 500 Tonnes Processing Facility. The recent travel restrictions between China and Indonesia due to COVID-19 may cause some delay in our Chinese contractor returning to Indonesia to continue its work on the construction of the 500 tonnes Processing Facility, and the completion of the said facility. In the event the aforementioned restrictions are prolonged, the Company may, where possible, look to alternative source of labour from local Indonesia instead.

The Company is exploring certain fund-raising exercises to fund the final stages of the infrastructure, civil works and other supporting facilities of the 500 Tonnes Processing Facility. Production of gold will commence upon the completion of the 500 Tonnes Processing Facility.

Further, the volatility of the foreign exchange for the US dollar against the Group’s functional currency (“IDR”) will continue to have an impact on the Group’s financial results.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None.

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<sup>1</sup> <http://www.lbma.org.uk/precious-metal-prices>

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

None.

**(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 1HFY2020 as the Group is loss making.

**13. 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.**

The Group does not have any general mandate from shareholders pursuant to Rule 920 of the Catalyst Rules.

**Additional disclosure required for Mineral, Oil and Gas Companies**

**14 (a) Rule 705(6)(a) of the Catalyst Rules**

**(i) Use of funds/cash for the quarter**

For the second quarter ended 31 December 2019 (“2QFY20”), the Group’s use of funds/cash for mining and exploration activities was as follows:

<b>Purpose</b>	<b>Budgeted</b>		<b>Actual</b>		<b>Variance</b>	
	<b>US\$ Million</b>	<b>Rp Million</b>	<b>US\$ Million*</b>	<b>Rp Million</b>	<b>Rp Million</b>	<b>%</b>
Exploration and evaluation expenses	1.02	14,396	0.75	10,388	(4,008)	-27.8%
Capex	6.71	95,147	0.59	8,192	(86,955)	-91.4%
<b>Total</b>	<b>7.73</b>	<b>109,543</b>	<b>1.34</b>	<b>18,580</b>	<b>(90,963)</b>	<b>-83.0%</b>

\* USD amount converted at US\$1 : Rp13,901 as at 31 December 2019

In 2QFY20, Rp 10.4b (US\$ 0.8m) was incurred for exploration and evaluation expenses. During 2QFY20, Rp 8.2b (US\$0.6m) was incurred for capital expenditure as some works were postponed during 2QFY20 in view of the Group’s tight cashflow situation.

Please see Section 14 (c) below for a more comprehensive outline of activities during the quarter under review.

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

For the next immediate quarter, from 1 Jan 2020 to 31 Mar 2020 (“3QFY20”), subject to the Group securing the necessary financing facilities, availability of adequate funds and resumption of work by the Chinese contractor, the Group’s use of funds/cash for mining and exploration activities is expected to be as follows:

<b>Purpose</b>	<b>Budgeted</b>	
	<b>US\$ million</b>	<b>Rp Million</b>
Exploration and Evaluation Expenses	1.03	14,385
CAPEX	7.56	105,043
<b>Total</b>	<b>8.59</b>	<b>119,428</b>

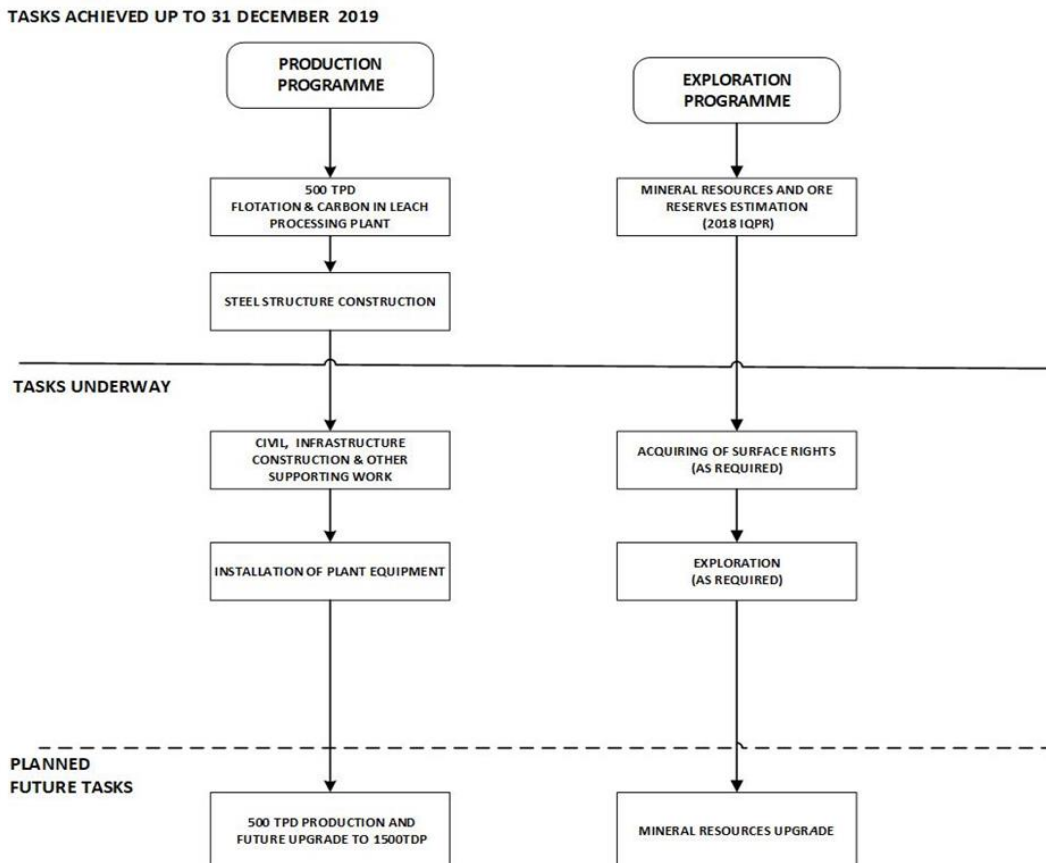
\* USD amount converted at US\$1 : Rp13,901 as at 31 December 2019

The Group’s mining production and development plans for 3QFY20 are expected to be as follows:

- Continuation of construction work as well as the installation of plant equipment on the 500 Tonnes Processing Facility.
- Progressing on the civil, infrastructure and other supporting work for the 500 Tonnes Processing Facility.

As highlighted earlier, in view of COVID-19 and travel restrictions for the Chinese to Indonesia, certain activities planned at the mine site may be affected and delayed. In the event the aforementioned restrictions are prolonged, the Company may, where possible, look to alternative source of labour from local Indonesia instead.

These activities are shown in the chart below in the context of the overall project workflow:





**14 (b) Rule 705(6)(b) of the Catalyst 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 aspects.

**14 (c) Rule 705(7) of the Catalyst Rules**

**Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Group 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.**

**a) Production Programme**

- **500 tonnes per day production capacity flotation and carbon-in-leach mineral processing plant**

Infrastructure construction and installation of processing equipment for the 500 Tonnes Processing Facility are in progress. Please refer to paragraphs 10 and 14(a)(ii) above for further information on the impact of COVID-2019 on the Group's operations.

- **1,500 tonnes per day production capacity project**

The latest IQPR dated 30 September 2018 includes the design of the 1,500 tonnes per day production capacity plant. In the masterplan design, acquired land has been allocated for the 1,500 tonnes per day flotation and carbon-in-leach mineral processing plant and other key facilities. The Group has plans to upgrade the processing plant from the current capacity of 500 tonnes per day up to 1,500 tonnes per day while other key facilities will be added in due course. This will facilitate the efficient operation and management of the plant as a whole.

**b) Exploration Programme**

The Group will focus on developing the six Prospects where the gold mineral resources have been quantified in the IQPR. Where appropriate, exploration efforts will also extend to other mineralised areas within the concession blocks. Additional surface rights to area within the Group's concession blocks may be acquired to facilitate future exploration, when necessary.

## 15. Use of proceeds from the Placement

On 11 October 2019, the Company allotted and issued an aggregate 125,000,000 new shares of the Company pursuant to the Placement, and raised net proceeds of S\$3,212,500 (approximately Rp 33,557 million) ("**Net Proceeds**"). As of 31 December 2019, the Net Proceeds have been fully utilised.

Use of Net Proceeds	Original amount allocated Rp million	Amount allocated pursuant to the reallocation Rp million	Amount utilised as at 31 October 2019 Rp million	Amount utilised as at 31 December 2019 Rp million	Amount unutilised Rp million
Funding of final stage of the infrastructure, civil works and other supporting facilities of the 500 Tonnes Processing Facility	30,201	16,779	11,555	5,224	-
General working capital	3,356	16,778	13,473	3,305	-
<b>Total</b>	<b>33,557</b>	<b>33,557</b>	<b>25,028</b>	<b>8,529</b>	<b>-</b>

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

The Company confirms that it has procured undertakings from all of its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules, as required under Rule 720(1) of the Catalist Rules.

## 17. Negative confirmation by the Board pursuant to rule 705(5)

The Board, do hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board, which may render the unaudited financial statements for the half year ended 31 December 2019 to be false or misleading in any material aspects.

**BY ORDER OF THE BOARD**

**Wijaya Lawrence**  
**Chairman and President**  
13 February 2020