RESOURCES GLOBAL DEVELOPMENT LIMITED
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RESOURCES GLOBAL DEVELOPMENT

FOCUSED ON GROWTH

Annual Report 2019

Riding opportunities in Indonesia's growing demand for coal and domestic coal shipping

"With a track record of consistent quality services and timely delivery, coupled with our long-standing relationships with customers, we have established a reputation as a reliable coal trader and coal shipping company in Indonesia."

RESOURCES GLOBAL DEVELOPMENT LIMITED

Our history of being involved in the coal industry can be traced back to around 2005 in South Kalimantan, Indonesia. Over the years, our business has evolved and today, we have established a reputation as a reliable **coal trader** and **coal shipping company** in Indonesia.

We procure thermal coal from coal mines located in South Kalimantan for domestic sales, mainly to coal traders. We also provide chartering services of tugboats, barges and bulk carrier to transport coal within the Indonesian territories.

Led by an experienced management team, and with the depth and diversity of their technical and operational expertise, we are positioned to tap the opportunities in Indonesia, one of the leading producers of coal globally.

With an increase in Indonesia's electrification and new coal-fired power plants across the Indonesian archipelago, demand for coal and inter-island transportation of coal is expected to remain robust, driving our growth.

Resources Global Development Limited (the "Company" or "RGD") was listed on the Catalist board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 31 January 2020.

CONTENTS

This annual report has been prepared by 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 SGX-ST Listing Manual Section B: Rules of Catalist.

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

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.

OUR TWO BUSINESS PILLARS

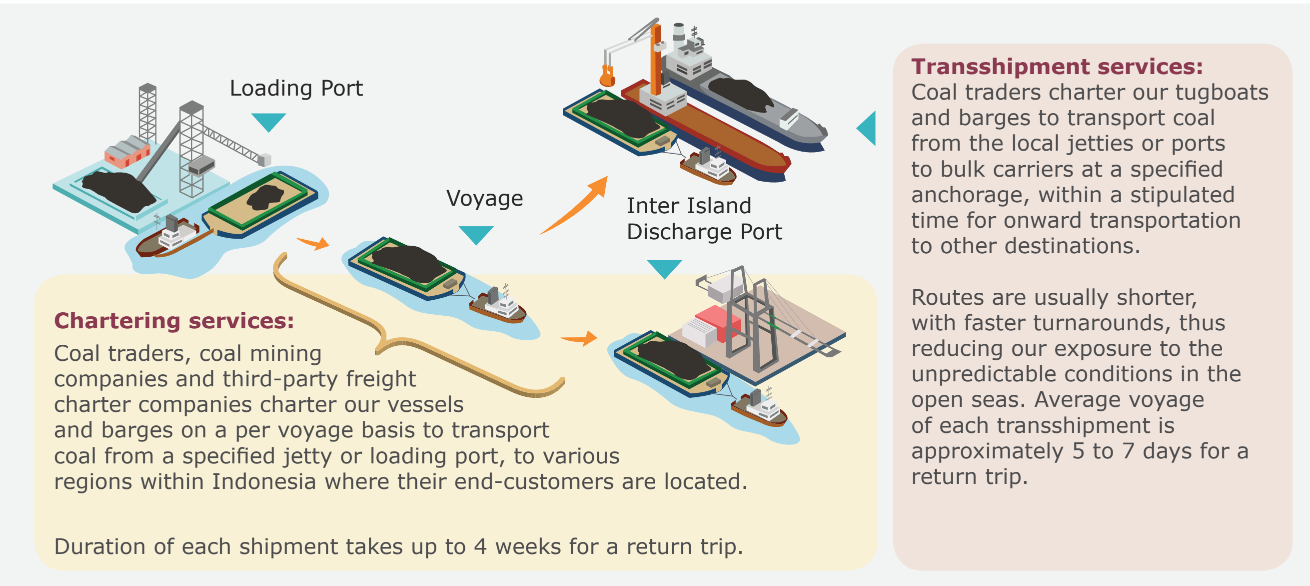
COAL TRADING BUSINESS

Our Coal Trading Business is carried out through our subsidiary, PT Deli Niaga Sejahtera ("PT DNS"). We procure our supply of thermal coal from coal mines located in South Kalimantan, Indonesia for domestic sales. Customers for our Coal Trading Business are mainly coal traders, who procure coal for domestic end-users operating in various industries, including nickel smelting and cement manufacturing.

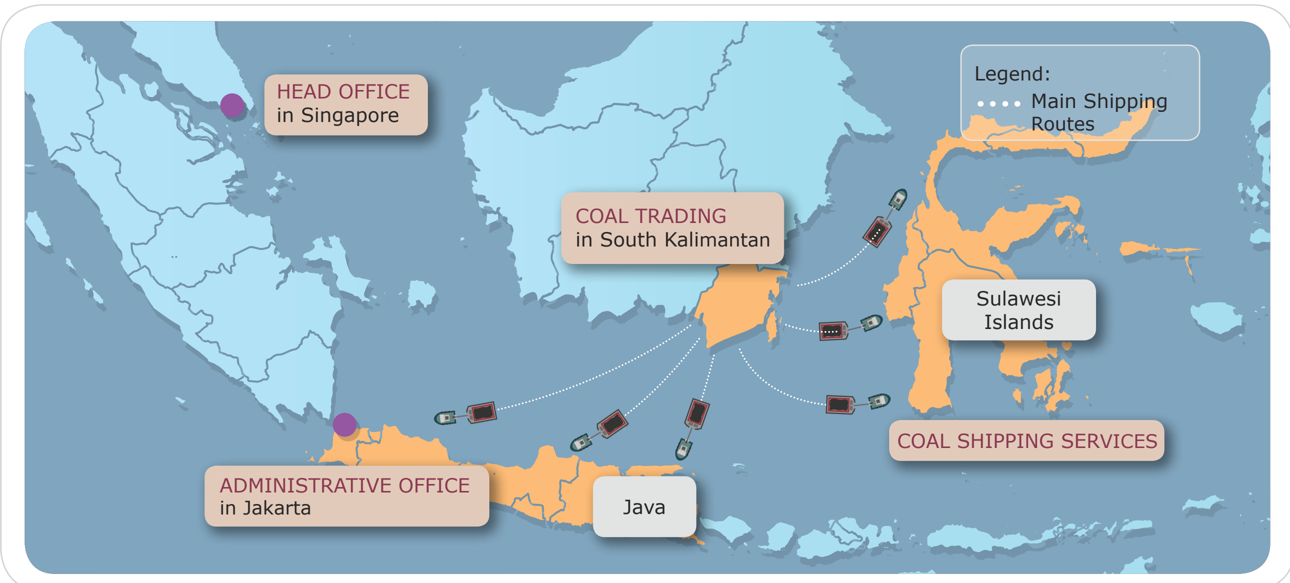
PT DNS does not engage in coal futures or derivatives trading and does not maintain any coal stockpiles. It minimises trading risks by sourcing for coal only after securing confirmed sales contracts, i.e. it will typically enter into back-to-back coal sale and purchase contracts with its suppliers and customers respectively.

COAL SHIPPING SERVICES

We operate our Coal Shipping Services through our subsidiary, PT Deli Pratama Angkutan Laut ("PT DPAL"), which covers domestic shipping routes mainly between coal mines located in South Kalimantan, to the Java and Sulawesi islands in Indonesia. Our Coal Shipping Services comprise (i) chartering services; and (ii) transshipment services. As at 31 December 2019, PT DPAL owns a fleet of nine (9) Indonesian-flagged vessels, comprising eight (8) tugboats (and including eight (8) accompanying barges) as well as one (1) bulk carrier, with an aggregate estimated fleet capacity of 116,000 metric tonnes.

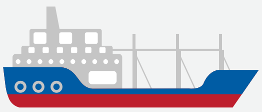


OUR MAIN SHIPPING ROUTES



OUR FLEET

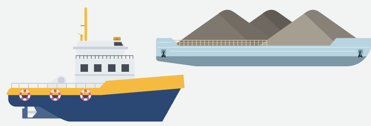
Owns 9 Indonesian-flagged vessels
Aggregate estimated fleet capacity 116,000 MT
100% fleet utilisation rate

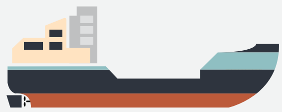


9 Indonesian-flagged vessels with an aggregate estimated fleet capacity of **116,000MT**

8 tugboats (and 8 accompanying barges)

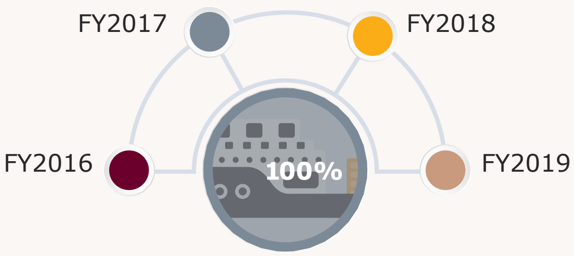
1 bulk carrier





In accordance with the relevant cabotage laws in Indonesia, sea transportation activities within Indonesia waters can only be done by Indonesian-flagged vessels manned by Indonesian crew.

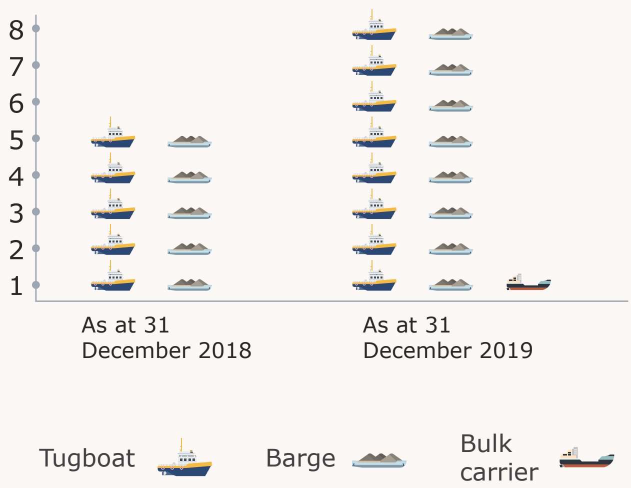
Fleet utilisation rate [1]



Each vessel is equipped with a vessel tracking system to track location and monitor the vessels' movements and whereabouts of cargo in real time.

Our policy of continuously repairing and conducting regular maintenance works on our fleet ensures that we operate at optimum efficiency.

Operating fleet size expansion



Note:
[1] Defined as the percentage of "number of operating days" to "number of available days"

OUR GROWTH JOURNEY

2010

Established our coal shipping subsidiary, PT DPAL, in Indonesia

2011

PT DPAL granted the Business Licence for Shipping Companies (SIUPAL) in Indonesia

2012

PT DPAL acquired its first pair of tugboat and barge

2013

Established our coal trading subsidiary, PT DNS, in Indonesia

2017

PT DNS was granted the Specific Operation Production Mining Business Licence for Transportation and Trading of Coal (IUP-OPK) in Indonesia

2019

PT DNS secured fixed terms sale contract from customers

Three (3) sets of new tugboats and barges were operational deployed

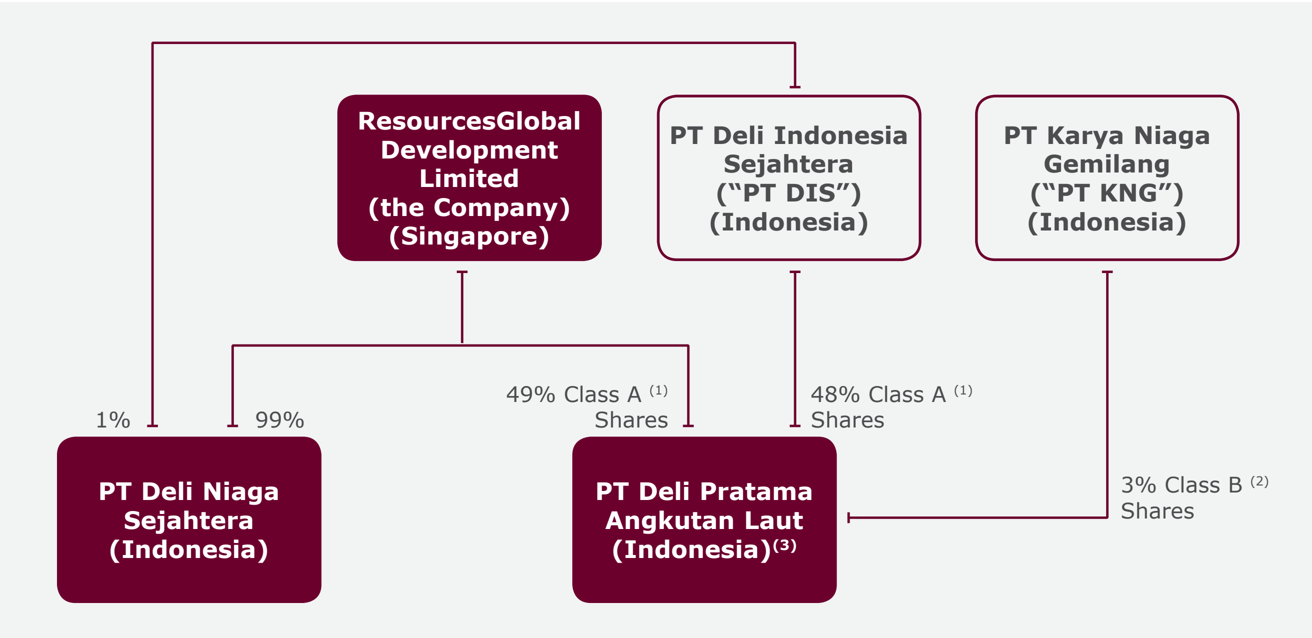
PT DPAL acquired a pre-owned bulk carrier with a carrying capacity of 50,000 metric tonnes ("Pacific Bulk")

PT DPAL entered into a memorandum of understanding with customer for the charter of the Pacific Bulk for a period of two years

2020

Successfully listed on the Catalist board of the SGX-ST

GROUP STRUCTURE



Notes:

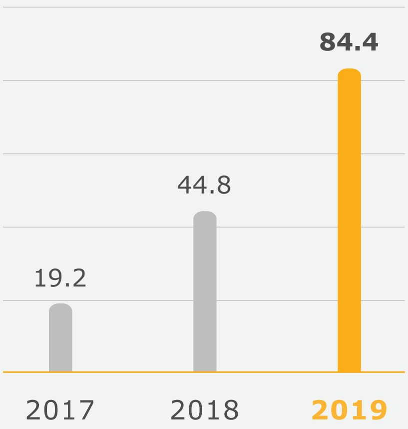
(1) Class A Shares are ordinary shares with voting rights held by the Company and PT DIS respectively.

(2) Class B Shares are shares with no voting rights held by PT KNG.

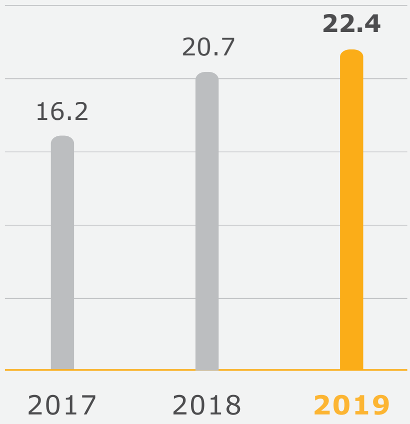
(3) As Class B Shares do not have any voting rights, the Company effectively holds 50.5% of voting rights in PT DPAL. As such, PT DPAL is a subsidiary of the Company.

FINANCIAL HIGHLIGHTS

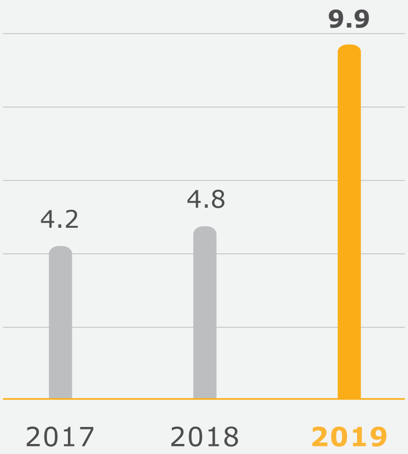
REVENUE
(S$ million)



NET ASSET VALUE ("NAV") PER ORDINARY SHARE
(cents per share) [(1)]



NET CASH GENERATED FROM OPERATING ACTIVITIES
(S$ million)



(S$ million)	FY2016	FY2017	FY2018	FY2019
Gross profit	5.7	3.5	5.5	5.6
Net profit attributable to equity holders	2.1	1.2	2.2	0.8

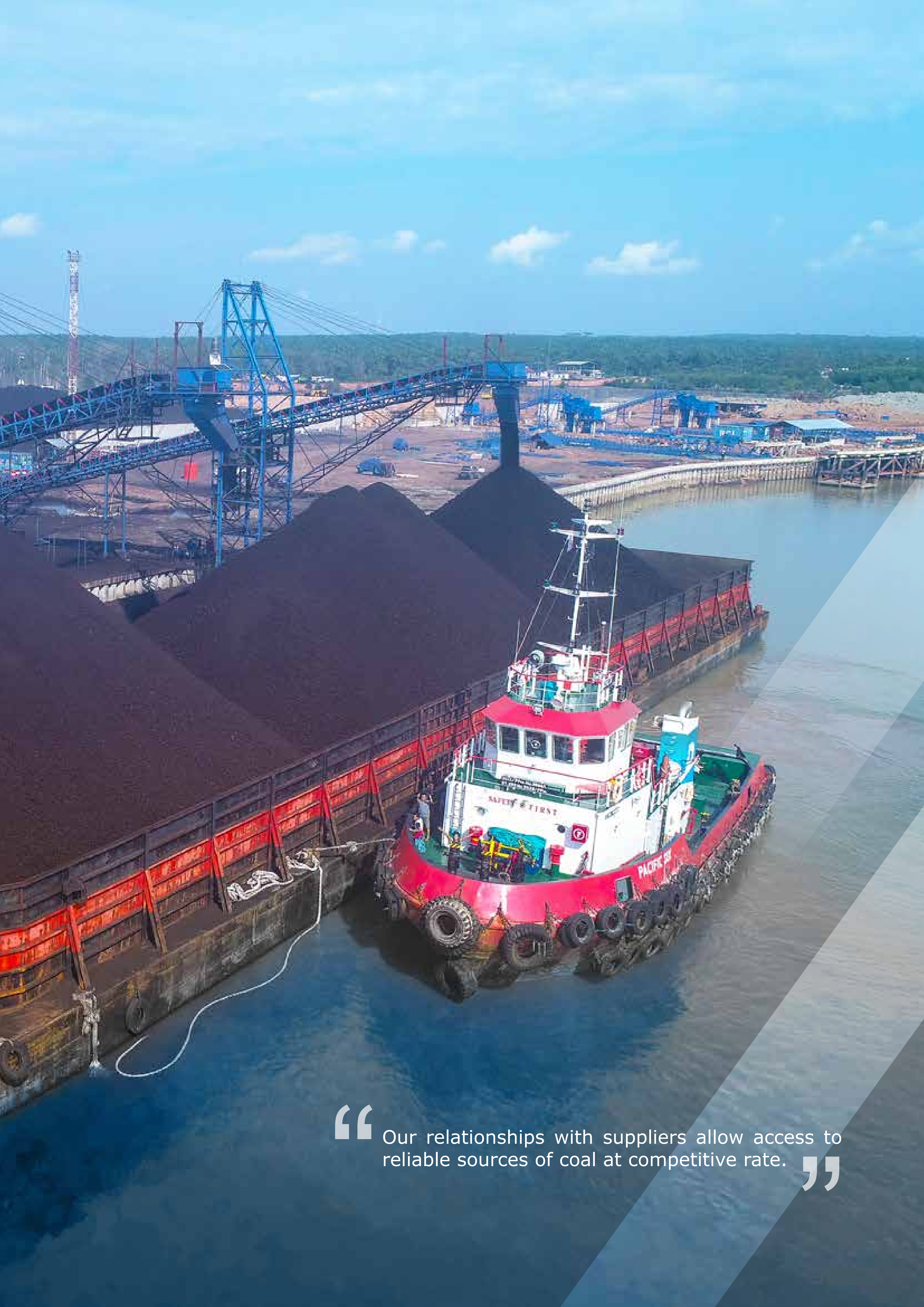
	31 Dec 2016	31 Dec 2017	31 Dec 2018	31 Dec 2019
Net assets (S$ million)	24.4	24.6	27.9	30.0
Earnings per share ("EPS") (cents) [(2)]	2.8	1.6	3.0	1.0

Notes:

1 Computed based on NAV attributable to equity holders of the Company and total number of shares of the Company ("Shares") of 75,000,000.

2 Computed based on profit attributable to equity holders of the Company and total number of Shares of 75,000,000.

Reliable supply of Coal



> Our relationships with suppliers allow access to reliable sources of coal at competitive rate.

STATEMENT FROM THE CHAIRMAN AND THE CEO

> "The strength of our business model lies in our trading and logistics capabilities which are complementary in nature. We believe this places the Group in good stead to tap opportunities in Indonesia's coal supply chain."

DEAR SHAREHOLDERS,

We are pleased to present you with the inaugural annual report of Resources Global Development Limited (the "Company", together with its subsidiaries, the "Group") for the financial year ended 31 December ("FY") 2019. At the same time, we would like to welcome you, our valued shareholder, on board.

The Group was successfully listed on the Catalist board of the SGX-ST on 31 January 2020. As you may appreciate, our initial public offering was purely strategic. We will tap our listing status to further augment our operations in Indonesia and beyond, as we enhance our existing businesses and build new pillars of growth.

FY2019 FINANCIAL RESULTS

Our profitability in FY2019 was achieved on the back of a 88.6% improvement in revenue to S$84.4 million, driven by stronger performance from our two business pillars - Coal Shipping Services and Coal Trading Business.

For our Coal Shipping Services, revenue increased by 21.0% to S$10.1 million in FY2019 as we deployed three additional sets of tugboats and barges and a bulk carrier. This lifted our relatively young operating fleet size from five vessels (tugboats and accompanying barges) a year ago to nine vessels in FY2019, and expanded our aggregate estimated fleet capacity from 42,000 metric tonnes (MT) to 116,000 MT. The expansion improved our overall efficiency, enabling us to provide customers with increased shipping capacities, and have better control of coal loading and shipping schedules. As with previous years, our fleet utilisation in FY2019 continued to be at 100%.

For our Coal Trading Business, revenue more than doubled to S$74.4 million in FY2019 due to the higher coal demand from our customers. Sales volume surged to 1.6 million MT, from 0.7 million MT a year ago. What is particularly noteworthy is the fact that our Coal Trading Business, which started less than three years ago, has been able to obtain a steady supply of coal at competitive rates, implement a sound risk management system and scale up quickly to its current size.

Overall gross profit margin in FY2019 decreased due to lower chartering rates arising from the heightened competition, higher costs from the deployment of our new vessels, as well as the impact of the fixed term coal sale and purchase contracts that were entered into during the year. These fixed term contracts provided the Group with certainty in trading volume, but at lower margins. In contrast, the trading transactions in FY2018 were mainly conducted at spot market prices.

The Group rounded up the year with a profit before tax of S$1.8 million and net profit of S$1.0 million. Net cash generated from operations increased from S$4.8 million in FY2018 to S$9.9 million in FY2019.

GROWING OUR TWO BUSINESS PILLARS

Looking ahead, we will leverage the long-standing relationships we have built with our customers to cement the two business pillars.

Apart from supporting the expansion of our customers' smelting and manufacturing operations, our Coal Trading Business will focus on growing our customer base and widening our sourcing capabilities. We will also look at finding the equilibrium between fixed term contracts and spot prices so as to manage our risks, while optimising performance.

STATEMENT FROM THE CHAIRMAN AND THE CEO

Our Coal Shipping Services will continue to enhance efficiency by maximising the usage of our expanded fleet capacity, pursuing higher value projects, increasing shipping routes and striking a balance between short and long voyages. We are confident that the newly acquired 50,000 MT bulk carrier will open up more business opportunities that we did not have in the past, contributing towards our earnings going forward.

The strength of our business model lies in our trading and logistics capabilities, which are complementary in nature. We believe this places the Group in a good stead to tap opportunities in Indonesia's coal supply chain.

All efforts will be geared towards leveraging the various growth drivers in Indonesia, including the rising electrification rate and increasing demand for inter-island transportation of coal. The favourable regulations governing domestic chartering also bode well for our shipping services, which are delivered by our fully owned, Indonesian-flagged vessels and operated by Indonesian crew.

PLAYING OUR PART AS AN ENVIRONMENTALLY RESPONSIBLE CORPORATE CITIZEN

While we acknowledge the environmental concerns associated with the use of coal, it is important to note that coal remains an important fuel resource globally. More than 30% of global energy still relies on coal[1]. In Indonesia, it is considered to be one of the most economical sources of electrification[2].

As an intermediary in the coal supply chain, we will continue to do our part for the environment by ensuring that we observe all applicable environmental laws and regulations, and prevent the occurrence of environmental pollution originating from our vessels. As a firm-wide practice, we also require our suppliers and the shipyards that we work with to comply with all the environmental and regulatory standards, and observe best practices.

LOOKING AHEAD

Our listing marks the start of an exciting journey. Under the guidance of our Board of Directors and committed management team, we look forward to charting new growth as a listed entity.

In particular, the Group is actively looking for inroads to widen the range of sectors and geographical coverage of our Coal Shipping Services. It is also our intention to diversify into other businesses, build new business pillars and vertically integrate our service offerings.

On a macro level, the COVID-19 outbreak is expected to have far-reaching economic consequences, disrupting supply chains and global trade, and impacting almost every business globally. We believe there will be a trickle-down effect on our operations in time to come, and the extent will depend on how quickly this global outbreak can be contained. As the situation is still evolving, the full effect of the outbreak is subject to uncertainty and cannot be ascertained yet.

As a Group, we will do all we can to support our customers during this difficult time. Business continuity plans have been activated for all our critical operations in Singapore and Indonesia to minimise disruptions to our customers' businesses. We will continue to be vigilant on our cost management and ensure that we have adequate resources to overcome this challenging period.

APPRECIATION

We would like to thank all shareholders for being part of our growth story. To the management team and staff in Singapore and Indonesia, thank you for all the hard work. Special appreciation also goes out to our customers and business partners for their trust and support over the years.

Finally, to our fellow board members, thank you for leading the Group and ensuring that we adhere to the highest standards of governance and accountability. Let us work closely to steer the Group to next level of growth.

MR GOUW ENG SENG
Chairman

MR FRANCIS LEE
CEO

[1] Source: https://www.iea.org/fuels-and-technologies/coal

[2] Source: https://www.iisd.org/blog/true-cost-coal-and-renewables-indonesia

FINANCIAL REVIEW

REVIEW OF CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE GROUP

Revenue

Revenue increased by S$39.6 million from S$44.8 million in FY2018 to S$84.4 million in FY2019, due to the increase in the revenue generated from both of our Coal Shipping Services and Coal Trading Business in FY2019.

Coal Shipping Services

Revenue from our Coal Shipping Services increased from S$8.3 million in FY2018 to S$10.1 million in FY2019, mainly due to operational deployment of three additional sets of tugboats and barges and one bulk carrier during FY2019. These allowed the Group to provide its customers with increased shipping capacities, and ensure better control of coal loading and shipment schedules.

Coal Trading Business

Revenue from our Coal Trading Business increased from S$36.4 million in FY2018 to S$74.4 million in FY2019, as we continue to expand our coal sales volume due to increasing demand, which resulted in more than 1-fold increase of coal sold from 0.7 million metric tonnes in FY2018 to 1.6 million metric tonnes in FY2019.

Gross Profit

The Group's gross profit was S$5.5 million in FY2018 and S$5.6 million in FY2019, but overall gross profit margin decreased by 5.7 percentage points, from 12.3% in FY2018 to 6.6% in FY2019. The decrease was mainly attributed to (i) decrease in gross profit margin from the Coal Shipping Services due to decrease in the chartering rates in FY2019 as a result of increased competition, and increase in costs of sales and services in FY2019 was in line with the increased business activities during FY2019; and (ii) decrease in gross profit margin from the Coal Trading Business due to the entry into fixed term coal contracts with suppliers and customers during FY2019, which provided greater certainty over the volume of coal purchased and sold, but provided the Group with lower price volatility.

Interest income

Interest income, which comprised interest from bank and fixed deposit, increased by S$0.1 million or 53.6%, from S$0.1 million in FY2018 to S$0.2 million in FY2019. The increase was mainly due to higher interest income generated from the larger cash amounts placed with financial institutions in FY2019.

Administrative expenses

Administrative expenses increased by S$2.1 million, from S$1.5 million in FY2018 to S$3.6 million in FY2019. The increase was mainly due to the (i) increase in staff costs by S$1.2 million, which arose from the increase in staff headcount (excluding crew members) from 14 as at 31 December 2018 to 27 as at 31 December 2019, to support the growth of the Group's business operations; and (ii) increase in listing expenses of S$0.3 million, from S$0.4 million in FY2018 to S$0.7 million in FY2019.

Finance costs

Finance costs increased by S$0.3 million, from S$0.1 million in FY2018 to S$0.4 million in FY2019, mainly due to higher interest expenses incurred from the new loans obtained in FY2019.

Profit before tax

As a result of the above, profit before tax decreased by S$2.3 million from S$4.1 million in FY2018 to S$1.8 million in FY2019.

Tax expense

Tax expense increased by S$0.2 million or 36.7%, from S$0.6 million in FY2018 to S$0.8 million in FY2019. In Indonesia, our Coal Shipping Services is being taxed by the Indonesian tax authorities based on revenue generated, whereas our Coal Trading Business is being taxed based on profit before tax. As the Group recorded an increase in revenue for Coal Shipping Services and profit before tax for Coal Trading Business in FY2019, the Group recorded an increase in tax expense.

Profit for the financial year

As a result of the above, profit for the financial year decreased from S$3.5 million in FY2018 to S$1.0 million in FY2019.

FINANCIAL REVIEW

REVIEW OF STATEMENTS OF FINANCIAL POSITION OF THE GROUP

Non-current assets

Non-current assets increased by S$20.6 million, from S$14.5 million as at 31 December 2018 to S$35.1 million as at 31 December 2019. The increase was mainly attributed to the S$22.9 million increase in property, plant and equipment, in connection with the purchases of new vessels and barges, and capitalized dry-docking expenses associated with the refurbishment and refitting costs of the newly acquired bulk carrier and a tugboat during FY2019, partially offset by depreciation charges of S$2.9 million in FY2019.

Current assets

Current assets decreased by S$2.6 million, from S$18.6 million as at 31 December 2018 to S$16.0 million as at 31 December 2019, mainly due to decrease in cash and cash equivalents, partially offset by the increase in trade and other receivables and contract assets.

Trade and other receivables increased by S$0.5 million or 7.6% from S$7.3 million as at 31 December 2018 to S$7.8 million as at 31 December 2019, mainly attributable to an increase in trade receivables balance, in line with the increased business turnover during FY2019.

Contract assets of S$0.2 million recognized as at 31 December 2019 was attributed to services rendered but not yet billed at year end in respect of our Coal Shipping Services.

Cash and cash equivalents decreased by S$3.3 million or 29.6%, from S$11.3 million as at 31 December 2018 to S$8.0 million as at 31 December 2019. The decrease was mainly attributed to the purchase of vessels and other capital expenditures during FY2019, and partially offset by the cash generated from the operating activities and a new bank loan obtained during FY2019.

Non-current liabilities

Non-current liabilities increased by S$7.9 million, from S$0.3 million as at 31 December 2018 to S$8.2 million as at 31 December 2019, mainly attributable to a IDR80.0 billion (equivalent to S$7.8 million) unsecured and non-guaranteed loan obtained from a bank with annual interest rate of 8.0% and repayable on 2 October 2022.

Current liabilities

Current liabilities increased by S$8.1 million, from S$4.9 million as at 31 December 2018 to S$13.0 million as at 31 December 2019, mainly due to increase in trade and other payables and contract liabilities, partially offset by decrease in borrowings.

Trade and other payables increased by S$6.7 million, from S$3.8 million as at 31 December 2018 to S$10.5 million as at 31 December 2019. The increase was mainly due to increased business activities in the Coal Trading Business and Coal Shipping Services and a refundable deposit received from a customer for chartering of our vessels.

Contract liabilities increased by S$1.8 million, from S$40,000 as at 31 December 2018 to S$1.8 million as at 31 December 2019. The increase was attributed to advance billing for future deliveries of services in respect of our Coal Shipping Services.

Borrowings, which comprised bank loans and lease liabilities, decreased by S$0.4 million or 62.6%, from S$0.6 million as at 31 December 2018 to S$0.2 million as at 31 December 2019. The decrease was mainly attributable to repayment of bank loan of S$0.6 million in FY2019, partially offset by recognition of lease liabilities of S$0.2 million as at 31 December 2019, mainly in connection with the adoption of SFRS(I) 16 *Leases* which became effective from 1 January 2019.

Working capital position

As a result of the above, the working capital of the Group decreased from S$13.7 million as at 31 December 2018, to S$3.1 million as at 31 December 2019.

BOARD OF DIRECTORS AND KEY MANAGEMENT

MR GOUW ENG SENG

Independent Non-Executive Director and Independent Chairman

Mr Gouw Eng Seng was appointed to our Board on 27 December 2019. Mr Gouw has had over 15 years of experience in the coal and minerals industry.

Mr Gouw started his career in York University where he taught management information system as a lecturer from 1978 to 1982. Thereafter he worked in Citibank, first as a consultant from 1982 to 1985 and then as an electronic data processing auditor from 1985 to 1990. Subsequently, he joined his family business, PT Metro Garmin, which is principally involved in garment manufacturing, as well as other family investment projects in China including property, trading and information technology, as a Sales and Marketing Director from 1991 to 2000. He served as the Vice-Chairman of the Indonesian Textile Association (Asosiasi Pertekstilan Indonesia) and Chairman of the Indonesian Apparel Manufacturers Association (Asosiasi Apparel Manufacturer Indonesia) from 1995 to 2005. From 1999 to 2005, he was a Director of Hong Garment Manufacturer Pte Ltd, which is in business of wholesale of textiles and leather. Mr Gouw held the position of the representative of the Indonesia Chamber of Commerce & Industry in the Indonesian National Productivity Council from 2005 to 2015. He currently serves as the Vice-Chairman of the Indonesia Chamber of Commerce & Industry since 2000 and has been the Executive Chairman of the Indonesian Smelter and Mineral Processing Association since 2013. He has also been appointed as the Indonesian representative and consultant to Sarawak Energy Berhad, a Malaysian energy development company and integrated power utility, since November 2015. He is also the Executive Chairman of Indonesia Research and Development International, a research institute advising on foreign direct investment between China and Indonesia since 2015, and a member of the International Advisory Board of Beijing Jiaotong University since 2017.

Mr Gouw obtained a Bachelor of Art and Masters of Art from York University, Toronto, Canada in 1977 and 1980, respectively.

BOARD OF DIRECTORS AND KEY MANAGEMENT

MR FRANCIS LEE

Executive Director and Chief Executive Officer

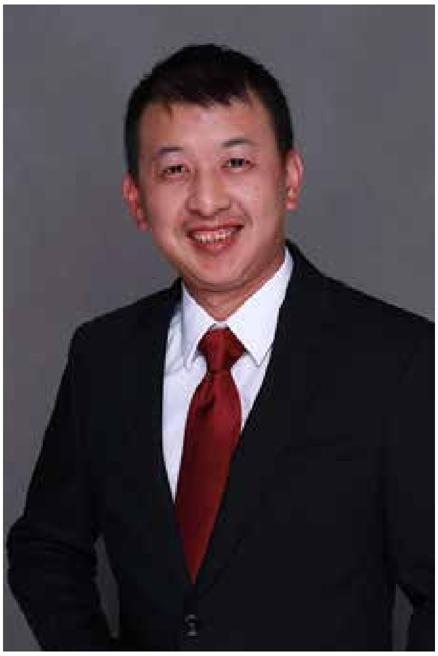
Mr Francis Lee was appointed to our Board on 15 July 2019. Mr Lee is responsible for the overall management of our Group, as well as the strategic planning and development of our Group's business, and spearheading the expansion and growth of our Group. Mr Lee has over 25 years of experience and expertise in managing companies in the trading, shipping, investment holding and agriculture sectors.

Mr Lee started his career as an auditor in Coopers & Lybrand Singapore, now known as PricewaterhouseCoopers, from 1991 to 1995. From 1995 to 1997, he was the General Manager of Coopers & Lybrand Hla Tun Consultants in Yangon, Myanmar. From 1997 to 1998, Mr Lee joined Kuok (Singapore) Ltd. as the Assistant General Manager in Myanmar. Subsequently from 1998 to 2000, he was transferred to Pacific Carrier Ltd, a subsidiary of Kuok (Singapore) Ltd, where he acted as Group Financial Controller from 2001 to 2003. From 2004 to 2015, Mr Lee was appointed the General Manager of the fertilizer department at NewQuest (Trading) Pte Ltd (now known as Agrifert Holdings Pte. Ltd.), a subsidiary of Kuok (Singapore) Ltd. As part of his various appointments in the Kuok group of companies, Mr Lee has also held various positions, such as Chairman of NewQuest Vietnam Company Ltd (now known as Agrifert Vietnam Ltd), a Vietnamese subsidiary of Agrifert Holdings Pte. Ltd. from 2011 to 2019, as General Manager of KSM Strategic Pte Ltd, a subsidiary in the Kuok group of companies from 2014 to 2015, and as Managing Director in Agri Malar Company Limited (Myanmar) from 2007 to 2019. From 2016 to 2019, he served as the General Manager and Director of Agrifert Trading Pte. Ltd.

Mr Lee previously served as an alternative non-executive director on the board of Beng Kuang Marine Ltd, a company listed on the Main Board of the SGX-ST from 2013 to 2016.

Mr Lee graduated from Monash University, Melbourne, Australia with a Bachelor of Economics (Honours), majoring in accounting and computer science in 1992. He is a member of the CPA Australia.

BOARD OF DIRECTORS AND KEY MANAGEMENT



MR SALIM LIMANTO

Executive Director and Chief Operating Officer

Mr Salim Limanto was appointed to our Board on 12 December 2018. Mr Limanto is responsible for the overall operations and business development activities of our Group. Mr Limanto has over 11 years of management and business development experience in the coal mining, transportation and trading industries, and has been involved in our Group's business since the inception of PT DNS and PT DPAL in 2013 and 2010, respectively.

Mr Limanto started his career in PT Sinar Deli, which was previously one of the domestic coal trading entities of the Deli Coal Group, where he was head of sales and shipping from 2006 to 2018. He is a director of our subsidiaries, PT DNS and PT DPAL.

Mr Limanto obtained a Bachelor of Economics, majoring in Accountancy, from Universitas Tarumanagara, Jakarta, Indonesia in 2006. He is the eldest son of Mr Djunaidi Hardi and a nephew of Mr Juhadi, Mr Arifin Ang and Mr Limas Ananto, all of whom are the founding shareholders of our Company.

MR HEW KOON CHAN

Independent Non-Executive Director

Mr Hew Koon Chan was appointed to our Board on 27 December 2019.

Mr Hew began working as a process engineer in 1986 for Texas Instruments Singapore Pte Ltd, a company specialising in the manufacturing and sale of memory integrated circuits. In 1988, he was employed as an investment analyst and rose through the ranks to become Investment Director at Seavi Venture Services Pte Ltd, a venture capital firm established in the South East Asian region, which is affiliated with Advent International (a global private equity firm headquartered in Boston). Thereafter, he established Integer Capital Pte Ltd in 2004 and carried out the role as the Managing Director, providing business consultancy services on corporate mergers and acquisitions.

Mr Hew presently sits on the board of directors of three (3) public listed companies, namely Far East Group Limited, shopper360 Limited and ecoWise Holdings Limited. He was previously appointed as director of several public listed companies such as Brilliant Manufacturing Limited (now known as Nidec Component Technology Co., Ltd.), Speedy-Tech Electronics Ltd., Action Asia Limited, Roxy-Pacific Holdings Limited, Nordic Group Limited and DeClout Limited (now known as DeClout Pte. Ltd.).

Mr Hew graduated from the National University of Singapore with a Bachelor of Engineering (Mechanical) in 1986. In 1987, he graduated from the Singapore Institute of Management with a Graduate Diploma in Financial Management and obtained his Certified Diploma in Accounting and Finance from the Chartered Association of Certified Accountants (UK) in 1988.

BOARD OF DIRECTORS AND KEY MANAGEMENT

MS ALICE YAN
Independent Non-Executive Director

Ms Alice Yan was appointed to our Board on 27 December 2019. She has over 20 years of experience in the financial services industry.

Ms Yan started her career advising Santa Monica College, California, USA, where she founded the International Student Recruitment Programme for the school in 1986. She subsequently worked as an intern to the general manager at Carmichael International Customs House Broker, Los Angeles, USA from 1988 to 1989. From 1990 to 2004, Ms Yan was a Vice-President in Citibank (Jakarta), and from 2004 to 2005, a Director in Citi Private Bank (Singapore). Subsequently, she was the Director and Wealth Manager at Merill Lynch International Bank Limited (Merchant Bank) (Singapore) from 2005 to 2011, and at Standard Chartered Bank (Singapore) from 2011 to 2013, and at Julius Baer (Singapore) from 2013 to 2014. From 2014 to 2016, Ms Yan was appointed as the Executive Vice-President and Consumer Banking Group Head at PT Bank ICBC Indonesia. From 2018 to 2019, Ms Yan was a financial adviser at Manulife Financial Advisers Pte Ltd (Singapore). Since 2019, she co-founded and is the Chief Executive Officer of Kode 101, an education company in the business of franchising computer science curriculums and learning programmes catered to young learners. Ms Yan is also a member of the Singapore Institute of Directors.

Ms Yan obtained a Bachelor of Science in business administration from the California State University of Los Angeles in 1988.

MR YEO TZE KHERN THOMAS
Chief Financial Officer

Mr Yeo Tze Khern Thomas is the Chief Financial Officer of our Company and is responsible for the accounting and financial functions of our Group.

Mr Yeo started his career as an auditor in Ernst & Young (Singapore) from 1999 to 2002. From 2002 to 2005, he was an audit manager in Ernst & Young Hua Ming (Beijing, China). Subsequently Mr Yeo joined Lehmanbrown International Accounting (Shanghai, China) as a senior manager from 2005 to 2007. From 2007 to 2009, he was a Director at PKF International Accounting (Shanghai, China). From 2009 to 2018, Mr Yeo acted as the Chief Financial Officer and company secretary of China Mining International Limited, a company listed on the Main Board of the SGX-ST. In 2018, Mr Yeo joined Resources International Development Pte. Ltd. as the Chief Financial Officer, before he was subsequently transferred to our Company. He is a commissioner of our subsidiaries, PT DNS and PT DPAL.

Mr Yeo graduated with a Bachelor of Business (Marketing) from Monash University, Australia in 1997 and obtained a Master of Practising Accounting from Monash University, Australia in 1999. He is a Chartered Accountant and a member of the Institute of Singapore Chartered Accountants, and fellows of CPA Australia and the Hong Kong Institute of Certified Public Accountants. Mr Yeo is also a member of the Singapore Institute of Directors.

Riding Opportunities in Indonesia's growing electrification rate

"We operate in Indonesia - one of the leading producers of coal globally whose coal consumption is supported by growth in coal-fired power generator and the government's plan to raise electrification rate in the country."


SAFETY + FIRST

CORPORATE INFORMATION

Board of Directors

Gouw Eng Seng
Independent Non-Executive Director
and Independent Chairman

Francis Lee
Executive Director and
Chief Executive Officer

Salim Limanto
Executive Director and
Chief Operating Officer

Hew Koon Chan
Independent Non-Executive Director

Alice Yan
Independent Non-Executive Director

Audit Committee

Hew Koon Chan, *Chairman*
Gouw Eng Seng
Alice Yan

Nominating Committee

Gouw Eng Seng, *Chairman*
Hew Koon Chan
Alice Yan

Remuneration Committee

Alice Yan, *Chairman*
Gouw Eng Seng
Hew Koon Chan

Company Secretaries

Yeo Tze Khern Thomas
Leong Chuo Ming

Registered Office

80 Raffles Place
#25-01 UOB Plaza 1,
Singapore 048624

Tel: +65-6289 6588
Fax: +65-6385 7756
Email address: Info@rgd.sg
Corporate website: www.rgd.sg

Principal Places of Business

Indonesia
Grand ITC Permata Hijau
Lantai 8 Suite B-7/8
Kec. Grogol Utara
Jakarta 12210
Indonesia

Singapore
144 Robinson Road
#07-01 Robinson Square
Singapore 068908

Sponsor

ZICO Capital Pte. Ltd.
8 Robinson Road
#09-00 ASO Building
Singapore 048544

Share Registrar

B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

Auditor

Baker Tilly TFW LLP
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778

Partner-in-charge: Mr Khor Boon Hong
(Appointed since financial year ended 31 December 2018)

CORPORATE GOVERNANCE REPORT

The board of directors (the "**Board**" or the "**Directors**") of Resources Global Development Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

In accordance with Rule 710 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), this report sets out the Group's corporate governance practices for the financial year ended 31 December 2019 ("**FY2019**") with specific reference made to the principles and the provisions of the Code of Corporate Governance 2018 (the "**Code**") issued on 6 August 2018.

The Company was recently listed on the Catalist board of the SGX-ST on 31 January 2020, and the Board is pleased to report that the Company has complied in all material respects with the principles of the Code to the extent possible, as well as the provisions of the Code (except where otherwise explained). In areas where the Company's practices vary from any provisions of the Code, the Company has stated herein the provision from which it has varied, and appropriate explanations are provided for the variation, and how the practices the Company had adopted are consistent with the intent of the relevant principle of the Code. The Company will continue to assess its needs and implement appropriate practices accordingly.

A. BOARD MATTERS

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The Board's principal roles include promoting long-term shareholder value, ensuring that the businesses of the Group are effectively managed and properly conducted by management of the Company ("**Management**") and ensuring proper observance of corporate governance practices, which include putting in place a code of conduct and ethics, setting appropriate tone-from-the-top and desired organisational culture, and ensuring proper accountability within the Group.

The Company has in place policies and procedures for dealing with conflicts of interest. Where the Director faces a conflict of interest, he or she is required to excuse himself or herself from discussions and decision involving the said issue of conflict.

All Directors have objectively discharged their duties and responsibilities as fiduciaries and taken decisions in the best interests of the Group at all times.

In addition to statutory duties and responsibilities, the Board's duties, including matters to be approved by the Board, are set out as follows:

a) supervise and approve strategic direction of the Group;

b) review the business practices and risk management of the Group;

c) review the management performance of the Group;

d) review and approve half yearly and full year annual results announcements;

e) review and approve the annual report and audited financial statements;

f) review and approve the dividend policy;

g) review and approve interested person transactions;

h) review and approve major transactions including, but not limited to, corporate restructuring, mergers and acquisitions, investments, acquisitions and disposals of assets;

CORPORATE GOVERNANCE REPORT

i) review and approve major corporate policies on key areas of operations;

j) ensure that there are policies and safeguards in the system of internal controls to preserve the integrity of assets; and

k) consider sustainability issues such as environmental and social factors as part of its strategic plans.

The Board has set up three Committees to assist in the execution of the Board's responsibilities. These Committees include the Nominating Committee ("**NC**"), Remuneration Committee ("**RC**") and Audit Committee ("**AC**") (collectively, the "**Board Committees**" and each a "**Board Committee**"). Each Board Committee carries out its functions within clear written terms of its respective terms of reference ("**TOR**").

In the event that a Director is interested in any transactions of the Group, he or she shall be obliged to inform the Board accordingly and abstain from making any recommendations or decisions in relation to that transaction.

Formal Board meetings are held at least half yearly and ad-hoc meetings are convened when required. The Board Committees meet at certain time periods in accordance with their respective TOR or as and when needed. The Company's Constitution ("**Constitution**") allows a Board meeting to be conducted through electronic means such as telephone and video conferences. The Directors can meet the Management in person or discuss via email. Where a decision has to be made before a meeting of the Board or Board Committee is convened, Directors' resolutions in writing are circulated in accordance with the Constitution and the Directors are also provided with all relevant information and documents to allow them to make informed decisions.

As the Company was listed on 31 January 2020, there were no Board and Board Committee meetings held in 2019. The first Board meeting was held on 26 February 2020 to review and discuss, amongst others, the financial performance of the Group in FY2019 and the unaudited financial results announcement of the Group for FY2019. All Directors attended the first Board meeting. The respective Board Committees held their first meetings on 26 February 2020 at which full attendance by all the members was recorded.

All newly appointed Directors will undergo an orientation programme where the Director will be briefed on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of a director of a listed company. To get a better understanding of the Group's business, the Director will also be given the opportunity to visit the Group's operational facilities and meet with key management personnel. The Company will also arrange for first-time Directors to attend relevant training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST and, if necessary, in areas such as accounting, legal and industry specific knowledge as appropriate. The training of Directors will be arranged and funded by the Company. Upon appointment, the newly appointed Director will be provided a formal letter setting out his/her duties and obligations.

The Independent Non-Executive Directors were appointed on 27 December 2019 ("**New Directors**"), prior to the listing of the Company. The Management had conducted an orientation for the New Directors to introduce the Group's business and its operations. All Directors were actively involved in the verification meetings during the initial public offering ("**IPO**") process, where they sought advice and guidance from external advisors as part of their induction programme.

Save for Mr Francis Lee and Mr Hew Koon Chan, our Directors do not have prior experience as directors of public listed companies in Singapore. They have undertaken the relevant training by attending the Listed Entity Director Programme conducted by Singapore Institute of Directors (in particular modules LED 1 (Listed Entity Director Essentials) and LED 2 (Board Dynamics)) and have been briefed on the roles and responsibilities of a director of a listed company in Singapore. Pursuant to the requirements under Rule 406(3)(a) of the Catalist Rules, each of the Directors (other than Mr Francis Lee and Mr Hew Koon Chan) will complete the prescribed mandatory training under Schedule 1 of Practice Note 4D of the Catalist Rules within one (1) year from the date of admission of the Company to the Catalist of the SGX-ST.

The external auditor also briefed the members of the AC on the developments in accounting standards (where applicable) during the AC meeting convened on 26 February 2020, whilst the Company Secretary and the Sponsor will periodically update the Board on any changes in the requirements of the Companies Act (Chapter 50) of Singapore ("**Companies Act**"), the Catalist Rules and corporate governance in Singapore as well as those pertaining to the roles and responsibilities of a director of a listed company.

In order to ensure that the Board is able to contribute in a meaningful manner during Board meetings, the Management provides the members of the Board with relevant information and documents relating to the items of business to be discussed at each Board meeting, such as copies of disclosure documents, budgets and forecasts before the scheduled meeting. Key information relating to the Company's operations and finances are also circulated to the Board via email so that the Directors may monitor with ease, the Company's performance as well as the Management's fulfilment of goals and objectives set by the Board.

The Directors are also regularly briefed by the Management on the business activities of the Company. The Directors are responsible for the Company's strategic directions as well as its corporate practices and are accordingly briefed by the Management on the day-to-day implementation of such strategic directions and corporate practices. The Directors have direct access to the Management and Company Secretary at all times. Further to the above, Directors have unrestricted access to the Company's records and information. The Directors and Board Committees, where necessary, may seek professional advice which will be paid for by the Company.

The Independent Non-Executive Directors are available to provide guidance to the Management on business issues and in areas which they specialize in.

The Company Secretary and/or representatives from the Company Secretary's office attends all meetings of the Board and the Board Committees and prepares the minutes of such meetings. The minutes of such meetings are then circulated to the Board and the Board Committees, as the case may be.

The Company Secretary also advises the Board on governance matters and ensures that the procedures for such meetings are in accordance with the Constitution and the TOR, and all applicable rules and regulations (including the requirements of the Companies Act and the Catalist Rules) are complied with. Further to the above, the Company Secretary helps to facilitate communications within the Board and the Board Committees and between Management and the Directors. The appointment and removal of the Company Secretary is a matter for the Board's consideration as a whole.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The Board comprises five (5) members, three (3) of whom are independent Directors (including the respective Chairmen of the Board Committees). As at the date of this report, the composition of the Board and the Board Committees are as follows:

		Board Committee Membership		
Name of Director	**Designation**	**Audit Committee**	**Nominating Committee**	**Remuneration Committee**
Mr Gouw Eng Seng	Independent Non-Executive Director and Independent Chairman	Member	Chairman	Member
Mr Francis Lee	Executive Director and Chief Executive Officer	–	–	–
Mr Salim Limanto	Executive Director and Chief Operating Officer	–	–	–
Mr Hew Koon Chan	Independent Non-Executive Director	Chairman	Member	Member
Ms Alice Yan	Independent Non-Executive Director	Member	Member	Chairman

CORPORATE GOVERNANCE REPORT

The independence of each Director is assessed and will be reviewed at least annually by the NC, based on the provisions provided by the Code as well as Rule 406(3)(d) of the Catalist Rules. The NC considers an "independent" Director as one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of such Director's independent business judgement with a view to the best interests of the Group. None of the Independent Non-Executive Directors has served on the Board for more than nine years.

The Chairman of the Board is independent, as Mr Gouw Eng Seng is an Independent Non-Executive Director. Majority of the Board comprises non-executive directors (being three (3) Independent Non-Executive Directors, out of a five (5) member Board). Accordingly, the Company complies with the relevant provision of the Code which requires non-executive directors to comprise a majority of the Board.

The Company does not have a Board diversity policy but it consists of professionals from various disciplines. Nevertheless, in reviewing the diversity of the Board, the NC takes into consideration whether the Board comprises an appropriate balance of skills, knowledge, experience and diversity of perspectives relevant to the businesses of the Group so as to ensure that the Group benefits from a wide range of perspectives and talent. The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The NC also considers all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors.

The NC is of the view that the current Board size of five (5) members is appropriate taking into account the nature and scope of the Group's operations. In terms of gender diversity, the Board includes one female director, being Ms Alice Yan. The NC is also of the view that the Board and the Board Committees have an appropriate balance and diversity of expertise and business experience and collectively possess the necessary core competence to lead and govern the Group effectively. Each Director has been appointed on the strength of his/her calibre, experience and stature. Each Director is expected to bring valuable range of experience and expertise to contribute to the development of the Group's strategy and the performance of its business.

The Independent Non-Executive Directors also set aside time to meet without the presence of Management, when required, and will provide feedback to the Board where appropriate.

Key information on each Director is set out in the "**Board of Directors and Key Management**" section of this Annual Report.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Chairman of the Board and the Chief Executive Officer ("**CEO**") are separate persons in order to provide an appropriate balance of power and authority, increased accountability and greater capacity of the Board for independent decision making. The Chairman of the Board, Mr Gouw Eng Seng (Independent Non-Executive Director), and the CEO, Mr Francis Lee, are not related to each other and do not have any business relationship between them.

The Chairman leads the Board, ensures that the Directors receive accurate, timely and clear information, encourages constructive relations between the Board and Management, as well as between Board members, facilitates contributions from Board members, including Independent Non-Executive Directors, ensures effective communication with shareholders, and endeavours to promote a high standard of corporate governance. The Chairman also ensures that Board meetings are held regularly and on an ad hoc basis where required and, when necessary, sets the Board meeting agendas in consultation with the Management and the Company Secretary. The Chairman presides over each Board meeting and ensures full discussion of agenda items. Management, as well as external experts who can provide additional insights into the matters to be discussed, are invited, when necessary, to attend Board meetings at relevant times.

CORPORATE GOVERNANCE REPORT

The CEO has full executive responsibilities in the business direction and operation efficiency of the Group. He oversees execution of the Group's corporate and business strategies and is responsible for the day-to-day running of the business.

As the Chairman of the Board is an Independent Non-Executive Director, the Board did not appoint a lead independent director. The Chairman of the Board, who is an independent Director, is available to the Shareholders where they have concerns and for which contact through the normal channels of communication with the Management are inappropriate or inadequate.

PRINCIPLE 4: BOARD MEMBERSHIP

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC comprises three (3) members, all of whom, including the NC Chairman, are Non-Executive and Independent Directors. As at the date of this report, the members of the NC are as follows:

Mr Gouw Eng Seng	Chairman	Independent Non-Executive Director
Mr Hew Koon Chan	Member	Independent Non-Executive Director
Ms Alice Yan	Member	Independent Non-Executive Director

The NC carries out its duties in accordance with a set of terms of reference which include, mainly, the following:-

(a) recommending to the Board on relevant matters relating to (i) the review of board succession plans for Directors, in particular, the appointment and/or replacement of the Chairman, the CEO and key management personnel; (ii) the development process and criteria evaluation of the performance of the Board, its Board Committees and Directors; (iii) evaluation of the performance of the Board, its Board Committees and Directors; (iv) the appointment and re-appointment of Directors (including alternate directors, if any); and (v) the appointment and termination of the board of directors and board of commissioners of PT Deli Pratama Angkutan Laut (a subsidiary of the Company);

(b) reviewing and determining annually, and as when circumstances require, if a Director is independent, in accordance with the Code and any other salient factors;

(c) in respect of a Director who has multiple board representations on various companies, to review and decide whether or not such Director is able to and has been adequately carrying out his duties as a Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments;

(d) reviewing potential conflicts of interests in respect of each member of the Board;

(e) developing a process for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual Director to the effectiveness of the Board;

(f) reviewing and approving any new employment and the proposed terms of employment of persons related to Directors, Executive Officers or Controlling Shareholders; and

(g) reviewing training and professional developments programmes for the Board.

The NC meets at least once a year and at other times as required, in accordance with its TOR. The Chairman of the NC reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

CORPORATE GOVERNANCE REPORT

The NC has in place a formal process for the selection, appointment and re-appointment of directors to the Board. In sourcing for new directors, the NC will tap on recommendations from existing Directors and the Company's professional advisers. In the selection process, the NC considers attributes such as balance and diversity of skills vis-à-vis existing Board members, industry knowledge, requirements of the Group and time commitment ability. Background checks are also carried out on the shortlisted candidates. The NC meets with the shortlisted Board candidates to assess their suitability and availability before making recommendations to the Board for its consideration and approval.

The NC determines annually, and as and when circumstances require, whether a Director is independent, taking into consideration the disclosures by the Directors of any relationships with the Company, its related corporations, its substantial shareholders or its officers and the confirmation of independence form completed by each independent director to confirm his or her independence. Such form is drawn up based on Principle 2 of the Code. Having completed its review, the NC is of the view that Mr Gouw Eng Seng, Ms Alice Yan and Mr Hew Koon Chan have satisfied the criteria for independence.

Where a Director has multiple listed company board representations, and in considering the nomination of Directors for appointment, the NC will evaluate whether or not the Director is able to and has been adequately carrying out his or her duties as a Director, taking into consideration the Director's number of listed company board representations and other principal commitments. The Board does not limit the maximum number of listed company board representation its Board members may hold as long as each of the Board members is able to commit his or her time and attention to the affairs of the Company. The Board believes that each individual Director is best placed to determine and ensure that he or she is able to devote sufficient time and attention to discharge his or her duties and responsibilities as a Director of the Company, bearing in mind his or her other commitments.

The dates of initial appointment and last re-election of each Director are set out as follows:

Name of Director	**Designation**	**Date of First Appointment**	**Date of last re-election**
Mr Gouw Eng Seng	Independent Non-Executive Director and Independent Chairman	27 December 2019	to be appointed at the forthcoming Annual General Meeting ("**AGM**")
Mr Francis Lee	Executive Director and Chief Executive Officer	15 July 2019	to be appointed at the forthcoming AGM
Mr Salim Limanto	Executive Director and Chief Operating Officer	12 December 2018	to be appointed at the forthcoming AGM
Mr Hew Koon Chan	Independent Non-Executive Director	27 December 2019	to be appointed at the forthcoming AGM
Ms Alice Yan	Independent Non-Executive Director	27 December 2019	to be appointed at the forthcoming AGM

With effect from 1 January 2019, pursuant to Rule 720(4) of the Catalist Rules, all Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years. Pursuant to the Company's Constitution, every Director shall retire from office at least once every three years and for this purpose, at each AGM, one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. The retiring Directors are eligible to offer themselves for re-election. The Company's Constitution further states that new directors appointed by the Board shall hold office until the next AGM and shall then be eligible for re-election.

In determining the nomination of a Director for re-election, the NC takes into account the composition and progressive renewal of the Board, and the competency, performance and contribution of the Director including his attendance, preparedness and participation at Board and Board Committees meetings. A Director's time and effort accorded to the Company's business and affairs will also be considered.

All Directors are due for retirement and subject to re-election at the first AGM of the Company (the "**Retiring Directors**") pursuant to Regulation 109 of the Company's Constitution at the forthcoming AGM. The Retiring Directors, being eligible, have offered themselves for re-election at the forthcoming AGM. The NC and the Board has recommended that the Retiring Directors, whom shall be retiring pursuant to Regulation 109 of the Company's Constitution at the forthcoming AGM, respectively, to be re-elected. Please refer to the Notice of AGM for the resolutions put forth in relation to the respective re-elections of all Directors, as well as detailed information on each Director (including directorships and principal commitments) as set out in the section entitled "Information on Directors nominated for re-election – Appendix 7F of the Catalist Rules" of this report.

Each member of the NC shall abstain from voting, approving or making a recommendation on any resolutions of the NC in which he/she has a conflict of interest in the subject matter under consideration.

There is no alternate director appointed to the Board as at the date of this report.

PRINCIPLE 5: BOARD PERFORMANCE

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors.

A formal assessment process is in place to assess the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution by the Chairman and each individual Director to the effectiveness of the Board.

The NC conducts a formal review of the Board performance annually, by way of a Board assessment checklist which is circulated to the Board members for completion. The results of the evaluation are used constructively by the NC to identify areas of improvements and to recommend to the Board the appropriate action. The evaluation serves to assess the effectiveness of the Board as a whole on the following parameters:

(a) Board composition;
(b) Board information;
(c) Board process;
(d) Board accountability;
(e) CEO or top management; and
(f) standards of conduct.

The evaluation of the Board is to be performed annually by having all members complete Board and individual Directors' evaluation questionnaires individually based on the above assessment parameters. As the Company was newly listed on 31 January 2020, there is no evaluation conducted for FY2019. The first evaluation of the Board and individual Directors will be conducted for the financial year ending 31 December 2020 ("**FY2020**").

B. REMUNERATION MATTERS

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC comprises three (3) members, all of whom, including the RC Chairman, are Non-Executive and Independent Directors. As at the date of this report, the members of the RC are as follows:

Ms Alice Yan	Chairman	Independent Non-Executive Director
Mr Gouw Eng Seng	Member	Independent Non-Executive Director
Mr Hew Koon Chan	Member Director	Independent Non-Executive Director

CORPORATE GOVERNANCE REPORT

The primary function of the RC is to advise the Board on compensation issues. In particular, in relation to the remuneration of Directors and key management personnel, a portion of the compensation should be contingent upon the financial performance of the Company, in order to foster the creation of long-term shareholder value.

The RC carries out its duties in accordance with a set of terms of reference which include, mainly, the following:

(a) to review and submit its recommendations for endorsement by the entire Board, a general framework of remuneration for the Board, the specific remuneration packages and terms of employment (where applicable) for each director, the CEO (if CEO is not a Director) and key management personnel;

(b) to review, recommend and determine specific remuneration packages for each Director and key management personnel including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind;

(c) to review and to recommend to the Board the terms of renewal of service contracts of executive Directors and key management personnel;

(d) to review the Company's obligations arising in the event of termination of the executive Directors and key management personnel and to ensure termination clauses entailed in the service contracts contain fair and reasonable termination clauses which are not overly generous;

(e) to review and recommend to the Board the terms of share options, shares award plans or any long term incentive schemes which may be set up from time to time, in particular to review whether Directors, key management personnel or such employee should be eligible for such schemes and also to evaluate the costs and benefits of such schemes and to do all acts necessary in connection therewith;

(f) to function as the committee referred to in the RGD Employee Share Option Scheme ("**RGD ESOS**") and RGD Performance Share Plan ("**RGD PSP**"), and have all the powers as set out in the RGD ESOS and RGD PSP; and

(g) to carry out such other duties in the manner that it deems expedient, subject always to any regulations or restrictions as may be conferred by the Board to the RC.

The RC meets at least once a year and at other times as required, in accordance with its TOR. The Chairman of the RC reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The RC did not engage any remuneration consultants for FY2019 and will continue to monitor the need to engage external remuneration consultants going forward, and where applicable, will review the independence of the external firm before any engagement.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

The Management, together with the RC, recommends the compensation for Independent Non-Executive Directors, taking into account factors such as time spent and the responsibilities of the Directors, the current market circumstances, long-term interest and risk policies of the Company, and the need to attract directors of experience and standing. The Independent Non-Executive Directors' fees are compared against market standards to ensure that they are in line with market norms and to ensure that their independence are not compromised. The Company has in place long-term incentive schemes such as the RGD ESOS and the RGD PSP, as set out in the Company's offer document dated 14 January 2020 ("**Offer Document**"), which are administered by the RC. No share awards or share options have been granted under the RGD ESOS and the RSD PSP, since their commencement.

Independent Non-Executive Directors receive basic Directors' fees and additional fees for serving as a Chairman of a Board Committee, where applicable. The members of the RC do not participate in any decisions concerning their own remuneration. The Directors' fees are endorsed by the RC and recommended by the Board for Shareholders' approval at the AGM of the Company. Directors' fees of S$1,302 (pro-rated based on the duration of service) for FY2019 and Directors' fees of S$95,000 for FY2020 (to be paid quarterly in arrears), have been recommended by the Board and will be subjected to the approval of Shareholders at the forthcoming AGM of the Company. The RC and the Board are of the view that the fees of the current Independent Non-Executive Directors are adequate and not excessive.

Executive Directors do not receive Directors' fees. The remuneration for Executive Directors and key management personnel comprise a fixed and variable component. The variable component is performance-related and is linked to the Group's performance, as well as the performance of each individual Executive Director and key management personnel. The Company does not use contractual provisions to allow the Company to reclaim incentive components of remunerations from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the Company. As the Executive Directors owe a fiduciary duty to the Company, the Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties. If so proposed, the RC will review such contractual provisions as and when necessary.

The RC ensures that the remuneration packages for the Executive Directors and key management personnel are fair. The RC's recommendations are submitted to the entire Board for endorsement. As the Company was recently listed on 31 January 2020, the RC will review remuneration packages or polices for the CEO, the Chief Operating Officer ("**COO**") and the key management personnel based on the performance of the Group at the end of FY2020.

Each member of the RC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC in respect of his/her remuneration packages.

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

On 22 April 2019 and 1 January 2019, the Company entered into separate service agreements ("**Service Agreements**") with Mr Francis Lee (Executive Director and CEO), and Mr Salim Limanto (Executive Director and COO), respectively. Each of the Service Agreements is valid for an initial period of three years taking effect from the date of admission of the Company to the Catalist of the SGX-ST on 31 January 2020. For further details of the Service Agreements which set out information on the remuneration of Mr Francis Lee and Mr Salim Limanto, please refer to the section entitled "Directors, Executive Officers and Employees – Service Agreements" in the Company's Offer Document.

CORPORATE GOVERNANCE REPORT

Disclosure on Directors' Fees and Remuneration

The breakdown of the total remuneration of Directors for FY2019 is set out below:

Name of Director	Directors' Fees (%)	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
S$250,001 to S$500,000					
Mr Salim Limanto	–	56.0	44.0	–	100.0
Up to S$250,000					
Mr Francis Lee	–	100.0	–	–	100.0
Mr Gouw Eng Seng	100.0	–	–	–	100.0
Mr Hew Koon Chan	100.0	–	–	–	100.0
Ms Alice Yan	100.0	–	–	–	100.0

There are no termination, post-employment and retirement benefits that may be granted to the Directors.

After careful deliberation, the Board is of the view that full disclosure of the specific remuneration of each individual Director is not in the best interests of the Company and the Board has decided to disclose the remuneration of each individual Director in the bands of S$250,000 with further breakdown in percentage of his or her remuneration package. In arriving at this decision, the Board took into consideration, *inter alia*, the confidential nature of remuneration matters, the relative size of the Group, the competitive business environment in which the Group operates in, and the negative impact such disclosures may have on the Group.

Disclosure on Key Management Personnel's Remuneration

As at 31 December 2019 and as the date of this report, the Company has only one key management personnel (who is not a Director, CEO or COO) within the Group. The breakdown of total remuneration of the key management personnel of the Group (who are not Directors, the CEO or the COO) for FY2019 is set out below:

Name of key management personnel	Fees (%)	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
Below S$250,000					
Mr Yeo Tze Khern Thomas	–	97.0	–	3.0	100.0

After careful deliberation, the Board is of the view that full disclosure of the aggregate remuneration of the key management personnel is not in the best interests of the Company in view of, *inter alia*, the Company having only one key management personnel and the confidential nature of remuneration matters.

There are no termination and retirement benefits that may be granted to the key management personnel.

Remuneration of employees who are substantial shareholders or immediate family members of the CEO, Directors or substantial shareholders (where remuneration amounts exceed S$100,000 per annum)

Save for Mr Salim Limanto, who is the son of Mr Djunaidi Hardi and the nephew of each of Mr Juhadi, Mr Arifin Ang and Mr Limas Ananto (of whom Mr Djunaidi Hardi, Mr Juhadi and Mr Arifin Ang are our substantial shareholders), there are no other employees who are substantial shareholders or immediate family members of the CEO, the Directors or substantial shareholders whose remuneration exceed S$100,000 for FY2019.

C. ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its Shareholders.

The Board acknowledges that it is responsible for the overall risk management and internal control framework but also recognizes that all risk management and internal control systems contain inherent limitations and that no cost-effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risks of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against misstatements or losses.

As the Group does not have a risk management committee, the AC assumes the responsibility of the risk management function. The AC has reviewed, with the assistance of the internal auditors and the external auditors, the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems.

The Management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to manage and mitigate these risks. The Management reviews all the significant control policies and procedures and highlights all significant findings to the Directors and the AC.

The Board has also received assurance from the CEO, COO and CFO:

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) on the adequacy and the effectiveness of the Group's risk management systems and internal control (including financial, operational, compliance and information technology controls).

Taking into account the Company's corporate structure and scope of operations and based on the internal controls established and maintained by the Group, works performed by the external and internal auditors, and reviews performed by Management, the Board, with the concurrence of the AC, is of the opinion that the Company's internal controls, addressing financial, operations, compliance and information technology risks, and risk management systems were adequate and effective as at 31 December 2019.

PRINCIPLE 10: AUDIT COMMITTEE

The Board has an AC which discharges its duties objectively.

To ensure that corporate governance is effectively practiced, the current Directors have established self-regulatory and monitoring mechanisms, including the establishment of the AC, which comprises the following members:

Mr Hew Koon Chan	Chairman	Independent Non-Executive Director
Ms Alice Yan	Member	Independent Non-Executive Director
Mr Gouw Eng Seng	Member	Independent Non-Executive Director

All of the members of the AC, including the Chairman of the AC, are Non-Executive and Independent Directors. At least two members, including the AC Chairman, possess the necessary accounting or related financial management experience in discharging their duties. The roles and responsibilities of the AC are established in accordance with the Code. The TOR provides for a minimum of two meetings a year, and at such other times as required.

CORPORATE GOVERNANCE REPORT

The AC is established to assist the Board with discharging its responsibility of safeguarding the Group's assets, maintaining adequate accounting records, and developing and maintaining effective systems of risk management and internal controls.

No former partner or director of the Company's existing auditing firm or auditing corporation, within a period of twenty-four (24) months from the date of his or her ceasing to be a partner of the auditing firm or director of the auditing corporation, is appointed to the AC.

The AC carries out its duties in accordance with a set of terms of reference which include, mainly, the following:

(a) review the relevance and consistency of the accounting standards, the significant financial reporting issues, recommendations and judgements made by the external auditors so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;

(b) assist the Board in the discharge of its responsibilities on financial and reporting matters;

(c) review the assurance from the CEO, COO and the CFO on the financial records and financial statements;

(d) review with the external auditors, the audit plans (including scope), their evaluation of the system of internal controls, their audit report, their management letter and the management's response, and results of the audit compiled by the external auditors;

(e) review with the internal auditors, the internal audit plans (including scope) and their evaluation of the adequacy of the Company's internal controls, risk management framework and accounting system before submission of the results of such review to the Board for approval (where necessary);

(f) monitor the implementation of rectification measures proposed by the internal and external auditors;

(g) review and report to the Board, at least annually, the adequacy and effectiveness of the Group's internal controls and procedures addressing financial, operational, compliance and information technology risks, and risk management systems, and ensure coordination between the internal auditors and external auditors and our management, and review the assistance given by the Management to the internal and external auditors, and discuss problems and concerns, if any, and any matters which the internal and external auditors may wish to discuss (in the absence of the Management where necessary);

(h) review the relevant policy and procedures, and the scope and adequacy thereof, in respect to the Group's ongoing compliance with the requirements of the Specific Operation Production Mining Business Licence for transportation and trading of coal (Izin Usaha Pertambangan Operasi Produksi Khusus), and in particular, the relevant application to the Directorate General of Minerals and Coal prior to the Group transacting with any new supplier;

(i) review the periodic financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory and/or regulatory requirements;

(j) review and discuss with the external and internal auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;

(k) review the independence and objectivity of the external auditors and recommend their appointment or re-appointment, remuneration and terms of engagement;

(l) review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time;

(m) review and approve interested person transactions and transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);

(n) review reports prepared by the internal auditors on compliance with the guidelines and procedures for interested person transactions;

(o) review potential conflicts of interests (if any) and to set out a framework to resolve or mitigate any potential conflicts of interest, and to propose additional measures where appropriate;

(p) assess and supervise the Company's, PT Deli Indonesia Sejahtera's and PT Karya Niaga Gemilang's ongoing compliance with the terms set out in the PT Deli Pratama Angkutan Laut Shareholders' Agreement;

(q) appraise the performance of the Chief Financial Officer on an annual basis;

(r) review the key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, immediately announced via SGXNET;

(s) review and approve all hedging policies and instruments implemented by the Group and conduct periodic review of foreign exchange transactions and hedging policies and procedures;

(t) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(u) review arrangements by which concerns about possible improprieties in matters of financial reporting or other matters can be raised and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and

(v) generally to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.

The Chairman of the AC reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The Company has implemented a Whistle Blowing Policy which provides the mechanism for which staff of the Company may in confidence, raise concerns about possible improprieties of financial reporting or other matters. The AC oversees the administration of the policy. Where a complaint has been made, a report will be submitted to the AC for investigation and follow-up. As the Company is listed on Catalist of the SGX-ST on 31 January 2020, whistle-blowing reports are not applicable for FY2019.

Baker Tilly TFW LLP ("**Baker Tilly**") was appointed as the Group's external auditor on 7 January 2019. The aggregate amount of expenses paid or payable to Baker Tilly for FY2019 are as follows:

Description of Services	**Amount (S$'000)**	**Percentage**
Audit fees	129	37.2%
IPO-related fees	188	54.2%
Non-audit fees	30	8.6%
Total	347	100.0%

The AC has reviewed non-audit services provided by Baker Tilly, which includes tax review and transfer pricing services to the Company's Indonesian subsidiaries in FY2019. The Board, with the concurrence of the AC is of the opinion that the independence and objectivity of Baker Tilly have not been affected as a substantial amount of non-audit fees paid in FY2019 was for the IPO of the Company and is not expected to be recurring.

CORPORATE GOVERNANCE REPORT

The AC recommends to the Board on the proposals to the Shareholders on the appointment, re-appointment and removal of external auditor and approval of the remuneration of the external auditor. After considering the resources and experience of Baker Tilly and the audit engagement director assigned to the audit, Baker Tilly's other audit engagements, the size and complexity of the audit for the Group, as well as the number and experience of the staff assigned by Baker Tilly for the audit, the AC has recommended to the Board the nomination and re-appointment of Baker Tilly as the external auditor for the Company's audit obligations for FY2020, at the forthcoming AGM. The Company confirms that Rule 712 and Rule 715 of the Catalist Rules have been complied with in appointing audit firm of the Group.

In the review of the financial statements, the AC has discussed with the Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The AC considered the key audit matters ("**KAM**") presented by the external auditor together with the Management. The AC reviewed the KAM and concurred and agreed with the external auditor and the Management on their assessment, judgements and estimates on the KAM reported by the external auditor.

The AC has the authority to investigate any matters within its TOR, full access to and co-operation by management, full discretion to invite any Director or executive officer to attend its meetings, and avail itself to reasonable resources to enable it to discharge its functions properly. The AC can seek professional advice, where necessary, and at the Company's expense.

The external auditor briefs the AC members on the developments in accounting standards (where applicable) during AC meetings to keep the AC members abreast of changes to the accounting standards and issues which have a direct impact on financial statements. The AC has full access to the external auditor and internal auditor without the presence of Management, and is authorised to have full and unrestricted access to Management and all personnel, records, operations, properties, and other informational sources of the Company as required or desirable to properly discharge its responsibilities.

The Company has outsourced its internal audit function to RSM Risk Advisory Pte. Ltd. to assist the Company in reviewing the design and effectiveness of key internal controls which address financial, operational, compliance and information technology risks and the Company's risk management policy and system as a whole. The AC will review and approve the annual internal audit plan and the appointment and remuneration of the internal auditor. The internal auditor reports directly to the AC on audit matters and to the CEO on administrative matters.

The internal auditor carries out its function according to the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The internal auditor has unfettered access to all the Group's documents, records, properties and personnel, including access to the AC. The AC is satisfied that the outsourced internal audit function is independent, adequately resourced, effective and has the appropriate standing within the Group. The AC is also of the view that the outsourced internal audit function is adequately staffed with persons with the relevant qualifications and experience, and adheres to professional standards including those promulgated by the Institute of Internal Auditors.

The AC has met the external auditor and internal auditor, without the presence of Management, on 26 February 2020.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

E. MANAGING STAKEHOLDERS RELATIONSHIPS

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Information is communicated to Shareholders on a timely basis. Where disclosure is inadvertently made to a selected group, the Company will make the same disclosure publicly as soon as practicable for it to do so.

The Group's corporate communication is made through:

(a) annual report to Shareholders (which include notices of general meetings) are prepared and issued to all Shareholders by post and published on the SGXNET within the mandatory period;

(b) annual and half-yearly financial statements announcements containing a summary of the financial information and affairs of the Group for the period;

(c) notices and explanatory memoranda for general meetings;

(d) disclosures to the SGX-ST and the Shareholders by releasing announcements via SGXNET;

(e) circulars or letters to shareholders to provide the Shareholders with more information on its major transactions; and

(f) press releases.

The Shareholders are encouraged to attend the general meetings of the Company to ensure a high level of accountability by the Board and Management, and to stay informed of the Group's strategies and growth plans. All Shareholders are given the opportunity to participate, voice their views or opinions and to raise questions regarding the Company. The chairpersons and/or members of the Board, AC, NC and RC will be available at the AGM to address any relevant queries from the Shareholders. The external auditor will also be present at the AGM to address Shareholders' queries about the conduct of the audit and the preparation and content of the auditor's report. In compliance with Rule 730A(2) of the Catalist Rules, resolutions tabled at general meetings of Shareholders will be put to vote by poll, using polling slips, the procedures of which will be explained by the appointed scrutineer(s) at the general meetings of Shareholders. An announcement of the detailed results of the number of votes cast for and against each resolution and the respective percentages are announced on a timely manner via SGXNET. As the Company was listed on the Catalist of the SGX-ST on 31 January 2020, no general meetings of Shareholders were held during FY2019.

Matters which require Shareholders' approval are presented and proposed as a separate resolution. The Company practises having separate resolutions at general meetings for each distinct issue. Each item of special business in the notice of general meeting is accompanied by an explanatory note, where appropriate. Proxy form is also sent with the notice of general meeting to all Shareholders.

If any Shareholder is unable to attend, the Shareholder is allowed to appoint up to two (2) proxies to attend, speak and vote on his/her behalf at the general meeting through proxy form sent in advance, at least seventy-two (72) hours before the time of the meeting. The Company's Constitution allows corporations which are considered "relevant intermediary" to appoint more than two proxies to attend, speak and vote at the general meeting. As the authentication of Shareholder identity information and other related security issues remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, e-mail or fax.

The proceedings of the annual general meeting and extraordinary general meeting (if any) are properly recorded, including all comments or queries raised by shareholders relating to the agenda of the meeting and responses from the Board and Management. All minutes of general meetings are available to Shareholders upon their request.

CORPORATE GOVERNANCE REPORT

Shareholders and the public can access information on the Group via its website at https://rgd.sg. Stakeholders of the Company may also send feedback to the Company at info@rgd.sg.

Dividends

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business conditions, development plans and other factors as the Directors may deem appropriate.

As the Board deemed it more appropriate to conserve cash for the Group's business operations and growth, no dividend has been declared or recommended by the Board for FY2019.

Any future dividends that the Board may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as other factors deemed relevant by the Board:

(a) the level of the Group's cash and retained earnings;

(b) the Group's actual and projected financial performance;

(c) the Group's projected levels of capital expenditure and other investment plans;

(d) the ability of our subsidiaries to make dividend payments to the Company;

(e) the Group's working capital requirements and general financing condition; and

(f) restrictions on payment of dividends imposed on the Company by the Group's financing arrangements (if any).

DEALING IN SECURITIES

The Company has adopted an internal compliance code to provide guidance to the Directors, officers and all employees of the Group with regard to dealing in the Company's securities, pursuant to Rule 1204(19) of the Catalist Rules. The Company, Directors and its officers shall not deal in the Company's shares during the period commencing one (1) month prior to each announcement of half-year and full-year financial results by the Company, ending on the date of the announcement of the relevant results. Directors and officers are also expected to observe insider-trading laws at all times even when dealing in securities within permitted trading periods or when they are in possession of unpublished price-sensitive information, and they are not to deal in the Company's securities on short-term considerations.

The Board confirms that, as at the date of this Report, the Company has complied with Rule 1204(19) of the Catalist Rules.

INTERESTED PERSON TRANSACTIONS

The Group has obtained a general mandate from Shareholders for interested person transactions in respect of the purchase of coal from PT Megah Mulia Persada Jaya ("**PT MMPJ**"), PT Sumber Alam Makmur Utama ("**PT SAMU**"), PT Sarolangun Ketalo Coal ("**PT SKC**"), PT Angsana Jaya Energi ("**PT AJE**") and PT Akbar Mitra Jaya ("**PT AMJ**"). The aggregate values of the respective IPTs (above S$100,000) entered during FY2019 are as follows:

Name of interested person	Nature of relationship	Aggregate value of all IPTs during FY2019 (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S$'000)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) (S$'000)
PT AJE	A coal mining company incorporated in Indonesia, and a 25.0% associated company of PT Deli Coal [(1)]	–	15,895
PT AMJ	A coal mining company incorporated in Indonesia which is a 37.4% associated company of PT Deli Coal [(1)]	–	8,207

Notes:

(1) PT Deli Coal is indirectly 80%-owned by certain Founding Shareholders [(2)] (namely Mr Djunaidi Hardi, Mr Arifin Ang, Mr Juhadi and Mr Arifin Tan) and their associates (namely Mdm Ratih Anggaraini and Mdm Lai Hong).

(2) Founding Shareholders refer to Mr Juhadi, Mr Arifin Tan, Mr Djunaidi Hardi, Mr Arifin Ang and Mr Limas Ananto. The Founding Shareholders are deemed to be interested in the shares of the Company held by Deli International Resources Pte. Ltd. (the controlling shareholder of the Company).

NON-SPONSORSHIP FEES

The Company was listed on the Catalist board of the SGX-ST on 31 January 2020, and ZICO Capital Pte. Ltd. ("**ZICO Capital**") was the Sponsor and Issue Manager of the Company in respect of the IPO. Pursuant to the IPO, Sponsor and Issue Manager fees of S$250,000 (excluding GST) were paid/payable in FY2019, and S$285,000 (excluding GST) were paid/payable upon completion of the IPO in 2020, to ZICO Capital. Save as disclosed above, with reference to Rule 1204(21) of the Catalist Rules, no non-sponsor fees were paid to the Company's Sponsor, ZICO Capital, for FY2019 and up to the date of this Annual Report.

CORPORATE GOVERNANCE REPORT

USE OF IPO PROCEEDS

The Company received gross proceeds from the IPO of S$3.0 million ("**Gross Proceeds**"). As at the date of this report, the Gross Proceeds have been utilized as follows:-

	Amount on a re-allocated basis (as announced on 27 March 2020)(1) (S$'000)	Gross Proceeds utilised as at 27 March 2020 (S$'000)	Amount utilised from 28 March 2020 to the date of this report (S$'000)	Balance of Gross Proceeds as at the date of this report (S$'000)
General working capital	1,830	(563) (3)	–	1,267
Listing Expenses				
Professional fees (2)	950	(950)	–	–
Placement commission	200	(200)	–	–
Listing and application fees	20	(20)	–	–
Gross Proceeds	3,000	(1,733)	–	1,267

Notes:

(1) The Company re-allocated the use of Gross Proceeds from the IPO. Please refer to the announcement of the Company on 27 March 2020 for further information.

(2) This reflects the unpaid balance of the professional fees (including the Sponsor and Issue Manager's fees, audit fees, legal fees and other professional fees) as at the date of the Offer Document.

(3) The breakdown of the usage of the Gross Proceeds for general working capital is as follows:

	S$'000
Repayment of Ever Grace Advance[1]	500
Professional fees	18
Staff costs	45
	563

MATERIAL CONTRACTS

Save as disclosed in the section entitled "**Material Contracts**" in the Offer Document, there were no material contracts (including loans) entered into by the Company or any of its subsidiaries involving the interest of the CEO, any Director or controlling shareholder which are either still subsisting as at the end of FY2019 or if not then subsisting, entered into since the end of the previous financial year ended 31 December 2018.

[1] Ever Grace is an investment holding company incorporated in Hong Kong, and 100% indirectly owned by Ms Lenny Limanto, the daughter of one of the Founding Shareholders. In October 2019, Ever Grace granted the Company an advance of S$500,000 to finance the Company's general working capital ("**Ever Grace Advance**") prior to the IPO. The Ever Grace Advance is unsecured, interest-free and repayable on demand. Please refer to the "Interested Person Transactions" section of in the Offer Document for further information on the Ever Grace Advance.

Information on Directors nominated for re-election – Appendix 7F of the Catalist Rules

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F of the Catalist Rules on Mr Gouw Eng Seng, Mr Francis Lee, Mr Salim Limanto, Ms Alice Yan and Mr Hew Koon Chan, being the Directors who are retiring in accordance with the Company's Constitution and are subject to re-election as Directors at the forthcoming AGM is set out below:

Name of Director	**Mr Gouw Eng Seng**	**Mr Francis Lee**	**Mr Salim Limanto**	**Ms Alice Yan**	**Mr Hew Koon Chan**
Date of appointment	27 December 2019	15 July 2019	12 December 2018	27 December 2019	27 December 2019
Date of last re-appointment (if applicable)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Age	70	50	36	59	58
Country of principal residence	Indonesia	Singapore	Indonesia	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Gouw Eng Seng as an Independent Non-Executive Director and Independent Chairman was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr Gouw's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Francis Lee as an Executive Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr Lee's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Salim Limanto as an Executive Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr Limanto's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Ms Alice Yan as an Independent Non-Executive Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Ms Yan's qualifications, expertise, past experiences and overall contribution since she was appointed as a Director of the Company.	The re-election of Mr Hew Koon Chan as an Independent Non-Executive Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr Hew's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive. Mr Lee is responsible for the overall management of the Group, as well as the strategic planning and development of the Group's business, and spearheading the expansion and growth of the Group.	Executive. Mr Limanto is responsible for the overall operations and business development activities of the Group.	Non-Executive	Non-Executive

CORPORATE GOVERNANCE REPORT

Name of Director	Mr Gouw Eng Seng	Mr Francis Lee	Mr Salim Limanto	Ms Alice Yan	Mr Hew Koon Chan
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director and Independent Chairman, Chairman of the NC and a member of the AC and the RC	Executive Director and Chief Executive Officer	Executive Director and Chief Operating Officer	Independent Non-Executive Director, Chairman of the RC and a member of the AC and the NC	Independent Non-Executive Director, Chairman of the AC and a member of the NC and the RC
Professional qualifications	• Bachelor of Art • Master of Art	• Bachelor of Economics (Honours) • Member, CPA Australia	Bachelor of Economics, majoring in Accountancy	Bachelor of Science	• Bachelor of Engineering (Mechanical) • Graduate Diploma in Financial Management • Certified Diploma in Accounting & Finance

CORPORATE GOVERNANCE REPORT

Name of Director	Mr Gouw Eng Seng	Mr Francis Lee	Mr Salim Limanto	Ms Alice Yan	Mr Hew Koon Chan
Working experience and occupation(s) during the past 10 years	**2017 – Present:** Beijing Jiatong University – Member of the International Advisory Board **January 2015 – Present:** Indonesia Research and Development International - Executive Chairman **November 2015 – Present:** Sarawak Energy Berhad - Indonesian Representative and Consultant **September 2013 – Present:** Indonesian Smelter and Mineral Processing Association – Executive Chairman **October 2000 – Present:** Indonesian Chamber of Commerce and Industry – Vice Chairman **January 2005 – December 2015:** Indonesian National Productivity Council – Indonesian Representative to the Indonesian Chamber of Commerce and Industry	**July 2019 – Present:** Company – Executive Director and Chief Executive Officer **October 2015 – June 2019:** Agrifert Trading Pte Ltd – General Manager and Director **2011 – 2019:** NewQuest Vietnam Company Ltd – Executive Chairman **2007 – 2019:** Agri Malar Company Limited (Myanmar) – Managing Director **2013 – 2016:** Beng Kuang Marine Ltd - Alternate Non-Executive Director **2014 – 2015:** KSM Strategic Pte Ltd – General Manager **2004 – 2015:** NewQuest (Trading) Pte Ltd – General Manager of the Fertiliser Department	**December 2018 – Present:** Company – Executive Director and Chief Operating Officer **October 2013 – Present:** PT Deli Niaga Sejahtera – President Director **February 2013 – Present:** PT. Deli Pratama Angkutan Laut – President Director **February 2009 – June 2019:** Deli International Resources Pte Ltd – Director **September 2018 – December 2018:** Resources International Development Pte Ltd – Executive Director **June 2006 – June 2018:** PT. Sinar Deli – Head of Sales & Shipping **September 2008 – January 2012:** Resources International Development Pte Ltd – Executive Director	**August 2019 – Present:** Kode 101 – Co-Founder and Chief Executive Officer **March 2018 – December 2019:** Manulife Financial Advisers Pte Ltd (Singapore) – Financial Advisor **November 2014 – December 2016:** PT Bank ICBC Indonesia – Executive Vice President and Consumer Banking Group Head **April 2013 – August 2014:** Julius Baer & Co. Ltd (Singapore) – Director and Wealth Manager **November 2011 – April 2013:** Standard Chartered Bank (Singapore) – Director and Wealth Manager **May 2005 – November 2011:** Merill Lynch International Bank Limited (Merchant Bank) (Singapore) – Director and Wealth Manager **June 1990 – 30 August 2004:** Citibank Corporate Bank, Vice President (Jakarta, Indonesia)	**December 2004 – Present:** Integer Capital Pte Ltd – Managing Director (Founder & Owner)

CORPORATE GOVERNANCE REPORT

Name of Director	Mr Gouw Eng Seng	Mr Francis Lee	Mr Salim Limanto	Ms Alice Yan	Mr Hew Koon Chan
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Nil	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	The substantial shareholders of Company are Mr Limanto's immediate family members, namely, Djunaidi Hardi (father), Limas Ananto (uncle), Arifin Ang (uncle), Juhadi (uncle). Mr Herry Limanto, a director of Deli International Resources Pte. Ltd., the holding company of the Company, is Mr Limanto's brother.	No	No
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes	Yes
Other Principal Commitments* Including Directorships#					

*"Principal Commitments" has the same meaning as defined in the Code - "principal commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations.

These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)

CORPORATE GOVERNANCE REPORT

Name of Director	Mr Gouw Eng Seng	Mr Francis Lee	Mr Salim Limanto	Ms Alice Yan	Mr Hew Koon Chan
Past (for the last 5 years)	Nil	• Agrifert Malar Company Limited (Myanmar) • Agrifert Trading Pte. Ltd. • Agrifert Vietnam Co. Ltd. (formerly known as NewQuest Vietnam Company Ltd) • Beng Kuang Marine Limited • Foodprints Investments Pte. Ltd. • Foodprints Summit Pte. Ltd. • Hoe Seng F&B Enterprise Pte. Ltd. • Sekib Pte. Ltd. • Setia Holding Pte. Ltd. • Tacit Pte. Ltd.	• Deli International Resources Pte. Ltd. • Global Credential Investment Pte. Ltd. (struck off as at 4 October 2016) • Palmsphere Sdn. Bhd. • PT Deli Niaga Jaya • Resources International Development Pte. Ltd. (formerly known as Borneo Resources International Pte. Ltd.)	Nil	• DeClout Pte. Ltd. (formerly known as DeClout Limited) • Livingstone Health Ltd. (formerly known as Ardmore Medical Group Limited) • Nordic Group Limited • Plasmotech Pte Ltd • Roxy-Pacific Holdings Limited • Tai Icon Sdn Bhd. (struck off as at 25 July 2018) • Trinity Christian Centre Ltd
Present	Nil	• Alfra Resources Pte. Ltd. • Belle Tech Pte. Ltd. • Granfill Pte. Ltd.	• PT Deli Niaga Sejahtera • PT Deli Pratama Angkutan Laut	Kode 101 (partnership)	• ATXL Invest Pte. Ltd. • ecoWise Holdings Limited • Far East Group Limited • Integer Capital Pte. Ltd. • SEA Family Trust Pte. Ltd. • shopper360 Limited • SP Manufacturing Pte. Ltd.

CORPORATE GOVERNANCE REPORT

Name of Director	Mr Gouw Eng Seng	Mr Francis Lee	Mr Salim Limanto	Ms Alice Yan	Mr Hew Koon Chan
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.					
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No	No

Name of Director	Mr Gouw Eng Seng	Mr Francis Lee	Mr Salim Limanto	Ms Alice Yan	Mr Hew Koon Chan
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No	No

CORPORATE GOVERNANCE REPORT

Name of Director	Mr Gouw Eng Seng	Mr Francis Lee	Mr Salim Limanto	Ms Alice Yan	Mr Hew Koon Chan
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud,misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No	No

CORPORATE GOVERNANCE REPORT

Name of Director	Mr Gouw Eng Seng	Mr Francis Lee	Mr Salim Limanto	Ms Alice Yan	Mr Hew Koon Chan
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No	No

CORPORATE GOVERNANCE REPORT

Name of Director	Mr Gouw Eng Seng	Mr Francis Lee	Mr Salim Limanto	Ms Alice Yan	Mr Hew Koon Chan
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?					
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No	Yes. During his tenure as an independent director of DeClout Limited (now known as DeClout Pte. Ltd., a company which was previously listed on the Catalist board of SGX-ST), Mr Hew sold 200,000 shares in DeClout Limited in the public market. Although the shares were sold on 8 March 2017 (Wednesday), he only received the contract statement from his broker on 11 March 2017 (Saturday) and he subsequently informed DeClout Limited on 13 March 2017 (Monday).

Name of Director	Mr Gouw Eng Seng	Mr Francis Lee	Mr Salim Limanto	Ms Alice Yan	Mr Hew Koon Chan
					The notification made on 13 March 2017 (Monday) was more than 2 business days from the date of change of his interest on 8 March 2017. On 28 April 2017, he was held by the Monetary Authority of Singapore ("**MAS**") to be in breach of Section 133 of the Securities and Futures Act (Cap. 289) ("**SFA**") which, inter alia, requires directors of a corporation to notify the corporation of any change of their interest in the shares of the corporation within 2 business days from their becoming aware of such change of interest. MAS has not taken any regulatory action against Mr Hew in respect of this matter, except to remind him of the obligations to comply with Section 133 of the SFA and other applicable laws and regulations at all times, and that MAS may take this contravention into account when considering actions to be taken against him for any future violations. Accordingly, this matter has been concluded.

CORPORATE GOVERNANCE REPORT

Name of Director	Mr Gouw Eng Seng	Mr Francis Lee	Mr Salim Limanto	Ms Alice Yan	Mr Hew Koon Chan
Disclosure applicable to the appointment of Directors only					
Any prior experience as a director of an issuer listed on the Exchange? (Yes/No) If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	No. Mr Gouw has attended the following courses conducted by the Singapore Institute of Directors: (a) LED 1: Listed Director Essentials; and (b) LED 2: Board Dynamics The Company will arrange for Mr Gouw to attend other relevant briefing and training in relation to the roles and responsibilities of a director of a Singapore Public Listed Company conducted by the Singapore Institute of Directors.	Yes. Mr Lee was a director of Beng Kuang Marine Limited, a company listed on Mainboard of the SGX-ST.	No. Mr Limanto has attended the following courses conducted by the Singapore Institute of Directors: (a) LED 1: Listed Director Essentials; and (b) LED 2: Board Dynamics The Company will arrange for Mr Limanto to attend other relevant briefing and training in relation to the roles and responsibilities of a director of a Singapore Public Listed Company conducted by the Singapore Institute of Directors.	No. Ms Yan has attended the following courses conducted by the Singapore Institute of Directors: (a) LED 1: Listed Director Essentials; and (b) LED 2: Board Dynamics The Company will arrange for Ms Yan to attend other relevant briefing and training in relation to the roles and responsibilities of a director of a Singapore Public Listed Company conducted by the Singapore Institute of Directors.	Yes. Mr Hew is currently a director of several companies listed on the SGX-ST. Please refer to the list of directorship disclosed above, in this table.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not Applicable, this is a re-election of a director	Not Applicable, this is a re-election of a director	Not Applicable, this is a re-election of a director	Not Applicable, this is a re-election of a director	Not Applicable, this is a re-election of a director

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Resources Global Development Limited (the "Company") and its subsidiaries (the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2019.

In the opinion of the directors:

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 56 to 105 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors in office at the date of this statement are:

Mr Salim Limanto	
Mr Francis Lee	(Appointed on 15 July 2019)
Mr Gouw Eng Seng	(Appointed on 27 December 2019)
Ms Alice Yan	(Appointed on 27 December 2019)
Mr Hew Koon Chan	(Appointed on 27 December 2019)

Arrangement to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interest in shares or debentures

The directors of the Company holding office at the end of the financial year and at 21 January 2020 had no interests in the shares or debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act.

Share options

The RGD Employee Share Option Scheme (the "RGD ESOS") of the Company was approved and adopted on 23 December 2019. The committee administering the RGD ESOS is the Remuneration Committee, which comprises three directors, Ms Alice Yan, Mr Gouw Eng Seng and Mr Hew Koon Chan.

Information regarding the RGD ESOS is set out below:

a) The exercise price of the options is determined at the Remuneration Committee's discretion, and set at a price (the "Market Price") equal to the average of the last dealt prices for a Share on the official list of the SGX-ST for the five (5) consecutive market days immediately preceding the date on which an offer to grant an Option is made or at discount to the Market Price (subject to a maximum discount of 20%).

b) Options which are fixed at the Market Price may be exercised after the first anniversary of the date on which an offer to grant that option is made, while options exercisable at a discount to the Market Price may be exercised after the second anniversary from the date on which an offer to grant that option is made. Options granted will have a life span of up to 10 years. Under the rules of the RGD ESOS, while there are no fixed periods for the grant of options, the RGD ESOS shall continue in operation for a maximum duration of 10 years and may be continued for any further period thereafter with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required. As such, offers of the grant of options may be made at any time from time to time at the discretion of our Remuneration Committee as long as the RGD ESOS is in operation.

Since the commencement of the RGD ESOS till the end of the financial year:

a) no options have been granted to directors or controlling shareholders of the Company and their associates;

b) no participant under the RGD ESOS has received 5% or more of the total options available under the RGD ESOS; and

c) no options have been granted under the RGD ESOS.

Audit Committee

The members of the Audit Committee during the financial year and at the date of this statement are:

Mr Hew Koon Chan (Chairman)
Mr Gouw Eng Seng
Ms Alice Yan

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. Their functions are detailed in the Corporate Governance Report section of the 2019 Annual Report.

In performing its functions, the Audit Committee met with the Company's independent external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board that Baker Tilly TFW LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

DIRECTORS' STATEMENT

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Salim Limanto Director	Francis Lee Director

INDEPENDENT AUDITOR’S REPORT

To the members of Resources Global Development Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Resources Global Development Limited (the “Company”) and its subsidiaries (the “Group”) as set out on pages 56 to 105, which comprise the statements of financial position of the Group and of the Company as at 31 December 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition
(Refer to Notes 4 and 13 to the financial statements)

Description of key audit matter

Revenue is one of the key elements in the financial statements used as a measure of financial performance of an entity. The Group’s revenue totalled $84,425,363 for the financial year ended 31 December 2019 from coal trading and coal shipping services (Note 4). The accounting policy for revenue recognition is set out in Note 2(d) to the financial statements. We identified revenue recognition as a key audit matter because revenue is one of the Group’s key performance indicators and significant audit risk requires significant amount of our attention during the audit.

Our audit procedures to address key audit matter:

We obtained an understanding of the revenue recognition process and evaluated the design of the relevant internal controls and performed walkthrough of the significant class of revenue transactions. We performed substantive procedures, which include test of details on a sample basis to address the risk of material misstatement over recognition of revenue and for compliance with the Group’s accounting policy. We performed cut-off procedures by reviewing management’s estimation on data such as shipping schedules, departure dates and arrival dates for vessel voyages in progress at year end to ensure that the revenue is accurately recorded in the correct financial period. We also assessed the adequacy and appropriateness of the disclosures made in the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the members of Resources Global Development Limited

Report on the Audit of the Financial Statements (cont'd)

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Khor Boon Hong.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

31 March 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2019

		Group	
		2019	2018
	Note	**$**	$
Revenue	4	**84,425,363**	44,757,179
Cost of sales and services		**(78,863,269)**	(39,272,268)
Gross profit		**5,562,094**	5,484,911
Interest income		**230,559**	150,063
Other income		**269**	–
Expenses			
Administrative expenses		**(3,572,978)**	(1,454,413)
Finance costs	5	**(393,324)**	(128,194)
Profit before tax	6	**1,826,620**	4,052,367
Tax expense	8	**(819,582)**	(599,368)
Profit for the financial year		**1,007,038**	3,452,999
Other comprehensive income/(loss)			
Item that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation		**430,222**	(454,409)
Item that will not be reclassified subsequently to profit or loss:			
Remeasurement of post-employment benefits liabilities, net of tax		**(7,867)**	44,482
Currency translation differences arising from consolidation		**355,528**	(544,484)
Other comprehensive income/(loss) for the financial year, net of tax		**777,883**	(954,411)
Total comprehensive income for the financial year		**1,784,921**	2,498,588
Profit for the financial year attributable to:			
Equity holders of the Company		**764,135**	2,241,696
Non-controlling interests		**242,903**	1,211,303
		1,007,038	3,452,999
Total comprehensive income attributable to:			
Equity holders of the Company		**1,188,503**	1,810,058
Non-controlling interests		**596,418**	688,530
		1,784,921	2,498,588
Earning per share attributable to equity holders of the Company (cents per share)			
Basic and diluted	9	**1.0**	3.0

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019

		Group		Company	
		2019	2018	**2019**	2018
	Note	**$**	$	**$**	$
Non-current assets					
Property, plant and equipment	10	**35,100,035**	14,506,465	**241,169**	3,344
Deferred tax assets		**7,618**	1,838	**–**	–
Investment in subsidiaries	11	**–**	–	**1,701,028**	1,701,028
Other receivables	12	**2,636**	19,997	**–**	–
		35,110,289	14,528,300	**1,942,197**	1,704,372
Current assets					
Contract assets	13	**201,951**	–	**–**	–
Inventories	14	**37,804**	31,207	**–**	–
Trade and other receivables	12	**7,824,013**	7,269,823	**169,394**	36,505
Cash and cash equivalents		**7,971,299**	11,326,672	**262,155**	1,081,082
		16,035,067	18,627,702	**431,549**	1,117,587
Total assets		**51,145,356**	33,156,002	**2,373,746**	2,821,959
Non-current liabilities					
Liabilities for post-employment benefits	15	**230,598**	182,537	**–**	–
Borrowings	16	**7,990,915**	101,351	**128,643**	–
		8,221,513	283,888	**128,643**	–
Current liabilities					
Trade and other payables	17	**10,459,973**	3,794,528	**1,191,226**	246,169
Contract liabilities	13	**1,807,550**	40,298	**–**	–
Borrowings	16	**220,647**	590,635	**83,202**	–
Tax payable		**483,011**	509,291	**–**	–
		12,971,181	4,934,752	**1,274,428**	246,169
Total liabilities		**21,192,694**	5,218,640	**1,403,071**	246,169
Net assets		**29,952,662**	27,937,362	**970,675**	2,575,790
Equity					
Share capital	18	**3,000,000**	3,000,000	**3,000,000**	3,000,000
Retained earnings		**14,386,211**	13,515,043	**(2,029,325)**	(424,210)
Currency translation reserve		**(585,983)**	(1,016,205)	**–**	–
Equity attributable to equity holders of the Company		**16,800,228**	15,498,838	**970,675**	2,575,790
Non-controlling interests		**13,152,434**	12,438,524	**–**	–
Total equity		**29,952,662**	27,937,362	**970,675**	2,575,790

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2019

	Attributable to equity holders of the Company					
	Share capital	Retained earnings	Currency translation reserve	Total	Non-controlling interests	Total equity
	$	$	$	$	$	$
Group						
2019						
Balance at 1 January 2019	3,000,000	13,515,043	(1,016,205)	15,498,838	12,438,524	27,937,362
Profit for the financial year	–	764,135	–	764,135	242,903	1,007,038
Other comprehensive income/(loss)						
Currency translation differences arising from consolidation	–	–	430,222	430,222	355,528	785,750
Remeasurement of post-employment benefits liabilities	–	(5,854)	–	(5,854)	(2,013)	(7,867)
Other comprehensive (loss)/income for the financial year, net of tax	–	(5,854)	430,222	424,368	353,515	777,883
Total comprehensive income for the financial year	–	758,281	430,222	1,188,503	596,418	1,784,921
Fair value gain on loan from a shareholder	–	112,887	–	112,887	117,492	230,379
Balance at 31 December 2019	**3,000,000**	**14,386,211**	**(585,983)**	**16,800,228**	**13,152,434**	**29,952,662**
Group						
2018						
Balance at 1 January 2018	757,460	11,947,356	(561,796)	12,143,020	12,465,107	24,608,127
Profit for the financial year	–	2,241,696	–	2,241,696	1,211,303	3,452,999
Other comprehensive income/(loss)						
Currency translation differences arising from consolidation	–	–	(454,409)	(454,409)	(544,484)	(998,893)
Remeasurement of post-employment benefits liabilities		22,771	–	22,771	21,711	44,482
Other comprehensive income/(loss) for the financial year, net of tax	–	22,771	(454,409)	(431,638)	(522,773)	(954,411)
Total comprehensive income/(loss) for the financial year	–	2,264,467	(454,409)	1,810,058	688,530	2,498,588
Dividend (Note 19)	–	(696,780)	–	(696,780)	(725,220)	(1,422,000)
Issuance of shares by a subsidiary (Note 18)	1,000,573	–	–	1,000,573	10,107	1,010,680
Issuance of shares by the Company (Note 18)	3,000,000	–	–	3,000,000	–	3,000,000
Adjustment pursuant to the pooling-of-interest (Note 18)	(1,758,033)	–	–	(1,758,033)	–	(1,758,033)
Balance at 31 December 2018	3,000,000	13,515,043	(1,016,205)	15,498,838	12,438,524	27,937,362

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2019

	Share capital $	Accumulated losses $	Total equity $
Company			
Issuance of shares on 12 December 2018 (date of incorporation)	3,000,000	–	3,000,000
Loss for the financial period	–	(424,210)	(424,210)
Balance at 31 December 2018	3,000,000	(424,210)	2,575,790
Loss for the financial year	–	(1,605,115)	(1,605,115)
Balance at 31 December 2019	**3,000,000**	**(2,029,325)**	**970,675**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2019

	Group	
	2019	2018
	$	$
Cash flows from operating activities		
Profit before tax	**1,826,620**	4,052,367
Adjustments for:		
Depreciation of property, plant and equipment	**2,875,761**	1,272,099
Post-employment benefits	**186,622**	72,493
Interest income	**(230,559)**	(150,063)
Interest expense	**393,324**	128,194
Property, plant and equipment written off	**2,788**	–
Operating cash flows before working capital changes	**5,054,556**	5,375,090
Change in operating assets and liabilities:		
Inventories	**(6,597)**	(10,181)
Receivables	**(738,779)**	(3,459,038)
Payables	**5,755,328**	3,208,583
Currency translation difference	**484,198**	4,560
Cash generated from operations	**10,548,706**	5,119,014
Interest received	**230,559**	150,063
Taxes paid	**(864,450)**	(432,663)
Net cash generated from operating activities	**9,914,815**	4,836,414
Cash flows from investing activities		
Cash outflow arising from acquisitions of subsidiaries	**–**	(1,758,033)
Purchases of property, plant and equipment (Note 10(c))	**(20,510,280)**	(1,353,951)
Advances to a director of the Company	**–**	(12,324)
Advances to shareholders	**–**	(26,070)
Repayment from a director of the Company	**–**	101,789
Repayment from shareholders	**–**	55,932
Repayment from related parties	**–**	6,486,509
Advances to a third party	**–**	(35,374)
Net cash (used in)/generated from investing activities	**(20,510,280)**	3,458,478

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2019

	Group	
	2019	2018
	$	$
Cash flows from financing activities		
Proceeds from issuance of shares	**–**	4,000,573
Proceeds from issuance of shares to non-controlling interest	**–**	10,107
Dividend paid to shareholders	**–**	(1,422,000)
Interest paid	**(162,945)**	(128,194)
Advances received from a related party	**500,000**	–
Loan from a shareholder	**7,656,964**	–
Proceeds from bank loans	**7,714,877**	–
Repayment of bank loans	**(576,924)**	(618,695)
Repayment of loan from a related party	**–**	(961,711)
Repayment of loan from a shareholder	**(7,807,200)**	–
Repayment of lease liabilities	**(88,775)**	–
Repayment of finance lease liabilities	**–**	(32,327)
Net cash generated from financing activities	**7,235,997**	847,753
Net (decrease)/increase in cash and cash equivalents	**(3,359,468)**	9,142,645
Effect of exchange rate changes on cash and cash equivalents	**4,095**	–
Cash and cash equivalents at beginning of financial year	**11,326,672**	2,184,027
Cash and cash equivalents at end of financial year	**7,971,299**	11,326,672

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 Corporate information

Resources Global Development Pte. Ltd. (the "Company") (Co. Reg. No. 201841763M) is incorporated on 12 December 2018 and domiciled in Singapore. On 23 December 2019, the Company was converted into a public company limited by shares and changed its name to Resources Global Development Limited. On 31 January 2020, the Company was listed on the Catalist Board of Singapore Exchange Securities Trading Limited ("SGX-Catalist").

The principal places of business of the Company is located at 144 Robinson Road, #07-01 Robinson Square, Singapore 068908.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 11.

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

2 Summary of significant accounting policies

a) Basis of preparation

The financial statements of the Group, expressed in Singapore dollar ("$"), have been prepared in accordance with the provisions of the Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial years. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

2 Summary of significant accounting policies (cont'd)

a) Basis of preparation (cont'd)

New and revised standards

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of these new/revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company except as disclosed as below:

SFRS(I) 16 Leases

When the Group is the lessee

SFRS(I) 16 replaces the existing SFRS(I) 1-17 *Leases* for financial period beginning 1 January 2019. It reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on their statements of financial position to reflect their rights to use leased assets (a "right-of-use" asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and leases of low value items. In addition, the nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of right-of-use asset and interest expense on lease liability.

On adoption of SFRS(I) 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "Operating Leases" under SFRS(I) 1-17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 January 2019. The weighted lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 6.81% per annum.

	$
Operating lease commitments disclosed as at 31 December 2018	33,552
Less: Short term lease recognised on a straight-line basis as an expense	(33,552)
Add: Finance lease liabilities recognised as at 31 December 2018	127,661
Lease liabilities recognised as at 1 January 2019	127,661

The associated right-of-use assets were measured at the amount equal to the lease liabilities (adjusted for any prepaid or accrued lease payment) on adoption 1 January 2019. Arising from the adoption of SFRS(I) 16, right-of-use assets and lease liabilities of $168,903 and $127,661 respectively were recognised on the statements of financial position on 1 January 2019.

In applying SFRS(I) 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- account for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases; and
- exclude initial direct costs for the measurement of the right-of-use asset at the date of initial application.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

2 Summary of significant accounting policies (cont'd)

a) Basis of preparation (cont'd)

New and revised standards (cont'd)

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 31 December 2019 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

b) Basis of consolidation

The financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. Subsidiaries are from the date on which control is transferred to the Group up to the effective date on which that control ceases. The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions including income expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Business combinations involving entities or businesses under common control are accounted for by applying the pooling of interest method.

The financial statements of the Group were prepared by applying the pooling of interest method. Under this method, the Company has been treated as the holding company of the subsidiaries for the financial period presented. Accordingly, the results of the Group include the results of the subsidiaries for the entire period under review. Such manner of presentation reflects the economic substance of the companies, which were under common control throughout the relevant period, as a single economic enterprise, although the legal parent-subsidiary relationships were not established.

Pursuant to this:

- assets and liabilities are reflected at their existing carrying amounts;
- no adjustments are made to reflect the fair values on the date of combination or recognise any new assets or liabilities;
- no amount is recognised for goodwill;
- any difference between the consideration paid by the Company and the share capital of the subsidiaries is reflected within the equity of the Group as merger reserve;
- prior to the issue of shares by the Company, the aggregate paid-up capital and retained earnings of the subsidiaries held directly by the Company is shown as the Group's share capital and retained earnings for financial period under review; and
- non-controlling interests are measured at the non-controlling interests proportionate share of the entities' net assets.

2 Summary of significant accounting policies (cont'd)

b) Basis of consolidation (cont'd)

Other business combinations are accounted for using acquisition method. The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiaries. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

Non-controlling interest are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amount of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the Company.

c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investment in subsidiaries are accounted for at cost less accumulated impairment losses, if any. On disposal of the investments, the difference between disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

2 Summary of significant accounting policies (cont'd)

d) Revenue recognition

Sale of coal

Revenue is recognised at a point in time when the goods are delivered to a contractually agreed location where the control over the goods are passed to the customer. The amount of revenue recognised is the amount of transaction price allocated to the satisfied performance obligation ("PO") as per specified in the contract with no element of financing deemed present. The transaction price determined is the amount of consideration in the contract to which the Group expects to be entitled in exchange for satisfying the PO. A receivable is recognised when the coal are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Coal shipping services

Revenue from coal shipping services is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group, by reference to the voyage progress as at the end of the reporting period. Revenue is recognised evenly over the duration of each voyage as the performance obligation is satisfied.

The Group has a right to invoice the consideration to a customer in an amount that corresponds directly to the period of chartering in the form of fixed fee at contract inception.

A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Advances received from customer for future deliveries of services is classified as contract liability. Contract assets are transferred to receivables when the rights to consideration becomes unconditional. Contract liabilities are recognised as revenue as (or when) the Group satisfies the performance obligation under its contract.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

e) Employee benefits

Employee leave entitlement

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the reporting date.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund in Singapore, and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

2 Summary of significant accounting policies (cont'd)

e) Employee benefits (cont'd)

Post-employment benefits

Long-term and post-employment benefits, such as pension, severance pay, service pay and other benefits are calculated in accordance with the "Company Regulation" of the subsidiaries in Indonesia which is in line with Labor Law No. 13/2003 in Indonesia.

The obligation for post-employment benefits recognised in the consolidated statements of financial position is calculated at present value of estimated future benefits that the employees have earned in return for their services in the current and prior years, deducted by any plan assets. The calculation is performed by an independent actuary using the Projected Unit Credit method.

When the benefits of a plan change, the portion of the increased or decreased benefits relating to past services by employees is charged or credited to the profit or loss using the straight-line method over the average remaining service period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the profit or loss. Actuarial gain or loss arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income or loss.

f) Leases

The accounting policy for leases before 1 January 2019 is as follows:

Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. Each lease payment is allocated between reduction of the outstanding liability and finance charges. The corresponding lease liabilities, net of finance charges, are included in borrowings. The finance charge is taken to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The asset acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

2 Summary of significant accounting policies (cont'd)

f) Leases (cont'd)

The accounting policies for leases after 1 January 2019 is as follows:

The Group assess at contract inception whether a contract is, or contains, a lease. That is, if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets (e.g. leases of small items of office equipment). For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liability is presented within "borrowings" in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2 Summary of significant accounting policies (cont'd)

f) Leases (cont'd)

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within "Property, plant and equipment" in the statements of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(j).

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Group has applied this practical expedient to all its leases of office premises.

g) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the reporting period, and any adjustment to tax payable or recoverable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

2 Summary of significant accounting policies (cont'd)

g) Income taxes (cont'd)

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the reporting period.

h) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

No depreciation is provided on land. Depreciation of other property, plant and equipment is calculated on a straight-line basis to allocate the depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Years
Buildings	20
Vessels and barges	10 - 20
Dry docking	2
Motor vehicles	5 - 8
Vessel equipment	4
Office equipment	3 - 8
Office premises under leases	3

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2 Summary of significant accounting policies (cont'd)

h) Property, plant and equipment (cont'd)

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

Capital work-in-progress represents assets in the course of construction for production, or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss until construction or development is completed. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policies. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Upon acquisition of a vessel, the components of the vessel which are required to be replaced at the next dry-docking are identified and their costs are depreciated over the period to the next estimated dry-docking date, which is generally 2-2.5 years. Costs incurred on subsequent dry-docking of vessels are capitalised and depreciated over the period to the next estimated dry-docking date. When significant dry-docking costs incurred prior to the expiry of the depreciation period, the remaining costs of the previous dry-docking are written off immediately.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

i) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of fuel and spare parts are determined using the weighted average method.

j) Impairment of non-financial assets excluding goodwill

At the end of each reporting period, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is recognised in other comprehensive income up to the amount of any previous revaluation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

2 Summary of significant accounting policies (cont'd)

j) Impairment of non-financial assets excluding goodwill (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

k) Cash and cash equivalents

For the purpose of presentation in the statements of cash flows, cash and cash equivalents comprise cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

l) Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

All financial assets are classified at amortised cost. The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets. The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Subsequent measurement

Debt instruments include cash and cash equivalents and trade and other receivables (excluding prepayments). These are subsequently measured at amortised cost based on the Group's business model for managing the asset and cash flow characteristics of the asset.

2 Summary of significant accounting policies (cont'd)

l) Financial assets

Subsequent measurement (cont'd)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Impairment

The Group recognises an allowance for expected credit losses ("ECL") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a "12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a "lifetime ECL").

For trade receivables and contract assets that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

2 Summary of significant accounting policies (cont'd)

m) Financial liabilities

Financial liabilities include payables, accruals and borrowings. Financial liabilities are recognised on the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

n) Functional and foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which that entity operates ('the functional currency'). The financial statements of the Group are presented in Singapore Dollar, which is the Company's functional currency.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are included in the currency transaction reserve within equity in the consolidated financial statements. The currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rates at the end of the reporting period;
- Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- All resulting exchange differences are recognised in the currency translation reserve within equity.

2 Summary of significant accounting policies (cont'd)

n) Functional and foreign currencies (cont'd)

Translation of Group entities' financial statements (cont'd)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

o) Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

p) Provision for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and that the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of reporting period, and are discounted to present value where the effect is material.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

q) Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are recognised in the profit or loss using the effective interest method.

r) Dividend

Interim dividends are recorded during the financial year in which they are declared payable.

Final dividends are recorded in the Group's financial statements in the period in which they are approved by the Company's shareholders.

s) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decision about allocating resources and assessing performance of the operating segments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Critical judgements made in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgement that has the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations):

Functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required by management to determine the primary economic environment in which the entities operate, the entities' process of determining sales prices and the currency of the country whose competitive forces and regulations mainly influences the prices of its goods and services. Management has assessed that prices are mainly denominated and settled in the respective local currency of the entities of the Group. In addition, most of the entities' cost base is mainly denominated in their respective local currency. Therefore, management concluded that the functional currency of the entities of the Group is their respective local currency.

Key sources of estimation uncertainty

The key assumption concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is discussed below.

Estimated useful lives of property, plant and equipment

The useful life of each of the items of the Group's property, plant and equipment is estimated based on the period over which the assets are expected to be available for use. Such estimation is based on internal technical evaluations and experience with similar assets.

The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. It is possible, however, that future results of the operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above.

A change in the estimated useful life of any item of property, plant and equipment would affect the recorded depreciation expense and carrying values of the assets. The carrying amounts of property, plant and equipment at the end of the reporting period are disclosed in Note 10.

4 Revenue

	Group	
	2019	2018
	$	$
Coal trading	**74,361,462**	36,437,377
Coal shipping services	**10,063,901**	8,319,802
	84,425,363	44,757,179

The following table provides a disaggregation disclosure of the Group's revenue by timing of revenue recognition.

	Coal trading	Coal shipping services	Total
	$	**$**	**$**
2019			
Timing of revenue recognition			
At a point in time	**74,361,462**	**–**	**74,361,462**
Over time	**–**	**10,063,901**	**10,063,901**
	74,361,462	**10,063,901**	**84,425,363**
2018			
Timing of revenue recognition			
At a point in time	36,437,377	–	36,437,377
Over time	–	8,319,802	8,319,802
	36,437,377	8,319,802	44,757,179

The Group mainly operates in Indonesia. The Group applies the practical expedient in SFRS(I) 15 and does not disclose information about its remaining performance obligation because:

- The performance obligation is part of a contract that has an original expected duration of one year or less; or
- The Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, and it recognises revenue in that amount.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

5 Finance costs

	Group	
	2019	2018
	$	$
Interest expense on:		
- bank loans	**140,637**	112,783
- finance lease liabilities	**–**	8,475
- loans from a related party	**–**	6,936
- loans from a shareholder	**230,379**	–
- lease liabilities	**22,308**	–
	393,324	128,194

6 Profit before tax

	Group	
	2019	2018
	$	$
This is arrived at after charging:		
Included in cost of sales and services:		
Depreciation of vessels and vessel equipment	**2,754,639**	1,233,703
Coal purchases	**66,818,913**	30,342,142
Freight charter	**2,672,142**	3,757,511
Fuel expenses	**2,126,210**	1,458,331
Insurance expenses	**218,888**	93,635
Loading/discharging expenses	**748,594**	327,351
Mooring and anchoring expenses	**289,349**	383,929
Repair and maintenance	**472,876**	383,214
Staff costs	**1,243,326**	764,156
Included in administrative expenses:		
Depreciation of property, plant and equipment	**121,122**	38,396
Insurance expenses	**23,555**	16,955
Licensing fee	**81,151**	125,089
Office rental	**34,301**	33,720
Office supplies	**130,007**	59,619
Professional fees	**965,453**	448,535
Repair and maintenance	**41,003**	46,316
Staff costs	**1,854,408**	577,797
Loss on foreign currency exchange, net	**101,242**	63,069
Property, plant and equipment written off	**2,788**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

7 Staff costs

	Group	
	2019	2018
	$	$
Directors:		
- Salaries and related costs	**498,666**	243,920
Other key management personnel (non-directors):		
- Salaries and related costs	**200,521**	–
Total key management personnel compensation	**699,187**	243,920
Other personnel:		
- Salaries and related costs	**2,211,925**	1,025,540
- Post-employment benefits (Note 15)	**186,622**	72,493
	3,097,734	1,341,953

8 Tax expense

	Group	
	2019	2018
	$	$
Tax expense attributable profits is made up of:		
Current income tax provision	**823,943**	601,215
Current year deferred tax	**(4,361)**	(1,847)
	819,582	599,368

The income tax expense on the results of the financial year varies from the amount of income tax determined by applying the domestic rates applicable in the countries where the Group entities operate due to the following factors:

	Group	
	2019	2018
	$	$
Profit before tax	**1,826,620**	4,052,367
Tax calculated at domestic rate in the countries in which the Group entities operate	**585,063**	1,013,092
Expenses not deductible for tax purposes	**252,336**	63,707
Deferred tax asset not recognised	**–**	71,323
Effect of income subject to Final Income Tax on revenue from coal shipping services	**(17,817)**	(548,737)
Others	**–**	(17)
	819,582	599,368

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

8 Tax expense (cont'd)

The corporate income tax rate applicable to the Company is 17% (2018: 17%). The corporate income tax rate applicable to the subsidiaries in Indonesia is 25% (2018: 25%).

For revenue earned through coal shipping services provided by a subsidiary in Indonesia, the Final Income Tax payable is 1.2% (2018: 1.2%) on its revenue.

At 31 December 2019, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is $2,800,000 (2018: $2,680,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

9 Earnings per share

The following table reflects the profit for the financial year attributable to equity holders of the Company and share data used in the computation of basic and diluted earnings per share for the years ended 31 December 2019 and 31 December 2018.

	Group	
	2019	2018
	$	$
Profit for the financial year attributable to equity holders of the Company	**764,135**	2,241,696

	Number of ordinary shares	
	2019	2018
Number of ordinary shares outstanding for basic and diluted earnings per share	**75,000,000**	75,000,000

Basic earnings per share is calculated by dividing the profit for the financial year attributable to equity holders of the Company by the pre-placement number of ordinary shares of 75,000,000.

Diluted earnings per share are the same as basic earnings per shares as there were no potential dilutive ordinary shares existed during the financial year.

10 Property, plant and equipment

	Land	Buildings	Vessels and barges	Dry docking	Motor vehicles	Vessel equipment	Office equipment	Capital work-in -progress	Office premises under leases	Total
	$	$	$	$	$	$	$	$	$	$
Group										
Cost										
At 1 January 2018	1,553,068	208,617	15,927,698	567,754	186,619	46,658	8,378	–	–	18,498,792
Additions	–	–	–	715,957	115,742	–	6,979	625,680	–	1,464,358
Exchange difference	(67,559)	(9,075)	(692,860)	(28,247)	(8,692)	(2,030)	(382)	(3,102)	–	(811,947)
At 31 December 2018	1,485,509	199,542	15,234,838	1,255,464	293,669	44,628	14,975	622,578	–	19,151,203
Additions	–	–	19,193,519	2,991,349	25,257	84,767	264,812	–	382,354	22,942,058
Write-off	–	–	–	–	–	–	(4,377)	–	–	(4,377)
Reclassification	–	–	622,578	–	–	–	–	(622,578)	–	–
Exchange difference	42,204	5,671	564,775	53,475	8,493	1,773	1,665	–	773	678,829
At 31 December 2019	**1,527,713**	**205,213**	**35,615,710**	**4,300,288**	**327,419**	**131,168**	**277,075**	**–**	**383,127**	**42,767,713**
Accumulated depreciation										
At 1 January 2018	–	13,908	3,127,981	268,710	74,790	44,613	2,616	–	–	3,532,618
Depreciation charge	–	10,027	765,537	466,201	26,039	1,965	2,330	–	–	1,272,099
Exchange difference	–	(655)	(139,864)	(14,001)	(3,384)	(1,950)	(125)	–	–	(159,979)
At 31 December 2018	–	23,280	3,753,654	720,910	97,445	44,628	4,821	–	–	4,644,738
Depreciation charge	–	10,200	1,561,464	1,183,726	46,940	9,450	21,862	–	42,119	2,875,761
Write-off	–	–	–	–	–	–	(1,589)	–	–	(1,589)
Exchange difference	–	722	115,940	27,528	3,049	1,324	205	–	–	148,768
At 31 December 2019	**–**	**34,202**	**5,431,058**	**1,932,164**	**147,434**	**55,402**	**25,299**	**–**	**42,119**	**7,667,678**
Net carrying value										
At 31 December 2018	1,485,509	176,262	11,481,184	534,554	196,224	–	10,154	622,578	–	14,506,465
At 31 December 2019	**1,527,713**	**171,011**	**30,184,652**	**2,368,124**	**179,985**	**75,766**	**251,776**	**–**	**341,008**	**35,100,035**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

10 Property, plant and equipment (cont'd)

	Office equipment	Renovation	Office premises under leases	Total
	$	$	$	$
Company				
Cost				
At 12 December 2018 and 31 December 2018	3,440	–	–	3,440
Additions	17,230	22,795	252,714	292,739
Write-off	(4,377)	–	–	(4,377)
At 31 December 2019	**16,293**	**22,795**	**252,714**	**291,802**
Accumulated depreciation				
At 12 December 2018 and 31 December 2018	96	–	–	96
Depreciation charge	4,308	5,699	42,119	52,126
Write-off	(1,589)	–	–	(1,589)
At 31 December 2019	**2,815**	**5,699**	**42,119**	**50,633**
Net carrying value				
At 31 December 2018	3,344	–	–	3,344
At 31 December 2019	**13,478**	**17,096**	**210,595**	**241,169**

a) At 31 December 2018, the vessels and barges of the Group with a net carrying value of $2,969,660 were secured for the Group's borrowings (Note 16(a)).

b) The Group's leasing activities comprise the following:

   i) The Group leases motor vehicles from non-related parties. The leases have an average tenure of 5 years; and

   ii) The Group and the Company lease various offices from non-related parties. The leases have an average tenure of 3 years.

   The Group has options to purchase certain motor vehicles for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such leases. No restrictions are imposed on dividends or further leasing.

   The maturity analysis of the lease liabilities is disclosed in Note 22(b).

10 Property, plant and equipment (cont'd)

b) The Group's leasing activities comprise the following: (cont'd)

Information of leases for which the Group and the Company are lessees is presented below:

	Group		Company	
	31.12.2019	**1.1.2019**	**31.12.2019**	**1.1.2019**
	$	**$**	**$**	**$**
Carrying amount of right-of-use assets				
Classified within property, plant and equipment				
Motor vehicles	**165,576**	168,903	**–**	–
Office premises under leases	**341,008**	–	**210,595**	–
	506,584	168,903	**210,595**	–

At 31 December 2018, the net carrying values of plant and equipment of the Group acquired under finance lease agreements (classified as finance lease under SFRS(I) 1-17) amounted to $168,903. Arising from the adoption of SFRS(I) 16, motor vehicles has been reclassified to right-of-use assets on 1 January 2019.

	2019
	$
Amounts recognised in profit or loss	
Depreciation charge for the financial year	
Motor vehicles	33,334
Office premises under leases	42,119
	75,453
Lease expenses not included in the measurement of lease liabilities	
Lease expenses - short term leases (Note 6)	34,301
Interest expenses on lease liabilities (Note 5)	22,308

During the financial year, total cash flow for leases amounted to $144,759.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

10 Property, plant and equipment (cont'd)

c) Non-cash transactions:

	Group	
	2019	2018
	$	$
Aggregate cost of property, plant and equipment acquired	**22,942,058**	1,464,358
Less: Additions to right-of-use asset	**(407,611)**	–
Less: Additions under finance lease	**–**	(110,407)
Less: Unpaid portion of the construction of vessels (Note 17)	**(2,024,167)**	–
Net cash outflow for purchase of property, plant and equipment	**20,510,280**	1,353,951

11 Investment in subsidiaries

	Company	
	2019	2018
	$	$
Unquoted shares, at cost		
Balance at beginning of financial year	**1,701,028**	–
Acquisition during the financial year	**–**	1,701,028
Balance at end of financial year	**1,701,028**	1,701,028

At the end of the reporting period, the Group has the following subsidiaries:

Name of subsidiary (Country of incorporation)	**Principal activity**	**Ownership interest held by the Group**	
		2019	2018
		%	%
PT Deli Niaga Sejahtera [(1)] (Indonesia) ("PT DNS")	Coal Trading	99*	99*
PT Deli Pratama Angkutan Laut [(1)] (Indonesia) ("PT DPAL")	Coal Shipping	49#	49#

(1) Audited by Johan Malonda Mustika & Rekan, an independent member firm of Baker Tilly International.

* The non-controlling interest of the subsidiary is PT Deli Indonesia Sejahtera, a related party of the Group.

\# The non-controlling interests of the subsidiary are PT Deli Indonesia Sejahtera, holding 48% equity interests (voting) and PT Karya Niaga Gemilang, holding 3% equity interest (non-voting). Effectively, the Company holds 50.5% of the voting rights in PT DPAL, and therefore PT DPAL is deemed to be controlled by the Company.

11 Investment in subsidiaries (cont'd)

a) Acquisitions of subsidiaries

i) Acquisition of 49% shares of PT Deli Pratama Angkutan Laut ("PT DPAL")

On 12 December 2018, the Company entered into a deed of sale and purchase agreement with a related party, PT Deli Niaga Sejahtera ("PT DNS") to acquire 6,125 ordinary shares, representing 49% of the issued and paid-up share capital of PT DPAL, at a consideration of IDR6,125,000,000 ($575,873).

On 19 March 2019, a resolution was adopted in the general meeting of shareholders of PT DPAL pursuant to which the shares of PT DPAL held by the Company and a related party were converted and reclassified from ordinary shares to Class A shares, being ordinary shares with one voting right per share, while the shares of PT DPAL held by a third party were converted and reclassified from ordinary shares to Class B shares, being shares with no voting rights. The share capital of PT DPAL were therefore divided into Class A shares and Class B shares. Consequently, the Company effectively holds 50.5% of the voting shares in PT DPAL and as such, PT DPAL became a subsidiary of the Company.

ii) Acquisition of 99% shares of PT Deli Niaga Sejahtera ("PT DNS")

On 18 December 2018,

i) the Company entered into a deed of sale and purchase agreement with a related party, Resources International Development Pte. Ltd. to acquire 9,000 ordinary shares, representing 75% of the issued and paid-up share capital of PT DNS, at a consideration of IDR9,000,000,000 ($852,390); and

ii) the Company also entered into a deed of sale and purchase agreement with a related party, PT Sinar Deli to acquire 2,880 ordinary shares, representing 24% of the issued and paid-up share capital of PT DNS, at a consideration of IDR 2,880,000,000 ($272,765).

For the financial year ended 31 December 2018, the financial statements of the subsidiaries were combined with the Company on the basis that the Group is a continuation of the existing businesses of the subsidiaries under common control ("pooling of interest" method).

b) Acquisition-date consideration

	2018
	$
Cash paid	1,758,033
Exchange difference	(57,005)
Investment in subsidiaries	1,701,028

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

11 Investment in subsidiaries (cont'd)

c) Summarised financial information of a subsidiary with material non-controlling interests ("NCI")

The Group has the following subsidiary that has NCI that is considered by management to be material to the Group:

Name of subsidiary	Principal place of business/ Country of incorporation	Ownership interests held by NCI	
		2019	2018
		%	%
PT DPAL	Indonesia	**51**	51

The following is the summarised financial information of the Group's subsidiary with NCI that is considered by management to be material to the Group. This financial information include consolidation adjustments but before inter-company eliminations.

Summarised Statement of Financial Position

	2019	2018
	$	$
Non-current assets	**34,628,466**	14,436,346
Current assets	**5,401,234**	10,903,404
Non-current liabilities	**8,000,328**	208,596
Current liabilities	**6,338,165**	795,359
Net assets	**25,691,207**	24,335,795
Net assets attributable to NCI	**13,102,516**	12,411,255

Summarised Statement of Comprehensive Income

	2019	2018
	$	$
Revenue	**10,063,901**	8,319,802
Profit before tax	**554,336**	2,444,895
Income tax expense	**(120,767)**	(99,838)
Profit after tax	**433,569**	2,345,057
Other comprehensive income/(loss)	**691,466**	(1,025,316)
Total comprehensive income	**1,125,035**	1,319,741
Total comprehensive income allocated to NCI	**573,768**	673,068

11 Investment in subsidiaries (cont'd)

c) Summarised financial information of a subsidiary with material non-controlling interests ("NCI") (cont'd)

Summarised Cash Flows

	2019	2018
	$	$
Cash flows generated from operating activities	**5,190,915**	3,930,539
Cash flows (used in)/generated from investing activities	**(18,842,251)**	5,263,256
Cash flows generated from/(used in) financing activities	**7,146,744**	(2,451,686)
Net (decrease)/increase in cash and cash equivalents	**(6,504,592)**	6,742,109

12 Trade and other receivables

	Group		**Company**	
	2019	2018	**2019**	2018
	$	$	**$**	$
Current				
Trade receivables	**7,391,690**	5,517,245	**–**	–
Other receivables	**40,979**	47,523	**–**	35,374
Advance payment to suppliers	**48,607**	1,605,873	**–**	–
Deposits	**16,103**	31,154	**15,300**	1,131
Prepayments	**305,098**	67,695	**154,094**	–
Prepaid taxes	**21,536**	333	**–**	–
	7,824,013	7,269,823	**169,394**	36,505
Non-current				
Other deposits	**2,636**	19,997	**–**	–

13 Contract assets and contract liabilities

The Group receives payments from customers based on services rendered, as established in contracts. Contract assets relate to the Group's rights to consideration for work completed but not billed at the reporting date on the Group's services. Contract liabilities relate to advance consideration received from customers and billing in excess of revenue recognised to-date. Contract liabilities are recognised as revenue as (or when) the Group satisfies the performance obligations under its contract.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

13 Contract assets and contract liabilities (cont'd)

The following table provides information about contract assets and contract liabilities from contracts with customers.

	Group		
	2019	2018	1.1.2018
	$	$	$
Trade receivables from contracts with customers	**7,391,690**	5,517,245	3,646,052
Contract assets	**201,951**	–	–
Contract liabilities	**1,807,550**	40,298	163,673

Contract assets balance increased as the Group provided more shipping services ahead of the agreed payment schedules.

Contract liabilities balance increased significantly due to more contracts in which the Group billed ahead of provision of shipping services.

14 Inventories

	Group	
	2019	2018
	$	$
Spare parts, at cost	**37,804**	31,207

Inventories included as cost of sales amounted to $72,945 (2018: $51,994).

15 Liabilities for post-employment benefits

The Group's subsidiaries recognised liabilities for post-employment benefits based on the actuarial calculation by an independent actuary. The actuarial calculation in regard to the compensation cost adheres to the current value principle from the total payment of compensation due to retirement, demise and disability. The calculation of current value is obtained from the use of various actuarial assumptions, not only based on the level of interest but also based on salary increment, mortality, disability and resignation levels.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method. No funding has been made for this defined benefit scheme.

15 Liabilities for post-employment benefits (cont'd)

The principal assumptions used in determining post-employment benefits as at the end of the reporting period were as follows:

	2019	2018
Normal retirement age	**56 years old**	56 years old
Salary increment rate per annum	**10%**	10%
Discount rate per annum	**8.10% to 8.20%**	8.55% to 9.65%
Mortality rate	**TMI 3 2011**	TMI 3 2011
Disability level	**10% x TMI**	10% x TMI
Resignation level per annum	**10% until age 25 and decreasing to 1% at age 55**	10% until age 25 and decreasing to 1% at age 55

If the discount rate had been 1 percent higher with all other variables held constant, the present value of defined benefits obligation would have been $331,667 (2018: $159,380) lower. If the discount rate had been 1 percent lower, the present value of defined benefits obligation would have been $440,947 (2018: $210,136) higher.

The amounts recognised in the consolidated statement of financial position are determined as follows:

	Group	
	2019	2018
	$	$
Present value of defined benefit obligations	**230,598**	182,537
Movements in the account are as follows:		
At beginning of the financial year	**182,537**	162,375
Remeasurement recognised in other comprehensive loss/(income), gross of tax	**9,200**	(45,132)
Contribution of plan assets	**(152,627)**	–
Post-employment benefits expense (Note 7)	**186,622**	72,493
Actual benefit payment	**(573)**	–
Exchange difference	**5,439**	(7,199)
At end of the financial year	**230,598**	182,537

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

15 Liabilities for post-employment benefits (cont'd)

The following table summarises the components of defined post-employment benefits expense recognised in consolidated statement of comprehensive income:

	Group	
	2019	2018
	$	$
Current service cost	**82,631**	53,026
Interest cost on defined benefit obligation	**17,106**	12,106
Adjustment due to recognition of past services	**86,885**	7,361
Post-employment benefits expense	**186,622**	72,493

Defined post-employment benefits expense is recognised in the "Administrative expenses" line item in the consolidated statement of comprehensive income.

	Group	
	2019	2018
	$	$
At beginning of the financial year	**10,497**	57,925
Other comprehensive loss/(income), gross of tax	**9,200**	(45,132)
Exchange difference	**352**	(2,296)
At end of the financial year	**20,049**	10,497

The remeasurement of post-employment benefits recognised in the other comprehensive loss/(income) is as follows:

	Group	
	2019	2018
	$	$
Gross amount of remeasurement	**9,200**	(45,132)
Less tax	**(1,333)**	650
Amount net of tax	**7,867**	(44,482)

Management has reviewed the assumptions used and agreed that these assumptions are adequate. Management believes that the liabilities for post-employment benefits are sufficient to cover the Group's liability for its employee benefits.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

16 Borrowings

	Group		Company	
	2019	2018	**2019**	2018
	$	$	**$**	$
Current				
Bank loan	**–**	564,325	**–**	–
Lease liabilities	**220,647**	–	**83,202**	–
Finance lease liabilities	**–**	26,310	**–**	–
	220,647	590,635	**83,202**	–
Non-current				
Bank loan	**7,760,800**	–	**–**	–
Lease liabilities	**230,115**	–	**128,643**	–
Finance lease liabilities	**–**	101,351	**–**	–
	7,990,915	101,351	**128,643**	–
	8,211,562	691,986	**211,845**	–

a) At 31 December 2018, the bank loan of the Group was secured by the vessels and barges and bore interest at 12.5% per annum (Note 10(a)).

At 31 December 2019, the bank loan of the Group is unsecured, has a 3-year tenure and is repayable on 2 October 2022. Interest is payable at 8% per annum.

Based on the discounted cash flow analysis using a discount rate based upon market lending rate for similar borrowings which the directors expect would be available to the Group at the end of the reporting period, the fair value of the fixed rate borrowings at the end of the reporting period approximate their carrying values as there are no significant changes in the market lending interest rates available to the Group at the end of the reporting period. This fair value measurement for disclosure purpose is categorised in Level 3 of the fair values hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

16 Borrowings (cont'd)

b) *Finance lease liabilities*

Arising from the adoption of SFRS(I) 16, finance lease liabilities were reclassified to lease liabilities on 1 January 2019. The impact of adoption is disclosed in Note 2(a).

	Group	
	2018	
	Minimum lease payments	Present value of lease payments
	$	$
Not later than 1 year	42,132	26,310
Later than 1 year but not later than 5 years	135,545	101,351
Total minimum lease payments	177,677	127,661
Less: Future finance charges	(50,016)	–
Present value of finance lease liabilities	127,661	127,661

	2018
	$
Representing finance lease liabilities:	
Current	26,310
Non-current	101,351
	127,661

At 31 December 2018, the finance leases bore interest at 6.95% to 15.5% per annum.

The net carrying value of property, plant and equipment under finance lease arrangements is disclosed in Note 10(b).

Finance lease liabilities of the Group are secured by the rights to the leased motor vehicles, which will revert to the lessor in the event of default by the Group.

Based on the discounted cash flow analysis using a discount rate based upon market lending rate for similar borrowings which the directors expect would be available to the Group at the end of the reporting period, the carrying amounts of finance lease liabilities approximates their fair values at the end of the reporting period as the market lending rates at the end of the reporting period were not significantly different from the effective interest rates of the Group's existing finance lease liabilities. This fair value measurement for disclosure purposes is categorised as Level 3 of the fair value hierarchy at 31 December 2018.

16 Borrowings (cont'd)

c) *Reconciliation of movements of liabilities to cash flows arising from financing activities:*

	Bank loans	Loan from a shareholder	Finance lease liabilities	Lease liabilities	Loan/ advances from related parties	Total
	$	$	$	$	$	$
Balance at 1.1.2018	1,233,615	–	52,241	–	1,000,464	2,286,320
Changes from financing cash flows:						
- Repayment	(618,695)	–	(32,327)	–	(961,711)	(1,612,733)
- Interest paid	(112,783)	–	(8,475)	–	(6,936)	(128,194)
Non-cash changes:						
- Interest expenses	112,783	–	8,475	–	6,936	128,194
- Additional finance leases	–	–	110,407	–	–	110,407
- Exchange difference	(50,595)	–	(2,660)	–	(38,753)	(92,008)
Balance at 31.12.2018	564,325	–	127,661	–	–	691,986
Adoption of SFRS(I) 16	–	–	(127,661)	127,661	–	–
Changes from financing cash flows:						
- Proceed	7,714,877	7,656,964	–	–	500,000	15,871,841
- Repayment	(576,924)	(7,807,200)	–	(88,775)	–	(8,472,899)
- Interest paid	(140,637)	–	–	(22,308)	–	(162,945)
Non-cash changes:						
- Interest expenses	140,637	230,379	–	22,308	–	393,324
- Additional leases	–	–	–	407,611	–	407,611
- Exchange difference	58,522	150,236	–	4,265	–	213,023
- Reclassification of the fair value gain on the loan from a shareholder	–	(230,379)	–	–	–	(230,379)
Balance at 31.12.2019	**7,760,800**	**–**	**–**	**450,762**	**500,000**	**8,711,562**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

17 Trade and other payables

	Group		Company	
	2019	2018	**2019**	2018
	$	$	**$**	$
Trade payables				
- third parties	**4,623,105**	80,454	**–**	–
- related parties	**500,813**	3,041,028	**–**	–
Other payables				
- third parties	**601,542**	237,086	**551,544**	220,669
- payable for construction of vessels (Note 10)	**2,024,167**	–	**–**	–
Advances received from a related party	**500,000**	–	**500,000**	–
Accrued operating expenses	**270,146**	435,960	**139,682**	25,500
Refundable deposits received from a customer	**1,940,200**	–	**–**	–
	10,459,973	3,794,528	**1,191,226**	246,169

The advances received from a related party are non-trade in nature, unsecured, interest-free and repayable on demand.

18 Share capital

	Group			
	2019		2018	
	No. of ordinary shares	**$**	No. of ordinary shares	$
At beginning of the financial year	**3,000,000**	**3,000,000**	13,500	757,460
Issuance of ordinary shares by the subsidiaries	**–**	**–**	10,880	1,000,573
Issuance of ordinary shares by the Company	**–**	**–**	3,000,000	3,000,000
Adjustment pursuant to the pooling-of-interest	**–**	**–**	(24,380)	(1,758,033)
Sub-division of 1 ordinary share to 25 ordinary shares	**72,000,000**	**–**	–	–
	75,000,000	**3,000,000**	3,000,000	3,000,000

18 Share capital (cont'd)

	Company			
	2019		2018	
	No. of ordinary shares	**$**	No. of ordinary shares	$
At beginning of the financial year	**3,000,000**	**3,000,000**	–	–
Issuance of ordinary shares by the Company	**–**	**–**	3,000,000	3,000,000
Sub-division of 1 ordinary share to 25 ordinary shares	**72,000,000**	**–**	–	–
	75,000,000	**3,000,000**	3,000,000	3,000,000

On 23 December 2019, 3,000,000 ordinary shares in the capital of the Company were sub-divided into 75,000,000 ordinary shares.

The ordinary shares of the Company have no par value. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. The ordinary shares carry one vote per share without restriction.

19 Dividend

	Group	
	2019	2018
	$	$
Dividend on ordinary shares:		
Interim tax-exempt dividend of IDR1,200,000 (S$113.76) per share in respect of financial year 2018 paid by a subsidiary	**–**	1,422,000

The dividend per share is calculated based on the number of ordinary shares of PT DPAL in issue as at date of dividend declaration.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

20 Significant related party transactions

In addition to information disclosed elsewhere in the consolidated financial statements, the following significant transactions took place between the Group and the related parties at terms agreed by the parties:

	Group	
	2019	2018
	$	$
With a director of the Company		
Advances to	**–**	12,324
With shareholders		
Advances to	**–**	26,070
Loan from	**7,656,964**	–
With other related parties		
Sales to	**–**	15,549,238
Purchases from	**24,102,475**	15,088,452
Interest charged by	**–**	6,936
Advances from	**500,000**	–
With holding company		
Payment on behalf by	**–**	1,918,906

Other related parties comprise companies in which the controlling shareholders or their close family members have controlling or substantial interests.

21 Operating lease commitments

The Group leases office premises under non-cancellable operating lease agreement. The lease has a tenure of two to three years with varying rates for different period during the lease term.

As at 31 December 2018, commitments in relation to non-cancellable operating leases contracted for at the end of the reporting period, but not recognised as liabilities, are as follows:

	Group
	2018
	$
Not later than one financial year	33,552

As disclosed in Note 2(a), the Group has adopted SFRS(I) 16 on 1 January 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on statement of financial position as at 1 January 2019, except for short term and low value assets leases.

22 Financial instruments

a) Categories of financial instruments

Financial instruments at their carrying amounts as at the end of the reporting period are as follows:

	Group		Company	
	2019	2018	**2019**	2018
	$	$	**$**	$
Financial assets				
Financial assets at amortised costs	**15,422,707**	16,942,591	**277,455**	1,117,587
Financial liabilities				
At amortised cost	**18,671,535**	4,486,514	**1,403,071**	246,169

b) Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk. The policies for managing each of these risks are summarised below. The directors review and agree policies and procedures for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which the Group manages and measures financial risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's income and operating cash flows are substantially independent on changes in market interest rates as the Group has no significant interest-bearing assets and liabilities, except for borrowings (Note 16).

Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be impacted from an adverse movement in interest rate. Surplus funds are placed with reputable banks.

Sensitivity analysis for interest rate risk is not disclosed as the effect on the profit or loss is considered not significant.

Foreign currency risk

Foreign currency risk arises on certain transactions that are denominated in currencies other than the functional currency of the entities in the Group. The Group's foreign currency risk mainly arose from United States Dollar ("USD").

The Group's overall risk management strategy seeks to minimise adverse effects from these financial risks on the Group's financial performance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

22 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Foreign currency risk (cont'd)

The Group's foreign currency exposures based on the information provided by key management are as follows:

	Group	
	2019	2018
	$	$
Denominated in USD:		
Financial assets		
Receivables	**4,840,515**	5,024,302
Cash and cash equivalents	**324,644**	5,320
Financial liabilities		
Trade and other payables	**(48,373)**	–
Net exposure	**5,116,786**	5,029,622

If the USD changes against the functional currency of the Group entities by 5% with all other variables including tax rate being held constant, the effects arising from the net financial assets denominated in foreign currency are as follows:

	Increase/(decrease) in profit after tax	
	2019	2018
	$	$
USD/IDR		
- strengthened 5% (2018: 5%)	**218,666**	214,941
- weakened 5% (2018: 5%)	**(218,666)**	(214,941)

22 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group manages these risks by monitoring credit collection and limiting the aggregate risk to any individual counterparty.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor;

- significant increases in credit risk on other financial instruments of the same debtor; and

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

22 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Significant increase in credit risk (cont'd)

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable. Information developed internally or obtained from external sources indicates that the debtor (without taking into account any collaterals held by the Group) is in significant financial difficulty such as that it will have insufficient liquid assets to pay its creditors including the Group, in full, including loss of sale or primary source of recurring income by the debtor.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty; there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

*T*here has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

At the end of the reporting period, the Group's trade receivables comprise 2 debtors (2018: 1 debtor) that individually represented at least 33% - 66% (2018: 91 %) of the trade receivables.

22 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Estimation techniques and significant assumptions (cont'd)

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of the financial instruments presented on the statements of financial position.

The credit loss for cash and cash equivalents and other receivables are immaterial as at 31 December 2019 and 31 December 2018.

Trade receivables and contract assets

The Group has applied the simplified approach by using a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets.

The contract assets relate to unbilled work-in-progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. Trade receivables and contract assets that shared the same credit risk characteristics and days past due are grouped together in measuring the expected credit losses.

The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions.

There has been no change in the estimation techniques or significant assumptions made during the current financial year.

Based on the Group's historical credit loss experience and having considered current and forecasts of future conditions, the Group assessed the credit loss exposure for trade receivables to be insignificant and concluded that no credit loss allowance is required to be recognised.

Other financial assets at amortised cost

The Group measured credit loss exposure for the amounts due from related companies, a director and shareholders using 12-month expected credit loss ("ECL"). The Group assessed the latest financial performance and financial position of the respective counterparties, adjusted for the future outlook of the industry in which the counterparties operate in and concluded that there has been no significant increase in credit risk since initial recognition of these financial assets. The Group determined that the ECL is insignificant and no loss allowance is required at the end of the reporting period.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. In managing its liquidity, management monitors and reviews the Group's forecast of liquidity reserves (comprise cash and bank balances and available credit facilities) base on expected cash flows of the respective operating companies of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

22 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's non-derivative financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within 1 year	Within 2 to 5 years	Total
	$	$	$
Group			
At 31 December 2019			
Trade and other payables	**10,459,973**	**–**	**10,459,973**
Bank loan	**620,864**	**8,873,181**	**9,494,045**
Lease liabilities	**241,069**	**256,969**	**498,038**
	11,321,906	**9,130,150**	**20,452,056**
At 31 December 2018			
Trade and other payables	3,794,528	–	3,794,528
Other borrowings	642,708	134,484	777,192
	4,437,236	134,484	4,571,720
Company			
At 31 December 2019			
Trade and other payables	**1,191,226**	**–**	**1,191,226**
Lease liabilities	**87,310**	**131,062**	**218,372**
	1,278,536	**131,062**	**1,409,598**
At 31 December 2018			
Trade and other payables	246,169	–	246,169

23 Fair values of assets and liabilities

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

a) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

b) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and

c) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The basis of determining fair value of the non-current borrowings for disclosure at the end of the reporting period is disclosed in Note 16.

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

24 Capital management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain optimal capital structure so as to maximise shareholder value.

In order to maintain or achieve an optimal capital structure, the Group may issue new shares, obtain new borrowings or additional funding from shareholders.

The capital structure of the Group comprises share capital and retained earnings. The Group's overall strategy remains unchanged from 2018.

25 Segment information

Inter-segment revenue are eliminated on consolidation.

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

Segment results

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

Segment assets

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

Segment liabilities

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

Geographical information

The Group's revenue, results, assets and liabilities are predominantly attributable to a single geographical region, Indonesia, which is the Group's principal place of business and operations. Therefore, no analysis by geographical region is presented.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

25 Segment information (cont'd)

Information about major customer

Revenue is derived from one (2018: three) external customers who individually contributed 10% or more of the Group's revenue and attributable to the coal trading segment as detailed below:

	Group	
	2019	2018
	$	$
Customer 1	**70,274,868**	13,907,610
Customer 2	**–**	6,980,529
Customer 3	**–**	15,549,238
	70,274,868	36,437,377

The segment information provided to management for the reportable segments are as follows:

	Coal Trading		Coal Shipping		Per consolidated statements	
	2019	2018	**2019**	2018	**2019**	2018
	$	$	**$**	$	**$**	$
Revenue:						
External customers	**74,361,462**	36,437,377	**10,063,901**	8,319,802	**84,425,363**	44,757,179
Total revenue	**74,361,462**	36,437,377	**10,063,901**	8,319,802	**84,425,363**	44,757,179
Segment profit:	**2,795,452**	1,998,120	**796,277**	2,456,590	**3,591,729**	4,454,710
Interest income	**95,102**	33,565	**135,442**	116,498	**230,544**	150,063
Finance costs	**(13,155)**	–	**(377,383)**	(128,194)	**(390,538)**	(128,194)
Unallocated corporate expenses	**–**	–	**–**	–	**(1,605,115)**	(424,212)
Profit before tax	**2,877,399**	2,031,685	**554,336**	2,444,894	**1,826,620**	4,052,367
Income tax expense					**(819,582)**	(599,368)
Profit for the financial year					**1,007,038**	3,452,999
Segment assets	**10,435,319**	6,695,321	**40,008,165**	25,337,579	**50,443,484**	32,032,900
Unallocated assets					**701,872**	1,123,102
Total assets					**51,145,356**	33,156,002
Liabilities						
Segment liabilities	**5,002,419**	3,508,163	**14,304,193**	955,017	**19,306,612**	4,463,180
Unallocated liabilities					**1,886,082**	755,460
Total liabilities					**21,192,694**	5,218,640
Other segment information						
Capital expenditure	**109,752**	88,281	**22,481,020**	1,372,637	**22,590,772**	1,460,918
Unallocated capital expenditure					**351,286**	3,440
					22,942,058	1,464,358
Depreciation	**25,352**	1,077	**2,798,283**	1,270,926	**2,823,635**	1,272,003
Unallocated corporate depreciation					**52,126**	96
					2,875,761	1,272,099
Other non-cash expenses	**115,658**	9,841	**70,964**	62,652	**186,622**	72,493

26 Subsequent event

Subsequent to the reporting date, the Company issued and allotted 15,000,000 new ordinary shares at $0.20 through a placement exercise.

27 Authorisation of consolidated financial statements

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial years ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors dated 31 March 2020.

STATISTICS OF SHAREHOLDINGS

As at 16 March 2020

ISSUED AND FULLY PAID-UP CAPITAL	:	S$6,000,000
NO. OF SHARES ISSUED	:	90,000,000
CLASS OF SHARES ISSUED	:	ORDINARY SHARES
VOTING RIGHTS	:	1 VOTE PER SHARE
NO. OF TREASURY SHARES	:	NIL
NO. OF SUBSIDIARY HOLDINGS	:	NIL

DISTRIBUTION OF SHAREHOLDINGS
(As recorded in the Register of Members and Depository Register)

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	–	0	–
100 - 1,000	4	30.77	4,000	0.01
1,001 - 10,000	3	23.08	12,000	0.01
10,001 - 1,000,000	4	30.77	280,000	0.31
1,000,001 & ABOVE	2	15.38	89,704,000	99.67
TOTAL	13	100.00	90,000,000	100.00

LIST OF SHAREHOLDERS
(As recorded in the Register of Members and Depository Register)

	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1	DELI INTERNATIONAL RESOURCES PTE LTD	75,000,000	83.33
2	UOB KAY HIAN PTE LTD	14,704,000	16.34
3	LIANG MEI ANG	100,000	0.11
4	OCBC SECURITIES PRIVATE LTD	100,000	0.11
5	CITIBANK NOMINEES SINGAPORE PTE LTD	60,000	0.07
6	YEO TZE KHERN (YANG ZHIQIN)	20,000	0.02
7	VINNY SIA	5,000	0.01
8	YEAN SIEW SIAH	5,000	0.01
9	LAI PHECK YEEN	2,000	0.00
10	CHAN LI WEN	1,000	0.00
11	CHAN SIN LING	1,000	0.00
12	NAOMI CHAN	1,000	0.00
13	TAN JOON CHIN	1,000	0.00
	TOTAL:	90,000,000	100.00

STATISTICS OF SHAREHOLDINGS

As at 16 March 2020

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Members and Depository Register)

		Direct Interest		Deemed Interest	
No.	**Name of Shareholder**	**No. of shares**	**%**	**No. of shares**	**%**
1	Deli International Resources Pte Ltd (1)	75,000,000	83.33	–	–
2	Juhadi (1) (2)	–	–	75,000,000	83.33
3	Arifin Tan (1)	–	–	75,000,000	83.33
4	Djunaidi Hardi (1) (2)	–	–	75,000,000	83.33

Notes

(1) Deli International Resources Pte. Ltd. ("DIR") is the controlling shareholder of the Company. DIR is a private limited company incorporated in Singapore on 5 September 2006. The shareholders of DIR are Mr Arifin Tan (25.0%), Mr Djunaidi Hardi (25.0%), Mr Juhadi (20.0%), Mr Limas Ananto (15.0%) and Mr Arifin Ang (15.0%). Mr Juhadi, Mr Arifin Tan and Mr Djunaidi Hardi are deemed to be interested in the Shares owned by DIR by virtue of Section 4 of the Securities and Future Act (Chapter 289) of Singapore.

(2) Mr Juhadi and Mr Djunaidi Hardi are siblings.

PUBLIC FLOAT

Based on information available to the Company as at 16 March 2020, approximately 16.67% of the issued ordinary shares of the Company are held in the hands of the public. Accordingly, Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited has been complied with which requires at least 10% of a listed issuer's equity securities to be held by the public.

PROPOSED RESOLUTIONS

(For Forthcoming Annual General Meeting)

As announced by the Company on 3 April 2020, the Annual General Meeting ("**AGM**") of the Company for the financial year ended 31 December 2019 ("**FY2019**") has been postponed and will be convened on or before 29 June 2020. Accordingly, this Annual Report is not accompanied by the Notice of AGM and the Proxy Form. The Notice of AGM, together with the Proxy Form and any relevant supporting documents, will be sent to shareholders of the Company at a later date. Shareholders are advised to refer to further announcement(s) to be made by the Company via SGXNET.

Following are the proposed resolutions to be voted/passed at the AGM of the Company for FY2019.

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2019, together with the Directors' Statement and the Auditor's Report thereon. **(Resolution 1)**

2. To re-elect the following directors of the Company ("**Directors**") retiring pursuant to Regulation 109 of the Company's Constitution and who, being eligible, offered themselves for re-election as a Director:

    i. Mr Francis Lee [See Explanatory Note (1)] **(Resolution 2)**

    ii. Mr Salim Limanto [See Explanatory Note (2)] **(Resolution 3)**

    iii. Mr Gouw Eng Seng [See Explanatory Note (3)] **(Resolution 4)**

    iv. Ms Alice Yan [See Explanatory Note (4)] **(Resolution 5)**

    v. Mr Hew Koon Chan [See Explanatory Note (5)] **(Resolution 6)**

3. To approve the payment of Directors' fees of S$1,302 for the financial year ended 31 December 2019. **(Resolution 7)**

4. To approve the payment of Directors' fees of S$95,000 for the financial year ending 31 December 2020, payable quarterly in arrears. **(Resolution 8)**

5. To re-appoint Messrs Baker Tilly TFW LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 9)**

6. To transact any other ordinary business which may properly be transacted at an annual general meeting of the Company.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to allot and issue shares in the capital of the Company**

    That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors to:

    (a) (i) allot and issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

PROPOSED RESOLUTIONS

(For Forthcoming Annual General Meeting)

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of the Instruments made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed one hundred per cent. (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules, as at the date this Resolution is passed, of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders of the Company ("**Shareholders**") (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below) or any such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed;

(2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares (including shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) at the time this Resolution is passed, after adjusting for:

(a) new shares arising from the conversion or exercise of the Instruments or any convertible securities outstanding at the time this Resolution is passed;

(b) (where applicable) new shares arising from exercise of share options or vesting of share awards, provided that such share options or share awards (as the case may be) were granted in compliance with Part VIII of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of shares,

adjustments in accordance with sub-paragraph (2)(a) or sub-paragraph (2)(b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, the Company's Constitution for the time being in force; and

PROPOSED RESOLUTIONS

(For Forthcoming Annual General Meeting)

(4) the authority conferred by this Resolution shall, unless revoked or varied by the Company in a general meeting, continue to be in force (i) until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier, or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.
[See Explanatory Note (6)] **(Resolution 10)**

8. **Renewal of the Shareholders' General Mandate for Interested Person Transactions**

That:

(a) approval be and is hereby given for the purposes of Chapter 9 of the Catalist Rules, for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9 of the Catalist Rules, or any of them, to enter into any of the transactions falling within the types of interested person transactions with any party who is of the class of interested persons (details of which will be set out in an appendix to the Notice of AGM ("**Appendix**") to be sent to shareholders of the Company at a later date), provided that such transactions are made on normal commercial terms, will not be prejudicial to the interests of the Company and its minority Shareholders, and in accordance with the guidelines and review procedures of the Company for such interested person transactions as set out in the Appendix (the "**IPT General Mandate**");

(b) the IPT General Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company;

(c) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of the procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendments to Chapter 9 of the Catalist Rules which may be prescribed by the SGX-ST from time to time; and

(d) the Directors be and are hereby authorised to complete and do all such acts and things (including without limitation, executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT General Mandate and/or the transactions contemplated by this Resolution.
[See Explanatory Note (7)] **(Resolution 11)**

9. **Authority to allot and issue shares under the Resources Global Development Limited Employee Share Option Scheme ("RGD ESOS")**

That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors to:

(a) grant share options from time to time in accordance with the provisions of the RGD ESOS; and

(b) allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the share options granted under the RGD ESOS (including but not limited to allotment and issuance of shares in the capital of the Company at any time, whether during the continuance of such authority or thereafter, pursuant to share options made or granted by the Company whether granted during the subsistence of this authority or otherwise),

PROPOSED RESOLUTIONS

(For Forthcoming Annual General Meeting)

provided always that the aggregate number of shares to be issued pursuant to the RGD ESOS when aggregated together with shares issued and/or issuable in respect of all share options granted under the RGD ESOS, all other existing share schemes or share plans of the Company for the time being shall not exceed fifteen per cent. (15%) of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings, if any) from time to time, and such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (8)] **(Resolution 12)**

10. **Authority to allot and issue shares under the Resources Global Development Limited Performance Share Plan ("RGD PSP")**

That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors to:

(a) grant share awards from time to time in accordance with the provisions of the RGD PSP; and

(b) allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of share awards under the RGD PSP (including but not limited to allotment and issuance of shares in the capital of the Company at any time, whether during the continuance of such authority or thereafter, pursuant to share awards made or granted by the Company whether granted during the subsistence of this authority or otherwise,

provided always that the aggregate number of shares to be issued pursuant to the RGD PSP when aggregated together with shares issued and/or issuable in respect of all share awards granted under the RGD PSP, all other existing share schemes or share plans of the Company for the time being shall not exceed fifteen per cent. (15%) of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings, if any) from time to time, and such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (9)] **(Resolution 13)**

EXPLANATORY NOTES:

(1) Mr Francis Lee will, upon re-election as a Director, remain as an Executive Director and Chief Executive Officer of the Company. Further detailed information on Mr Francis Lee can be found under the sections entitled "Board of Directors and Key Management" of the 2019 Annual Report.

(2) Mr Salim Limanto will, upon re-election as a Director, remain as the Executive Director and Chief Operating Officer of the Company. The substantial shareholders of Company, namely, Mr Djunaidi Hardi (father), Mr Limas Ananto (uncle), Mr Arifin Ang (uncle), Mr Juhadi (uncle), are Mr Limanto's family members. Mr Herry Limanto, a director of Deli International Resources Pte. Ltd., the controlling shareholder of the Company holding 75,000,000,000 shares, which represents 83.3% of the issued share capital of the Company, is Mr Limanto's brother. Further detailed information on Mr Salim Limanto can be found under the sections entitled "Board of Directors and Key Management" of the 2019 Annual Report.

(3) Mr Gouw Eng Seng will, upon re-election as a Director, remain as an Independent Non-Executive Director and an Independent Chairman, the Chairman of the Nominating Committee, and a member of the Audit Committee and the Remuneration Committee. There are no relationships (including family relationships) between Mr Gouw Eng Seng and the other Directors, the Company, its related corporation, its officer or its substantial shareholders, which may affect his independence. The board of directors ("Board") considers Mr Gouw Eng Seng to be independent for the purpose of Rule 704(7) of the Catalist Rules. Further detailed information on Mr Gouw Eng Seng can be found under the sections entitled "Board of Directors and Key Management" of the 2019 Annual Report.

PROPOSED RESOLUTIONS

(For Forthcoming Annual General Meeting)

(4) Ms Alice Yan will, upon re-election as a Director, remain as an Independent Non-Executive Director, the Chairman of the Remuneration Committee, and a member of the Audit Committee and the Nominating Committee. There are no relationships (including family relationships) between Ms Alice Yan and the other Directors, the Company, its related corporation, its officer or its substantial shareholders, which may affect her independence. The Board considers Ms Alice Yan to be independent for the purpose of Rule 704(7) of the Catalist Rules. Further detailed information on Ms Alice Yan can be found under the sections entitled "Board of Directors and Key Management" of the 2019 Annual Report.

(5) Mr Hew Koon Chan will, upon re-election as a Director, remain as an Independent Non-Executive Director, the Chairman of the Audit Committee, and a member of the Nominating Committee and the Remuneration Committee. There are no relationships (including family relationships) between Mr Hew Koon Chan and the other Directors, the Company, its related corporation, its officer or its substantial shareholders, which may affect his independence. The Board considers Mr Hew Koon Chan to be independent for the purpose of Rule 704(7) of the Catalist Rules. Further detailed information on Mr Hew Koon Chan can be found under the sections entitled "Board of Directors and Key Management" of the 2019 Annual Report.

(6) The Ordinary Resolution 10 proposed in item 7 above, if passed, will empower the Directors from the date of this Annual General Meeting until the date of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments. The aggregate number of shares (including shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) which the Directors may allot and issue, shall not exceed, in total, one hundred per cent. (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any), of which the total number of shares issued other than on a pro-rata basis to existing shareholders of the Company, shall not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any).

For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the total number of issued shares (excluding treasury shares subsidiary holdings, if any) at the time Resolution 10 is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when Resolution 10 is passed and any subsequent consolidation or subdivision of shares.

(7) Pursuant to Rule 920(1)(b)(viii) of the Catalist Rules, Deli International Resources Pte. Ltd. will abstain, and has undertaken to ensure that their associates will abstain from voting, and shall decline appointment to act as proxies to vote, on Ordinary Resolution 11 proposed in item 8 above, in relation to the proposed renewal of the IPT General Mandate, unless specific instructions have been given in the Proxy Form by the relevant Shareholder appointing them on how he/she wishes his/her votes to cast. Further detailed information on the proposed renewal of the IPT General Mandate will be set out in the Appendix.

(8) The Ordinary Resolution 12 in item 9 above, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of share options granted under the RGD ESOS and all other share based incentive schemes of the Company up to a number not exceeding in aggregate (for the entire duration of the scheme) fifteen per cent. (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company from time to time.

(9) The Ordinary Resolution 13 in item 10 above, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the date of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to grant share awards under the RGD PSP in accordance with the provisions of the RGD PSP and to issue from time to time such number of fully paid shares as may be required to be issued pursuant to the vesting of the share awards subject to the maximum number of shares prescribed under the terms and conditions of the RGD PSP. The aggregate number of shares which may be issued pursuant to the RGD PSP and any other share-based schemes (if applicable) shall not exceed in aggregate (for the entire duration of the scheme) fifteen per cent. (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company from time to time.