FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS

Issuer & Securities

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For Financial Period Ended
30/06/2023

Attachments

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WILTON RESOURCES CORPORATION LIMITED

(Company Registration Number: 200300950D)

Unaudited Condensed Interim Consolidated Financial Statements For the Six Months ended 30 June 2023

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. Goh Mei Xian, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

Wilton Resources Corporation Limited and its subsidiaries

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

	Note	Group: 6 months ended 30 June 2023 ("HY2023") Rp million	Group: 6 months ended 30 June 2022 ("HY2022") Rp million	Increase/ (decrease) %
Revenue	5	1,941	2,627	-26.1
Cost of sales		(1,675)	(1,953)	-14.2
Gross profit		**266**	**674**	**-60.5**
Other items of income				
Other income		16,887	12	N.M.
Interest income from loans and receivables		276	220	25.5
Other items of expense				
Other expenses		(427)	(11,752)	-96.4
Other operating expenses		(6,163)	(6,821)	-9.6
Finance costs		(77,547)	(61,919)	25.2
General and administrative expenses		(20,661)	(18,642)	10.8
Loss before tax	7	**(87,369)**	**(98,228)**	**-11.1**
Income tax expense		–	–	–
Loss for the period, representing total comprehensive income for the period, net of tax		**(87,369)**	**(98,228)**	**-11.1**
Loss attributable to:				
- Owners of the Company		(85,978)	(96,657)	-11.0
- Non-controlling interests		(1,391)	(1,571)	-11.5
		(87,369)	**(98,228)**	**-11.1**
Total comprehensive loss attributable to:				
- Owners of the Company		(85,978)	(96,657)	-11.0
- Non-controlling interests		(1,391)	(1,571)	-11.5
		(87,369)	**(98,228)**	**-11.1**
Loss per share attributable to owners of the Company (Rp per share)				
(a) Basic loss per share (Rp)		(32.77)(1)	(37.09)(1)	-11.6
- Basic loss per share (S$ cents)(2)		(0.30)	(0.35)	-14.3
Weighted average number of shares		2,623,983,076	2,605,868,668	
(b) On a fully diluted basis loss per share (Rp)		(32.77)(1)	(37.09)(1)	-11.6
- On a fully diluted basis loss per share (S$ cents)(2)		(0.30)	(0.35)	-14.3

N.M. = Not Meaningful

Notes:

(1) *The diluted loss per share and the basic loss per share for HY2023 and HY2022 were the same as there were no outstanding convertible securities during the respective periods.*

(2) *For illustration purposes, the basic loss per share and diluted loss per share in Rp are converted to S$ cents using the average rate of S$1: Rp 11,273.84 for HY2023 (HY2022: Rp 10,593.32).*

B. Condensed interim consolidated statement of financial position

		Group		Company	
	Note	30 June 2023 Rp million	31 December 2022 Rp million	30 June 2023 Rp million	31 December 2022 Rp million
Non-current assets					
Mine properties	10	280,032	280,128	–	–
Property, plant and equipment		304,841	275,911	19	26
Intangible assets		34	51	–	–
Right-of-use assets		36,829	38,899	777	–
Investment in subsidiaries		–	–	1,217,860	1,217,860
Other debtors and deposits	6	1,100	1,104	88	92
Long term fixed deposits	6	420	420	–	–
		623,256	**596,513**	**1,218,744**	**1,217,978**
Current assets					
Other debtors and deposits	6	421	583	135	40
Prepayments		922	503	354	213
Amounts due from subsidiaries(1)	6	–	–	79,921	69,174
Inventories		8,293	6,858	–	–
Investment securities	6	10	10	–	–
Restricted time deposits	6	25,000	25,000	–	–
Cash and cash equivalents	6	6,447	18,248	3,202	3,365
		41,093	**51,202**	**83,612**	**72,792**
Total assets		**664,349**	**647,715**	**1,302,356**	**1,290,770**
Current liabilities					
Trade payables	6	2,195	1,581	–	–
Other payables and accruals	6	110,244	84,621	29,291	25,060
Amounts due to subsidiaries(2)	6	–	–	94,045	78,725
Lease liabilities	6	1,234	465	752	–
Loans and borrowings	6,11	56,721	62,666	–	–
		170,394	**149,333**	**124,088**	**103,785**
Net current liabilities		**(129,301)**	**(98,131)**	**(40,476)**	**(30,993)**
Non-current liabilities					
Loans and borrowings	6,11	381,913	319,097	381,913	319,097
Other payables and accruals	6	23,706	23,706	–	–
Employee benefits liability		3,151	3,027	–	–
Provision for rehabilitation		420	420	–	–
		409,190	**346,250**	**381,913**	**319,097**
Total liabilities		**579,584**	**495,583**	**506,001**	**422,882**
Net assets		**84,765**	**152,132**	**796,355**	**867,888**
Equity attributable to owners of the Company					
Share capital	12	1,199,896	1,199,896	3,156,019	3,156,019
Accumulated losses		(1,495,334)	(1,409,356)	(2,359,664)	(2,288,131)
Merger reserve		13	13	–	–
Capital reserve		426,072	400,061	–	–
		130,647	**190,614**	**796,355**	**867,888**
Non-controlling interests		**(45,882)**	**(38,482)**	–	–
Total equity		**84,765**	**152,132**	**796,355**	**867,888**
Total equity and liabilities		**664,349**	**647,715**	**1,302,356**	**1,290,770**

Notes:

(1) *Amounts due from subsidiaries increased by Rp 10.7b, from Rp 69.2b as at 31 December 2022 to Rp 79.9b as at 30 June 2023, mainly due to an increase in financing by the Company to PT Wilton Wahana Indonesia for its operational activities.*

(2) *Amounts due to subsidiaries increased by Rp 15.3b, mainly due to the disposal consideration amounting to Rp 20.0b (equivalent to SGD 1.74 million) arising from the sale of 400,000,000 ordinary shares in PT. Wilton Makmur Indonesia Tbk by Wilton Resources Holdings Pte Ltd to Mr Ong Kok Heng. Please refer to the Company's announcement dated 22 June 2023 for further details.*

C. Condensed interim consolidated statement of changes in equity

Group	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share capital	Accumulated losses	Merger reserve	Capital reserve		
	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million
Balance at 1 January 2023	**1,199,896**	**(1,409,356)**	**13**	**400,061**	**(38,482)**	**152,132**
Loss for the period representing total comprehensive income for the period, net of tax	–	(85,978)	–	–	(1,391)	(87,369)
Changes in ownership of subsidiary without change in control	–	–	–	26,011	(6,009)	20,002
Balance at 30 June 2023	**1,199,896**	**(1,495,334)**	**13**	**426,072**	**(45,882)**	**84,765**
Balance at 1 January 2022	**1,191,577**	**(1,259,280)**	**13**	**308,833**	**(16,918)**	**224,225**
Loss for the period representing total comprehensive income for the period, net of tax	–	(96,657)	–	–	(1,571)	(98,228)
Issuance of ordinary shares	8,319	–	–	–	–	8,319
Changes in ownership of subsidiary without change in control	–	–	–	46,691	(9,591)	37,100
Balance at 30 June 2022	**1,199,896**	**(1,355,937)**	**13**	**355,524**	**(28,080)**	**171,416**

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

Company	Share capital	Accumulated losses	Total equity
	Rp million	Rp million	Rp million
Balance at 1 January 2023	**3,156,019**	**(2,288,131)**	**867,888**
Loss for the period, representing total comprehensive income for the period, net of tax	–	(71,533)	(71,533)
Balance at 30 June 2023	**3,156,019**	**(2,359,664)**	**796,355**
Balance at 1 January 2022	**3,147,700**	**(2,172,206)**	**975,494**
Loss for the period, representing total comprehensive income for the period, net of tax	–	(77,089)	(77,089)
Issuance of ordinary shares	8,319	–	8,319
Balance at 30 June 2022	**3,156,019**	**(2,249,295)**	**906,724**

D. Condensed interim consolidated statement of cash flows

	Note	Group	
		6 months ended 30 June 2023 Rp million	6 months ended 30 June 2022 Rp million
Cash flows from operating activities			
Loss before tax		(87,369)	(98,228)
Adjustments for:			
Unrealised foreign exchange differences		(13,129)	10,341
Finance costs		77,547	61,919
Interest income		(276)	(220)
Depreciation of property, plant and equipment	7	1,339	1,605
Depreciation of right-of-use assets	7	3,106	3,322
Amortisation of intangible assets	7	17	91
Depletion of mine properties	10	96	–
Increase in employee benefits liability	7	124	115
Operating cash flows before working capital changes		**(18,545)**	**(21,055)**
Increase in prepayments		(419)	(295)
Decrease/(increase) in other debtors and deposits		166	(8,015)
Increase in inventories		(1,435)	(212)
Increase in trade payables		614	4,864
Increase in other payables and accruals		5,055	11,370
Cash flows used in operations		**(14,564)**	**(13,343)**
Interest received		276	220
Interest paid		(473)	(422)
Net cash used in operating activities		**(14,761)**	**(13,545)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(9,701)	(14,271)
Prepayment of property, plant and equipment		–	622
Proceeds from dilution of interests in a subsidiary without change in control		20,002	37,100
Net cash generated from investing activities		**10,301**	**23,451**
Cash flows from financing activities			
Payment for bank overdrafts		(5,945)	(6,188)
Payment of lease liabilities		(305)	(1,882)
Net cash used in financing activities		**(6,250)**	**(8,070)**
Net (decrease)/increase in cash and cash equivalents		**(10,710)**	**1,836**
Effect of exchange rate changes on cash and cash equivalents		(1,091)	21
Cash and cash equivalents at beginning of the period		18,248	13,380
Cash and cash equivalents at the end of the period		**6,447**	**15,237**

E. Notes to condensed interim consolidated financial statements

1. Corporate information

1.1 *The Company*

Wilton Resources Corporation Limited (the "**Company**" or "**WRC**", and together with its subsidiaries, the “**Group**”) is a limited liability company incorporated and domiciled in Singapore. The Company is listed on the Catalist Board ("**Catalist**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The registered office and principal place of business of the Company is located at 62 Ubi Road 1, #09-14 Oxley Bizhub 2, Singapore 408734.

The principal activity of the Company is investment holding.

The principal activities of the Group are as follows:
(a) Investment holding;
(b) Gold mining; and
(c) Mining, general trading, transportation, industry, construction, real estate, logging, farming, plantation, forestry, electrical, mechanical, computer, workshop, printing and services.

2. Basis of preparation

The condensed interim consolidated financial statements for the six-month period ended 30 June 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council of Singapore. The condensed interim consolidated 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 audited consolidated financial statements of the Group for the financial year ended 31 December 2022.

The condensed interim consolidated financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

The condensed interim consolidated financial statements are presented in Indonesian Rupiah (“**IDR**” or “**Rp**”) which is the Company’s functional currency, and all values are rounded to the nearest million ("**Rp Million**") except when otherwise indicated.

The Group has applied the same accounting policies and methods of computation in the condensed interim consolidated financial statements for the current financial period reported on as that of the Group’s most recently annual audited consolidated financial statements for the financial year ended 31 December 2022 (“**FY2022**”) in accordance with SFRS(I)s, except for the adoption of new and revised standards as set out in Note 2.1 below.

Going concern assumption

For the six-month period ended 30 June 2023, the Group incurred loss before tax of Rp 87,369 million (2022: Rp 98,228 million). As at 30 June 2023, the Group’s current liabilities exceeded its current assets by Rp 129,301 million (31 December 2022: net current liabilities of Rp 98,131 million).

Notwithstanding the above, the Directors are of the view that the Group is able to continue as a going concern for the following reasons:

E. Notes to condensed interim consolidated financial statements (cont'd)

- The Group will be able to generate cash flows from the sale of its current inventory of gold dore;

- The Group will be able to generate cash flows from its gold mining operations; and

- On 21 June 2023, the Group had entered into a sale and purchase agreement whereby the Group had agreed to sell an aggregate of 400,000,000 ordinary shares in the capital of PT. Wilton Makmur Indonesia Tbk ("**PT WMI TBK**") for a cash consideration of S$1.74 million (the "**Disposal**"). The Disposal was completed on 21 June 2023.

2.1. New and amended accounting standards adopted by the Group

The accounting standards adopted are consistent with those of the Group's most recently annual audited consolidated financial statements for FY2022 except in the current financial period reported on, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2023. The adoption of the new and revised standards effective for annual financial periods beginning on or after 1 January 2023 does not result in changes to the accounting policies of the Group and the Company, and has no material financial effect on the financial performance or position of the Group and the Company.

3. Use of judgments and estimates

The preparation of the condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. Uncertainty of these assumptions and estimates could results in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

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 Group's most recently annual audited consolidated financial statements as at and for the financial year ended 31 December 2022.

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in Note 3.1 below.

3.1. Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the condensed interim consolidated financial statements:

(a) ***Impairment of non-financial assets pertaining to mining operation***

The Group's non-financial assets pertaining to mining operation include mine properties, property, plant and equipment, intangible assets, right-of-use assets and prepayments. The carrying amount of these assets is dependent on the successful development and commercial exploitation of the Group's mines. These assets are assessed for impairment if sufficient data exists to determine the technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

E. Notes to condensed interim consolidated financial statements (cont'd)

(b) ***Going concern***

The ability of the Group to continue as a going concern depends on its ability to generate cash flow through the activities as disclosed in Note 2 above. Management has assessed and made a judgement that the Group will be able to generate sufficient cash flows to meet their working capital needs for the next twelve months from the date of this condensed interim consolidated financial statements.

In relation to the receipt of the Notice of Termination, Letter of Demand, 3 July Statutory Demand and 3 August Statutory Demand (each as defined at Section E, Note 11 below and collectively, "**Notice of Termination and Demands**") relating to the Project Financing Arrangement with Karl Hoffmann Mineral Pte. Ltd., please refer to the details set out below at Section E, Note 11 as well as Section F, Note 4.

Notwithstanding the Notice of Termination and Demands, the Board is of the opinion that the Notice of Termination and Demands do not affect the Group's ability to continue as a going concern at present, as (i) the Board, having consulted the Company's lawyers, is of the view that the Company has reasonable grounds to contest the alleged claims and/or amounts alleged to be due under the Notice of Termination and Demands; and (ii) there has not been any application filed in the court for the liquidation of the Company.

4. Seasonal operations

The Group businesses are not affected significantly by seasonal or cyclical factors during the financial period reported on.

5. Segment and revenue information

The Group principally operates a gold mining business in Indonesia, which management considers as a single operating segment.

5.1 ***Reportable segment***

The breakdown of non-current assets by geographical information is as follows:

Geographical information

Non-current assets

	Group	
	30 June 2023	**31 December 2022**
	Rp million	**Rp million**
Singapore	35,955	38,459
Indonesia	587,301	558,054
	623,256	596,513

Information on non-current assets provided above consists of mine properties, property, plant and equipment, intangible assets, right-of-use assets, prepayments, other debtors and deposits and long term fixed deposits as presented in the condensed interim consolidated statement of financial position.

E. Notes to condensed interim consolidated financial statements (cont'd)

5. Segment and revenue information (cont'd)

5.2 ***Disaggregation of Revenue***

	Group	
	6 months ended 30 June 2023	6 months ended 30 June 2022
	Rp million	Rp million
Sales of goods recognised at a point in time	1,941	2,627

All revenue are generated in Indonesia.

6. Financial assets and financial liabilities

Set out below is an overview of financial assets and financial liabilities of the Group and the Company as at 30 June 2023 and 31 December 2022:

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	Rp million	Rp million	Rp million	Rp million
Financial assets				
Long term fixed deposits	420	420	–	–
Other debtors and deposits (non-current)	1,100	1,104	88	92
Other debtors and deposits (current)	421	583	135	40
Investment securities	10	10	–	–
Amounts due from subsidiaries	–	–	79,921	69,174
Cash and cash equivalents	6,447	18,248	3,202	3,365
Restricted time deposit	25,000	25,000	–	–
Total financial assets carried at amortised cost	33,398	45,365	83,346	72,671
Financial liabilities				
Trade payables	2,195	1,581	–	–
Other payables and accruals (current)	110,244	84,621	29,291	25,060
Other payables and accruals (non-current)	23,706	23,706	–	–
Amount due to subsidiaries	–	–	94,045	78,725
Loans and borrowings	438,634	381,763	384,479	319,097
Total financial liabilities carried at amortised cost	574,779	491,671	507,815	422,882

E. Notes to condensed interim consolidated financial statements (cont'd)

7. Loss before taxation

7.1. *Significant items*

	Group	
	6 months ended 30 June 2023	6 months ended 30 June 2022
	Rp million	Rp million
Loss before tax is arrived at after charging:		
Depreciation of property, plant and equipment	1,285	1,605
Depreciation of right-of-use assets	3,106	3,322
Amortisation of intangible assets	17	91
Employee benefits expense	124	115
Foreign exchange (gain)/loss	(16,316)	11,719

7.2. *Related Party Transaction*

Sale and purchase of goods and services

The following significant transactions between the Group and a related party took place at terms agreed between the parties during the financial period.

	Group	
	6 months ended 30 June 2023	6 months ended 30 June 2022
	Rp million	Rp million
Rental expense paid to a director of the Company for the rental of office premises	–	250

8. Net Asset Value

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Net asset value attributable to owners of the Company (Rp million)	130,647	190,614	793,789	867,888
Number of shares at the end of the period	2,623,983,076	2,623,983,076	2,623,983,076	2,623,983,076
Net asset value per ordinary shares (Rp)	49.79	72.64	302.51	330.75
Net asset value per ordinary shares (S$ cents)	0.45	0.62	2.72	2.84

For illustration purposes, the net asset value per share in Rp was converted at the exchange rate of S$1.00: Rp11,102.01 as at 30 June 2023 and S$1.00: Rp11,659.08 as at 31 December 2022.

E. Notes to condensed interim consolidated financial statements (cont'd)

9. Fair value of financial instruments

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Long term fixed deposits, other debtors and deposits, investment securities, amounts due from subsidiaries, cash and cash equivalents, restricted time deposit, trade payables, other payables and accruals, amount due to subsidiaries, and loans and borrowings.

Management has determined that the carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature or because they are re-priced frequently.

10. Mine properties

	Mines under construction Rp million
Group	
At 31 December 2022	
Cost	280,128
Reclassified to property, plant and equipment	–
Net book amount	280,128
6 months ended 30 June 2023	
Opening net book amount	280,128
Depletion of mine properties	(96)
Closing net book amount	280,032
At 30 June 2023	
Cost	280,128
Accumulated amortisation	(96)
Net book amount	280,032

11. Loans and borrowings

		Group		Company	
	Maturity	30 June 2023	31 December 2022	30 June 2023	31 December 2022
		Rp million	Rp million	Rp million	Rp million
Current					
Bank overdrafts, secured	On demand	15,721	21,666	–	–
Short term borrowing, secured	Within 12 months	41,000	41,000	–	–
		56,721	62,666	–	–
Non-current					
Project financing liability	10 years from the start of operations	381,913	319,097	381,913	319,097
Total loans and borrowings		438,634	381,763	381,913	319,097

<u>Bank overdrafts, secured</u>

Bank overdrafts are denominated in IDR, bear interest at 1.0% above the restricted time deposits used as collateral and are secured by restricted time deposits of Rp 25,000 million (31 December 2022: Rp 25,000 million).

<u>Short term borrowing, secured</u>

During FY2021, the Group entered into a sale of shares and repurchase agreement, whereby a short-term loan of Rp 41,000 million was drawn and secured against the shares of PT. Wilton Makmur Indonesia Tbk (a subsidiary of the Company) that were sold to be repurchased at a later date. Contractually, the rights of dividends and voting of these shares are retained by the Group. The short-term borrowings are denominated in IDR and bear interest of 18% per annum. There was no such sale of shares and repurchase agreement entered by the Group during the financial period reported on.

As at 31 December 2022, the Group had commenced negotiations with the counterparty to repurchase the shares of PT. Wilton Makmur Indonesia Tbk that had been used to secure against the short term borrowing.

<u>Project Financing Liability</u>

On 26 October 2017 (and supplemented on 12 March 2018), the Group secured a project financing arrangement of US$13.5 million (the "**Project Financing Arrangement**") with Karl Hoffmann Mineral Pte. Ltd. ("**KHM**") to build a 500 tonnes per day flotation and carbon-in-leach mineral processing facility (the "**Processing Facility**") at the Group's Ciemas Gold Project located in West Java, Indonesia (the "**Project Financing Liability**"). The Project Financing Liability is recorded at amortised cost.

E. Notes to condensed interim consolidated financial statements (cont'd)

11. Loans and borrowings (cont'd)

Repayment

The repayment amount for the project financing over the tenure of the arrangement is variable as it is dependent on the future profitability of the Processing Facility. The repayments are repayable on a semi-annual basis until maturity and are denominated in USD. The repayment of the Project Financing Liability will commence, for a period of 10 years, once the Processing Facility has operated at the designed capacity and processed no less than 500 tonnes per day of gold ore for a continuous period of no less than 7 days.

The fixed repayment of the project financing is US$1.6 million per annum. The variable repayment of the project financing is dependent on the profitability of the Processing Facility. If there are subsequent changes to the forecasted future payments, the carrying amount of the Project Financing Liability will be adjusted to reflect the present value of the revised estimated future payments at the Project Financing Liability's original effective interest rate. Any consequent adjustment is recognised as finance expense or finance income in profit or loss.

Embedded derivatives

The project financing arrangement carries an option for the holder to extend the tenure of the project financing arrangement if the Processing Facility delays commencement of operations or does not maintain the minimum production volume agreed upon. In an event of default, the project financing arrangement carries an option for the holder to terminate the arrangement and settle on an amount defined in the contract. If the Group is unable to settle in cash, the holder has the option to convert the outstanding project financing liability into shares of the Company.

The Company identified that the options feature are embedded derivatives that should be recognised separately and through profit or loss measured at fair value at each reporting date. As at 31 December 2022, the Company made an assessment of the fair value considering the probability of occurrence of the above trigger events and determined the fair value of the derivatives to be immaterial.

Receipt of Notice of Termination, Letter of Demand and Statutory Demands

The Company had received a notice of termination dated 23 June 2023 ("**Notice of Termination**") and a letter of demand dated 23 June 2023 ("**Letter of Demand**") from KHM.

In the Notice of Termination, KHM had exercised its right to terminate the Project Financing Arrangement as it was alleged that the Processing Facility did not reach the design capacity by the date of 25 October 2019, and accordingly, the Company is obliged to pay to KHM a termination amount, being the principal sum of US$13,500,000 plus interest at the rate of 13% per annum starting from the date of the Project Financing Arrangement amounting to US$10,087,643.80.

In the Letter of Demand, it was alleged that the Company had failed to pay the first tranche of the compensation amount of US$500,000 pursuant to an agreement dated 10 May 2022 between the Company and KHM (in relation to an agreed compensation for the Project Financing Arrangement), by 25 October 2022, and accordingly, a total compensation amount of US$2,000,000 had become immediately due and owing and the Company was obliged to pay a total compensation amount of US$2,000,000 within 3 working days of the Letter of Demand.

E. Notes to condensed interim consolidated financial statements (cont'd)

11. Loans and borrowings (cont'd)

In the statutory notice of demand dated 3 July 2023 ("**3 July Statutory Demand**"), as the Company had failed to pay a total alleged compensation amount of US$2,000,000 within 3 working days of the Letter of Demand, the solicitors acting for KHM demand payment of a total compensation amount of US$2,000,000 under Section 125(2)(a) read with Section 125(1)(e) of the Insolvency, Restructuring and Dissolution Act 2018, within 21 days from the date of service of the 3 July Statutory Demand.

In the statutory notice of demand dated 3 August 2023 ("**3 August Statutory Demand**"), as the Company had failed to pay a total alleged compensation amount of US$23,587,643.80 (being the principal sum of US$13,500,000 plus interest at the rate of 13% per annum starting from the date of the Project Financing Arrangement of 26 October 2017 to 24 July 2023, amounting to US$10,087,643.80), KHM demanded payment of a total termination amount of US$23,587,643,80 as of 24 July 2023, plus interest at the rate of 13% per annum that shall continue to accrue until the date of full payment, under Section 125(2)(a) read with Section 125(1)(e) of the Insolvency, Restructuring and Dissolution Act 2018, within 21 days from the date of service of the 3 August Statutory Demand.

The Company has on 24 July 2023 filed a court application to set aside the 3 July Statutory Demand and, by which, is concurrently contesting the alleged claims and/or amounts alleged to be due under the (a) Letter of Demand from KHM, as well as (b) the Notice of Termination.

With regards to the 3 August Statutory Demand (which is based upon the matters asserted in the Notice of Termination), the Company is currently evaluating its next course of action in consultation with its professional advisors.

12. Share capital

	Group		Company	
	No. of shares	**Rp million**	**No. of shares**	**Rp million**
Issued and fully paid				
As at 31 December 2021	2,579,129,307	1,191,577	2,579,129,307	3,147,700
Issuance of new shares pursuant to exercise of convertible notes[(1)]	44,853,769	8,319	44,853,769	8,319
As at 31 December 2022	2,623,983,076	1,199,896	2,623,983,076	3,156,019
Issuance of new shares	–	–	–	–
As at 30 June 2023	2,623,983,076	1,199,896	2,623,983,076	3,156,019

Note:

(1) During FY2022, the Company issued an aggregate of 44,853,769 new shares in the capital of the Company in relation to partial conversion of the mandatory convertible notes, at an issue price ranging from S$0.016 to S$0.021 per share.

	As at 30 June 2023	As at 31 December 2022
Number of issued shares	2,623,983,076	2,623,983,076

The Company does not have any treasury shares as at the end of 30 June 2023, 31 December 2022 and 30 June 2022.

E. Notes to condensed interim consolidated financial statements (cont'd)

12. Share capital (cont'd)

The Company did not have any subsidiary holdings as at the end of 30 June 2023, 31 December 2022 and 30 June 2022.

Issuance of Convertible Notes and Non-Listed Warrants

On 31 March 2021, the Company announced that it had, on 30 March 2021, entered into a subscription agreement ("**Subscription Agreement**") with European High Growth Opportunities Securitization Fund (the "**Subscriber**"), pursuant to which the Subscriber has committed to provide funds to the Company of up to S$4.5 million by subscribing for convertible notes with share subscription warrants attached, and the Company has agreed to issue to the Subscriber ("**Proposed Issue**"):

(a) up to S$4.5 million in aggregate principal amount of unsecured convertible notes ("**Notes**" or "**mandatory convertible bonds**"), convertible in whole or in part into fully-paid ordinary shares in the capital of the Company, subject to adjustments in accordance with the terms of the Subscription Agreement; and

(b) unlisted warrants ("**Warrants**"), which shall be attached to the Notes subscribed for by the Subscriber, entitling the holder of such Warrants to subscribe for such number of new shares in the capital of the Company as may be determined in accordance with the terms of the Subscription Agreement.

As at 30 June 2023, all (30 June 2022: 122) of the issued Notes had been converted, and no (30 June 2022: 62,282,790) new shares of the Company had been allotted and issued to the Subscriber ("**Issuance of Conversion Shares**").

As at 30 June 2023, none of the Warrants issued had been exercised (30 June 2022: Nil).

Sale of Shares in Subsidiary, PT. Wilton Makmur Indonesia Tbk

HY2023

On 22 June 2023, the Company announced that the Company and Wilton Resources Holdings Pte. Ltd. ("**WRH**") (a wholly-owned subsidiary of the Company) (together with the Company, the "**Vendors**") had, on 21 June 2023, entered into a sale and purchase agreement ("**Agreement**") with Ong Kok Heng ("**OKH**" or the "**Purchaser**").

Pursuant to the Agreement, the Vendors had agreed to sell, and the Purchaser had agreed to purchase, an aggregate of 400,000,000 ordinary shares in the capital of PT. Wilton Makmur Indonesia Tbk ("**PT WMI TBK**") (the "**Sale Shares**"), representing approximately 2.57% of the issued and paid-up share capital of PT WMI TBK, on the terms and conditions as set out in the Agreement (the "**Disposal**") for a cash consideration of S$1.74 million (approximately IDR 20.0 billion[1]) (the "**Sale Consideration**") (or IDR 50 per Sale Share). PT WMI TBK is a subsidiary of WRH, whereby WRH held an effective shareholding interest of approximately 83.00% as at the date of the Agreement.

On the same day on 21 June 2023, (i) the Purchaser had fully paid the Sale Consideration in cash to the Vendors; (ii) all other relevant terms and conditions of the Agreement had been satisfied; and (iii) the Sale Shares were transferred from WRH to the Purchaser. Accordingly, the Disposal was completed on 21 June 2023 ("**Completion**"). Following the Completion, WRH's effective shareholding interest in PT WMI TBK has reduced from approximately 83.00% to approximately 80.42%.

[1]Based on the Agreement, the agreed exchange rate is S$1.00 : IDR 11,500.

E. Notes to condensed interim consolidated financial statements (cont'd)

12. Share capital (cont'd)

HY2022

On 4 April 2022, the Company announced that the Company and WRH had, on 29 March 2022, entered into a sale and purchase agreement ("**April 2022 SPA**") with Dato Sri Chong Thim Pheng ("**CTP**") and Ong Kok Heng ("**OKH**").

Pursuant to the April 2022 SPA, the Vendors had agreed to sell, and CTP and OKH had agreed to purchase, an aggregate of 742,000,000 ordinary shares in the capital of PT WMI TBK (the "**April 2022 Sale Shares**"), representing approximately 4.78% of the issued and paid-up share capital of PT WMI TBK, on the terms and conditions as set out in the April 2022 SPA (the "**April 2022 Disposal**") for a cash consideration of S$3.5 million (approximately IDR 37.1 billion) (the "**Disposal Consideration**") (or IDR 50 per April 2022 Sale Share). WRH held an effective shareholding interest of approximately 91.34% as at the date of the April 2022 SPA.

In addition, pursuant to the April 2022 SPA:

(a) the Vendors had granted CTP and OKH an option to require the Vendors to sell to CTP and OKH, an aggregate of 530,000,000 ordinary shares in the capital of PT WMI TBK (the "**Option Shares**"), representing approximately 3.41% of the issued and paid-up share capital of PT WMI TBK, on the terms and conditions as set out in the April 2022 SPA (the "**Call Option**") for a cash consideration of S$3.5 million (approximately IDR 37.1 billion) (the "**Option Consideration**") (or IDR 70 per April 2022 Sale Share); and

(b) CTP and OKH had granted the Vendors an option to require CTP and OKH to buy from the Vendors the Option Shares, on the terms and conditions as set out in the April 2022 SPA (the "**Put Option**") for the Option Consideration.

On 31 March 2022, CTP and OKH had fully paid the Disposal Consideration to the Vendors, and the April 2022 Sale Shares were transferred from WRH to CTP and OKH respectively. Accordingly, the April 2022 Disposal was completed on 31 March 2022. Following the completion of the April 2022 Disposal, WRH's effective shareholding interest in PT WMI TBK reduced from 91.34% to 86.56%.

On 12 September 2022, the Company and WRH entered into a supplemental deed to the April 2022 SPA (the "**First Supplemental Deed**") with CTP and OKH to amend and supplement certain terms of the April 2022 SPA, following a change in the issue price for each Option Share from IDR 70 (530,000,000 ordinary shares) to IDR 67 (553,731,343 ordinary shares). For the avoidance of doubt, the aggregate Option Consideration for the Option Shares remained unchanged at S$3.5 million (IDR 37.1 billion based on the agreed exchange rate of S$1.00 : IDR 10,600), as per the terms of the April 2022 SPA.

On 16 September 2022, the Company and WRH entered into a second supplemental deed to the April 2022 SPA (the "**Second Supplemental Deed**") with OKH and CTP to amend and supplement certain terms of the April 2022 SPA (as amended and supplemented by the First Supplemental Deed), following a change in the proportion in relation to the recipient of the Option Shares, and the Purchasers had, on the same day, exercised the Call Option for the Vendors to sell to CTP the Option Shares at the new issue price for each Option Share.

On 16 September 2022, CTP had fully paid the Option Consideration to the Vendors, and the Option Shares were transferred from WRH to CTP. Accordingly, the exercise of the Call Option was completed on 16 September 2022. Following the completion of the exercise of the Call Option, WRH's effective shareholding interest in PT WMI TBK reduced from 86.56% to 83.00%.

E. Notes to condensed interim consolidated financial statements (cont'd)

12. Share capital (cont'd)

In addition, pursuant to the April 2022 SPA (as amended and supplemented by the First Supplemental Deed and the Second Supplemental Deed), immediately upon the exercise of the Call Option by CTP and OKH on 16 September 2022, the Put Option had lapsed concurrently.

Save for the abovementioned, the Company did not have any outstanding options or convertible securities as at 30 June 2023 and 30 June 2022.

13. Subsequent events

Save for the events mentioned under Note 11 of this section in relation to the Notice of Termination and Demands, there are no known subsequent events which have led to adjustments to this set of condensed interim consolidated financial statements.

F. Other Information required pursuant to Appendix 7C of the Catalist Rules

1. Review

The condensed interim consolidated statement financial position of Wilton Resources Corporation Limited and its subsidiaries as at 30 June 2023 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and the explanatory notes have not been audited or reviewed.

1.A. 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 31 December 2022 are not subject to any adverse opinion, qualified opinion or disclaimer of opinion issued by the Company's auditors.

2. Review of the performance of the group

(A) <u>REVIEW OF FINANCIAL RESULTS</u>

<u>Revenue / Cost of sales / Gross profit</u>

For HY2023, the Group sold a total of 2.1 kilograms (HY2022: 3.1 kilograms) of gold dore at an average price of approximately US$1,968/oz (HY2022: US$1,838/oz) of gold. Correspondingly, the Group recorded cost of sales of Rp 1.7b for HY2023 (HY2022: Rp 2.0b). As a result, the Group recorded gross profit of Rp 0.3b for HY2023 (HY2022: Rp 0.7b).

<u>Other income</u>

Other income increased by Rp 16.9b, from Rp 12 million in HY2022 to Rp 16.9b in HY2023, mainly due to unrealized foreign exchange gain of Rp 16.3b as the USD and SGD had weakened against the IDR during HY2023.

<u>Interest income from loans and receivables</u>

Interest income increased by Rp 56 million, from Rp 220 million in HY2022 to Rp 276 million in HY2023, mainly due to higher interest rates on long term fixed deposits and current account.

<u>Other expenses</u>

Other expenses decreased by Rp 11.4b, from Rp 11.8b in HY2022 to Rp 0.4b in HY2023, mainly due to the absence of unrealized foreign exchange loss in HY2023 (HY2022: foreign exchange loss of Rp 11.7b). In HY2023, the Group had recorded unrealized foreign exchange gain arising from the weakening of the USD and SGD against the IDR.

Other operating expenses

Other operating expenses decreased by Rp 0.6b, from Rp 6.8b in HY2022 to Rp 6.2b in HY2023, mainly due to a decrease in site utilities amounting to Rp 1.5b prior to commercial production. The decrease was partially offset by an increase in repair and maintenance cost by Rp 0.2b, due to increase in heavy equipment rental amounting to Rp 0.4b, increase in purchase of office equipment amounting to Rp 0.2b, and laboratory tests amounting to Rp 0.1b that was charged prior to commercial production.

Finance costs

Finance costs increased by Rp 15.6b, from Rp 61.9b in HY2022 to Rp 77.5b in HY2023, mainly due to an increase in accrual of interest expenses amounting to Rp 19.6b for the Project Financing Liability arising from the Project Financing Arrangement with Karl Hoffmann Mineral Pte. Ltd. The increase was partially offset by a decrease in finance costs amounting to Rp 3.8b, arising from the sale of shares and repurchase agreement, as there is no accrued interest of sale of shares and repurchase agreement in HY2023.

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

G&A expenses increased by Rp 2.1b, from Rp 18.6b in HY2022 to Rp 20.7b in HY2023. The increase was mainly due to (i) increase in payroll related expenses amounting to Rp 2.3b; (ii) legal fees amounting to Rp 0.5b; (iii) accrual of director remuneration amounting to Rp 0.4b, and (iv) travelling expenditures amounting to Rp 0.2b. The increase was partially offset by a decrease in (i) depreciation of right-of-use assets amounting to Rp 0.2b, (ii) decrease in depreciation of property, plant and equipment amounting to Rp 0.3b, and (iii) a decrease in car rental amounting to Rp 0.8b.

Loss before tax

As a result of the above, the Group's loss before tax decreased by Rp 10.8b, from Rp 98.2b in HY2022 to Rp 87.4b in HY2023.

(B) REVIEW OF FINANCIAL POSITION

Assets

Property, plant and equipment ("**PPE**") increased by Rp 28.9b, from Rp 275.9b as at 31 December 2022 to Rp 304.8b as at 30 June 2023, mainly due to additions amounting to Rp 30.2b, partially offset by depreciation charge of Rp 1.3b in HY2023. Additions in PPE were mainly from additions in electrical equipment amounting to Rp 0.2b, and construction in progress amounting to Rp 29.8b. Depreciation of PPE decreased by Rp 0.3b, from Rp 1.6b in HY2022 to Rp 1.3b in HY2023, mainly due to a change in accounting estimates. It was changed from a 10 years straight-line method to unit-of-production basis over the economically recoverable reserves of the mine.

Intangible assets decreased by Rp 17 million, from Rp 51 million as at 31 December 2022 to Rp 34 million as at 30 June 2023, due to amortisation charges incurred in HY2023.

Right-of-use assets ("**ROU assets**") relate to prepaid leases of land within the Group's concession blocks as well as office and vehicle rental. ROU assets decreased by Rp 2.1b, from Rp 38.9b as at 31 December 2022 to Rp 36.8b as at 30 June 2023. The decrease was mainly due to amortization of prepaid leases of land amounting to Rp 2.5b, partially offset by an increase in office lease amounting to Rp 0.5b. The increase in office lease was due to additional lease amounting to Rp 0.7b, partially offset by depreciation charge amounting to Rp 0.2b.

Other debtors and deposits (current) decreased by Rp 0.2b, from Rp 0.6b as at 31 December 2022 to Rp 0.4b as at 30 June 2023, mainly due to receipts amounting to Rp 0.3b, partially offset by an increase in GST receivable amounting to Rp 0.1b.

Prepayments (current) increased by Rp 0.4b, from Rp 0.5b as at 31 December 2022 to Rp 0.9b as at 30 June 2023. The increase was mainly due to prepayments of corporate secretarial fees amounting to Rp 0.1b, staff insurance amounting to Rp 0.1b and annual listing fees amounting to Rp 0.1b.

Inventories increased by Rp 1.4b, from Rp 6.9b as at 31 December 2022 to Rp 8.3b as at 30 June 2023, as the Group has commenced 250 tonne per day commercial production of gold dore in March 2023.

Cash and cash equivalents decreased by Rp 11.8b, from Rp 18.2b as at 31 December 2022 to Rp 6.4b as at 30 June 2023. Please refer to the section on "Cashflow" for the movement in cash and cash equivalents.

Liabilities

Trade payables increased by Rp 0.6b, from Rp 1.6b as at 31 December 2022 to Rp 2.2b as at 30 June 2023. The increase was mainly due to payables in relation to operational services amounting to Rp 1.2b. The increase was partially offset by payments to vendors for mining management services amounting to Rp 0.6b.

Other payables and accruals increased by Rp 25.6b, from Rp 84.6b as at 31 December 2022 to Rp 110.2b as at 30 June 2023, mainly due to an increase in payables relating to property, plant and equipment amounting to Rp 18.8b, receipt of advances in relation to mining operation services amounting to Rp 6.6b and others amounting to Rp 5.2b. The increase was partially offset by a decrease in payables and accruals of professional fees of Rp 1.2b, and unrealised forex exchange amounting to Rp 1.2b.

Information on other payables and accruals (all owing to non-related parties) as well as the aging of the items, is set out below:

Other Payables

	Amount	Current	1–30 Days	31–60 Days	61–90 Days	>90 Days	Total
	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million
Payable to former controlling shareholder of PT WMI [1]	27,004	-	-	-	-	27,004	**27,004**
Purchase of Property, Plant and Equipment	23,612	4,788	9,281	-	-	9,544	**23,612**
Advance in relation with mining operational services	6,570	-	-	-	-	6,570	**6,570**
Professional Fees	4,072	57	519	275	187	3,034	**4,072**
Permit Fees	333	98	-	-	-	234	**333**
Operational reimbursement	148	148	-	-	-	-	**148**
Utility and maintenance	320	299	6	-	7	7	**320**
Others	534	344	64	63	14	50	**534**
Total	**62,593**	**5,734**	**9,870**	**338**	**208**	**46,443**	**62,593**

[1] As at the date of this announcement, there has not been any request from the former controlling shareholder of PT WMI TBK for the outstanding payables.

The remaining balance of other payables and accruals of Rp 47.6b related to accruals of professional fees (Rp 8.7b), payroll related expenses (Rp 20.1b), director fees (Rp 5.9b), interest expense (Rp 5.4b) and others – deemed interest, car rental, etc (Rp 7.7b).

Lease liabilities increased by Rp 0.7b, from Rp 0.5b as at 31 December 2022 to Rp 1.2b as at 30 June 2023, due to a two-year new office lease agreement which commenced in HY2023.

Loans and borrowings (current) decreased by Rp 6.0b, from Rp 62.7b as at 31 December 2022 to Rp 56.7b as at 30 June 2023, due to partial repayment of bank overdrafts.

Loans and borrowings (non-current) increased by Rp 62.8b, from Rp 319.1b as at 31 December 2022 to Rp 381.9b as at 30 June 2023, due to interest expense of Rp 77.0b and unrealised foreign exchange differences of 14.2b.

Working Capital

The Group recorded a negative working capital of Rp 129.3b as at 30 June 2023 (as at 31 December 2022: negative working capital of Rp 98.1b). 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 and the reasons are duly set out in Note 2 in Section E of this announcement.

Cashflow

Net cash outflow for operating activities of Rp 14.8b in HY2023 was mainly due to the operating cash flows before working capital changes of Rp 18.5b and interest paid of Rp 0.5b, partially offset by working capital changes of Rp 4.0b and interest received of Rp 0.3b.

Changes in working capital in HY2023 was due to (i) an increase in prepayments of Rp 0.4b, (ii) a decrease in other debtors and deposits of Rp 0.2b, (iii) an increase in inventories of Rp 1.4b, (iv) an increase in trade payables of Rp 0.6b, and (v) an increase in other payables and accruals of Rp 5.0b.

Net cash generated from investing activities of Rp 10.3b in HY2023 was mainly due to (i) investments into property, plant and equipment amounting to Rp 9.7b, and (ii) net proceeds received from the disposal of interest in a subsidiary without change in control amounting to Rp 20.0b.

Net cash used in financing activities in HY2023 of Rp 6.2b was due to payments made for bank overdrafts of Rp 5.9b and payment of lease liabilities of Rp 0.3b.

As at 30 June 2023, the Group had cash and cash equivalents of Rp 6.4b, representing a decrease of Rp 11.8b (after effect of exchange rate changes on cash and cash equivalents) from Rp 18.2b as at 31 December 2022.

3. Where 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.

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 period and the next 12 months.

Since the beginning of January 2022, gold prices had increased by approximately 8.13% from US$1,809/oz to the current price of approximately US$1,956/oz[1] as at 31 July 2023.

The LBMA (Precious Metals) gold price averaged US$1,976/oz during Q2, a record high. This price was 6% higher y/y and 4% above the previous record high from Q3'2020.

Gold prices continue to be influenced by market uncertainties such as geopolitical differences between Russia and Ukraine.

Given the capital-intensive nature of the Group's Ciemas Gold Project, the Group had historically relied on financing through the (i) new shares issuance of Wilton Resources Corporation Limited, (ii) sales and/or pledging of its shareholdings in PT. Wilton Makmur Indonesia Tbk, and (iii) credit management with key vendors.

The receipt of the Notice of Termination, Letter of Demand, 3 July Statutory Demand and 3 August Statutory Demand has resulted in the delay and/or abortion of several significant financing options for the Group. This includes options for equity financing as well as options which had been aligned in anticipation of the Group's commencement of commercial production activities (i.e. offtake of the production output).

Additionally, the receipt of the Notice of Termination, Letter of Demand, 3 July Statutory Demand and 3 August Statutory Demand has resulted in non-financial operational issues. These include but are not limited to (i) the morale of its employees within the Group, and (ii) the Group's ability to bring in local/foreign specialists.

The Group will continue to assess and mitigate the impact arising from the abovementioned Notice of Termination and Demands, and will update shareholders accordingly through announcement(s) on SGXNet.

5. Dividend Information.

5 (a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

None.

5 (b) Corresponding Period of the Immediate Preceding Financial Year

Any dividend recommended for the corresponding period of the immediate preceding Financial Year?

None.

5 (c) Date payable

Not applicable.

5 (d) Date on which Registrable Transfers received by the company will be registered before entitlements to the dividend are determined

Not applicable.

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[1] http://www.lbma.org.uk/precious-metal-prices

[2] https://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q2-2023

5 (e) 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 HY2023 as the Group is loss making.

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.

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

7. Additional disclosure required for Mineral, Oil and Gas Companies

7 (a) Rule 705(6)(a) of the Catalist Rules in relation to the use of funds/cash for the quarter and a projection on the use of funds/cash for the next immediate quarter, including material assumptions.

(i) Use of funds/cash for the quarter

The Group's expenditure incurred for mining and exploration activities during the quarter from 1 April 2023 to 30 June 2023 ("**2QFY23**") was as follows:

	Budgeted		Actual		Variance	
Purpose	**US$ Million***	**Rp Million**	**US$ Million****	**Rp Million**	**Rp Million**	**%**
Capex	1.01	15,250	0.23	3,510	*(11,740)*	*-77.0%*
Total	**1.01**	**15,250**	**0.23**	**3,510**	*(11,740)*	*-77.0%*

** USD amount converted at US$1 : Rp15,062 as at 31 March 2023 for budgeted amount*

*** USD amount converted at US$1 : Rp15,026 as at 30 June 2023 for actual amount*

In 2QFY23, the Group had made payments amounting to Rp 3.5b (US$ 0.23m) for capital expenditures ("**Capex**") which was 77.0% lower than budgeted because longer credit terms were negotiated with the vendors.

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

For the next immediate quarter, from 1 July 2023 to 30 September 2023 ("**3QFY23**"), the Group's use of funds/cash for mining and exploration activities is expected to be as follows:

	Budgeted	
Purpose	**US$ million***	**Rp Million**
Capex	0.75	11,250
Total	**0.75**	**11,250**

** USD amount converted at US$1 : Rp15,026 as at 30 June 2023*

The Group's mining production and development plans for 3QFY23 are expected to be as follows:

- increase in mining activities; and
- optimization of the commercial production of gold dore.

7(b) Rule 705(6)(b) of the Catalist Rules in relation to the confirmation from the Board.

The Board confirms that to the best of its knowledge, nothing has come to its attention which may render the information contained in this announcement to be false or misleading in any material aspects.

7(c) Rule 705(7) of the Catalist Rules in relation to 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

a) Production Programme

- **500 tonnes per day flotation and carbon-in-leach mineral processing facility ("Processing Facility")**

  The Group is focussing on the commercial production of the Processing Facility.

  Subsequent to the announcement titled *"Project Milestone Update – III of PT Wilton Makmur Indonesia Tbk."* which had been released on 2 February 2023, the mining operations are currently transitioning to 24-hour production (overburden removal) which will enable target production rates of up to 15,000 tonnes per month.

  The operating pit design had been reviewed to enable selective mining and more equipment to work in the area simultaneously. The design review had also enabled improvements in efficiency and reduced production costs as the disposal area is now adjacent to the mining area and less equipment is required to sustain the required production rate.

  For the upcoming few months, additional overburden removal capacity will be utilised to advance waste ahead of mining ores. Barring unforeseen circumstances, the Group expects the mining operations to be able to feed the Processing Facility with 300 tonnes per day of ores by end August 2023, and mining to ramp up to 500 tonnes per day of ores by end September 2023 and sustain at this rate thereafter.

  The Processing Facility is being resourced to operate on a 24-hour basis at a nominal rate of 500 tonnes per day and opportunities to improve processing efficiency and operate at a rate above 500 tonnes per day will be evaluated as production transitions to a steady state.

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

  The 2018 Independent Qualified Person's Report ("**2018 IQPR**") 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.

Opportunities to mine transition and sulphide ore from an open cut operation are being evaluated which will enable practical demonstration of the most effective processing method and provide an improved basis for scale up of the Processing Facility.

b) Exploration Programme

Previous Exploration

The Group are operating in Ciemas, Mekarjaya and Cihaur Villages, Ciemas District, Simpenan District, Sukabumi Regency. At present, there are 6 prospects, namely Cikadu ("CKD"), Sekolah ("SEK"), Cibatu ("CBT"), Pasir Manggu ("PSM"), Cibank ("CBK") and Cipancar ("CPR"), which have been explored and reported in the 2018 IQPR. The 2018 IQPR is independently prepared by SRK Consulting China Ltd.

Exploration in HY2023

There is no exploration activity carried out during HY2023. The operational activity is focused on the commercial production of the Processing Facility.

8. Use of proceeds from sale of shares in PT WMI TBK

(A) Sale of 400,000,000 ordinary shares

Following the sale of 400,000,000 ordinary shares in the capital of PT WMI TBK in June 2023, the Group had received a cash consideration of S$1.74 million (Rp 20.0 billion) ("**Disposal Consideration**").

As at 30 June 2023, the Disposal Consideration had been utilised as follows:

	Amount S$'000
Disposal Consideration	**1,739**
<u>Utilised:</u>	
Operational expenditure	
Fuel	28
Utilities	23
Rental Heavy Equipment	46
Repair and Maintenance	17
Tools Workshop	5
Chemical	9
Sub total	**128**
General Working Capital	
Employee related expenses	223
Maintenance & rental	4
Professional fees	77
Sub total	**304**
Total utilised	**432**
Balance Consideration	**1,307**

For illustration purposes, the amount utilized was converted at the exchange rate of S$1.00: Rp11,273.84.

The use of the Disposal Consideration is in accordance with the intended use as set out in the Company's announcement on 22 June 2023, in relation to the Sale of Shares in PT WMI TBK.

(B) Sale of 742,000,000 ordinary shares and 553,731,343 ordinary shares

Following the sale of 742,000,000 ordinary shares in the capital of PT WMI TBK via the April 2022 Disposal (as defined under Note 12 of Section E above), the Group had received a cash consideration of S$3.5 million (Rp 37.1 billion) ("**Sale Consideration**").

The Group further sold 553,731,343 ordinary shares in the capital of PT WMI TBK upon the exercise of the Call Option (as defined under Note 12 of Section E above) for a cash consideration of S$3.5 million (Rp 37.1 billion) ("**Option Consideration**", and together with the Sale Consideration, "**Consideration**").

As at 30 June 2023, the Consideration had been utilised as follows:

	1HFY2023
Balance Consideration as at 1 January 2023	**1,765**
Utilised:	
Capex	**685**
General Working Capital	
Employee related expenses	433
Utilities	157
Maintenance & rental	84
Professional fees	43
Annual fees	29
Sub total	**746**
Total utilised	**1,431**
Balance Consideration as at 30 June 2023	**334**
For illustration purpose, the amount utilised for 1HFY2022 was converted at exchange rate of S$1.00: Rp11,273.84	

The use of the Consideration is in accordance with the intended use as set out in the Company's announcement on 4 April 2022.

9. 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.

10. Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules

The Board of Directors of the Company confirm that, to the best of their knowledge, nothing has come to their attention which may render the condensed interim consolidated financial statements of the Group for the six-month period ended 30 June 2023 to be false or misleading in any material aspect.

11. Disclosure pursuant to Rule 706(A)

On 22 June 2023, the Company announced that the Company and WRH (together with the Company, the "**Vendors**") had, on 21 June 2023, entered into a sale and purchase agreement ("**Agreement**") with Ong Kok Heng ("**OKH**").

Pursuant to the Agreement, the Vendors have agreed to sell, and OKH have agreed to purchase, an aggregate of 400,000,000 ordinary shares in the capital of PT WMI TBK (the "**Sale Shares**"), representing approximately 2.57% of the issued and paid-up share capital of PT WMI TBK, on the terms and conditions as set out in the Agreement (the "**Disposal**") for a cash consideration of S$1.74 million (approximately IDR 20.0 billion[1]) (the "**Sale Consideration**") (or IDR 50 per Sale Share). WRH holds an effective shareholding interest of approximately 83.00% as at the date of the Agreement.

On the same day on 21 June 2023, (i) OKH had fully paid the Sale Consideration in cash to the Vendors; (ii) all other relevant terms and conditions of the Agreement had been satisfied; and (iii) the Sale Shares were transferred from WRH to OKH. Accordingly, the Disposal was completed on 21 June 2023. Following the completion of the Disposal, WRH's effective shareholding interest in PT WMI has reduced from approximately 83.00% to approximately 80.42%.

Please refer to the Company's announcement dated 22 June 2023 in relation to the Disposal, for information on, *inter alia*, the following:

(a) the factors taken into account in arriving at the Sale Consideration and how it was satisfied, including the terms of the payment; and

(b) the market value represented by such shares.

[1] Based on the Agreement, the agreed exchange rate is S$1.00 : IDR 11,500.

Save for the above, the Group does not have any acquisitions (including incorporations) and realisations of shares since the end of the previous reporting period, up to 30 June 2023.

On behalf of the Board of Directors

Wijaya Lawrence
Executive Chairman and President

Singapore
14 August 2023