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31/12/2021

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WILTON
WILTON RESOURCES CORPORATION LIMITED



GOING FOR GOLD

ANNUAL REPORT 2021



VISION

To be an accomplished gold mining group in Asia

MISSION

We are committed to provide sustainable value to our stakeholders and be socially responsible

CORE VALUES

Pledge of partnership

We adopt a “Partnership” approach to achieve a “win-win” situation in all our relationships

Sense of conviction

Our passion and sense of conviction in our business inspires us to deliver our goals



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This annual report has been prepared by Wilton Resources Corporation Limited (the "Company") and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst.

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 herein.

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

CORPORATE PROFILE

Listed on the Catalist Board of the Singapore Exchange, Wilton Resources Corporation Limited (“Wilton” or the “Company”, and together with its subsidiaries, the “Group”) is engaged in the exploration and mining of gold, and production of gold dore in Indonesia, a major gold producing country.



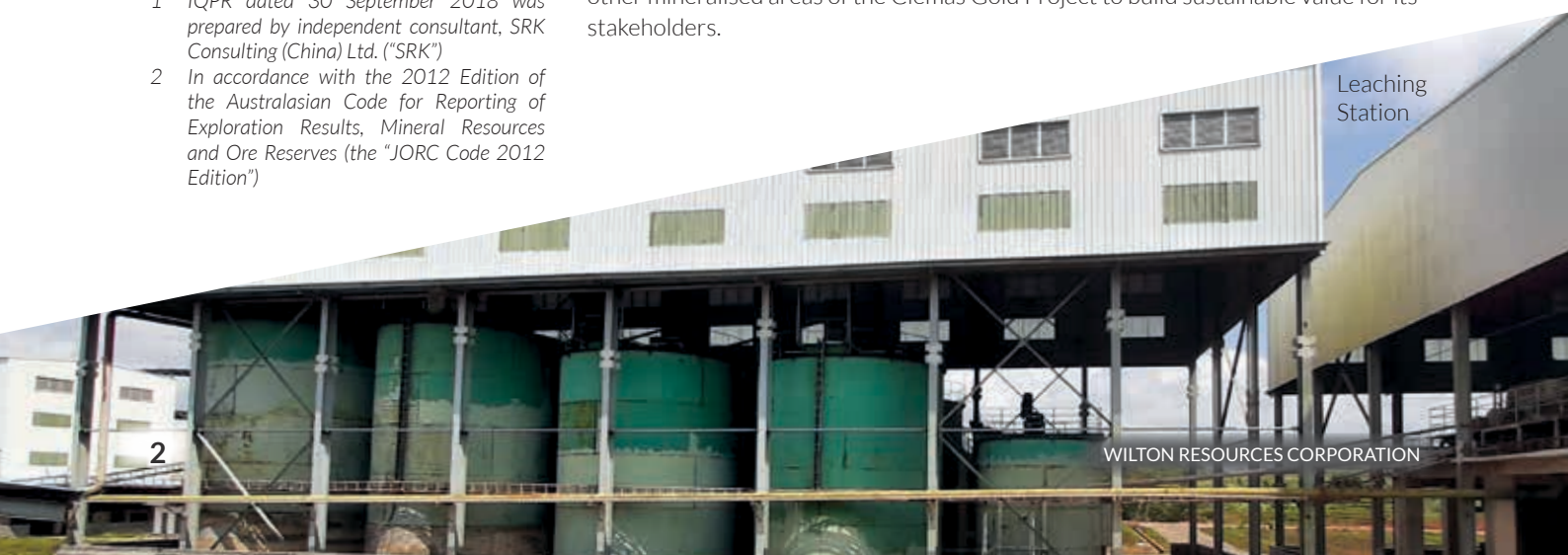
Rich in ore reserves and mineral resources, the Group's Ciemas Gold Project, covering a total area of 3,078.5 hectares, is located in West Java, Indonesia. In the latest Independent Qualified Person's Report (“IQPR”)¹, it is estimated that the Ciemas Gold Project contains approximately 3,260 kt of ore reserves with an average grade of approximately 7.7 g/t of gold². In terms of mineral resources, it is estimated that the Ciemas Gold Project has approximately 3,415 kt of measured and indicated mineral resources and 2,559 kt of inferred mineral resources, with an average grade of approximately 8.6 g/t and 6.5 g/t of gold², respectively.

The Group has resumed the construction of its 500 tonnes per day flotation and carbon-in-leach processing plant.

Besides seeking to develop gold deposits, the Group is exploring the potential of other mineralised areas of the Ciemas Gold Project to build sustainable value for its stakeholders.

¹ IQPR dated 30 September 2018 was prepared by independent consultant, SRK Consulting (China) Ltd. (“SRK”)

² In accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “JORC Code 2012 Edition”)



CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the "Board") of Wilton Resources Corporation Limited ("Wilton", and together with its subsidiaries, the "Group"), I am pleased to present our Annual Report and Financial Statements for the financial year ended 31 December 2021 ("FY2021").

Processing Facility

As economies around the world are starting to open their borders due to the roll-out of vaccinations, Wilton has resumed its operations under "The New Normal" arrangements.

I am glad to inform our shareholders that the Chinese contractors who are responsible for the construction of our 500 tonnes per day flotation and carbon-in-leach mineral processing facility ("Processing Facility") will be returning on-site in April 2022. Completion of the Processing Facility is expected in 2022, barring unforeseen circumstances. Commissioning and trial production will commence upon completion of the Processing Facility.

The construction of all other infrastructures and supporting facilities in relation to the Processing Facility has been completed.

Leaching Facility

Due to the bullish gold price, I am also glad to inform our shareholders that Wilton has resumed its leaching activities and has completed its first gold pour in March 2022. The Leaching Facility will run concurrently with our Processing Facility.

Appreciation

On behalf of the Board, I would like to thank our shareholders for your support over the years. We look forward to our continued partnership in the coming years.

A special thanks to Dato Sri Chong Thim Pheng and Karl Hoffmann Mineral Pte. Ltd. for their continued support in the Ciemas Gold Project.

I would also like to express my appreciation to our Directors, the management, our employees and our professionals for their dedication and contribution to the Group.

WIJAYA LAWRENCE

Executive Chairman and President



“

Due to the bullish gold price, Wilton has resumed its leaching activities and has completed its first gold pour in March 2022. The Leaching Facility will run concurrently with our Processing Facility.

”

BOARD OF DIRECTORS

Mr Wijaya Lawrence
Executive Chairman and President



Mr Wijaya Lawrence, an Indonesian citizen and an entrepreneur, is the Executive Chairman and President of the Group and the President Commissioner of PT. Wilton Makmur Indonesia Tbk. Being the founder of Wilton, Mr Wijaya Lawrence is responsible for the strategic planning, overall management and operations of the Group. Prior to 2000, Mr Wijaya Lawrence was involved in various general trading businesses, such as lighting products and electronics.

In 2000, Mr Wijaya Lawrence founded PT. Wilton Wahana Indonesia ("PT WWI"), which was involved in the business of trading in lighting products and electronics.

In 2007, Mr Wijaya Lawrence was also involved in the business of trading various natural resources, such as zirconium, lead and coal, to several countries. In 2010, Mr Wijaya Lawrence decided to cease the trading business of PT WWI and focus on the mining business of the Group.

Mr Ngiam Mia Je Patrick, a Singapore citizen, is the Non-Executive Director of the Company. Mr Ngiam Mia Je Patrick is the Chairman and co-founder of the Essex group of companies ("Essex"). He is also the Chairman and Chief Executive Officer of IPC Corporation Limited (listed on the SGX-ST Main Board) and Chairman of Essex Bio-Technology Limited (listed on HKEx).

Mr Ngiam Mia Je Patrick, graduated in Electronics Engineering with first class honours, is an acknowledged entrepreneur in Singapore and has received many accolades. In 1990, he was awarded the inaugural KPMG High-Tech Entrepreneur Award. Other awards include the DHL & Singapore Press Holdings' Singapore Business Award for Businessman of the Year in 1994 and the Chevalier De L'Ordre National Du Merite conferred by Le President De La Republique Francaise in 1996.

Mr Ngiam Mia Je Patrick
Non-Executive Director



BOARD OF DIRECTORS

Mr Tan Cher Liang
Lead Independent
Non-Executive Director



Mr Tan Cher Liang, a Singapore Citizen, is the Lead Independent Non-Executive Director of the Company. He chairs the Audit Committee and is a member of the Nominating Committee and the Remuneration Committee. He has more than 40 years of experience in corporate advisory and general management.

Currently, he also serves on the boards of various public and private companies in Singapore including being an Independent Non-Executive Chairman of Jumbo Group Limited and Vibrant Group Limited, and an Independent Director of Food Empire Holdings Limited, Kingsmen Creatives

Ltd, and IPC Corporation Ltd. He is also a Trustee of Kwan Im Thong Hood Cho Temple and a Director of D S Lee Foundation, EtonHouse Community Fund and Children's Charities Association.

He is a qualified financial professional from the Association of Chartered Certified Accountants of the United Kingdom. He was conferred the Public Service Medal (PBM) in 1996.

Mr Seah Seow Kang Steven, a Singapore citizen, is an Independent Non-Executive Director of the Company. He is a lawyer by profession and has more than 40 years of experience in legal practice.

Mr Seah Seow Kang Steven is the co-founder and is currently a partner of Seah Ong & Partners LLP and has been involved in the management of the firm and also handled general legal matters relating to property, family, corporate and litigation.

In 2002, he was awarded the Public Service Medal (Pingat Bakti Masyarakat) and in 2013, he was awarded the Public Service Star (Bintang Bakti Masyarakat).

Mr Seah Seow Kang Steven obtained his Bachelor of Laws (Honours) from the University of Singapore in 1980 and a Diploma in Business Law from the National University of Singapore in 1988.

Mr Seah Seow Kang Steven
Independent Non-Executive Director



Mr Lui Pang Hung
Independent Non-Executive Director



Mr Lui Pang Hung, a Singapore citizen, is an Independent Non-Executive Director of the Company. Mr Lui has worked in Singapore, China, and Indonesia for several years and held senior management positions in various industries. He was a legal practitioner by profession before venturing into corporate positions and has more than

25 years of experience in general and operational management.

Mr Lui Pang Hung obtained his Bachelor of Laws (Honours) degree from the National University of Singapore in 1981.

KEY EXECUTIVES

Mr Andrianto Darmasaputra Lawrence
Vice President (Operations)



Mr Andrianto Darmasaputra Lawrence, an Indonesian citizen, is the Group's Vice President (Operations) and the Director of PT. Wilton Makmur Indonesia Tbk. He is responsible for managing the Company's day-to-day operations and reporting them to the Executive Chairman and President, Mr Wijaya Lawrence. He also assists in managing the Treasury, Human Resources and Finance of the Group.

Prior to joining the Group full-time in December 2012 as Assistant to Chairman, Mr Andrianto Darmasaputra Lawrence worked for the Group on a part-time basis from January 2010 to November 2012, where he gained a comprehensive understanding of the Group's core business.

He obtained his Bachelor of Business (Management) from the Royal Melbourne Institute of Technology (Australia) in 2012.

Mr Nicco Darmasaputra Lawrence
Vice President (General Administration)



Mr Nicco Darmasaputra Lawrence, an Indonesian citizen, is the Group's Vice President (General Administration). He is responsible for overseeing the Administration Division and also assists the Executive Chairman and President, Mr Wijaya Lawrence, in managing the business development and operations of the Group.

Prior to joining the Group full-time in October 2011, Mr Nicco Darmasaputra Lawrence worked for the Group on a part-time basis from September 2009 to September 2011, where he gained a comprehensive understanding of the Group's business and operations.

He obtained his Diploma in Business from the University of Hertfordshire (London) in 2008 and a Bachelor of Arts in Business Management from the Universitas Trisakti (Indonesia) in 2011.

Mr Antony
Vice President (Technical and Development)



Mr Antony, an Indonesian citizen, is the Group's Vice President (Technical and Development). He is responsible for overseeing the Technical and Development Division. He has diverse experience in mechanical engineering industry including the power and process industry and heavy manufacturing engineering.

Prior to joining the Group in April 2015, Mr Antony worked as an engineering consultant since 1993. He was a senior engineer at Foster Wheeler Power Engineering from 1985 to 1992, where he developed a novel industrial boiler and had management experience in power station outage. He had also been responsible for a group heating project.

He obtained his Bachelor of Engineering (Honours) in Mechanical Engineering from Liverpool University U.K. and Master of Science (Mechanical Engineering) from King's College (University of London). He is a Chartered Engineer and a member of the Institute of Mechanical Engineer U.K.

KEY EXECUTIVES

**Mr Chia Wei Yang
(Ethan)**
Group Financial
Controller



Mr Chia Wei Yang (Ethan), a Singapore citizen, is the Group's Financial Controller and the Director of PT. Wilton Makmur Indonesia Tbk. He has experience in external audit, internal audit, finance, accounting, human resources, merger & acquisitions, reverse takeovers, and debt & equity financing. He assists the Vice President (Operations) and is responsible for providing leadership and direction for all aspects of financial planning, internal control compliance and financial reporting matters of the Group.

Prior to joining the Group in November 2016, Mr Chia Wei Yang (Ethan) was with Ernst & Young (Singapore) from November 2014 to October 2016 as an Audit Assistant Manager and had a portfolio that consisted of Investment Banks, Cooperative Banks, Private Equity Funds, Commodities Traders and REITS. Mr Chia Wei Yang (Ethan) was with Deloitte & Touche (Singapore) from November 2012 to October 2014 as an Audit Senior and had a portfolio that consisted of Oil & Gas, Tourism, Manufacturing, Shipping and FMCG industries.

He obtained his Bachelor of Accountancy from Royal Melbourne Institute of Technology (Australia) and is a member of CPA Australia.

Mr Sandy Salim
Finance Manager



Mr Sandy Salim, an Indonesian Citizen, is the Finance Manager of the Group. He has more than 19 years of experience in external audit, internal audit, finance and accounting in a range of industries, including oil and gas, forestry, plantation and mining. He assists the Vice President (Operations) in the accounting and reporting functions of the Group.

Prior to joining the Group as Finance Manager, Mr Sandy Salim was with AsianIndo Holding Pte Ltd. from July 2012 to July 2013 as its Finance Manager. From June 2011 to May 2012, he was the Finance Manager of RH Petrogas Limited, an oil and gas company listed on the SGX-ST Main Board. From November 2008 to May 2011, he was the Group Accounting Manager of United Fiber System Limited, a forestry and construction Company listed on the SGX-ST Main Board. From September 2007 to November 2008, he was an Audit Assistant Manager with LTC LLP Singapore. From November 2001 to September 2007, he was an Audit Senior with BDO LLP Singapore and Ernst & Young (Jakarta).

He obtained his Bachelor of Accounting from the Tarumanagara University in 2001 and Certified Public Accountant from Indonesian Institute of Certified Public Accountants in 2004.

**Ms Amnah
Tarigan**
Accounting
Manager



Ms Amnah Tarigan, an Indonesian citizen, is the Accounting Manager of the Group, and is based in the Group's Indonesia office. She has more than 15 years of experience in internal audit, finance, accounting and audit in a range of industries, including hospitality and mining. She assists the Vice President (Operations) in the accounting and reporting functions of the Group.

Prior to joining the Group, she was an Internal Auditor of PT. BPK Gunung Mulia from February 2008 to June 2009. In 2007, she mainly undertook finance, accounting and tax assignments on a part-time basis. From January 2005 to October 2006, she was the Finance Supervisor of PT Prakarsa Nusa Cemerlang. From March 1999 to December 2004, she was the Accounting Superintendent at PT Multi Granitindo Utama. From November 1996 to February 1999, she was the Chief Finance Assistant & Accounting Staff at PT Jaka Artha Graha. Between June 1994 and November 1996, she was an Audit Executive at Soerhardjo Soewando & Rekan (public accountant) and an Internal Auditor at PT Puri Kamandalu - Hotel Banyan Tree.

She obtained her Bachelor of Accounting from the Universitas Kristen in 2005.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Wijaya Lawrence
Executive Chairman and President

Ngiam Mia Je Patrick
Non-Executive Director

Tan Cher Liang
Lead Independent Non-Executive
Director

Seah Seow Kang Steven
Independent Non-Executive Director

Lui Pang Hung
Independent Non-Executive Director

AUDIT COMMITTEE

Tan Cher Liang (Chairman)
Seah Seow Kang Steven
Lui Pang Hung

REMUNERATION COMMITTEE

Lui Pang Hung (Chairman)
Seah Seow Kang Steven
Steven Tan Cher Liang
Wijaya Lawrence

NOMINATING COMMITTEE

Seah Seow Kang Steven (Chairman)
Ngiam Mia Je Patrick
Lui Pang Hung
Tan Cher Liang

SHARE REGISTRAR

In.Corp Corporate Services Pte. Ltd.
30 Cecil Street
#19-08 Prudential Tower
Singapore 049712
Tel: (65) 6812 1611
Fax: (65) 6812 1601

AUDITOR

Ernst & Young LLP
Public Accountants and Chartered
Accountants
One Raffles Quay, North Tower
Level 18, Singapore 048583
Partner in-charge: **Low Bek Teng**
(Appointed with effect from financial
year ended 31 December 2021)

COMPANY SECRETARY

Siau Kuei Lian (ACS)

REGISTERED OFFICE AND BUSINESS ADDRESS

62 Ubi Road 1
Oxley Bizhub 2 #03-10
Singapore 408734
Tel: (65) 6732 4889
Fax: (65) 6732 4882
Email: email@wilton.sg
Website: www.wilton.sg

PRINCIPAL BANKER

Citibank Singapore Limited

CONTINUING SPONSOR

ZICO Capital Pte. Ltd.
77 Robinson Road
#06-03 Robinson 77
Singapore 068896



ON TRACK

In FY2021, we overcame pandemic-related and macro challenges to achieve key milestones for full production. Our supporting facility saw progress in construction, with the (i) installation of power supply system & distribution, (ii) building of water supply system & reservoir, and (iii) construction of roads. This was alongside preparations for near-term production. We will continue staying agile in the evolving environment to better address stakeholder needs and complete the Processing Facility.



OPERATIONS AND FINANCIAL REVIEW

OPERATIONS REVIEW

PRODUCTION PROGRAMME

Processing Facility

During the financial year ended 31 December 2021 ("FY2021"), Wilton Resources Corporation Limited ("Wilton" or the "Company", and together with its subsidiaries, the "Group") focused on delivering the 500 tonnes per day ("tpd") flotation and carbon-in-leach mineral processing facility ("Processing Facility") at the Ciemas Gold Project.

As relaxation of restrictions on travelling and social activity continue, Wilton has resumed its operations under "The New Normal" arrangements and has completed the construction of the infrastructures and supporting facilities for the Processing Facility. The Chinese contractors responsible for the Processing Facility are preparing to return to Indonesia. Barring unforeseen circumstances, completion of the Processing Facility is expected in 2022. Commissioning and trial production will commence upon completion of the Processing Facility.

Leaching Facility

While preparing for the Processing Facility to come on stream, given the bullish gold price, and to speed up production, the Leaching Facility has also resumed and is in production as at the date of this Annual Report. The Leaching Facility will run concurrently with our Processing Facility.

Future Plans

In the master plan for the current 500 tpd Processing Facility, the Group has catered for production capacity expansion up to 1,500 tpd. Adjacent space has been reserved for an additional 1,000 tpd capacity in the future. This would facilitate the efficient operation and future management of the entire plant.

EXPLORATION PROGRAMME

The Independent Qualified Person's Report dated 30 September 2018 ("2018 IQPR"), prepared by an independent consultant, SRK Consulting China Ltd. ("SRK"), detailed an estimation of mineral resources and ore reserves (in accordance with the JORC Code 2012 Edition) in the Group's six prospects areas at the Ciemas Gold Project (namely Pasir Manggu West, Cikadu, Sekolah, Cibatu, Cibak and Cipancar). As the Group has yet to commence commercial production of gold of the Ciemas Gold Project, the estimation of mineral resources and ore reserves as at 31 December 2021 remained unchanged from that reported in the 2018 IQPR. It is estimated to contain approximately 3,260 kt of ore reserves with an average grade of approximately 7.7 g/t of gold (in accordance with the JORC Code 2012 Edition). In terms of mineral resources, there are approximately 3,415 kt of measured and indicated mineral resources with an average grade of about 8.6 g/t of gold, and approximately 2,559 kt of inferred mineral resources with an average grade of about 6.5 g/t of gold, in accordance with the JORC Code 2012 Edition.

Going forward, the Group will focus on developing the six Prospects where the gold mineral resources have been quantified in the 2018 IQPR. Where appropriate, exploration efforts will also extend to other mineralised areas within the concession blocks. Additional surface rights to area within the Group's concession blocks may be acquired to facilitate future exploration, when necessary.

Mineral Resources and Ore Reserves Status Update

The estimation of the Group's mineral resources and ore reserves for the six prospects, namely Pasir Manggu West, Cikadu, Sekolah, Cibatu, Cibak and Cipancar, is as shown in Tables 1.1 to 1.5.

Date of report:	31 December 2021
Date of previous report:	31 December 2020

OPERATIONS AND FINANCIAL REVIEW (Continued)

Mineral Resources and Ore Reserves Summary Tables

1.1. Pasir Manggu West

Category	Mineral Type	Gross Attributable to Licence		Net Attributable to Issuer			Remarks
		Tonnes (kt)	Grade (g/t Au)	Tonnes (kt)	Grade (g/t Au)	Change ¹ (%)	
Ore Reserves							
Proved	–	–	–	–	–	–	
Probable	Quartz Vein Gold	587	6.6	587	6.6	–	
Total		587	6.6	587	6.6	–	
Mineral Resources ²							
Measured	Quartz Vein Gold	100	7.3	100	7.3	–	at cut-off grade of 1.0 g/t Au
Indicated	Quartz Vein Gold	489	7.3	489	7.3	–	
Inferred	Quartz Vein Gold	242	4.9	242	4.9	–	
Total		831	6.6	831	6.6	–	

1.2. Cikadu

Category	Mineral Type	Gross Attributable to Licence		Net Attributable to Issuer			Remarks
		Tonnes (kt)	Grade (g/t Au)	Tonnes (kt)	Grade (g/t Au)	Change ¹ (%)	
Ore Reserves							
Proved	–	–	–	–	–	–	
Probable	Structurally Altered Gold	986	8.0	986	8.0	–	
Total		986	8.0	986	8.0	–	
Mineral Resources ²							
Measured	–	–	–	–	–	–	at cut-off grade of 1.0 g/t Au
Indicated	Structurally Altered Gold	1,089	8.8	1,089	8.8	–	
Inferred	Structurally Altered Gold	299	9.5	299	9.5	–	
Total		1,388	9.0	1,388	9.0	–	

OPERATIONS AND FINANCIAL REVIEW (Continued)

1.3. Sekolah

Category	Mineral Type	Gross Attributable to Licence		Net Attributable to Issuer			Remarks
		Tonnes (kt)	Grade (g/t Au)	Tonnes (kt)	Grade (g/t Au)	Change ¹ (%)	
Ore Reserves							
Proved	–	–	–	–	–	–	
Probable	Structurally Altered Gold	679	8.1	679	8.1	–	
Total		679	8.1	679	8.1	–	
Mineral Resources ²							
Measured	–	–	–	–	–	–	at cut-off grade of 1.0 g/t Au
Indicated	Structurally Altered Gold	700	9.1	700	9.1	–	
Inferred	Structurally Altered Gold	453	7.3	453	7.3	–	
Total		1,154	8.4	1,154	8.4	–	

1.4. Cibatú

Category	Mineral Type	Gross Attributable to Licence		Net Attributable to Issuer			Remarks
		Tonnes (kt)	Grade (g/t Au)	Tonnes (kt)	Grade (g/t Au)	Change ¹ (%)	
Ore Reserves							
Proved	–	–	–	–	–	–	
Probable	Structurally Altered Gold	1,008	7.9	1,008	7.9	–	
Total		1,008	7.9	1,008	7.9	–	
Mineral Resources ²							
Measured	–	–	–	–	–	–	at cut-off grade of 1.0 g/t Au
Indicated	Structurally Altered Gold	1,036	8.7	1,036	8.7	–	
Inferred	Structurally Altered Gold	455	7.0	455	7.0	–	
Total		1,491	8.2	1,491	8.2	–	

OPERATIONS AND FINANCIAL REVIEW (Continued)

1.5. Cibak and Cipancar

Category	Mineral Type	Gross Attributable to Licence		Net Attributable to Issuer			Remarks
		Tonnes (kt)	Grade (g/t Au)	Tonnes (kt)	Grade (g/t Au)	Change ¹ (%)	
Ore Reserves							
Proved	–	–	–	–	–	–	
Probable	–	–	–	–	–	–	
Total	–	–	–	–	–	–	
Mineral Resources ²							
Measured	–	–	–	–	–	–	at cut-off grade of 2.5 g/t Au
Indicated	–	–	–	–	–	–	
Inferred	Structurally Altered Gold and Quartz Vein	1,110	5.6	1,110	5.6	–	
Total		1,110	5.6	1,110	5.6	–	

kt – 1,000 tonnes

g/t Au – grams of gold per tonne of ore

Notes:

⁽¹⁾ Change from previous update as of 31 December 2020. Changes are relative to contained metal as estimated; positive number denotes increase and negative number denotes decrease.

⁽²⁾ Mineral Resources are inclusive of Ore Reserves.

Name of Qualified Person: Dr Anshun (Anson) Xu, Corporate Consultant (Geology), SRK Consulting (China) Ltd.

Effective date of Mineral Resources and Ore Reserves estimated: 31 December 2021

Professional Society Affiliation/Membership: The Australasian Institute of Mining and Metallurgy (AusIMM)/FAusIMM (#224861)

The estimation of the Group's ore reserves for the four prospects, namely Pasir Manggu West, Cikadu, Sekolah, and Cibat, is as shown in Table 2 below.

Table 2 : Summary of ore reserves as of 31 December 2021

Section	Category	Reserve (kt)	Grade (g/t Au)	Gold (kg)
Cikadu	Probable	986	8.0	7,849
Sekolah	Probable	679	8.1	5,511
Cibatu	Probable	1,008	7.9	7,945
Pasir Manggu West	Probable	587	6.6	3,898
Total		3,260	7.7	25,203

kt – 1,000 tonnes

g/t Au – grams of gold per tonne of ore

OPERATIONS AND FINANCIAL REVIEW (Continued)

Note: The information in the 2018 IQPR which relates to ore reserve conversion is based on information compiled by Mr Falong Hu ("Mr Hu"), MAusIMM, and Mr Qiuji Huang ("Mr Huang"), FAusIMM, employees of SRK Consulting (China) Ltd. Both Mr Huang and Mr Hu have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Persons as defined in the JORC Code 2012 Edition. Mr Huang supervised the work of Mr Hu. Mr Huang and Mr Hu consent to the reporting of this information in the form and context in which it appears.

The estimation of the Group's Mineral Resources from all six prospects is shown in table 3 below.

Table 3: Mineral Resources Statement for the six prospects as of 31 December 2021

Property	Type	Category	Resource (kt)	Grade (g/t Au)	Gold (kg)
Pasir Manggu West	Oxide	Indicated	109	7.2	783
		Inferred	36	5.6	200
	Fresh	Measured	100	7.3	731
		Indicated	380	7.3	2,776
		Inferred	206	4.7	975
Cikadu	Oxide	Indicated	81	6.2	496
		Inferred	20	6.9	134
	Fresh	Indicated	1,008	9.1	9,126
		Inferred	280	9.7	2,718
Sekolah	Oxide	Indicated	89	5.8	510
		Inferred	128	4.9	621
	Fresh	Indicated	612	9.6	5,869
		Inferred	326	8.3	2,689
Cibatu	Oxide	Indicated	129	6.2	794
		Inferred	78	3.0	233
	Fresh	Indicated	907	9.1	8,216
		Inferred	377	7.8	2,951
4 Prospects Total	Oxide	Indicated	407	6.3	2,583
		Inferred	261	4.5	1,188
	Fresh	Measured + Indicated	3,007	8.9	26,718
		Inferred	1,188	7.9	9,332
	Oxide + Fresh	Measured + Indicated	3,415	8.6	29,301
		Inferred	1,449	7.3	10,520
Cibak	Oxide + Fresh	Inferred	660	5.6	3,717
Cipancar	Oxide + Fresh	Inferred	450	5.6	2,520
Cibak & Cipancar Total	Oxide + Fresh	Inferred	1,110	5.6	6,237
4 Prospects + Cibak & Cipancar Total	Oxide + Fresh	Measured + Indicated	3,415	8.6	29,301
	Oxide + Fresh	Inferred	2,559	6.5	16,757

kt – 1,000 tonnes

g/t Au – grams of gold per tonne of ore

Note: Cut-off grades applied for mineral resources statement are 1.0 g/t Au for the 4 Prospects and 2.5 g/t Au for Cibak and Cipancar.

OPERATIONS AND FINANCIAL REVIEW (Continued)

Mineral resources are not ore reserves and do not have demonstrated economic viability.

All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.

Figures for Au metal in this table are estimated based on the resource tonnages and grades, and do not represent the exact amount of extractable metal for this Project. They should be treated differently from the expected production of gold bullion.

The information in the 2018 IQPR which relates to mineral resources estimates is based on information compiled by Dr Anson Xu ("Dr Xu"), and Mr Pengfei Xiao ("Mr Xiao"), employees of SRK Consulting (China) Ltd. Dr Xu, FAusIMM, and Mr Xiao, MAusIMM, have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the JORC Code 2012 Edition. Dr Xu and Mr Xiao consent to the reporting of this information in the form and context in which it appears.

FINANCIAL REVIEW

On 6 March 2020, the Company announced that it would be changing its financial year end from 30 June to 31 December. Accordingly, the current financial year ended 31 December 2021 consists of 12-months' financial information of the Group from 1 January 2021 to 31 December 2021 ("FY2021"), whereas the preceding financial period ended 31 December 2020 consists of 18-months' financial information of the Group from 1 July 2019 to 31 December 2020 ("FP2020").

Income Statement

Revenue / Cost of sales / Gross profit

For FY2021, the Group sold a total of 6.0 kilograms (FP2020: 12.8 kilograms) of gold dore at an average price of approximately US\$1,756/oz (FP2020: US\$1,673/oz) of gold. Correspondingly, the Group recorded cost of sales of Rp 3.6 billion (FP2020: Rp 7.2 billion). As a result, the Group recorded a gross profit of Rp 1.2 billion for FY2021 (FP2020: Rp 2.3 billion).

Other income

Other income increased by Rp 65.7 billion, from Rp 1.0 billion in FP2020 to Rp 66.7 billion in FY2021, mainly due to the write-back of interest expenses in relation to the re-measurement of project financing liability amounting to Rp 66.5 billion (FP2020: Rp 32.4 billion recognised as Finance costs). The write-back was a result of the change in the assessment of the future profitability of the Group's mining facility arising from the change in variable key assumptions such as (i) future gold price, and (ii) timing of the repayment tenure.

Interest income from loans and receivables

Interest income decreased by Rp 0.8 billion, from Rp 1.4 billion in FP2020 to Rp 0.6 billion in FY2021. The decrease in interest income generated from restricted time deposits is mainly due to a decrease in annual interest rate from 3.25% to 2.5% and a decrease in comparative periods from 18 months in FP2020 to 12 months in FY2021.

Other expenses

Other expenses increased by Rp 5.4 billion, from Rp 1.8 billion in FP2020 to Rp 7.2 billion in FY2021, mainly due to the recognition of a net foreign exchange loss amounting to Rp 4.0 billion in FY2021 (FP2020: net foreign exchange gain amounting to Rp 0.1 billion recognised as Other income).

OPERATIONS AND FINANCIAL REVIEW (Continued)

Other operating expenses

Other operating expenses decreased by Rp 4.3 billion, from Rp 13.9 billion in FP2020 to Rp 9.6 billion in FY2021, mainly due to (i) a decrease in depreciation of right-of-use assets for prepaid leases of land within the Group's Concession Blocks by Rp 2.5 billion, (ii) a decrease in survey expenses by Rp 2.6 billion, and (iii) decrease in comparative periods from 18 months in FP2020 to 12 months in FY2021. The decrease was partially offset by an increase in security expenses amounting to Rp 1.5 billion.

Finance costs

Finance costs decreased by Rp 34.9 billion, from net finance costs of Rp 37.6 billion in FP2020 to Rp 2.7 billion in FY2021. The decrease was mainly due to the re-measurement of the project financing liability obtained by the Group from KHM. Please refer to review on other income as set out above, for further information. The decrease was also due to a decrease in comparative periods from 18 months in FP2020 to 12 months in FY2021.

General and administrative ("G&A") expenses

G&A expenses decreased by Rp 50.7 billion, from Rp 85.6 billion in FP2020 to Rp 34.9 billion in FY2021. The decrease was mainly due to (i) decrease in professional fees of Rp 22.0 billion; (ii) decrease in travelling expenses of Rp 6.3 billion; (iii) decrease in employee benefits expense by Rp 11.2 billion; and (iv) decrease in entertainment expenses by Rp 2.7 billion. The overall decrease is also due to a decrease in comparative periods from 18 months in FP2020 to 12 months in FY2021.

Profit/loss after tax

As a result of above, the Group recorded a profit after tax of Rp 14.1 billion in FY2021, as compared to a loss after tax of the Rp 134.2 billion in FP2020. Excluding the write-back of interest expenses in relation to the re-measurement of the project financing liability amounting to Rp 66.5 billion, the Group records a loss after tax of Rp 52.4 billion for FY2021 (FP2020: Rp 101.8 billion).

Net loss attributable to non-controlling interests

Non-controlling interests relate to interests in PT WMI that are not held by the Group. Net loss attributable to non-controlling interests amounted to Rp 1.1 billion in FY2021 (FP2020: Rp 3.8 billion).

Statement of financial position

Assets

Mine properties decreased by Rp 0.1 billion, from Rp 280.2 billion as at 31 December 2020 to Rp 280.1 billion as at 31 December 2021, mainly due to reclassification to property, plant and equipment amounting to Rp 0.1 billion.

Property, plant and equipment ("PPE") increased by Rp 22.8 billion, from Rp 221.8 billion as at 31 December 2020 to Rp 244.6 billion as at 31 December 2021, mainly due to additions amounting to Rp 26.0 billion, reclassification from mine properties amounting to Rp 0.1 billion and partially offset against depreciation charges amounting to Rp 3.3 billion in FY2021.

Intangible assets decreased by Rp 0.2 billion, from Rp 0.4 billion as at 31 December 2020 to Rp 0.2 billion as at 31 December 2021, due to amortisation charges in FY2021.

Right-of-use assets ("ROU assets") relate to prepaid leases of land within the Group's Concession Blocks as well as office and vehicle rental. ROU assets decreased by Rp 5.1 billion, from Rp 50.7 billion as at 31 December 2020 to Rp 45.6 billion as at 31 December 2021. The decrease is mainly due to depreciation charge of Rp 6.6 billion, partially offset against the re-measurement of ROU assets amounting to Rp 0.6 billion and recognition of additional ROU assets amounting to Rp 0.9 billion.

OPERATIONS AND FINANCIAL REVIEW (Continued)

Prepayments (non-current) increased by Rp 13.8 billion, from Rp 3.5 billion as at 31 December 2020 to Rp 17.3 billion as at 31 December 2021, mainly due to advances made to increase electricity power at site area of Rp 3.7 billion and net increase in advance payments to vendors for civil construction works amounting to Rp 9.5 billion. The advances payments made were for work that had been performed but had yet to be invoiced by the vendors.

Prepayment (current) increased by Rp 1.5 billion from Rp 0.5 billion as at 31 December 2020 to Rp 2.0 billion as at 31 December 2021. The increase is mainly due to upfront interest payments arising from the share sale and buyback arrangement.

Inventories decreased by Rp 2.3 billion, from Rp 4.8 billion as at 31 December 2020 to Rp 2.5 billion as at 31 December 2021, due to sales that have been made in FY2021.

Cash and cash equivalents increased by Rp 8.6 billion, from Rp 4.8 billion as at 31 December 2020 to Rp 13.4 billion as at 31 December 2021. Please refer to the section on "Cashflow" for the movement in cash and cash equivalents.

Liabilities

Trade payables decreased by Rp 6.7 billion, from Rp 6.9 billion as at 31 December 2020 to Rp 0.2 billion as at 31 December 2021. The decrease is mainly due to the repayment of amount owing to vendors for mining management services.

Other payables and accruals (current) increased by Rp 2.9 billion, from Rp 53.4 billion as at 31 December 2020 to Rp 56.3 billion as at 31 December 2021, mainly due to an increase in payables and/or accruals for payroll related expenses of Rp 4.0 billion, partially offset against a decrease in professional fees payable of Rp 1.6 billion.

Lease liabilities (current and non-current) increased by Rp 1.3 billion, from Rp 2.2 billion as at 31 December 2020 to Rp 3.5 billion as at 31 December 2021, mainly due to the addition of the Company's office leases for 24 months (January 2021 to December 2022) and re-measurement of subsidiary's office lease and subsidiary's vehicle lease.

Loans and borrowings (current) increased by Rp 37.6 billion, from Rp 25.2 billion as at 31 December 2020 to Rp 62.8 billion as at 31 December 2021, due to an increase in loans from share sale and buyback arrangements amounting to Rp 36.0 billion and an increase in bank overdrafts amounting to Rp 1.6 billion.

Mandatory convertible bonds amounting to Rp 8.6 billion as at 31 December 2021 (31 December 2020: Nil) relates to the value of the 79 Issued Notes which have yet to be converted by the Subscriber as at 31 December 2021.

Loans and borrowings (non-current) decreased by Rp 62.7 billion, from Rp 287.4 billion as at 31 December 2020 to Rp 224.7 billion as at 31 December 2021. The decrease is mainly due to re-measurement of project financing liability obtained by the Group from KHM. The gain on re-measurement recognised in FY2021 is Rp 66.5 billion, partially offset by unrealized exchange differences of Rp 3.8 billion.

Working Capital

The Group's working capital decreased by Rp 37.2 billion, from a deficit of Rp 50.3 billion as at 31 December 2020 to a deficit of Rp 87.5 billion as at 31 December 2021. Please refer to the above sections on "Assets" and "Liabilities" on the movement in current assets and current liabilities.

Cashflow Statement

Net cash outflow for operating activities of Rp 36.8 billion in FY2021 was mainly due to the operating loss before working capital changes of Rp 34.3 billion, interest paid of Rp 4.2 billion, partially offset against working capital changes of Rp 1.1 billion and interest received of Rp 0.6 billion.

Changes in working capital in FY2021 was due to (i) an increase in prepayments of Rp 75 million, (ii) an increase in other debtors and deposits of Rp 25 million, (iii) a decrease in inventories of Rp 2.3 billion, (iv) a decrease in trade payables of Rp 4.6 billion and (v) an increase in other payables and accruals of Rp 3.5 billion.

OPERATIONS AND FINANCIAL REVIEW (Continued)

Net cash used in investing activities of Rp 2.0 billion in FY2021 was mainly due to (i) net proceeds received from partial disposal of interest in a subsidiary of Rp 39.8 billion, (ii) an increase in purchase of property, plant and equipment of Rp 26.0 billion and (iii) prepayment made for property plant and equipment of Rp 15.8 billion.

Net cash generated from financing activities in FY2021 of Rp 47.6 billion was mainly due to (i) proceeds from the issuance of mandatory convertible bonds of Rp 10.4 billion, (ii) proceeds from short term bank loan of Rp 1.7 billion, (iii) payment for short term borrowing of Rp 5.0 billion, (iv) proceeds from short term borrowing of Rp 41.0 billion, and (v) payment of lease liabilities of Rp 0.5 billion.

As at 31 December 2021, the Group had cash and cash equivalents of Rp 13.4 billion, representing an increase of Rp 8.6 billion from Rp 4.8 billion as at 31 December 2020.

Subsequent events

On 8 March 2022, the Company issued 7,894,736 new shares in the capital of the Company in relation to the partial conversion of 15 mandatory convertible notes, at an issue price of S\$0.019 each.

On 24 March 2022, the Company issued 7,142,857 new shares in the capital of the Company in relation to the partial conversion of 15 mandatory convertible notes, at an issue price of S\$0.021 each.

On 29 March 2022, the Group entered into a sale and purchase agreement whereby the Group had agreed to sell an aggregate of 742,000,000 ordinary shares in the capital of PT. Wilton Makmur Indonesia Tbk ("PT WMI TBK") for cash consideration of S\$3.5 million (the "Disposal"). The Disposal was completed on 31 March 2022. Pursuant to the agreement, the Group had entered into a put/call option for an additional 530,000,000 ordinary shares in the capital of PT WMI TBK for an additional cash consideration of S\$3.5 million.

Conclusion

The Group's operational activities are focused on unlocking the potential of Ciemas Gold Project and embark on its growth journey.

CORPORATE GOVERNANCE REPORT

The board of directors (the “**Board**” or the “**Directors**”) and the management (“**Management**”) of Wilton Resources Corporation Limited (“**Company**”, and its subsidiaries, the “**Group**”) are committed to achieving a high standard of corporate governance within the Group. Underlying this commitment is the belief that good corporate governance will help to enhance corporate performance and protect the interests of the Company’s shareholders (the “**Shareholders**”). In this respect, the Company adopts corporate governance practices based on the principles and provisions set out in the Singapore Code of Corporate Governance 2018 (the “**Code**”). The Group also ensures that all applicable laws, rules and regulations including the Securities and Futures Act and the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”) are duly complied with.

This report outlines the Group’s corporate governance practices for the financial year ended 31 December 2021 (“**FY2021**”) with specific reference made to the principles and provisions of the Code. The Board confirms that, in FY2021, the Group has complied with the principles of the Code, and the provisions and guidelines set out in the Code (except where otherwise explained). In areas where the Group’s practices vary from any provisions of the Code, the Company has stated herein the provisions from which it has varied, 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

THE BOARD’S CONDUCT OF AFFAIRS

Principle 1: The company is headed by an effective Board which is collectively responsible and works with management for the long-term success of the company.

Provision 1.1

Principal Duties of the Board

The Company is headed by an effective Board, comprising individuals from diversified backgrounds and who collectively bring with them a wide range of experience, to lead and manage the Group. The Board’s primary role is to protect and enhance long-term Shareholders’ value. Its responsibilities are distinct from the responsibilities of the Management. The Board sets the overall strategy for the Group and supervises the Management. To fulfil this role, the Board sets strategic directions, establishes goals for the Management and monitors the achievement of these goals, thereby taking responsibility for the overall corporate governance of the Group.

Code of Business Conduct and Ethics

The Board also sets the tone for the Company in respect of code of conduct, ethics, values and desired organisational culture, and also ensures proper accountability within the Group.

Conflict of Interest

The Board acts in good faith and in the best interests of the Company by exercising due care, skills and diligence, and avoiding conflicts of interest. The Directors are cognizant of their fiduciary duties at law. When a potential conflict of interest situation arises, the affected Director will recuse himself from the discussion and decisions involving the areas of potential conflict, unless the Board is of the opinion that his participation is necessary. Where such participation is permitted, the conflicted Director excuses himself for an appropriate period during the discussions to facilitate full and frank exchange by the other Directors, and shall in any event recuse himself from the decision-making.

CORPORATE GOVERNANCE REPORT (Continued)

Provision 1.2

Director Competencies

In addition to its statutory duties, the principal functions of the Board are:

- a) review and approve corporate policies, strategies and financial plans of the Group, ensuring that the necessary financial and human resources are in place;
- b) review and monitor the performance of the Management;
- c) monitor financial performance including approval of the annual and interim financial reports and material interested person transactions;
- d) setting the Company's values and standards, and ensuring that obligations to Shareholders and others are understood and met;
- e) oversee and review the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- f) consider sustainability issues as part of its strategic formulation;
- g) approve major funding proposals, investments, acquisitions and divestment proposals; and
- h) assume responsibility for corporate governance.

The Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

Directors' Orientation and Training

Newly-appointed Directors will receive appropriate orientation programme and briefings on Director's duties, responsibilities, disclosure duties and statutory obligations. Newly appointed Directors will also be briefed by the Management on the business activities of the Group, strategic directions, governance policies, policies on disclosure of interests in securities, the rules relating to disclosure of any conflict of interest in a transaction involving the Company, prohibitions in dealing in the Company's securities and restrictions on disclosure of price sensitive information.

The Company will arrange for new Director with no prior experience of serving as a director in a listed company to attend mandatory training conducted by Singapore Institute of Directors pursuant to Rule 406(3)(a) of the Catalist Rules, at the expense of the Company.

Mr Lui Pang Hung was appointed as an Independent Director with effect from 1 September 2021. The Company has arranged for Mr Lui Pang Hung to attend the mandatory training in accordance with Rule 406(3)(a) of the Catalist Rules.

The Directors are also updated regularly on changes to the Catalist Rules, risk management, corporate governance, insider trading and key changes in the relevant regulatory requirements, financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as members of the Board or Board Committees.

News releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Directors are regularly circulated to the Board, by the Company Secretary and/or the continuing sponsor of the Company. The Company Secretary would inform the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company. Annually, the external auditors update the AC and the Board on new and revised financial reporting standards that are applicable to the Company or the Group.

CORPORATE GOVERNANCE REPORT (Continued)

Directors are encouraged to attend seminars and receive training to improve themselves in the discharge of Directors' duties and responsibilities. Changes to regulations and accounting standards are monitored closely by the Management. To keep pace with such regulatory changes, the Company provides opportunities for ongoing education, training and best practices as well as updates on changes in legislation and financial reporting standards, regulations and guidelines from the Catalist Rules that affect the Company and/or the Directors in discharging their duties.

In addition, the Management regularly updates and familiarises the Directors on the business activities of the Group during the Board meetings. They will also be given opportunities to visit the Group's operations and meet the Management so as to gain a better understanding of the Group's business. In addition, such Directors will undergo other training courses as organised by the Singapore Institute of Directors or other training institution in areas such as accounting, legal and industry specific knowledge, where appropriate, in connection with their duties.

Provision 1.3

Matters Requiring Board's Approval

The Board has adopted a set of internal guidelines setting forth matters that require the Board's approval. Matters which are specifically reserved for the Board's decision are those involving significant acquisitions, disposals and financing proposals, reviewing and approving the Group's corporate policies, monitoring the performance of the Group and transactions relating to investment, financing, legal and corporate secretarial. The Board reviews these internal guidelines on a periodic basis to ensure their relevance to the operations of the Company.

Provision 1.4

Delegation by the Board

To assist the Board in the execution of its responsibilities, the Board has delegated specific responsibilities to three (3) committees, namely the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively, "**Board Committees**"). The Board Committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis to ensure their continued relevance and efficacy. While the Board Committees have the authority to examine particular issues and report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters still lies with the entire Board.

Please refer to the various principles set out in this report for further information on the names of the members of the respective Board Committees, their terms of reference and a summary of activities of the respective Board Committees in FY2021.

All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. As the Board retains ultimate responsibility on all decisions, all matters discussed at the Board Committees' meetings are presented and reported to the Board for approval prior to its implementation. The Board Committees report its activities regularly to the Board. Minutes of the Board Committees are regularly provided to the Board and are available to all Board members. The Board Committees have explicit authority to investigate any matter within their terms of reference, have full access to and co-operation by Management, have resources to enable them to discharge their functions properly and full discretion to invite any Director or Senior Management to attend their meetings.

CORPORATE GOVERNANCE REPORT (Continued)

Provision 1.5

Board and Board Committees Meetings

The Board holds at least two (2) meetings each year to approve the half yearly and full year results announcement and to oversee the business affairs of the Group. Additional meetings are held at such other times as may be necessary to address specific significant matters that may arise. Important matters concerning the Group are also put to the Board for its decision by way of written resolutions. The Company's Constitution provides for Board meetings to be held via telephone conference or video conference that enable them to communicate with each other simultaneously and instantaneously. The Non-Executive Directors (including the Independent Directors) participate actively during Board meetings. Directors with multiple board representations will ensure that sufficient time and attention are given to the affairs of the Company.

The table below sets out the number of Board and Board Committees meetings held during FY2021 and the attendance of each Director at these meetings:

	Board		AC		NC		RC	
	No. of meeting		No. of meeting		No. of meeting		No. of meeting	
Name of Directors	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Wijaya Lawrence ¹	2	2	2	2*	1	1*	1	1
Ngiam Mia Je Patrick	2	2	2	2*	1	1	1	1*
Tan Cher Liang ²	2	2	2	2	1	1	1	1
Teo Kiang Kok ³	2	1	2	1	1	1	1	1
Seah Seow Kang Steven	2	2	2	2	1	1	1	1
Lui Pang Hung ⁴	2	–	2	–	1	–	1	–

* By Invitation

¹ Mr Wijaya Lawrence was appointed as a member of the Audit Committee with effect from 29 July 2021. He ceased to be a member of the Audit Committee with effect from 1 September 2021.

² Mr Tan Cher Liang was appointed as the Lead Independent Director with effect from 1 September 2021.

³ Mr Teo Kiang Kok retired as the Lead Independent Director of the Company at the Annual General Meeting held on 30 April 2021.

⁴ Mr Lui Pang Hung was appointed as an Independent Director of the Company, Chairman of the Remuneration Committee, and a member of the Audit Committee and the Nominating Committee with effect from 1 September 2021.

The Company has benefited from the Management's access to its Directors for guidance and exchange of views both within and outside of the meetings of the Board and Board Committees. The Non-Executive Directors (including the Independent Directors) communicate amongst themselves and with the Company's external auditor and the Management.

Provision 1.6

Access to Information

To enable the Board to fulfil its responsibilities, the Management strives to provide the Board members with complete, adequate and timely information for Board and Board Committees meetings on an on-going basis. The Board and Board Committees papers are prepared for each meeting and are disseminated to the members before the meetings. The Board and Board Committees papers include financial, business and corporate matters of the Group so as to enable the Directors to be properly briefed on matters to be considered at the Board and Board Committees meetings. The Directors are given separate and independent access to the Management and the Company Secretary to address any enquires.

CORPORATE GOVERNANCE REPORT (Continued)

Provision 1.7

Access to Management and Company Secretary

The Company Secretary or her representative(s) attend all Board and Board Committees meetings and prepare minutes of Board and Board Committees meetings. The Company Secretary assists the Executive Chairman and President in ensuring that Board procedures are followed and reviewed in accordance with the Constitution so that the Board functions effectively and the relevant requirements of the Companies Act 1967 of Singapore ("**Companies Act**") and the Catalist Rules are complied with. The Company Secretary or her representative(s) advise the Board on all governance matters, ensuring that legal and regulatory requirements as well as Board policies and procedures are complied with. The appointment and removal of the Company Secretary are subject to the approval of the Board.

Independent Professional Advice

The Directors either individually or as a group may seek independent professional advice in furtherance of their duties and costs of such service will be borne by the Company.

BOARD COMPOSITION AND GUIDANCE

Principle 2: 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.

Provision 2.1

Director's Independence and Duration of Independent Directors' Tenure

There is presently a strong and independent element on the Board. Majority of the Board is made up of Independent Directors whose independence is reviewed annually by the NC. The criteria for independence is determined based on the guidelines as set out in Provision 2.1 of the Code, the Nominating Committee Guide issued by Singapore Institute of Directors and Rule 406(3)(d) of the Catalist Rules. The Board considers an independent director as one who has no relationship with the Company, its related companies, its substantial shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment in carrying out the functions as an independent director with a view to the best interests of the Group.

The Independent Directors do not have any relationships (including immediate family relationships) with other Directors, the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be perceived to interfere, with their independence. Provision 2.1 of the Code provides that the independence of any Director who has served on the Board beyond 9 years from the date of first appointment be subject to two-tier vote by Shareholders in accordance to Rule 410(3)(d) of the Catalist Rules (which came into effect on 1 January 2022), or particularly rigorous review which will continue to apply prior to 1 January 2022.

In line with Provision 2.1 of the Code and Rule 406(3)(d)(iii) of the Catalist Rules which took effect from 1 January 2022, the continued appointment of Mr Seah Seow Kang Steven and Mr Tan Cher Liang as Independent Directors (who were both appointed on 12 December 2013 and will serve as Independent Directors for an aggregate period of more than nine (9) years on the Board on 12 December 2022), will be subject to the approval of (i) all Shareholders; and (ii) all Shareholders, excluding Shareholders who are directors and chief executive officer of the Company, and associates of such directors and chief executive officer (the "**Two-Tier Voting**") at the forthcoming Annual General Meeting ("**AGM**"). Such resolution approved via Two-Tier Voting shall remain in force until the earlier of (a) the retirement or resignation of that Director; or (b) the conclusion of the third AGM of the Company following the passing of the resolutions.

CORPORATE GOVERNANCE REPORT (Continued)

The NC had conducted a rigorous review of the independence of Mr Seah Seow Kang Steven and Mr Tan Cher Liang who will serve on the board beyond nine (9) years from 12 December 2022, taking into consideration the following factors, amongst others, their considerable amount of experience and wealth of knowledge, their attendance and active participation in the proceedings and decision making process of the Board and Board Committee meetings, provision of continuity and stability to the Management at the Board level as they have developed deep insight into the business of the Company, their qualification and expertise provide reasonable checks and balances on the Management and their past and current contributions. Following the review, the NC is satisfied that they have exercised independent judgement and character in the best interests of the Company in discharging their duties and responsibilities. The Board has concurred with the view of the NC on the independence of Mr Seah Seow Kang Steven and Mr Tan Cher Liang. Mr Seah Seow Kang Steven and Mr Tan Cher Liang had abstained from the deliberations and decision on their own independence.

After taking into account the views of the NC, the Board is satisfied that each Independent Director is independent in character and judgment and that there are no relationships or circumstances which are likely to affect, or could affect, the Independent Director's judgement.

Provisions 2.2 and 2.3

Proportion of Independent Directors and Non-Independent Non-Executive Directors

In FY2021 and as at the date of this report, the Board comprises five (5) Directors, including three (3) of whom are Independent Directors and one (1) Non-Independent Non-Executive Director. Accordingly, the Board has satisfied the requirements for (i) independent directors to make up a majority of the Board where the Chairman of the Board is not independent; and (ii) non-executive directors to make up a majority of the Board.

Provision 2.4

Board Composition

As at the date of this report, the composition of the Board and Board Committees is as follows:

Name of Director	Designation	Board Committee Membership		
		Audit Committee	Nominating Committee	Remuneration Committee
Wijaya Lawrence ¹	Executive Chairman and President	–	–	Member
Ngiam Mia Je Patrick	Non-Executive Director	–	Member	–
Tan Cher Liang ²	Lead Independent Director	Chairman	Member	Member
Seah Seow Kang Steven	Independent Director	Member	Chairman	Member
Lui Pang Hung ³	Independent Director	Member	Member	Chairman

¹ Mr Wijaya Lawrence was appointed as a member of Audit Committee on 29 July 2021. He ceased to be a member of the Audit Committee with effect from 1 September 2021.

² Mr Tan Cher Liang was appointed as the Lead Independent Director with effect from 1 September 2021.

³ Mr Lui Pang Hung was appointed as an Independent Director of the Company, Chairman of the Remuneration Committee, and a member of the Audit Committee and the Nominating Committee on 1 September 2021.

CORPORATE GOVERNANCE REPORT (Continued)

Board Diversity

The Board, via the NC, has reviewed its size and composition and is satisfied that, after taking into account the scope and nature of operations of the Group in the financial year under review, the current Board size is appropriate and effective. Notwithstanding that the Company has not adopted a formal board diversity policy, the Board comprises Directors who, as a whole, have the core competency and experience to discharge their duties as Directors of the Company. Such competency and experience include industry knowledge, strategic planning, business and general management, legal and finance. This enables the Management to benefit from the external and expert perspectives of the Directors who collectively possess the core competencies relevant to the direction and growth of the Group. The Board noted that gender diversity on the Board is also one of the recommendations under the Code to provide an appropriate balance of diversity. Although there is currently no female Director appointed to the Board, the Board does not rule out the possibility of appointing a female Director if a suitable candidate is nominated for the Board's consideration.

With the introduction of Rule 710(A) of the Catalist Rules effective from 1 January 2022, the Board will endeavour to formalise a board diversity policy that addresses gender, skills and experience and any other relevant aspects of diversity and describe such policy in its Annual Report for the financial year ending 31 December 2022.

None of the Independent Directors have been appointed as director to the Company's principal subsidiaries, and each of them do not exercise management functions in the Group. Although all the Directors have equal responsibility for the performance of the Group, the role of the Non-Executive Director and the Independent Directors is particularly important in ensuring that the strategies proposed by the Management are fully discussed and rigorously examined and take into account the long-term interests of all stakeholders of the Group (including Shareholders, employees, customers, suppliers and the communities in which the Group conducts its business). The Non-Executive Directors (including the Independent Directors) also review and monitor the performance of the Management on a periodic basis. The current system has ensured that no power is concentrated in any one individual or small group of individuals.

Board Guidance

The Company co-ordinates informal meetings for the Non-Executive Directors (including the Independent Directors) on a need-to basis without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, Board processes, succession planning, leadership development and the remuneration of the Executive Director.

Provision 2.5

Meeting of Non-Executive Directors without Management

Where appropriate, the Non-Executive Directors (including the Independent Directors), led by the Lead Independent Director, will meet without the presence of the other Directors where applicable/necessary, and the Lead Independent Director will provide feedback to the Executive Chairman and President after such meetings.

CORPORATE GOVERNANCE REPORT (Continued)

CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

Principle 3: 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.

Provision 3.1

Separation of the Role of the Chairman and the CEO

Mr Wijaya Lawrence, the Executive Chairman and President as well as the controlling shareholder of the Company, takes an active role in the management of the Group. The Board is of the opinion that it is not necessary to separate the two (2) roles of the Chairman of the Board and the President (which is equivalent to the CEO) after taking into consideration the size and capabilities of the Board, the size and operations of the Group, and with the strong presence of Independent Directors on the Board. The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence and there is accountability for good corporate governance. There is an appropriate balance of power and authority given that the majority of the members (including the respective Chairmen) of the Board Committees are independent and that a majority of the Board comprises Independent Directors. Taking into account the above, the Board is of the view that the Company complies with Principle 3 of the Code.

Provision 3.2

Role of Chairman and CEO

The responsibilities of the Executive Chairman include:

- a) scheduling of meetings to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;
- b) setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- c) ensuring that all members of the Board receive accurate, timely and clear information and ensuring effective communication with Shareholders;
- d) promoting active engagement and open dialogue amongst the Directors as well as between the Board and the Management;
- e) ensuring the Group's compliance with the Code; and
- f) acting in the best interest of the Group and the Shareholders.

The Company Secretary may be called to assist the Executive Chairman and President in any of the above. As President, Mr Wijaya Lawrence is responsible for the overall management and strategic direction of the Group. He also takes an active role in the day-to-day operations of the Group.

Provision 3.3

Lead Independent Director

As the Chairman and President is the same person, and in accordance with Provision 3.3 of the Code, Mr Tan Cher Liang has been appointed as the Lead Independent Director. He is the principal liaison between the Independent Directors and the Executive Chairman and President. He is available to Shareholders where they have concerns and in circumstances where contact through the normal channel of the Executive Chairman and President, or the Group Financial Controller has failed to resolve their concerns or for which such contact is inappropriate.

CORPORATE GOVERNANCE REPORT (Continued)

BOARD MEMBERSHIP

Principle 4: 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.

Provision 4.1

Roles and Duties of the NC

Based on the written terms of reference approved by the Board, the principal functions of the NC are:

- a) review of succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel and making recommendations to the Board on all candidates proposed for appointment to the Board of the Company and of its subsidiaries;
- b) reviewing on a regular basis the Board structure, size and composition and making recommendations to the Board on any changes as the NC deems necessary;
- c) reviewing and recommending to the Board the training and professional development programs for the Directors;
- d) identifying and making recommendations to the Board as to which Directors are to retire by rotation and to be put forward for re-election at each AGM of the Company, having regard to the Directors' contribution and performance, including the Independent Directors;
- e) determining whether a Director is independent; and
- f) proposing a set of objective performance criteria to the Board for approval and implementation, to evaluate the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board.

Provision 4.2

Composition of the NC

The NC comprises four (4) members, three (3) of whom (including the NC Chairman) are Independent Directors. The Lead Independent Director is also a member of the NC. As at the date of this report, the NC comprises:

Seah Seow Kang Steven (Independent Director)	Chairman
Tan Cher Liang (Lead Independent Director)	Member
Ngiam Mia Je Patrick (Non-Executive Director)	Member
Lui Pang Hung ¹ (Independent Director)	Member

¹ Appointed as a member of the NC on 1 September 2021.

Provision 4.3

Nomination and Selection of Directors

The NC is responsible for identifying and recommending new Directors to the Board. In selecting potential new Directors, the NC will seek to identify the competencies required to enable the Board to fulfil its responsibilities. The NC may engage consultants to undertake research on, or assess, candidates applying for new positions on the Board, or to engage such other independent experts, as it considers necessary to carry out its duties and responsibilities. Recommendations for new Directors are put to the Board for its consideration. New Directors are appointed by way of a Board resolution following which they are subject to re-election at the next AGM.

CORPORATE GOVERNANCE REPORT (Continued)

Re-election of Directors

In accordance with the Company's Constitution and the Catalyst Rules, each Director is required to submit for re-nomination and re-election at least once in every three (3) years by rotation, and all newly appointed Directors will have to retire by rotation and submit themselves for re-election at the next AGM following their appointments. The NC has recommended, and the Board has agreed that at the forthcoming AGM, Mr Wijaya Lawrence (Regulation 91), Mr Seah Seow Kang Steven (Regulation 91) and Mr Lui Pang Hung (Regulation 97), will be retiring by rotation, and be re-nominated for re-election. Mr Wijaya Lawrence, Mr Seah Seow Kang Steven and Mr Lui Pang Hung have offered themselves for re-election at the forthcoming AGM. Each member of the NC shall abstain from voting, approving or making a recommendation on any resolution of the NC in which he has a conflict of interest in the subject matter under consideration. In its deliberations on the re-election of existing Directors, the NC takes into consideration the relevant Director's competency, commitment, contribution and performance (including, if applicable, his contribution and performance as a Director). The assessment parameters include attendance record, preparedness, intensity of participation and candour at meetings of the Board and Board Committees as well as the quality of input and contributions.

Key information on Mr Wijaya Lawrence, Mr Seah Seow Kang Steven and Mr Lui Pang Hung (who are eligible and offer themselves for re-election at the forthcoming AGM) pursuant to Rule 720(5) of the Catalyst Rules are set out below:-

Name of Director	Wijaya Lawrence	Seah Seow Kang Steven	Lui Pang Hung
Date of first appointment	12 December 2013	12 December 2013	1 September 2021
Date of last re-appointment (if applicable)	30 October 2018	30 October 2019	N.A.
Age	64	67	65
Country of principal residence	Indonesia	Singapore	Singapore
The Board's comments on the NC's recommendation for re-election	The re-election of Mr Wijaya Lawrence was recommended by the NC and the Board has accepted the recommendation, after taking into consideration, Mr Wijaya Lawrence's qualifications, experience, and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Seah Seow Kang Steven was recommended by the NC and the Board has accepted the recommendation, after taking into consideration, Mr Seah Seow Kang Steven's qualifications, experience, and overall contribution since he was appointed as a Director of the Company. The Board considers Mr Seah Seow Kang Steven to be independent for the purpose of Rule 704(7) of the Catalyst Rules.	The re-election of Mr Lui Pang Hung was recommended by the NC and the Board has accepted the recommendation, after taking into consideration, Mr Lui Pang Hung's qualifications and experience. The Board considers Mr Lui Pang Hung to be independent for the purpose of Rule 704(7) of the Catalyst Rules.
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr Wijaya is responsible for the strategic planning, overall management and operations of the Group.	Non-Executive	Non-Executive

CORPORATE GOVERNANCE REPORT (Continued)

Name of Director	Wijaya Lawrence	Seah Seow Kang Steven	Lui Pang Hung
Job title	Executive Chairman and President, and a member of the Remuneration Committee	Independent Director, Chairman of the Nominating Committee, and a member of the Audit Committee and the Remuneration Committee	Independent Director, Chairman of the Remuneration Committee, and a member of the Audit Committee and the Nominating Committee
Professional qualifications	Higher School Certificate	(i) Bachelor of Laws (Honours) from the University of Singapore (ii) Diploma in Business Law from the National University of Singapore	Bachelor of Laws (Honours) (LLB), National University of Singapore
Working experience and occupation(s) during the past 10 years	Mr Wijaya is the Executive Chairman and President of the Group, and the President Commissioner of PT. Wilton Makmur Indonesia Tbk.	Mr Seah is the co-founder and a partner of Seah Ong & Partners LLP since 2002.	Compupack Technology Ltd – General Manager China Operations (2008 to 2012) China Sonangol International (S) Pte. Ltd. – Special Assistant to Group CEO (2012 to 2014) Ying Li International Real Estate Ltd – Group Chief Operating Officer (2014 to 2015) Fuelcore Pte. Ltd. – Group Chief Operating Officer (2015 to 2018) Wanlongxinye Holdings Pte. Ltd. – VP Operations (2020 to current)
Shareholding interest in the listed issuer and its subsidiaries	Mr Wijaya holds 582,640,000 shares in the Company	No	No
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	Mr Wijaya Lawrence is the brother-in-law of Mr Ngiam Mia Je Patrick (Non-Executive Director) and father of Mr Andrianto Darmasaputra Lawrence (Vice President (Operations)) and Mr Nicco Darmasaputra Lawrence (Vice President (General Administration)).	Nil	Nil

CORPORATE GOVERNANCE REPORT (Continued)

Name of Director	Wijaya Lawrence	Seah Seow Kang Steven	Lui Pang Hung
Conflict of interest (including any competing business)	Nil	Nil	Nil
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 720(1))	Yes	Yes	Yes
Other Principal Commitments Including Directorships (Present and for the last 5 years)	Other Principal Commitment: - President Commissioner of PT. Wilton Makmur Indonesia Tbk Present Directorship: - PT. Wilton Investment - PT. Wilton Wahana Indonesia - PT. Liektucha Ciemas Past Directorship (for the past 5 years): Nil	Other Principal Commitment: Partner of Seah Ong & Partners LLP Present Directorship: Nil Past Directorship (for the past 5 years): IPC Corporation Ltd	Other Principal Commitment: Nil Present Directorship: Nil Past Directorship (for the past 5 years): Nil
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 questions 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

CORPORATE GOVERNANCE REPORT (Continued)

Name of Director	Wijaya Lawrence	Seah Seow Kang Steven	Lui Pang Hung
(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
(c) Whether there is any unsatisfied judgment against him?	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

CORPORATE GOVERNANCE REPORT (Continued)

Name of Director	Wijaya Lawrence	Seah Seow Kang Steven	Lui Pang Hung
(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
(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

CORPORATE GOVERNANCE REPORT (Continued)

Name of Director	Wijaya Lawrence	Seah Seow Kang Steven	Lui Pang Hung
(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
(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
(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
(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	No	No	No

CORPORATE GOVERNANCE REPORT (Continued)

Name of Director	Wijaya Lawrence	Seah Seow Kang Steven	Lui Pang Hung
(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 (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 of business trust?			

CORPORATE GOVERNANCE REPORT (Continued)

Name of Director	Wijaya Lawrence	Seah Seow Kang Steven	Lui Pang Hung
(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
Any prior experience as a director of an issuer listed on the Exchange?	Not required for re-election of Director.	Not required for re-election of Director.	Mr Lui Pang Hung has no prior experience as a director of an issuer listed on the Exchange, before his appointment as a Director of the Company.
If yes, please provide details of prior experience.	N.A.	N.A.	N.A.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a listed issuer as prescribed by the Exchange.	N.A.	N.A.	Pursuant to Rule 406(3)(a) of the Catalist Rules, the Company has arranged for Mr Lui Pang Hung to attend the relevant training on the roles and responsibilities of a director of a listed issuer in Singapore as prescribed by the Exchange under Practice Note 4D of the Catalist Rules.
Please provide details of relevant experience and the NC's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.	N.A.

Alternate Director

There is no alternate director appointed to the Board in FY2021 and as at the date of this report.

CORPORATE GOVERNANCE REPORT (Continued)

Provision 4.4

Continuous Review of Directors' Independence

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 a "Confirmation of Independence" form completed by each Independent Director to confirm his independence. The "Confirmation of Independence" form was drawn up based on Provision 2.1 of the Code and the Nominating Committee Guide issued by Singapore Institute of Directors and Rule 406(3)(d) of the Catalist Rules. Having made its review, the NC is of the view that each of the Independent Directors is independent in accordance with the Provision 2.1 of the Code and Rule 406(3)(d) of the Catalist Rules.

Provision 4.5

Multiple Board Representations

The NC is responsible for reviewing the ability of Directors to devote sufficient time and attention to the affairs of the Company and in particular to take into account multiple directorships and significant principal commitments held by the Directors. The NC requires each Director to declare any new additional directorships or significant principal commitments during the year to enable the ongoing monitoring of the time commitment, attendance and contributions of the Directors to the Company. The NC is of the view that fixing a limit on the number of such board representations is not meaningful in the context of the Group. The NC has reviewed and is satisfied that the Directors are able to commit sufficient time, effort and attention to the affairs of the Group, and such other directorships and principal commitments of the Directors had not hindered them from carrying out their duties as Directors of the Company. The Board has accepted and affirmed the view of the NC.

Listed Company Directorship and Other Principal Commitments

Other than the key information regarding the Directors set out below, information pertaining to the Directors' interests in shares, options and other convertible securities are set out in the "Directors' Statement" section of this Annual Report, and information in relation to the background and principal commitments of the Directors are set out in the "Board of Directors" section of this Annual Report.

Name of Director	Academic/ Professional qualifications	Board appointment	Board Committees as chairman or member	Date of first appointment as a Director	Date of last re-election	Directorships or chairmanships in other listed companies and other principal commitments	Past directorships or chairmanships in other listed companies and other principal commitments over the preceding 3 years
Wijaya Lawrence	Higher School Certificate	Executive Chairman and President	Chairman of the Board and member of the RC	12 December 2013	30 October 2018 (To be re-elected at the forthcoming AGM)	Nil	Nil
Ngiam Mia Je Patrick	Bachelor of Science in Electronics Engineering (First Class Honours) from the University of Essex	Non-Executive Director	Board member and member of the NC	12 December 2013	30 October 2019	(i) IPC Corporation Limited (ii) Essex Bio-Technology Limited	Nil

CORPORATE GOVERNANCE REPORT (Continued)

Name of Director	Academic/ Professional qualifications	Board appointment	Board Committees as chairman or member	Date of first appointment as a Director	Date of last re-election	Directorships or chairmanships in other listed companies and other principal commitments	Past directorships or chairmanships in other listed companies and other principal commitments over the preceding 3 years
Tan Cher Liang	Fellow of the Association of Chartered Certified Accountants of the United Kingdom	Lead Independent Director	Board member, Chairman of the AC and a member of the NC and the RC	12 December 2013	30 April 2021	(i) Vibrant Group Limited (ii) Kingsmen Creatives Ltd (iii) Jumbo Group Limited (iv) Ezra Holdings Limited (v) Food Empire Holdings Limited (vi) IPC Corporation Ltd	Nil
Seah Seow Kang Steven	(i) Bachelor of Laws (Honours) from the University of Singapore (ii) Diploma in Business Law from the National University of Singapore	Independent Director	Board member, Chairman of the NC and a member of the AC and RC	12 December 2013	30 October 2019 (To be re-elected at the forthcoming AGM)	Nil	Nil
Lui Pang Hung	Bachelor of Laws (Honours) (LLB), National University of Singapore	Independent Director	Board member, Chairman of the RC and a member of the AC and NC	1 September 2021	(To be re-elected at the forthcoming AGM)	Nil	Nil

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole and that of each of its board committees and individual directors.

Provisions 5.1 and 5.2

Performance Criteria

The Board, through the delegation of its authority to the NC, uses its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge in business, finance and management skills to enable the Board to make effective decisions. The NC, in consultation with the Board, determines the selection and criteria and identifies candidates with the appropriate expertise and experience which will enhance the overall effectiveness of the Board. The NC will conduct initial assessment of the candidate's qualifications and experience before making its recommendations to the Board.

CORPORATE GOVERNANCE REPORT (Continued)

The Board has implemented a formal annual process for assessment of the effectiveness of the Board as a whole, each Board Committee and individual Director. For FY2021, each Director has completed the evaluation forms of the Board as a whole, each Board Committee (where relevant) and individual Director, as adopted by the NC, to assess the overall effectiveness of the Board as a whole, each Board Committee and individual Director. The results have been collated by the NC Chairman for review and discussion. The assessment of the Board's performance focused on a set of performance criteria for the Board evaluation which includes the Board structure, strategy and performance, governance on Board risk management and internal controls, information to the Board, Board procedures, the CEO and top management and the Directors' standards of conduct.

Board and Board Committees Evaluation and Individual Directors Evaluation Process

The NC has established a review process to assess:

- a) the performance and effectiveness of the Board as a whole;
- b) the performance and effectiveness of the Board Committees; and
- c) the contribution by each Director to the effectiveness of the Board.

The NC is responsible for assessing the effectiveness of the Board as a whole, and that of each of its Board Committees and individual Directors.

The assessment criteria for each Board Committee focuses on the nature of the respective roles and responsibilities of the AC, NC and RC.

The annual assessment of individual Directors considers, among others, each Director's attendance as well as generation of constructive debate/participation for meetings of the Board and Board Committees, contribution, initiative, responsiveness of Director, knowledge of senior management and Company's business, and the Directors' self-assessment.

The results of the assessment of the effectiveness of the Board as a whole, and that of each of its each Board Committees and individual Director exercise were considered by the NC which would then make recommendations to the Board aimed at helping the Board to discharge its duties effectively. The Chairman of the Board will act on the results of the performance evaluation and the recommendation of the NC, and where appropriate, in consultation with the NC, new members may be appointed or resignation of directors may be sought.

The NC, having reviewed the overall performance of the Board, Board Committees and the assessment of the individual Director in terms of its role and responsibilities and the conduct of its affairs as a whole for FY2021, is of the view that the performance of the Board as a whole, Board Committees and contribution by each Director have been satisfactory. The NC is satisfied that sufficient time and attention has been given to the Group by the Directors.

No external facilitator was used in the evaluation process for FY2021. However, if need arises, the NC has full authority to engage external facilitator to assist the NC to carry out the evaluation process at the Company's expense.

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: 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.

Provision 6.1

Roles and Duties of the RC

The functions of the RC include:

- a) review and recommend to the Board for approval, the remuneration packages of the Executive Director(s) of the Group and key management personnel of the Company;
- b) review and recommend annually the total remuneration of the Directors and key management personnel;
- c) review the appropriateness of compensation for the Non-Executive Director and the Independent Directors including but not limited to the Directors' fees, allowances and share options;
- d) review and recommend to the Board a framework of remuneration and specific remuneration packages for all Directors;
- e) review the service agreement of the Executive Director(s);
- f) review and enhance the compensation structure with incentive performance for key management personnel; and
- g) oversee the general compensation of employees of the Group with a goal to motivate, recruit and retain employees and Directors through competitive compensation and progressive policies.

Provision 6.2

Composition of the RC

The RC comprises four (4) members, three (3) of whom (including the RC Chairman) are Independent Directors. As at the date of this report, the RC comprises:

Lui Pang Hung ¹ (Independent Director)	Chairman
Tan Cher Liang (Lead Independent Director)	Member
Seah Seow Kang Steven (Independent Director)	Member
Wijaya Lawrence (Executive Chairman and President)	Member

¹ Appointed as the Chairman of the RC on 1 September 2021.

Mr Wijaya Lawrence, the Executive Chairman and President of the Company, is a member of the RC. Although the Code provides that the RC should comprise entirely of non-executive directors, the majority of whom, including the Chairman of the RC should be independent, the Board is of the view that Mr Wijaya Lawrence should be a member of the RC. Mr Wijaya Lawrence has extensive knowledge and experience in Indonesia and he is well-placed to advise on remuneration packages of the key management personnel who are largely based in Indonesia. Hence, the inclusion of Mr Wijaya Lawrence as a member of the RC is considered beneficial to the Group.

CORPORATE GOVERNANCE REPORT (Continued)

Provision 6.3

Remuneration Packages and Framework

The RC is established for the purpose of ensuring that there is a formal and transparent procedure for developing policy on remuneration of the key management personnel and for fixing the remuneration packages of individual Directors. The overriding principle is that no Director should be involved in deciding his own remuneration. It has adopted written terms of reference that defines its membership, roles and functions and administration.

No Director is involved in deciding his own remuneration, except in providing information and documents if specifically requested by the RC to assist in its deliberations.

In reviewing the service agreements of the Executive Director and key management personnel of the Group, the RC will review the Company's obligations arising in the event of termination of these service agreements, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance.

Provision 6.4

Engagement of Remuneration Consultants

The RC has full authority to engage any external professional to advise on matters relating to remuneration as and when the need arises, and the expense of such services shall be borne by the Company. For FY2021, the RC did not seek any external professional advice on remuneration of the Directors.

LEVEL AND MIX OF REMUNERATION

Principle 7: 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.

Provisions 7.1 and 7.3

Remuneration of Executive Director(s) and Key Management Personnel

The RC will take into account the industry norms, the Group's performance as well as the contribution and performance of each Director when determining remuneration packages.

In FY2021 and as at the date of this report, the Company has only one Executive Director, being Mr Wijaya Lawrence (Executive Chairman and President). The remuneration for the Executive Director is based on his service agreement for an initial period of three years, and thereafter, automatically renewed on a year-to-year basis on such terms and conditions as the parties may agree. The Board reviews the remuneration package of the Executive Director based on the recommendation of the RC.

The remuneration for key management personnel of the Group comprises a fixed component, and a variable component that is performance related and linked to the Group's performance, as well as their individual performances. The level and structure of remuneration of the Board and key management personnel are appropriate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Director owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Director in the event of such breach of fiduciary duties.

CORPORATE GOVERNANCE REPORT (Continued)

Provision 7.2

Remuneration of Non-Executive Directors

The Non-Executive Directors (including the Independent Directors) receive Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors. The Independent Directors shall not be over-compensated to the extent that their independence may be comprised. Directors' fees are proposed by the RC and recommended by the Board for Shareholders' approval at the AGM of the Company. Directors' fees of S\$147,000 (after 30% voluntary reduction, as compared to the Directors' fees for FY2020) for FY2021 had been approved by Shareholders at the last AGM held on 30 April 2021. In view of the ongoing COVID-19 pandemic, the Independent Directors have also agreed to continue with the 30% reduction in their Directors' fees for the financial year ending 31 December 2022 ("FY2022"). The Directors' fees of S\$143,500 for FY2022 have been recommended by the Board and will be subject to the approval of Shareholders at the forthcoming AGM of the Company. There are no share-based compensation schemes in place for Non-Executive Directors (including the Independent Directors).

DISCLOSURE ON REMUNERATION

Principle 8: 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.

Provisions 8.1 and 8.3

Remuneration Policy and Criteria

As set out under Provisions 7.1 and 7.3 of the Code, the Company advocates a performance-based remuneration system that is flexible and responsive to the market, the Group's and the individual employee's performance. The total remuneration mix comprises a fixed annual cash component, and a variable component. The fixed annual cash component comprises the annual basic salary plus any other fixed allowances.

Disclosure on Remuneration of Directors or the CEO and substantial shareholder

A breakdown showing the level and mix of remuneration paid/payable for FY2021 to the Directors is as follows:

Remuneration Band and Name of Director	Salary %	Bonus %	Directors' fees %	Allowances and other benefits %	Total %
<u>Below S\$500,000</u>					
Wijaya Lawrence	92.7	6.8	–	0.5	100.0
<u>Below S\$250,000</u>					
Ngiam Mia Je Patrick	–	–	100.0	–	100.0
Tan Cher Liang	–	–	100.0	–	100.0
Seah Seow Kang Steven	–	–	100.0	–	100.0
Teo Kiang Kok ¹	–	–	100.0	–	100.0
Lui Pang Hung ²	–	–	100.0	–	100.0

Notes:

¹ Retired on 30 April 2021

² Appointed on 1 September 2021

CORPORATE GOVERNANCE REPORT (Continued)

Disclosure on Remuneration of Key Management Personnel (who are not Directors or the CEO and substantial shareholder)

Details of remuneration paid to top five (5) key management personnel of the Group (who are not Directors or the CEO and substantial shareholder) for FY2021 are set out below:

Remuneration Band and Name of Key Management Personnel	Salary %	Bonus %	Allowances and other benefits %	Total %
<u>S\$250,000 to S\$500,000</u>				
Andrianto Darmasaputra Lawrence	92.2	6.6	1.2	100.0
<u>Below S\$250,000</u>				
Ethan Chia Wei Yang	92.0	4.9	3.1	100.0
Sandy Salim	94.0	6.0	–	100.0
Nicco Darmasaputra Lawrence	85.9	14.1	–	100.0
Antony	85.9	14.1	–	100.0

For FY2021, there were no terminations, retirement or post-employment benefits granted to Directors and key management personnel other than the standard contractual notice period termination payment in lieu of service.

For FY2021, the aggregate total remuneration paid to the top 5 key management personnel (who are not Directors or the CEO and substantial shareholder) amounted to approximately Rp 6.56 billion (approximately S\$0.6 million). The Company does not have an employee share option scheme.

The Board believes that it is for the benefit of the Company not to disclose in absolute number, the remuneration breakdown of the Directors, due to its sensitive nature. After taking into account the reasons for non-disclosure stated above, the Board is of the view that the current disclosure of the remuneration presented herein in this report is sufficient to provide Shareholders information on the Group's remuneration policies, as well as the level and mix of remuneration. Accordingly, the Board is of the view that the Company complies with Principle 8 of the Code.

The Board has not included a separate annual remuneration report to Shareholders in this Annual Report on the remuneration of the Directors and the key management personnel (who are not Directors or the CEO and substantial shareholders) as the Board is of the view that the matters which are required to be disclosed in such annual remuneration report have already been sufficiently disclosed in the Annual Report and in the financial statements of the Company.

Provision 8.2

Disclosure on Remuneration of Immediate Family Member and Substantial Shareholder

Mr Wijaya Lawrence, the Executive Chairman and President of the Company, is a substantial shareholder of the Company and brother-in-law of Mr Ngiam Mia Je Patrick (Non-Executive Director).

Mr Andrianto Darmasaputra Lawrence (Vice President (Operations)) and Mr Nicco Darmasaputra Lawrence (Vice President (General Administration)) are the sons of Mr Wijaya Lawrence (Executive Chairman and President, and a substantial shareholder of the Company), and nephews of Mr Ngiam Mia Je Patrick (Non-Executive Director). The basis for determining the remuneration of the employees who are immediate family members of Director or the CEO (or equivalent) or substantial shareholder of the Company is the same as the basis for determining the remuneration of other employees who are unrelated to the Director or the CEO (or equivalent) or substantial shareholder of the Company.

CORPORATE GOVERNANCE REPORT (Continued)

Save as disclosed above, no other employee whose remuneration exceeded S\$100,000 in FY2021 is a substantial shareholder of the Company, or an immediate family member of a Director or the CEO (or equivalent) or substantial shareholder of the Company.

The Company has not engaged any remuneration consultants in FY2021 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.

(C) ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: 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.

Provision 9.1

Nature and Extent of Risks

The Board is responsible for the governance of risk management and internal control framework, but acknowledges that no cost-effective risk management and internal controls system will preclude all errors and irregularities. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

As the Group does not have a risk management committee, the Board and the Management assume the responsibility of the risk management function. The Management is responsible for designing, implementing and monitoring the risk management and internal control systems. The Management reviews regularly the Group's business and operational activities to identify areas of significant risks, as well as appropriate measures to control and mitigate these risks. The Management reviews significant policies and procedures and highlights significant matters to the AC and the Board. Once the risks are identified, the Management will table the measures and procedures to mitigate the risks to the AC and the Board for consideration and approval of the implementation of such measures and procedures.

Relying on the reports from the internal auditors ("IA") and external auditors ("EA"), the AC carried out assessments of the effectiveness of key internal controls during the year. Any non-compliance or weaknesses in internal controls or recommendations from the IA and the EA to further improve the internal controls were reported to the AC. The AC will also follow up on the actions taken by the Management and on the recommendations made by the IA and the EA. The Board has reviewed the adequacy and effectiveness of the Group's system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems and is satisfied that they are adequate and effective to meet the needs of the Group for the type and size of business conducted.

As the Group continues to grow the business, the Board will continue to review and take appropriate steps to strengthen the Group's overall system and effectiveness of risk management and internal controls. The Board and the AC also noted that all internal controls contain inherent limitations and no systems of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

CORPORATE GOVERNANCE REPORT (Continued)

Provision 9.2

Assurance from the Executive Chairman and Group Financial Controller

For FY2021, the Board has received assurance from:

- a) the Executive Chairman and President, and the Group Financial Controller that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's and the Group's operations and finances; and
- b) the Executive Chairman and key management personnel (comprising the Group Financial Controller, Vice President of Operations, Vice President of General Administration, and Vice President of Technical and Development) that the Company's and the Group's risk management and internal control systems are adequate and effective.

Based on the work performed by the EA, the assurance from the Management and the ongoing review as well as the continuing efforts in enhancing controls and processes which are currently in place, the Board, with the concurrence of the AC, is of the view that, for FY2021, there are adequate and effective internal controls and risk management systems in place for the Group to address financial, operational, compliance and information technology risks of the Group.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

Provision 10.1

Roles and Duties of the AC

The AC has written terms of reference, setting out its duties and responsibilities, which include the following:

- a) review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and the Group, and any announcements relating to the Company's and the Group's financial performance;
- b) assess, and challenge, where necessary, the correctness, completeness, and consistency of financial information (including interim reports) before submittal to the Board for approval or made public;
- c) discuss problems and concerns, if any, arising from the interim and final audits, in consultation with the EA and the IA where necessary;
- d) assess the adequacy and effectiveness of the internal controls (including financial, operational, compliance, information technology controls and risk management) systems established by the Management to identify, assess, manage, and disclose financial and non-financial risks (including those relating to compliances with existing legislation and regulation) and report to the Board at least annually;
- e) review and ensure that the assurance has been received from the President (equivalent to CEO) and the Chief Financial Officer (or equivalent, such as Group Financial Controller) in relation to the half-yearly/yearly unaudited financial statement;
- f) review the Management's and the IA's reports on the effectiveness of the systems for internal controls, financial reporting, and risk management;
- g) monitor and assess the role and effectiveness of the internal audit function in the overall context of the Company's risk management system;

CORPORATE GOVERNANCE REPORT (Continued)

- h) in connection with the terms of engagement to the EA, to make recommendations to the Board on the selection, appointment, re-appointment, and resignation of the EA based on a thorough assessment of the EA's functioning, and approve the remuneration and terms of engagement of the EA;
- i) monitor and assess the EA's independence and keep the nature and extent of non-audit services provided by the EA under review to ensure the EA's independence or objectivity is not impaired;
- j) assess, at the end of the audit cycle, the effectiveness of the audit process;
- k) review interested person transactions to consider whether they are on normal commercial terms and are not prejudicial to the interests of the Company or its minority shareholders; and
- l) review the Company's procedures for detecting fraud and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control, or any other matters.

Apart from the duties listed above, the AC is given the task of commissioning investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Company's operating results or financial position, and to review its findings.

Whistle Blowing Policy

The Group has a whistle blowing policy which sets out the procedures for a whistleblower to make a report to the Company on misconduct or wrongdoing relating to the Company and its employees. The whistle blowing policy sets out channels for employees to raise concerns about possible improprieties in matters of financial reporting or other matters of which they become aware, and will be implementing the same whistle blowing policy to include stakeholders, to ensure that:

- (i) independent investigations are carried out in an appropriate and timely manner;
- (ii) appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and
- (iii) administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balance and fair, while providing reassurance that employees will be protected from reprisals or victimisation for whistle blowing in good faith and without malice.

The Group has designated an independent function to investigate whistleblowing report made in good faith and ensures that the identity of the whistleblower is kept confidential and the Group is committed to ensure protection of the whistleblower against detrimental or unfair treatment. The Audit Committee is responsible for oversight and monitoring of whistle blowing.

For FY2021, the AC and the Board noted that there were no reports whistle blowing received and no incidents in relation to whistle-blowing matters have been raised during the year by any staff to indicate possible improprieties in matters of financial reporting, financial control, or any other matters.

CORPORATE GOVERNANCE REPORT (Continued)

Provision 10.2

Composition of the AC

The AC comprises three (3) members, all of whom (including the Chairman) are Independent Directors. As at the date of this report, the AC comprises:

Tan Cher Liang (Lead Independent Director)	Chairman
Seah Seow Kang Steven (Independent Director)	Member
Lui Pang Hung ¹ (Independent Director)	Member

¹ Appointed as a member of the AC on 1 September 2021.

The AC is established to assist the Board with discharging its responsibility of safeguarding the Company's assets, maintaining adequate accounting records, and develop and maintain effective systems of internal control. The AC Chairman has recent and relevant accounting or related financial management expertise or experience. Notwithstanding that the AC does not have at least two members who has the relevant experience in accounting and financial management, the members have many years of experience in senior management positions, which involves handling financial related matters. Accordingly, the Board is of the view that the members of the AC have sufficient recent and relevant financial management expertise and experience to discharge their responsibilities properly. The details of the Board member's qualifications and experience are presented in the Annual Report under the section entitled "Board of Directors".

The AC is kept updated annually or from time to time on any changes to the accounting and financial reporting standards by the EA. This ensures that the AC is kept abreast of changes to accounting standards and issues which have a direct impact on financial statements.

Provision 10.3

No former partner or director of the Company's existing auditing firm or auditing corporation, within a period of 2 years from the date of his ceasing to be a partner of the auditing firm or director of the auditing corporation and in any case, for as long as they have any financial interest in the auditing firm or auditing corporation, is appointed to the AC.

Provision 10.4

Internal Audit Function

The Company outsources its internal audit functions to TricorAxcelasia (SG) Pte Ltd. ("**Tricor**") The AC approved the engagement, evaluation, and compensation of the internal auditors of the Company. The AC reviews the scope of work and deliverables by the IA who in turn ensures adequate staffing to fulfil the scope of internal audit work agreed upon. Tricor has adopted the Standards for Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The AC is further satisfied that the Internal Auditors has unfettered access to all the Company's documents, records, properties and personnel, including the access to the AC. The IA will report directly to the AC on audit findings and the Management of the Group on administrative matters.

The IA reviewed the adequacy and effectiveness of key internal controls, including financial, operational and compliance controls (which include consideration with respect to any sanctions related risk) for selected scope of review annually, as approved by the AC. Procedures are in place for the IA to report independently on their findings and recommendations to the AC for review. The IA had unfettered access to all the Company's documents, records, properties and personal, including access to the AC. The Management will update the AC on the status of the remedial action plans.

CORPORATE GOVERNANCE REPORT (Continued)

The Board recognises that it is responsible for maintaining a system of risk management and internal controls to safeguard shareholders' investments and the Company's businesses and assets while the Management is responsible for establishing and implementing the risk management and internal control procedures in a timely and appropriate manner. The role of the IA is to assist the AC to check that the controls are adequate and effective, to undertake investigations as directed by the AC and to conduct regular in-depth audits of high risk areas. The AC is satisfied that the internal audit function has adequate resources to perform its function independently and effectively. The Board and the AC are of the opinion that the internal audit function is independent, effective and adequately resourced, and internal audits are performed by competent professional staff with the relevant qualifications and experience. The AC will review annually the independence, adequacy and effectiveness of the internal audit function. The AC will also approve the appointment, removal, evaluation and compensation of the head of the internal audit function. The AC also reviews the internal audit function of the Group to ensure that an effective system of control is maintained in the Group.

The Board, together with the AC and Management has also confirmed that the Company is not aware of any sanctions-related risks or any risk of the Company being subject to sanctions for the current financial year and will continue to enhance and improve the existing internal control framework to identify and mitigate these risks as stated above.

External Audit Function

The AC has full access to and co-operation of the Management and has full discretion to invite any Director or executive officer to attend the meetings, and has reasonable resources to enable it to discharge its functions. The EA had unrestricted access to the AC. The AC has reviewed and is satisfied with the level of co-operation rendered by the Management to the EA, the adequacy of scope and quality of their audits, and the independence and objectivity of the EA.

The AC is satisfied that the EA, namely Ernst & Young LLP, an auditing firm registered with the Accounting and Corporate Regulatory Authority, is independent and that it had also provided a confirmation of its independence to the AC. The AC had assessed the EA based on factors such as performance, adequacy of resources and experience of its audit engagement partners and audit team assigned to the Group's audit as well as the size and complexity of the Group. Accordingly, the AC is satisfied that Rules 712 and 715 of the Catalist Rules have been complied with and has recommended to the Board, the nomination of Ernst & Young LLP for re-appointment as Auditors of the Company at the forthcoming AGM of the Company.

The AC also conducts a review of the independence and objectivity of the EA annually through discussions with the EA, as well as reviewing the non-audit fees paid to them. For FY2021, the AC has reviewed all non-audit services provided by the EA and is satisfied that the nature and extent of such services does not prejudice the independence and objectivity of the EA.

Fees for Ernst and Young LLP⁽¹⁾ services for FY2021 are set out below:-

31 December 2021	Rp million
Audit services	2,710
Non-audit services ⁽²⁾	254

Notes:

⁽¹⁾ Including Purwantono, Sungkoro & Surja, a member firm of Ernst & Young Global in Indonesia.

⁽²⁾ Relates to tax compilation and sustainability report service fee.

Provision 10.5

Meeting Auditors without the Management

Annually, the AC will meet with the EA without the presence of the Management as and when necessary to review the adequacy of audit arrangement with emphasis on the scope and quality of their audit, the independence, objectivity and observations of the EA.

CORPORATE GOVERNANCE REPORT (Continued)

Key Audit Matters ("KAM")

The AC has reviewed the key audit matters disclosed in the EA's report and is of the view that there is no material inconsistency between the audit procedures adopted by the EA and Management's assessment and is satisfied that the KAMs have been appropriately dealt with.

The AC considered the KAMs presented by the EA together with the Management. The AC reviewed the KAMs and concurred and agreed with the EA and the Management on their assessment, judgements and estimates on the KAMs reported by the EA.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treat 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.

Provision 11.1

Shareholders' Participation in General Meetings

Shareholders are informed of general meetings through the announcements released to the SGXNet and notices contained in the annual report or circulars sent to all Shareholders. These notices are also advertised in a national newspaper. Shareholders are also informed on the procedures for the poll voting at the general meetings. All Shareholders are entitled to attend the general meetings and are provided the opportunity to participate in the general meetings. If any Shareholder is unable to attend, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the general meeting through proxy forms sent in advance. The Company's Constitution does not include the nominee and custodial services to appoint more than two proxies.

On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "Relevant Intermediary" to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant Intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

Shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to stay informed of the Group's strategies and growth plans. Notice of the general meetings are despatched to Shareholders together with explanatory notes or a circular on items of special businesses (if necessary), at least 14 clear calendar days before the meeting.

Provision 11.2

Conduct of Resolutions and Voting

Each item of special business included in the notice of the general meetings will be accompanied by explanation of the effects of a proposed resolution. Separate resolutions are proposed for each substantially separate issue at general meetings.

The Company acknowledges that voting by poll in all its general meetings is integral in the enhancement of corporate governance. The Company adheres to the requirements of the Catalist Rules and the Code where all resolutions at the Company's general meetings held on or after 1 August 2015, are put to vote by poll. The detailed results of each resolution are announced via SGXNet after the general meetings. Due to cost considerations, the voting of the resolutions at the Company's general meetings is conducted by manual polling. The detailed results of each resolution are announced via SGXNet after the general meeting on the same day.

CORPORATE GOVERNANCE REPORT (Continued)

In light of the COVID-19 pandemic, the forthcoming AGM of the Company to be held on 28 April 2022 will be held via electronic means. Shareholders will not be able to attend the AGM in person, but may participate at the AGM by watching and/or listening to the proceedings via a LIVE WEBCAST or LIVE AUDIO STREAM. Shareholders will also be given the opportunities to submit their questions related to the resolutions to be tabled for approval in advance of the AGM. The responses to those substantial and relevant questions received from Shareholders will be published via SGXNet and the Company's website before the AGM (the minutes of the AGM will be published within one month from the AGM on SGXNet and the Company's website).

Provision 11.3

Interaction with Shareholders

All Directors, including the Chairman of each of the Board Committees, are normally present and available to address questions from Shareholders at general meetings. Furthermore, the EA is also present to address Shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.

The Company does not practice selective disclosure. In line with continuous obligations of the Company under the Catalist Rules and the Companies Act, the Board's policy is that all Shareholders should equally and on a timely basis be informed of all major developments that impact the Group via SGXNet. The Company gives Shareholders a balanced and understandable assessment of its performance, position and prospects.

All Directors and the EA were present at the last AGM held on 30 April 2021. Save for this general meeting, there were no other general meetings of the Company held during FY2021.

Provision 11.4

Absentia Voting

The Company's Constitution does not provide the provision to allow for absentia voting at the general meetings as the integrity of the information and authentication of the identity of Shareholders and other related security issues remain as a concern to the Company.

Provision 11.5

Minutes of General Meetings

The Company prepares minutes of general meetings, including relevant substantial comments or queries from Shareholders relating to the agenda of the meeting and responses from the Board or the Management. These minutes will not be published on the Company's website but will be made to Shareholders upon their request.

Notwithstanding, the Company will publish the minutes of the forthcoming AGM within one month from the AGM on the SGXNet and the Company's website, in accordance with the Guidance on the Conduct of General Meetings Amid Evolving Covid-19 situation issued by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and the SGX-ST.

Provision 11.6

Dividend Policy

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for the business growth and other factors as the Board may deem appropriate. For FY2021, the Board does not recommend any payment of dividends as the Group will require the existing cash to fund its operating activities.

CORPORATE GOVERNANCE REPORT (Continued)

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: 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.

Provisions 12.1, 12.2 and 12.3

Investor Relations Practices

By supplying Shareholders with reliable and timely information, the Company is able to strengthen the relationship with its Shareholders based on trust and accessibility. The Company has occasionally engaged external investor relations ("IR") advisers who focus on facilitating the communications with all stakeholders, Shareholders, analysts and media, to attend to their queries or concerns as well as to keep the investors public apprised of the Group's corporate developments and financial performance.

When the opportunities arise, the Company will consider holding analyst briefings or investor roadshows to meet institutional and retail investors as well as to solicit and understand the view of shareholders and stakeholders.

Disclosures of Information

The Company believes in high standards of transparent corporate disclosure and is committed to disclose to its Shareholders, the information in a timely and fair manner via SGXNet. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable.

The information is disseminated and communicated to Shareholders on a timely basis through:

- a) annual report prepared and issued to all Shareholders. The Board ensures that the annual report includes all relevant information about the Company and the Group, including future developments and other disclosures required by the Companies Act and Singapore Financial Reporting Standards;
- b) half-yearly and full year announcements containing a summary of the financial information and affairs of the Group for that period;
- c) press releases on major developments of the Group;
- d) notices of explanatory memoranda for AGMs and Extraordinary General Meetings ("EGM"). The notices of AGM and EGM are also advertised in a national newspaper; and
- e) the Company's website at <http://www.wilton.sg> at which Shareholders can access financial information, corporate announcements, press releases, annual reports and profile of the Group.

The Company does not practice selective disclosure. Price-sensitive information is first publicly released through SGXNet, either before the Company meets with any investors or analysts. All Shareholders will receive the notice of general meetings by post and published in the newspaper within the mandatory period.

Dialogue with Shareholders

To enable Shareholders to contact the Company easily, the contact details of the Company are set out on page 8, the back cover of the annual report as well as on the Company's website. The Company has procedures in place for responding to investors' queries as soon as applicable. The Board regards the AGM as its principal communication channel with Shareholders, where Shareholders can take the opportunity to raise enquiries pertaining to the resolutions tabled for approval and seek updates regarding affairs of the Company and its operations from the Board and the Management.

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: 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.

Provisions 13.1 and 13.2

Stakeholders' Engagement

The Company and the Group regularly engage its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products' standards, as well as to sustain business operations for long-term growth.

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include employees, contractors and suppliers, government and regulators, community, and shareholders and investors. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and Interests of its stakeholders.

The Company's approach to the engagement with key stakeholders and materiality assessment will be disclosed in the Company's Sustainability Report for FY2021, which will be uploaded on the SGXNet no later than 31 May 2022.

Provision 13.3

Corporate Website

The Company maintains a corporate website at <https://www.wilton.sg> to communicate and engage with stakeholders.

DEALINGS IN COMPANY'S SECURITIES

In compliance with Rule 1204(19) of the Catalist Rules, the Company had adopted a code of best practices to provide guidance to its officers on securities transactions by the Company and its officers.

The Company and its officers are not allowed to deal in the Company's shares during the period commencing one (1) month before the announcement of the Company's half yearly and full-year financial results, and ending on the date of the announcement of the relevant results.

Directors and employees are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period or when they are in possession of unpublished price-sensitive information. Directors and employees are not to deal in the Company's securities on short-term considerations.

MATERIAL CONTRACTS

Save for the service agreement between the Company and Mr Wijaya Lawrence (Executive Chairman and President), there were no material contracts of the Company and its subsidiaries involving the interests of the CEO (or equivalent), each Director or controlling shareholder of the Company, either still subsisting at the end of the financial period or entered into since the end of the previous financial year.

CORPORATE GOVERNANCE REPORT (Continued)

INTERESTED PERSON TRANSACTIONS ("IPTs")

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are conducted on arm's length basis and on normal commercial terms and are not prejudicial to the Company. All IPTs are subject to review by the AC to ensure compliance with established procedures.

Save as disclosed below and excluding any IPTs below S\$100,000 (if any), the Company has not entered into any IPT with any of its interested person during FY2021. The AC has reviewed the following IPT in accordance with its existing procedures.

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during FY2021 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Wijaya Lawrence Office rental ⁽¹⁾	Executive Chairman and President, and controlling shareholder of the Company	Rp 500 million (equivalent to S\$47,466)	Nil

Note:

⁽¹⁾ PT Wilton Wahana Indonesia, a subsidiary of the Company, entered into a lease agreement with Mr Wijaya Lawrence for the rental of office premises in Indonesia, commencing from 1 January 2020 up to 31 December 2023, at Rp 41.67 million per month.

The Board confirms that the aforementioned IPT was entered into on an arm's length basis and on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

The Company does not have any Shareholders' mandate for interested person transactions.

CATALIST SPONSOR

With reference to Rule 1204(21) of the Catalist Rules, there was no non-sponsorship fees paid to ZICO Capital Pte. Ltd. in FY2021.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Wilton Resources Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2021.

Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company 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 2021 and 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 on that date; and
- (b) 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 of the Company in office at the date of this statement are:

Wijaya Lawrence
Ngiam Mia Je Patrick
Tan Cher Liang
Seah Seow Kang Steven
Lui Pang Hung (appointed on 1 September 2021)

Arrangements to enable directors to acquire shares and debentures

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 or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT (Continued)

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of directors	Direct interest	
	At the beginning of the financial year	At the end of the financial year
Ordinary shares of the Company		
Wijaya Lawrence	582,640,000	582,640,000
Ngiam Mia Je Patrick	364,150,000	364,150,000
Ordinary shares of subsidiaries		
PT. Wilton Investment		
Wijaya Lawrence	100	100
PT. Wilton Wahana Indonesia		
Wijaya Lawrence	30	30
PT. Liektucha Ciemas		
Wijaya Lawrence	3	3

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2022.

By virtue of Section 7 of the Singapore Companies Act 1967, Wijaya Lawrence is deemed to have interests in shares held by the Company in all of its subsidiaries.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

Share options

No options were issued by the Company or its subsidiaries during the financial year.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

As at 31 December 2021, there were no options on the unissued shares of the Company or its subsidiaries which were outstanding.

DIRECTORS' **STATEMENT** (Continued)

Audit Committee

The Audit Committee ("AC") carried out its functions specified in the Singapore Companies Act 1967 and the Singapore Corporate Governance Code 2018. The functions performed are detailed in the Corporate Governance Report as set out in the Annual Report of the Company.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors:

Wijaya Lawrence
Director

Ngiam Mia Je Patrick
Director

Singapore
12 April 2022

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2021

Independent auditor's report to the members of Wilton Resources Corporation Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Wilton Resources Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statement of financial position of the Group and the Company as at 31 December 2021, the statements of changes in equity of the Group and the Company, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the 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, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards International (the "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 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (the "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 (the "ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (the "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 period. 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. We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT (Continued)

For the financial year ended 31 December 2021
Independent auditor's report to the members of Wilton Resources Corporation Limited

Going concern assessment

As at 31 December 2021, the Group's current liabilities exceeded its current assets by Rp 87,492 million and during the financial year, the Group's net cashflow used in its operating activities amounts to Rp 36,770 million.

The consolidated financial statements have been prepared on a going concern basis. Management's assessment of the Group's ability to generate sufficient operating cash flows and availability of sufficient funds for its operations as disclosed in Note 2.1 to the financial statements, are important considerations in the going concern assessment. As management's going concern assessment is a significant aspect of our audit, we have identified this as a key audit matter.

Our audit procedures included, amongst others:

- discussion with management to obtain an understanding of their operational plans, including the Group's resumption of leaching production, plans for selling its current inventory of gold dore and completion timeline for its Processing Facility;
- assessed the reasonableness of the key assumptions used in the cash flow forecast, including:
 - comparing management's forecasted gold prices used in the sales forecast of gold dore from its current inventory and leaching production against current available market data;
 - performing site visit to observe and to obtain an understanding of the Group's leaching production facility;
 - consideration of current production capacity, and comparing the gold dore output from the leaching production against historical leaching performance; and
 - reviewing the key terms of the sale and purchase agreement entered for the sale of shares in a subsidiary, and checked the proceeds received by the Group subsequent to year-end to the relevant supporting documents;
- performed stress test and sensitivity analysis on the key assumptions used in the cash flow forecast, particularly on the production recovery rate and operating costs.

Impairment assessment of the Group's non-financial assets pertaining to the mining operation and the Company's investment in the related subsidiaries

As at 31 December 2021, the Group's non-financial assets pertaining to the mining operation consists of mine properties, property, plant and equipment, intangible assets, right-of-use assets and prepayments (collectively, the "non-financial assets pertaining to the mining operation"), which is carried in the books at Rp 588 billion, representing 93.0% of the Group's total assets. The Company's investment in the related subsidiaries are carried in the books at Rp 1,218 billion, representing 99.4% of the Company's total assets as at 31 December 2021.

During the current financial year, management has identified certain facts and circumstances that may indicate a potential impairment of the non-financial assets pertaining to the mining operation and investment in the related subsidiaries. Accordingly, management performed impairment testing on the non-financial assets pertaining to the mining operation as well as on the cost of investment in the related subsidiaries, whereby the estimated recoverable amount of these assets are calculated based on their value-in-use calculations using the discounted cash flow forecast of the mining activities. Based on the outcome of the impairment tests, no impairment charge nor write-back of impairment was required on these assets. The impairment assessment was significant to our audit due to the magnitude of the carrying amounts of the assets and the significant management judgement involved in the impairment assessment. Accordingly, we have identified this as a key audit matter.

INDEPENDENT AUDITOR'S REPORT (Continued)

For the financial year ended 31 December 2021

Independent auditor's report to the members of Wilton Resources Corporation Limited

Impairment assessment of the Group's non-financial assets pertaining to the mining operation and the Company's investment in the related subsidiaries (cont'd)

Our audit procedures included, amongst others:

- an evaluation of the Group's policies and procedures to identify events indicating potential impairment of assets, including conditions brought about by the COVID-19 pandemic;
- an assessment of the valuation methodology used by management;
- an evaluation of the key assumptions used in the impairment analysis, including:
 - testing the reasonableness of management's assumptions in relation to forecasted revenue and budgeted costs. This includes testing the inputs by comparing forecasted gold prices to currently available market data and agreeing the resource amount to estimates prepared by an independent external expert engaged by management;
 - assessing the competence, objectivity, and capabilities of the external expert engaged by management to assist them in estimating the above inputs;
 - performing sensitivity analysis on the discount rate, operating costs and gold prices; and
- an assessment of the adequacy of the disclosures related to the non-financial assets pertaining to the mining operation and investment in the related subsidiaries in Note 3.2(a), Note 3.2(b), Note 12 and Note 16 to the financial statements respectively.

Measurement of the financing arrangement with Karl Hoffmann Mineral Pte Ltd ("KHM")

The Group has a project financing arrangement with KHM as described in Note 26 to the financial statements. The repayment of the project financing over the tenure of the project financing arrangement is variable as it is dependent on the future profitability of the Group's mining facility. In addition, the project financing arrangement includes embedded derivatives such as an extension, termination and conversion option that the lender may exercise in the event of default.

Since significant management judgment is involved to forecast the future profitability of the Group's mining facility to determine the measurement of the host project financing liability amount and the embedded derivatives, we identified the measurement of the financing arrangement as a key audit matter.

As at 31 December 2021, the project financing liability amounted to Rp 225 billion and the fair value of the options had been assessed to be immaterial.

Our audit procedures included, amongst others:

- an evaluation of the reasonableness of the key assumptions used by management in determining the forecasted future payments, including:
 - testing the inputs of the forecasted profitability of the mining facility by comparing the forecasted gold prices to market available data and agreeing the reserve amount to estimates determined by an independent external expert engaged by management;
 - assessing the competence, objectivity, and capabilities of the external expert engaged by management to assist them in estimating the above inputs;
- a re-computation of the interest expense recognised during the year and the ending net present value of the project financing liability based on amortised cost;

INDEPENDENT AUDITOR'S REPORT (Continued)

For the financial year ended 31 December 2021
Independent auditor's report to the members of Wilton Resources Corporation Limited

Measurement of the financing arrangement with Karl Hoffmann Mineral Pte Ltd ("KHM") (cont'd)

- an assessment of the reasonableness of management's assumptions and judgment applied in determining the fair value of the embedded derivatives by considering the default events that could trigger exercise of the options by the lender, the current business outlook, progress of the construction of the mining facility, and its capacity; and
- an assessment of the adequacy of the disclosures related to the financing arrangement in Note 3.2(c) and Note 26 to the financial statements.

Other information

Management is responsible for the other information. The other information comprises 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 the 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 the 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

For the financial year ended 31 December 2021

Independent auditor's report to the members of Wilton Resources Corporation Limited

Auditor's responsibilities for the audit of the financial statements (cont'd)

- 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.
- 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 a subsidiary corporation 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 Low Bek Teng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
12 April 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	1 January 2021 to 31 December 2021 Rp million	1 July 2019 to 31 December 2020 Rp million
Revenue	4	4,829	9,530
Cost of sales	21	(3,600)	(7,247)
Gross profit		1,229	2,283
Other items of income			
Other income	5	66,674	959
Interest income from loans and receivables		599	1,438
Other items of expense			
Other expenses		(7,200)	(1,772)
Other operating expenses	6	(9,649)	(13,909)
Finance costs	7	(2,655)	(37,632)
General and administrative expenses		(34,943)	(85,583)
Profit/(loss) before tax	8	14,055	(134,216)
Income tax expense	10	–	–
Profit/(loss) net of tax for the year/period		14,055	(134,216)
Attributable to			
Owners of the Company		15,189	(130,393)
Non-controlling interests		(1,134)	(3,823)
Profit/(loss) net of tax for the year/period		14,055	(134,216)
Other comprehensive income:			
Item that may not be reclassified subsequently to profit or loss			
Re-measurement gain on defined benefit plan	9	161	769
Other comprehensive income for the year/period, net of tax		161	769
Total comprehensive income for the year/period, net of tax		14,216	(133,447)
Attributable to			
Owners of the Company		15,336	(129,678)
Non-controlling interests		(1,120)	(3,769)
Total comprehensive income for the year/period		14,216	(133,447)
Earnings/(loss) per share attributable to owners of the Company (Rp per share)			
Basic	11	5.92	(51.37)
Diluted	11	5.86	(51.37)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

		Group		Company	
	Note	31 December 2021	31 December 2020	31 December 2021	31 December 2020
		Rp million	Rp million	Rp million	Rp million
Non-current assets					
Mine properties	12	280,128	280,196	–	–
Property, plant and equipment	13	244,568	221,805	–	6
Intangible assets	14	206	386	–	–
Right-of-use assets	15	45,586	50,654	470	–
Investment in subsidiaries	16	–	–	1,217,860	1,217,860
Prepayments	19	17,330	3,500	–	–
Other debtors and deposits	18	314	315	80	81
Long term fixed deposits	17	420	420	–	–
		588,552	557,276	1,218,410	1,217,947
Current assets					
Other debtors and deposits	18	490	471	100	74
Prepayments	19	2,026	485	187	143
Amounts due from subsidiaries	20	–	–	4,844	19,870
Inventories	21	2,529	4,841	–	–
Investment securities		10	10	–	–
Restricted time deposits	23	25,000	25,000	–	–
Cash and cash equivalents	22	13,380	4,766	1,462	1,977
		43,435	35,573	6,593	22,064
Total assets		631,987	592,849	1,225,003	1,240,011
Current liabilities					
Trade payables	24	195	6,874	–	–
Other payables and accruals	25	56,252	53,377	15,737	15,740
Lease liabilities	27	3,027	430	472	–
Loans and borrowings	26	62,820	25,161	–	–
Mandatory convertible notes	28	8,633	–	8,633	–
		130,927	85,842	24,842	15,740
Net current (liabilities)/assets		(87,492)	(50,269)	(18,249)	6,324

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

(Continued)

As at 31 December 2021

	Note	Group		Company	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		Rp million	Rp million	Rp million	Rp million
Non-current liabilities					
Loans and borrowings	26	224,667	287,378	224,667	287,378
Other payables and accruals	25	48,216	48,216	–	–
Employee benefits liability		3,067	3,498	–	–
Provision for rehabilitation		420	420	–	–
Lease liabilities	27	465	1,805	–	–
		276,835	341,317	224,667	287,378
Total liabilities		407,762	427,159	249,509	303,118
Net assets		224,225	165,690	975,494	936,893
Equity attributable to owners of the Company					
Share capital	29	1,191,577	1,187,008	3,147,700	3,143,131
Accumulated losses		(1,259,280)	(1,274,616)	(2,172,206)	(2,206,238)
Merger reserve	30	13	13	–	–
Capital reserve	31	308,833	265,865	–	–
		241,143	178,270	975,494	936,893
Non-controlling interests		(16,918)	(12,580)	–	–
Total equity		224,225	165,690	975,494	936,893
Total equity and liabilities		631,987	592,849	1,225,003	1,240,011

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital (Note 29)	Accumulated losses	Merger reserve (Note 30)	Capital reserve (Note 31)	Other reserve		
	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million
Group							
At 1 January 2021	1,187,008	(1,274,616)	13	265,865	-	(12,580)	165,690
Profit/(loss) for the year	-	15,189	-	-	-	(1,134)	14,055
Other comprehensive income							
Re-measurement gain on defined benefit plan, representing total other comprehensive income for the year, net of tax	-	147	-	-	-	14	161
Total comprehensive income for the year, net of tax	-	15,336	-	-	-	(1,120)	14,216
Changes in ownership of subsidiaries without change in control	-	-	-	42,968	-	(3,218)	39,750
Contribution by and distribution to owners							
Issuance of ordinary shares	4,569	-	-	-	-	-	4,569
At 31 December 2021	1,191,577	(1,259,280)	13	308,833	-	(16,918)	224,225
At 1 July 2019	1,153,516	(1,144,938)	13	160,841	(58,155)	(7,667)	103,610
Loss for the period	-	(130,393)	-	-	-	(3,823)	(134,216)
Other comprehensive income							
Re-measurement gain on defined benefit plan, representing total other comprehensive income for the period, net of tax	-	715	-	-	-	54	769
Total comprehensive income for the period, net of tax	-	(129,678)	-	-	-	(3,769)	(133,447)
Changes in ownership of subsidiaries without change in control	-	-	-	105,024	58,155	(1,144)	162,035
Contribution by and distribution to owners							
Issuance of ordinary shares	33,492	-	-	-	-	-	33,492
At 31 December 2020	1,187,008	(1,274,616)	13	265,865	-	(12,580)	165,690

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY (Continued)

For the financial year ended 31 December 2021

	Share capital (Note 29) Rp million	Accumulated losses Rp million	Total equity Rp million
Company			
At 1 January 2021	3,143,131	(2,206,238)	936,893
Profit for the year, representing total comprehensive income for the year, net of tax	–	34,032	34,032
Issuance of ordinary shares	4,569	–	4,569
At 31 December 2021	3,147,700	(2,172,206)	975,494
At 1 July 2019	3,109,639	(2,154,214)	955,425
Loss for the period, representing total comprehensive income for the period, net of tax	–	(52,024)	(52,024)
Issuance of ordinary shares	33,492	–	33,492
At 31 December 2020	3,143,131	(2,206,238)	936,893

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2021

	Note	1 January 2021 to 31 December 2021 Rp million	1 July 2019 to 31 December 2020 Rp million
Cash flows from operating activities			
Profit/(loss) before tax		14,055	(134,216)
Adjustments for:			
Commitment fees related to mandatory convertible notes	28	2,404	–
Fair value changes on mandatory convertible notes	28	417	–
Unrealised foreign exchange differences		3,441	(1,582)
Re-measurement of project financing liability	5,7	(66,546)	32,389
Finance costs	7	2,655	5,243
Interest income		(599)	(1,438)
Depreciation of property, plant and equipment	13	3,264	4,730
Depreciation of right-of-use assets	15	6,647	9,996
Amortisation of intangible assets	14	180	271
(Decrease)/increase in employee benefits liability	9	(270)	939
Operating cash flows before working capital changes		(34,352)	(83,668)
(Increase)/decrease in prepayments		(75)	5,615
Increase in other debtors and deposits		(25)	(330)
Decrease in inventories		2,312	5,253
Decrease in trade payables		(4,588)	(10,086)
Decrease in amount due to a related party		–	(847)
Increase in other payables and accruals		3,523	14,687
Cash flows used in operations		(33,205)	(69,376)
Interest received		599	1,438
Interest paid		(4,164)	(4,470)
Net cash flows used in operating activities		(36,770)	(72,408)
Cash flows from investing activities			
Investment in mine properties and exploration and evaluation assets		–	(10,178)
Purchase of property, plant and equipment	13	(25,965)	(46,502)
Proceeds from disposal of property, plant and equipment		6	–
Prepayment of property, plant and equipment		(15,830)	(3,500)
Proceeds from disposal of interest in a subsidiary without loss of control	16	39,750	124,538
Payment for mandatory takeover offer	16	–	(20,658)
Net cash flows (used in)/generated from investing activities		(2,039)	43,700

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the financial year ended 31 December 2021

	Note	1 January 2021 to 31 December 2021 Rp million	1 July 2019 to 31 December 2020 Rp million
Cash flows from financing activities			
Proceeds from issuance of mandatory convertible notes	28	10,381	–
Proceeds received in respect of placement exercise	29	–	33,492
Placement of restricted time deposits	23	–	(25,000)
Proceeds from/(payment of) short term bank loan	26	1,659	(4,839)
Payment of short term borrowing		(5,000)	–
Proceeds from short term borrowing	26	41,000	5,000
Payment of lease liabilities	27	(488)	(2,925)
Net cash generated from financing activities		47,552	5,728
Net increase/(decrease) in cash and cash equivalents		8,743	(22,980)
Effect of exchange rate changes on cash and cash equivalents		(129)	23
Cash and cash equivalents at beginning of the year/period		4,766	27,723
Cash and cash equivalents at the end of the year/period	22	13,380	4,766

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

1. Corporate information

1.1 The Company

Wilton Resources Corporation Limited (the "Company" or "WRC") is a limited liability company incorporated and domiciled in Singapore. The Company is a sponsored company listed on Catalist Board ("Catalist") of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 62 Ubi Road 1, #03-10 Oxley Bizhub 2, Singapore 408734.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 16.

On 6 March 2020, the Company announced that it would be changing its financial year end from 30 June to 31 December. Accordingly, the preceding financial period ended 31 December 2020 consists of 18-months' financial information from 1 July 2019 to 31 December 2020 ("2020"), whereas the current financial year ended 31 December 2021 consists of 12-months' financial information from 1 January 2021 to 31 December 2021 ("2021"). As the comparative figures are for a period of 18-months, the comparable figures are not comparable.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Indonesian Rupiah ("IDR" or "Rp") and all values are rounded to the nearest million ("Rp Million") except when otherwise indicated.

Going concern assumption

As at 31 December 2021, the Group's current liabilities exceeded its current assets by Rp 87,492 million (2020: Rp 50,269 million) and during the financial year, the Group net cashflow used in its operating activities amounts to Rp 36,770 million (2020: Rp 72,408 million). As at 31 December 2021, the installation of the Processing Facility is still ongoing and the Group's technical contractors from China have not been able to travel to Indonesia due to the COVID-19 pandemic and this has resulted in further delays in the completion of the mining processing facility. Notwithstanding this, the Directors are of the view that the Group is able to continue as a going concern for the following reasons:

- The Group will be able to generate cash flows from the sales of its current inventory of gold dore;
- Subsequent to year-end, the Group has restarted its leaching activities and will be able to generate cash flows from the sales of the gold dore produced from leaching; and
- On 29 March 2022, the Group had entered into a sale and purchase agreement whereby the Group had agreed to sell an aggregate of 742,000,000 ordinary shares in the capital of PT. Wilton Makmur Indonesia Tbk ("PT WMI TBK") for a cash consideration of S\$3.5 million (the "Disposal"). The disposal was completed on 31 March 2022. Pursuant to the agreement, the Group had entered into a put/call option for an additional 530,000,000 ordinary shares in the capital of PT WMI TBK for an additional cash consideration of S\$3.5 million.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial period except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 3 <i>References to the Conceptual Framework in the FRS Standards</i>	1 January 2022
Amendments to SFRS(I) 1-16 <i>Property, Plant and Equipment: Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37 <i>Onerous Contracts – Costs of Fulfilling a Contract</i>	1 January 2022
Amendments to SFRS(I) 9 <i>Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities</i>	1 January 2022
Amendments to SFRS(I) 1-1 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
SFRS(I) 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to SFRS(I) 1-8 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-12 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to SFRS(I) 10 & SFRS(I) 1-28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(a) Basis of consolidation (cont'd)

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree, over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.5 *Foreign currency*

The financial statements are presented in Indonesian Rupiah, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.6 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, all items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.23. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Motor vehicles	–	8 years
Electrical and office equipment	–	3 to 8 years
Furniture and fittings	–	3 to 8 years
Renovations	–	4 years
Electrical installations	–	4 to 8 years
Infrastructure	–	10 years
Heavy equipment	–	16 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.7 Mineral exploration, evaluation and development expenditures

Exploration and evaluation activities involve the search for mineral, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Such activities include:

- (i) gathering exploration data through topographical, geochemical and geophysical studies;
- (ii) exploratory drilling, trenching and sampling;
- (iii) determining and examining the volume and grade of the resource; and
- (iv) surveying transportation and infrastructure requirements.

Administration costs that are not directly attributable to a specific exploration area are charged to profit or loss.

License costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised from the commencement of commercial production.

Once the legal right to explore has been acquired, exploration and evaluation expenditures are charged to profit or loss as incurred, unless the director concludes that future economic benefits are more likely than not to be realised. These expenditures include acquisition and renewal of rights to explore; technical feasibility, processing and mining study; management and monitoring; drilling, explosives permitting and other exploration costs paid to contractors and consultants.

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
 - (i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - (ii) exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Capitalised exploration and evaluation costs are recorded under "Exploration and evaluation assets" and are subsequently measured at cost less any allowance for impairment. Such assets are not depreciated as they are not available for use but monitored for indications of impairment. Where a potential impairment is indicated, an assessment is performed for each area of interest in conjunction with the group of operating assets (representing a cash generating unit) to which the exploration is attributed. To the extent that exploration and evaluation costs are not expected to be recovered, these are charged to profit or loss.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, all exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mine under construction, which is a subset of mine properties.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.8 *Mine properties*

Mining properties include assets in production and in development, and assets transferred from exploration and evaluation assets. Mining properties in development are not amortised until production commences.

Upon transfer of "Exploration and evaluation assets" into "Mines under construction" in "Mine properties", all subsequent expenditures on the construction, installation or completion of infrastructure facilities are capitalised in "Mines under construction". Development expenditure is net of proceeds from the sale of ore extracted during the development phase. The "Mines under construction" is not amortised until it is completed and the production stage is commenced, and the assets are transferred into "Producing mines" in "Mine properties".

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development.

The accumulated costs of producing mines are amortised on the unit-of-production basis over the economically recoverable reserves of the mine concerned.

2.9 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Software

Software are amortised over the estimated useful life of 8 years and assessed for impairment whenever there is an indication that the software asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

De-recognition

An intangible asset is de-recognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss.

2.10 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.10 *Impairment of non-financial assets (cont'd)*

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.11 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Entities are consolidated from the time that the ability to control begins and cease to be consolidated when the ability to control ends.

In the Company's statement of financial position, investment in subsidiaries are accounted for at cost less impairment losses.

2.12 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.12 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.12 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

(ii) Other financial liabilities

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.12 *Financial instruments (cont'd)*

(d) *Derivatives*

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

2.13 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses ("ECLs") for all financial assets not held at fair value through profit or loss. 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 expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. 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 recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default ("a lifetime ECL").

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.14 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.15 *Inventories*

Inventories comprise of gold dore which is measured at the lower of cost and net realisable value. The cost comprises all actual costs incurred during production stage to produce the gold dore.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme.

(b) Defined benefit plans

The Group also provides additional provisions for employee service entitlements in order to meet the minimum benefits required to be paid to qualified employees, as required under the Indonesian Labour Law No. 13/2003 (the "Labour Law"), Indonesian Labour Law No.11/2020 (the "Job Creation Law") and Indonesian Government Regulation No.35/2021. The said additional provisions, which are unfunded, are estimated by actuarial calculations using the projected unit credit method.

The estimated liability for employee benefits is the aggregate of the present value of the defined benefit obligations at the end of the reporting period.

Defined benefit obligation comprises of the following:

- Service costs
- Net interest on the net defined benefit liability; and
- Re-measurements of the net defined benefit liability

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability is the change during the period in the net defined benefit liability that arises from the passage of time which is determined by applying the discount rate to the net defined benefit liability. Net interest on the net defined benefit liability is recognised as expense or income in profit or loss.

Re-measurements comprising actuarial gains and losses are recognised immediately in other comprehensive income in the consolidated statement of comprehensive income in the period in which they arise. Re-measurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.17 *Employee benefits (cont'd)*

(c) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2.18 *Leases*

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

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) *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). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office premises	–	1.5 to 3.5 years
Vehicles	–	3 years
Lands	–	10.5 years

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 right-of-use assets are also subject to impairment. The accounting policy for impairment of non-financial assets is set out in Note 2.10.

(b) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.18 Leases (cont'd)

As lessee (cont'd)

(b) Lease liabilities (cont'd)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if 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.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operation leases.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.19 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the buyer, usually on delivery of goods as the performance obligation is determined to have been satisfied.

The Group's revenue pertains to the sale of gold ore.

(b) Interest income

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.20 Taxes

(a) **Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) **Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.20 Taxes (cont'd)

(b) **Deferred tax (cont'd)**

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) **Sales tax**

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of other debtors or other payables in the statement of financial position.

2.21 Segment reporting

The Group operates as a gold mining group in Indonesia, which management considers as a single reportable segment. Accordingly, separate information on other operating segments have not been presented.

Information about major customer

Revenue from one major customer amount to Rp 4,829 million for the financial year ended 31 December 2021 (2020: Rp 9,530 million), arising from the sales of gold dore.

2.22 Share capital and share issue expenses

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.

2.23 Borrowing costs

Borrowing costs 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 expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. Summary of significant accounting policies (cont'd)

2.24 **Contingencies**

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.25 **Government grants**

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to income, the grant is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented as a credit in profit or loss, under "Other income".

2.26 **Convertible notes**

Convertible notes with conversion option are accounted for as financial liability with an embedded equity conversion derivative based on the terms of the contract.

On issuance of convertible notes, the embedded option is recognised at its fair value as derivative liability with subsequent changes in fair value recognised in profit or loss.

The Group has elected to designate the entire hybrid contract as fair value through profit or loss with amount of change in the fair value of the financial liability that is attributable to changes in the credit risk shall be presented in other comprehensive income. Transaction costs incurred on such financial liability instruments are recognised in profit or loss.

When the conversion option is exercised, the carrying amounts of the entire hybrid contract is derecognised with a corresponding recognition of share capital.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

3. Significant accounting judgments and estimates

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

3.1 Judgments made in applying accounting policies

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

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

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

(b) **Going concern**

The ability of the Group to continue as a going concern depends on its ability to generate cash flow through the activities as disclosed in Note 2.1. Management has assessed and made a judgement that the Group will be able to generate sufficient cash flows to meet their working capital needs for the next twelve months from the date of this report.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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

In determining whether the Group's non-financial assets pertaining to mining operation is impaired requires an estimation of value in use. The value in use calculation requires the management to estimate future cash flows and a suitable discount rate in order to calculate the present value of cash flows.

The key assumptions used in value in use calculation are as follows:

- (i) Gold prices of USD 1,800/oz – USD 1,982/oz (31 December 2020: USD 1,893/oz – USD 2,002/oz)
- (ii) Average operating expenses of USD 395/oz (31 December 2020: USD 408/oz)
- (iii) Discount rate of 18% (31 December 2020: 18%)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

3. Significant accounting judgments and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(b) *Impairment of investment in subsidiaries*

The Company's subsidiary, Wilton Resources Holding Pte. Ltd. ("WRH"), is the penultimate holding company of PT. Wilton Makmur Indonesia Tbk ("PT WMI"), a company listed on the IDX, which in turn is the holding company of PT. Wilton Wahana Indonesia ("PT WWI") and PT. Liektucha Ciemas ("PT LTC") which hold the mining licences. The carrying amount of the investment in subsidiaries and amount due from subsidiaries as at 31 December 2021 is Rp 1,222,704 million (31 December 2020: Rp 1,237,730 million).

Investment in subsidiaries is tested for impairment whenever there is objective evidence or indication that these assets may be impaired. Judgment is required to determine if any such indication exists, based on the evaluation of both internal and external sources of information. If any such indication exists, management assesses the recoverable amount of the investment in subsidiaries based on the value in use of the mining operations at the end of the reporting period.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared for the Group's mining operations. These budgets and forecast calculations cover the life of the mine.

If the value in use of the subsidiary is less than its carrying amount, an impairment loss is recognised in profit or loss to reduce the carrying amount of the investment in subsidiary to its recoverable amount. Management has assessed that the carrying amount of the investment falls within the range of their value in use calculation and accordingly no impairment loss is recognised in the current financial year and previous financial period.

(c) *Accounting for the project financing arrangement with Karl Hoffmann Mineral Pte Ltd ("KHM")*

The carrying amount of the Group's loans and borrowings with KHM as at 31 December 2021 is Rp 224,667 million (31 December 2020: Rp 287,378 million).

At initial recognition, management estimated the effective interest rate of the project financing liability based on the forecasted future payments over the project financing arrangement tenure. Management assesses the carrying amount of the project financing liability based on the forecasted repayment amounts which is dependent on the profitability of the Group's mining facility. Changes in estimate of the Group's mining facility profitability will impact the forecasted repayment owing to KHM and thus will have an effect on the carrying amount of the project financing liability.

The Group bases its forecasted repayment on the detailed cash flow forecast prepared for the Group's mining facility. The key assumptions are consistent with the disclosure in Note 3.2(a) and the project financing arrangement terms and is applied over the loan tenure of 10 years.

The carrying amount of the project financing liability is sensitive to changes in forecasted repayment period. If repayment period were to be delayed by six months with all other factors remaining constant, the carrying amount of the project financing liability will decrease by 18%. In the previous financial period, if repayment period were to be delayed by six months with all other factors remaining constant, the carrying amount of the project financing liability will decrease by 19%.

Management has also applied judgement in assessing the value of the embedded derivatives by considering the probability that an event of default will occur based on the Group's current business outlook and progress of the construction of the mining facility. Based on that, management have assessed that the fair value of the derivatives as at 31 December 2021 was immaterial (31 December 2020: immaterial).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

3. Significant accounting judgments and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(d) Fair value measurement of financial instruments

Where the fair values of financial instruments recorded in statement of financial position cannot be measured based on quoted prices in active markets, they are determined using a variety of valuation techniques that include the use of valuation models and discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. The valuation of financial instruments is described in more detail in Note 34.

4. Revenue

	Group	
	2021	2020
	Rp million	Rp million
Sales of gold dore	4,829	9,530
Timing of revenue recognition		
At point in time	4,829	9,530

5. Other income

	Group	
	2021	2020
	Rp million	Rp million
Re-measurement of project financing liability (Finance income)	66,546	-
Government grants	128	811
Foreign exchange gain	-	106
Rental rebates	-	42
	66,674	959

6. Other operating expenses

	Group	
	2021	2020
	Rp million	Rp million
Depreciation of right-of-use assets – prepaid leases	4,985	7,511
Site expenses	4,664	6,398
	9,649	13,909

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

7. Finance costs

	Group	
	2021	2020
	Rp million	Rp million
Interest expense on:		
- Project financing liability	-	32,389
- Loans carried at amortised cost	2,085	4,493
- Lease liabilities	169	326
Bank charges	95	424
Others	306	-
	<u>2,655</u>	<u>37,632</u>

8. Profit/(loss) before tax

The following items have been included in arriving at profit/(loss) before tax:

	Group	
	2021	2020
	Rp million	Rp million
Auditor's remuneration		
- Ernst & Young LLP, Singapore	1,478	1,557
- Purwantono, Sungkoro & Surja, Indonesia ¹	1,232	3,046
Non-audit fee paid to:		
- Ernst & Young LLP, Singapore	254	155
Depreciation of property, plant and equipment (Note 13)	3,264	4,730
Depreciation of right-of-use assets (Note 15)	6,647	9,996
Amortisation of intangible assets (Note 14)	180	271
Employee benefits expense (Note 9)	18,136	29,360
Foreign exchange loss/(gain)	4,018	(106)
Commitment fees related to mandatory convertible notes	2,459	-
Re-measurement of project financing liability	<u>(66,546)</u>	<u>32,389</u>

¹ A member firm of Ernst & Young Global

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

9. Employee benefits

	Group	
	2021	2020
	Rp million	Rp million
Employee benefits expense (including directors):		
- Salaries and bonuses	14,571	24,301
- Short term employee benefits	3,094	2,785
- Post employment benefits	(270)	939
- Contributions to defined contribution plans	741	1,335
	18,136	29,360

Employee defined benefit plan

The Group has recorded provisions for employee service entitlements to meet the minimum benefits required to be paid to the qualified employees, under the Indonesian Labour Law. The amounts of such additional provisions were determined based on actuarial computations prepared by an independent actuary using the "Projected Unit Credit" method. As at 31 December 2021 and 31 December 2020, the balance of the related actuarial liability for employee benefits is presented as "Employee benefits liability" in the consolidated statement of financial position.

The following tables summarises the components of net benefit expense recognised in profit or loss and other comprehensive income and statement of financial position:

	Group	
	2021	2020
	Rp million	Rp million
At 1 January / 1 July	3,498	3,328
Recognised in profit of loss		
Current service costs	372	710
Past service costs	(747)	-
Interest cost	105	229
	(270)	939
Recognised in other comprehensive income		
Actuarial gain recognised during the year/period	(161)	(769)
At 31 December	3,067	3,498

The key assumptions used in the actuarial calculations for 31 December 2021 and 31 December 2020 are as follows:

(a)	Annual discount rate:	2.83% - 7.55% (31 December 2020: 2.94% - 7.83%)
(b)	Annual salary increase:	7% (31 December 2020: 7%)
(c)	Retirement age:	55 years old (31 December 2020: 55 years old)
(d)	Mortality rate reference:	Indonesian Mortality Table TMI 4 (31 December 2020: Indonesian Mortality Table TMI 4)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

9. Employee benefits (cont'd)

Employee defined benefit plan (cont'd)

Sensitivity analysis to the principal assumptions used in determining employee benefits liability is as follows:

	Quantitative sensitivity analysis			
	31 December 2021		31 December 2020	
	Increase/ (decrease)	(Decrease)/ increase in employee benefit liability	Increase/ (decrease)	(Decrease)/ increase in employee benefit liability
	Rp million	Rp million	Rp million	Rp million
Annual discount rate	1%/(1%)	(86)/102	1%/(1%)	(100)/119
Future annual salary increase	1%/(1%)	106/(91)	1%/(1%)	123/(105)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit liability as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The Group is not expected to contribute (31 December 2020: Nil) to the defined benefit plan in the financial year ended 31 December 2021.

The average duration of the defined benefit plan at the end of the reporting period is 7.56 years (31 December 2020: 8.26 years).

10. Income tax expense

(a) Relationship between tax expense and accounting loss

The reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the year ended 31 December 2021 and period ended 31 December 2020 are as follows:

	Group	
	2021 Rp million	2020 Rp million
Profit/(loss) before tax	14,055	(134,216)
Tax at the domestic rates applicable to profits in the countries where the Group operates	1,341	(25,933)
<i>Adjustments:</i>		
Non-deductible expenses	3,817	11,512
Income not subject to taxation	(11,547)	(2,188)
Deferred tax assets not recognised	6,389	16,609
Income tax expense recognised in profit or loss	–	–

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction. The domestic tax rate in Singapore, Indonesia and Malaysia is 17%, 22% and 24% respectively (2020: Singapore 17% and Indonesia 22%).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

10. Income tax expense (cont'd)

(b) *Unrecognised tax losses*

At the end of the financial year, the Group has temporary differences amounting to Rp 7,135 million (2020: Rp 6,857 million) and unused tax losses amounting to Rp 260,582 million (2020: Rp 238,709 million) that are available for offset against future taxable profits. Out of the total unused tax losses, Rp 148,035 million (2020: Rp 147,913 million) unused tax losses are available for offset against future taxable profits for up to five years from the date the losses were incurred as the tax losses in Indonesia generally expire after five years. Deferred tax benefits of these tax losses are not recognised as the recoverability is considered not probable.

11. Earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings/(loss) per share is calculated by dividing the profit/(loss) for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the profit/(loss) and share data used in the computation of basic and diluted earnings per share:

	Group	
	2021	2020
	Rp million	Rp million
Earnings/(loss)		
Profit/(loss) attributable to owners of the Company	15,189	(130,393)
Number of shares		
Weighted average number of ordinary shares for basic earnings/(loss) per share computation	2,567,767,129	2,538,518,468
Effect of dilution from convertible notes	24,634,324	–
Weighted average number of ordinary shares for diluted loss per share computation	2,592,401,453	2,538,518,468
Basic earnings/(loss) per share (Rp)	5.92	(51.37)
Diluted earnings/(loss) per share (Rp)	5.86	(51.37)

During 2020, the Company issued 125,000,000 placement shares at S\$0.0261 per share. For FY2020, the weighted average number of shares for the period was calculated based on actual number of ordinary shares of the Company outstanding during the financial period, being 2,436,700,286 shares from 1 July 2019 to 10 October 2019 and 2,561,700,286 shares from 11 October 2019 to 31 December 2020.

The diluted loss per share was the same as the basic loss per share as there were no outstanding convertible securities for the financial period ended 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

11. Earnings/(loss) per share (cont'd)

During the current financial year, the Company issued 17,429,021 shares pursuant to exercise of convertible notes at conversion prices ranging from S\$0.023 to S\$0.027 per share. For FY2021, the weighted average number of shares for the period took into account the weighted average effect of changes in the number of ordinary shares of the Company from the conversion of the convertible notes.

12. Mine properties

	Group	
	2021	2020
	Rp million	Rp million
<i>Mines under construction</i>		
At 1 January/1 July	280,196	8,881
Additions	–	68
Reclassified to Property, Plant and Equipment (Note 13)	(68)	–
Transferred from exploration and evaluation assets	–	271,247
At 31 December	280,128	280,196

In FY2020, Rp 271,247 million of exploration and evaluation expenditures were transferred to mine properties.

Impairment of non-financial assets pertaining to mining operation

During the current financial year, the recoverable amount of the Group's non-financial assets pertaining to mining operation, comprising mine properties, property, plant and equipment, intangible assets, right-of-use assets and prepayments have been determined based on their value in use. The key assumptions used in value in use calculation are disclosed in Note 3.2(a).

Management has assessed that the recoverable amount exceeds the carrying amount and no impairment was recorded.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

13. Property, plant and equipment

	Motor vehicles	Electrical and office equipment	Furniture and fittings	Renovations	Electrical installations	Heavy equipment	Infra-structure	Construction in progress	Total
	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million
Group									
Cost									
At 1 July 2019	8,022	2,687	1,502	4,028	57	2,365	-	169,832	188,493
Additions	-	492	-	3,713	25	-	-	42,272	46,502
Disposals	-	(20)	-	-	-	-	-	-	(20)
At 31 December 2020 and 1 January 2021	8,022	3,159	1,502	7,741	82	2,365	-	212,104	234,975
Reclassification from Mine properties (Note 12)	-	-	-	-	-	-	-	68	68
Additions	-	163	-	-	-	-	339	25,463	25,965
Disposals	-	(12)	-	-	-	-	-	-	(12)
At 31 December 2021	8,022	3,310	1,502	7,741	82	2,365	339	237,635	260,996
Accumulated depreciation									
At 1 July 2019	3,671	1,485	1,502	1,428	51	323	-	-	8,460
Charge for the period	1,537	564	-	2,400	7	222	-	-	4,730
Disposals	-	(20)	-	-	-	-	-	-	(20)
At 31 December 2020 and 1 January 2021	5,208	2,029	1,502	3,828	58	545	-	-	13,170
Charge for the year	1,016	391	-	1,693	5	148	11	-	3,264
Disposals	-	(6)	-	-	-	-	-	-	(6)
At 31 December 2021	6,224	2,414	1,502	5,521	63	693	11	-	16,428
Net carrying amount									
At 31 December 2020	2,814	1,130	-	3,913	24	1,820	-	212,104	221,805
At 31 December 2021	1,798	896	-	2,220	19	1,672	328	237,635	244,568

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

13. Property, plant and equipment (cont'd)

	Electrical and office equipment Rp million	Furniture and fittings Rp million	Total Rp million
Company			
Cost			
At 1 July 2019	110	1,331	1,441
Additions	12	–	12
Disposals	(18)	–	(18)
At 31 December 2020 and 1 January 2021	104	1,331	1,435
Disposals	(12)	–	(12)
At 31 December 2021	92	1,331	1,423
Accumulated depreciation			
At 1 July 2019	110	1,331	1,441
Charge for the period	6	–	6
Disposals	(18)	–	(18)
At 31 December 2020 and 1 January 2021	98	1,331	1,429
Disposals	(6)	–	(6)
At 31 December 2021	92	1,331	1,423
Net carrying amount			
At 31 December 2020	6	–	6
At 31 December 2021	–	–	–

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

14. Intangible assets

	Software Rp million
Group	
Cost	
At 1 July 2019, 31 December 2020, 1 January 2021 and 31 December 2021	1,443
Accumulated amortisation	
At 1 July 2019	786
Charge for the period	271
At 31 December 2020 and 1 January 2021	1,057
Charge for the year	180
At 31 December 2021	1,237
Net carrying amount	
At 31 December 2020	386
At 31 December 2021	206

The intangible assets have an average remaining amortisation period of 2 years (31 December 2020: 3 years). The amortisation of software is included in the "General and administrative expenses" line item in profit or loss.

15. Right-of-use assets

	Office leases Rp million	Prepaid leases Rp million	Vehicle Rp million	Total Rp million
Group				
Recognition of right-of-use asset on initial application of SFRS(I)16	1,996	55,823	–	57,819
Additions	667	–	2,164	2,831
Depreciation expense	(1,319)	(7,511)	(1,166)	(9,996)
As at 31 December 2020	1,344	48,312	998	50,654
Re-measurement	(127)	–	766	639
Additions	940	–	–	940
Depreciation expense	(876)	(4,985)	(786)	(6,647)
As at 31 December 2021	1,281	43,327	978	45,586

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

15. Right-of-use assets (cont'd)

	Office leases Rp million
Company	
Recognition of right-of-use asset on initial application of SFRS(I)16	704
Depreciation expense	(704)
As at 31 December 2020	–
Additions	940
Depreciation expense	(470)
As at 31 December 2021	470

16. Investment in subsidiaries

	Company	
	2021 Rp million	2020 Rp million
Shares, at cost	2,232,811	2,232,811
Amounts due from subsidiaries	633,049	633,049
Impairment losses	(1,648,000)	(1,648,000)
	1,217,860	1,217,860

During FY2019, the Company entered into an arrangement with its subsidiaries whereby the repayment of amounts due from subsidiaries amounting to Rp 633,049 million is at the sole discretion of the subsidiaries. Accordingly, these amounts are classified as a part of the Company's net investment in subsidiaries. These amounts are denominated in Singapore Dollar ("SGD") and United States Dollar ("USD").

Movements in allowance for impairment are as follows:

	Company	
	2021 Rp million	2020 Rp million
At 1 January/1 July	1,648,000	1,648,000
Charge for the year	–	–
	1,648,000	1,648,000

During the current financial year, management performed an impairment test for the investment in Wilton Resources Holdings Pte. Ltd. ("WRH"), a wholly-owned subsidiary of the Company. No impairment loss was recognised for the current financial year and the previous financial period.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

16. Investment in subsidiaries (cont'd)

The Group has the following investment in subsidiaries:

Name (Country of incorporation and place of business)	Principal activities	Proportion (%) of ownership interest	
		2021	2020
		%	%
Held by the Company			
Wilton Resources Holdings Pte. Ltd. [#] (Singapore) ("WRH")	Investment holding	100	100
Subsidiary held by Wilton Resources Holdings Pte. Ltd.			
Wilton Assets Management Ltd (Malaysia) ("WAM")	Investment holding	100	100
PT. Wilton Makmur Indonesia Tbk (formerly known as PT. Renuka Coalindo Tbk) ^{##} (Indonesia) ("PT WMI")	Investment holding	91.34	93.04
Subsidiary held by PT. Wilton Makmur Indonesia Tbk			
PT. Wilton Investment ^{##} (Indonesia) ("PT WI")	Gold mining	91.43 ⁽¹⁾	93.11 ⁽¹⁾
Subsidiary held by PT. Wilton Investment			
PT. Wilton Wahana Indonesia ^{##} (Indonesia) ("PT WWI")	Mining, general trading, transportation, industry, construction, real estate, logging, farming, plantation, forestry, electrical, mechanical, computer, workshop, printing and services	91.43 ⁽²⁾	93.11 ⁽²⁾
Subsidiary held by PT. Wilton Wahana Indonesia			
PT. Liektucha Ciemas ^{##} (Indonesia) ("PT LTC")	Mining, general trading, transportation, industry, construction, real estate, logging, farming, plantation, forestry, electrical, mechanical, computer, workshop, printing and services	91.43 ⁽³⁾	93.11 ⁽³⁾

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

16. Investment in subsidiaries (cont'd)

- (1) 1% shareholding of PT WI is held by Wijaya Lawrence ("WL"), in compliance with Indonesian law which requires a minimum of 2 shareholders in a limited liability company. WL has executed a power of attorney in favour of WRH for the assignment to WRH of dividends and voting rights in respect of his 1% shareholding interests in PT WI.
- (2) 1% shareholding of PT WWI is held by WL, in compliance with Indonesian law which requires a minimum of 2 shareholders in a limited liability company. WL has executed a power of attorney in favour of PT WI for the assignment to PT WI of dividends and voting rights in respect of his 1% shareholding interests in PT WWI.
- (3) 1% shareholding of PT LTC is held by WL, in compliance with Indonesian law which requires a minimum of 2 shareholders in a limited liability company. WL has executed a power of attorney in favour of PT WWI for the assignment to PT WWI of dividends and voting rights in respect of his 1% shareholding interests in PT LTC.

Audited by Ernst & Young LLP, Singapore

Audited by Purwantono, Sungkoro & Surja, member firm of Ernst & Young Global in Indonesia

Acquisition of ownership interest in subsidiary, without loss of control

During the previous financial period, the Group acquired equity interest in PT WMI following the completion of the Mandatory Tender Offer to the existing non-controlling interest shareholders in PT WMI for a cash consideration of Rp 20,658 million. The carrying value of the additional interest acquired was Rp 621 million. The difference of Rp 21,279 million between the consideration and the carrying value of the additional interest acquired has been recognised within capital reserve.

The following summaries the effect of the change in the Group's ownership interest in PT WMI on the equity attributable to owners of the Company:

	Group	
	2021	2020
	Rp million	Rp million
Consideration paid for acquisition of non-controlling interests	–	20,658
Decrease in equity attributable to non-controlling interests	–	621
Decrease in equity attributable to owners of the Company	–	21,279
Represented by		
Decrease in capital reserve	–	21,279

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

16. Investment in subsidiaries (cont'd)

Disposal of ownership interest in subsidiary, without loss of control

During the current financial year and previous financial period, the Group disposed of equity interest in PT WMI. The transactions have been accounted for as an equity transaction with non-controlling interests, resulting in:

	Group	
	2021	2020
	Rp million	Rp million
Proceeds from sales of ownership interest	39,750	124,538
Increase in equity attributable to non-controlling interest	3,218	1,765
Increase in equity attributable to parent	42,968	126,303
Represented by		
Increase in capital reserve	42,968	126,303

For the current and prior financial year/period, the Group has entered into a Shares Management Service Agreement to market and sell PT WMI shares to meet the Group's funding requirements.

Sale of shares and repurchase agreement

During the previous financial period, the Group has entered into a sale of shares and repurchase agreement where 50,000,000 shares in PT WMI were sold for a consideration of Rp 5,000 million to be repurchased at a specified future date. These shares were repurchased by the Group in the current financial year.

During the current financial year, the Group has entered into new sale of shares and repurchase agreements where 922,556,643 shares in PT WMI were sold for a consideration of Rp 41,000 million to be repurchased at specified future dates.

17. Long term fixed deposits

Long term fixed deposits are pledged as collateral to the Ministry of Energy and Mineral Resources of the Republic of Indonesia on the estimated provision for reclamation and rehabilitation costs of Rp 420 million (31 December 2020: Rp 420 million). Long term fixed deposits bear interest of 2.75% (31 December 2020: 3.5%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

18. Other debtors and deposits

	Group		Company	
	2021	2020	2021	2020
	Rp million	Rp million	Rp million	Rp million
Non-current				
Deposits	314	315	80	81
Current				
Deposits	59	6	56	4
Other debtors	431	465	44	70
	490	471	100	74

Other debtors of the Group and the Company are non-trade related, unsecured and non-interest bearing.

19. Prepayments

	Group		Company	
	2021	2020	2021	2020
	Rp million	Rp million	Rp million	Rp million
Current	2,026	485	187	143
Non-current	17,330	3,500	-	-
	19,356	3,985	187	143

The non-current prepayments of Rp 17,330 million made to vendors to purchase ore-processing equipments (31 December 2020: Rp 3,500 million).

20. Amounts due from subsidiaries

Amounts due from subsidiaries are non-trade in nature, unsecured, interest-free, repayable on demand, denominated in SGD and USD and are expected to be settled in cash.

21. Inventories

	Group	
	2021	2020
	Rp million	Rp million
Statement of financial position		
Gold dore (at cost)	2,529	4,841
Statement of comprehensive income		
Inventories recognised as an expense in cost of sales	3,600	7,247

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

22. Cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	Rp million	Rp million	Rp million	Rp million
Cash at banks and on hand	13,380	4,766	1,462	1,977

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Cash and cash equivalents denominated in foreign currencies at 31 December 2021 and 2020 are as follows:

	Group		Company	
	2021	2020	2021	2020
	Rp million	Rp million	Rp million	Rp million
Singapore Dollar	2,564	3,072	1,458	1,962
United States Dollar	167	68	3	15
Australian Dollar	6	8	–	–
Chinese Yuan	15	16	–	–
Malaysian Ringgit	34	–	–	–

23. Restricted time deposits

Restricted time deposits bear interest at 2.5% (2020: 5.0%) per annum and are made for a period of 3 months. The restricted time deposits of Rp 25,000 million placed with PT Bank Central Asia Tbk are pledged as collateral to the bank overdrafts (Note 26).

24. Trade payables

	Group	
	2021	2020
	Rp million	Rp million
Third party payables	195	6,874

Trade payables are non-interest bearing, normally settled on 30 to 90 days' terms (31 December 2020: 30 to 90 days) and are denominated in IDR.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

25. Other payables and accruals

	Group		Company	
	2021	2020	2021	2020
	Rp million	Rp million	Rp million	Rp million
Non-current				
Accruals	48,216	48,216	–	–
Current				
Other payables	27,835	31,167	276	3,893
Accruals	28,417	22,210	15,461	11,847
	56,252	53,377	15,737	15,740

Other payables

These amounts are non-interest bearing, unsecured and are to be settled in cash.

Other payables and accruals denominated in foreign currencies at 31 December 2021 and 2020 are as follows:

	Group		Company	
	2021	2020	2021	2020
	Rp million	Rp million	Rp million	Rp million
Singapore Dollar	16,051	15,984	15,737	15,740
United States Dollar	25,644	25,349	–	–

26. Loans and borrowings

		Group		Company	
	Maturity	2021	2020	2021	2020
		Rp million	Rp million	Rp million	Rp million
Current					
Bank overdrafts, secured	On demand	21,820	20,161	–	–
Short term borrowing, secured	Within 12 months	41,000	5,000	–	–
		62,820	25,161	–	–
Non-current					
Project financing liability	10 years from the start of operations	224,667	287,378	224,667	287,378
Total loans and borrowings		287,487	312,539	224,667	287,278

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

26. Loans and borrowings (cont'd)

Bank overdrafts, secured

Bank overdrafts are denominated in IDR, bear interest at 1.0% above the restricted time deposits used as collateral and are secured by restricted time deposits of Rp 25,000 million (2020: Rp 25,000 million) (Note 23).

Short term borrowing, secured

During the current financial year, the Group entered into sale of shares and repurchase agreements, whereby a short-term loan of Rp 41,000 million (2020: Rp 5,000 million) was drawn and secured against the shares of PT WMI that were sold to be repurchase at a later date. The short-term borrowings are denominated in IDR and bear interest of 18% per annum (2020: 22% per annum).

Project Financing Liability

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

Repayment

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

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

Embedded derivatives

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

The Company identified that the options feature are embedded derivatives that should be recognised separately and through profit or loss measured at fair value at each reporting date. As at 31 December 2021, the Company made an assessment of the fair value considering the probability of occurrence of the above trigger events and determined the fair value of the derivatives to be immaterial (31 December 2020: Nil).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

26. Loans and borrowings (cont'd)

A reconciliation of liabilities arising from financing activities is as follows:

	31 December 2020	Proceeds	Repayments	Remeasurement	Reclassification*	Non-cash changes		31 December 2021
						Accretion of interests	Foreign exchange movement	
	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million
Bank overdraft, secured	20,161	1,659	(657)	-	-	657	-	21,820
Short term borrowing, secured	5,000	41,000	(6,103)	-	(325)	1,428	-	41,000
Project Financing Liability	287,378	-	-	(66,546)	-	-	3,835	224,667
	312,539	42,659	(6,760)	(66,546)	(325)	2,085	3,835	287,487

* Interest payable on short term borrowings of Rp 325 million is classified under Other payables and accruals.

	30 June 2019	Proceeds	Repayments	Reclassification*	Non-cash changes		31 December 2020
					Accretion of interests	Foreign exchange movement	
	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million
Bank overdrafts, secured	25,000	-	(6,435)	-	1,596	-	20,161
Short term borrowing, secured	-	5,000	(2,450)	(447)	2,897	-	5,000
Project Financing Liability	256,798	-	-	-	32,389	(1,809)	287,378
	281,798	5,000	(8,885)	(447)	36,882	(1,809)	312,539

* Interest payable on short term borrowings of Rp 447 million is classified under Other payables and accruals.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

27. Lease liabilities

	Group		Company	
	2021	2020	2021	2020
	Rp million	Rp million	Rp million	Rp million
At 1 January/1 July	2,235	1,831	–	704
Additions	940	2,996	940	–
Re-measurement	639	–	–	–
Accretion of interests	169	326	23	47
Payments	(488)	(2,925)	(488)	(758)
Exchange differences	(3)	7	(3)	7
At 31 December	3,492	2,235	472	–
Current	3,027	430	472	–
Non-current	465	1,805	–	–
	3,492	2,235	472	–

The following amounts were recognised in profit or loss:

	Group	
	2021	2020
	Rp million	Rp million
Depreciation expense of right-of-use assets	6,647	9,996
Interest expense on lease liabilities	169	326
Expense relating to short-term leases	120	243
	6,936	10,565

A reconciliation of liabilities arising from financing activities is as follows:

	Non-cash changes					
	2020	Repayments	Additions	Remeasurement	Accretion of interests	Foreign exchange movement
	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million
Lease liabilities	2,235	(488)	940	639	169	(3)

	Non-cash changes				
	Adoption of SFRS(I) 16	Repayments	Additions	Accretion of interests	Foreign exchange movement
	Rp million	Rp million	Rp million	Rp million	Rp million
Lease liabilities	1,831	(2,925)	2,996	326	7

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

28. Mandatory convertible notes

On 30 March 2021, the Group entered into a subscription agreement with a securitization fund (the "Subscriber"), pursuant to which the Subscriber has committed to provide funds to the Company of up to S\$4,500,000 by subscribing for mandatory convertible notes with share subscription warrants attached. The subscription agreement has a commitment period of 24 months, an aggregate principal amount of up to S\$4,500,000 to be allotted and issued in 6 tranches. The first tranche is for S\$1,000,000. The next four subsequent tranches is at S\$750,000 per tranche and the final tranche is at S\$500,000 for which the Group shall have the right (but not the obligation) to require the Subscriber to subscribe.

These mandatory convertible notes are classified entirely as liabilities because in the event of default or the Company fails to issue new shares to the Subscriber in accordance with the terms of the subscription agreement, the principal will have to be repaid at 105% within ten business days of receipt of a written demand.

An event of default means any of the following:

- (i) a default by the Company in the due performance of any of its obligations under the subscription agreement in any material respect which, if curable, is not cured within fifteen calendar days as from the earliest of the date on which the Company becomes aware of such default and the date on which the Subscriber notifies such default to the Company in writing, requesting that it be cured;
- (ii) the cancellation of the listing of the shares to trading on the SGX-ST;
- (iii) the Company ceasing to comply with its obligations under the any rules of the SGX-ST, unless remedied within fifteen business days or having obtained a waiver from compliance thereof by the SGX-ST;
- (iv) the suspension from trading of the Shares on the SGX-ST where such suspension is for a period longer than fifteen business days;
- (v) any failure of the Company to procure the certification of the financial statements by the statutory auditors of the Company which is not cured within the timeframe allowed by law;
- (vi) any failure of the Company to issue new shares or procure the transfer of the relevant number of shares to the Subscriber in accordance with the terms of the Subscription Agreement due within five trading days following the relevant delivery deadline with respect to a conversion notice;
- (vii) event or circumstance occurs which has a material adverse effect;
- (viii) a change of control occurs or where the Company issues securities to transfer a controlling interest (as defined in the Catalist Rules);
- (ix) save for indebtedness in respect of the financing of the Company's core business, any indebtedness of the Company which is in excess of S\$1,000,000 is not paid when due nor within the applicable grace period;
- (x) the Company voluntarily suspends or discontinues substantially all of its business, liquidates substantially all of its assets except for fair consideration or on an arm's length basis, or bankruptcy, moratorium, administration, receivership, insolvency or similar proceedings for relief of financially distressed debtors shall be instituted by or against the Company and shall not have been discharged within six months; and
- (xi) a claim is admitted by the Company or decided against the Company in a court of competent jurisdiction such that all appeals have been waived or exhausted, in each case which claim and/or judgement exceeds S\$1,000,000, and the Company does not discharge the same or provide for its discharge in accordance with its terms or procure a stay of execution thereof within sixty days after the date of entry thereof and within said period of sixty days (or such longer period during which execution of such judgment shall have been stayed) appeal therefrom and cause the execution thereof to be stayed during such appeal

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

28. Mandatory convertible notes (cont'd)

As the instrument contains an embedded derivative, it has been designated as at fair value through profit or loss on initial recognition and as such the embedded conversion feature is not separated. All transaction costs related to financial instruments designated as at fair value through profit or loss are expensed as incurred. Fair value changes relating to market risk are recognised in profit or loss. Given that the convertible notes are mandatorily convertible twelve months from issuance date, the Group believes that fair value changes on the mandatorily convertible notes are not deemed to be significant.

During the current financial year, the Company has drawn down on the first tranche of the fund amounting to S\$1,000,000 and issued 122 mandatory convertible notes, each with a denomination of S\$10,000 to the Subscriber. As at 31 December 2021, 43 mandatory convertible notes had been converted into ordinary shares (Note 29).

A reconciliation of liabilities arising from financing activities is as follows:

	2020 Rp million	Proceeds Rp million	Non-cash changes			2021 Rp million
			Commitment fee Rp million	Fair value changes Rp million	Conversion of notes Rp million	
Mandatory convertible notes	-	10,381	2,404	417	(4,569)	8,633

29. Share capital

	Group		Company	
	No. of shares	Rp million	No. of shares	Rp million
Issued and fully paid				
At 30 June 2019 and 1 July 2019	2,436,700,286	1,153,516	2,436,700,286	3,109,639
Issuance of new shares pursuant to a share placement exercise	125,000,000	33,492	125,000,000	33,492
At 31 December 2020	2,561,700,286	1,187,008	2,561,700,286	3,143,131
Issuance of new shares pursuant to exercise of convertible notes	17,429,021	4,569	17,429,021	4,569
At 31 December 2021	2,579,129,307	1,191,577	2,579,129,307	3,147,700

In FY2020, the Company issued an aggregate 125,000,000 new shares in the capital of the Company, at an issue price of S\$0.0261 each.

During the current financial year, the Company issued an aggregate 17,429,021 new shares in the capital of the Company in relation to the partial conversion of the mandatory convertible notes, at an issue price ranging from S\$0.023 to S\$0.027 each.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value. The share capital of the Group and the Company differ due to the acquisition of Wilton Resources Holdings Pte Ltd and its subsidiaries by the Company which had been completed and accounted for as a reverse acquisition in the financial year ended 2013.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

30. Merger reserve

Merger reserve represents the difference between the consideration paid and the equity acquired under common control.

31. Capital reserve

Capital reserve of Rp 42,968 million and Rp 105,024 million represents the changes in ownership of subsidiaries without change in control that are accounted for as equity transactions in FY2021 and FY2020 respectively.

Capital reserve of Rp 149,276 million represents the share-based payment and changes in ownership of subsidiaries arising from the Group's Restructuring exercise that are accounted for as equity transactions.

Capital reserve of Rp 11,565 million represents the additional capital injected by the Executive Chairman to indemnify the WRH Group against any liabilities, till such date the Reverse Acquisition by WRH Group has been completed. The reverse acquisition transaction was previously completed on 12 December 2013.

32. Significant related party transactions

(a) *Sale and purchase of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period.

	Group	
	2021	2020
	Rp million	Rp million
Rental expense for the rental of office premises with a director of the Company	500	665

(b) *Compensation of key management personnel*

	Group	
	2021	2020
	Rp million	Rp million
Salaries and bonuses	10,220	19,482
Short term employee benefits	1,046	2,294
Central Provident Fund contributions	377	755
Directors' fees	1,419	2,974
	13,062	25,505
Comprise amounts paid to:		
Directors of the Company	6,409	11,083
Other key management personnel	6,653	14,422
	13,062	25,505

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

32. Significant related party transactions (cont'd)

(c) *Transactions with key management personnel*

The Company's subsidiary, PT WWI entered into rental agreement with Mr Wijaya Lawrence for the office building occupied by the PT WWI and its subsidiary which is valid until 31 December 2023 and can be extended upon agreement by both parties (Note 32(a)).

33. Commitments and contingencies

Capital commitments

As at 31 December 2021, the Group had capital commitments of Rp 11,316 million (2020: Rp 11,316 million) relating to the completion of the mining processing facility.

34. Fair values of financial instruments

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

Long term fixed deposits (Note 17), other debtors and deposits (Note 18), investment securities, amounts due from subsidiaries (Note 20), cash and cash equivalents (Note 22), restricted time deposit (Note 23), trade payables (Note 24), other payables and accruals (Note 25) and loans and borrowings (Note 26).

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

Fair value of financial instruments by classes that are carried at fair values

Financial assets and liabilities at fair value through profit or loss comprise mandatory convertible notes (Note 28).

The fair values of the mandatory convertible notes are determined by reference to valuation model. The fair value measurement of the mandatory convertible notes is classified under Level 2 of the fair value hierarchy as the lowest level input that is significant to the fair value measurement model i.e. the Company's historical share price is directly observable.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

34. Fair values of financial instruments (cont'd)

Classification of financial instruments

	Group		Company	
	Financial assets carried at amortised cost	Financial assets carried at fair value through profit or loss	Financial assets carried at amortised cost	Financial assets carried at fair value through profit or loss
	Rp million	Rp million	Rp million	Rp million
2021				
Financial assets				
Long term fixed deposits	420	–	–	–
Other debtors and deposits (non-current)	314	–	80	–
Other debtors and deposits (current)	490	–	100	–
Investment securities	10	–	–	–
Amounts due from subsidiaries	–	–	4,844	–
Cash and cash equivalents	13,380	–	1,462	–
Restricted time deposit	25,000	–	–	–
	39,614	–	6,486	–

	Group		Company	
	Financial liabilities carried at amortised cost	Financial liabilities carried at fair value through profit or loss	Financial liabilities carried at amortised cost	Financial liabilities carried at fair value through profit or loss
	Rp million	Rp million	Rp million	Rp million
2021				
Financial liabilities				
Trade payables	195	–	–	–
Other payables and accruals (current)	56,252	–	15,737	–
Other payables and accruals (non-current)	48,216	–	–	–
Loans and borrowings	287,487	–	224,667	–
Mandatory convertible notes	–	8,633	–	8,633
	392,150	8,633	240,404	8,633

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

34. Fair values of financial instruments (cont'd)

Classification of financial instruments (cont'd)

	Group		Company	
	Financial assets carried at amortised cost	Financial liabilities carried at amortised cost	Financial assets carried at amortised cost	Financial liabilities carried at amortised cost
	Rp million	Rp million	Rp million	Rp million
2020				
Financial assets				
Long term fixed deposits	420	–	–	–
Other debtors and deposits (non-current)	315	–	81	–
Other debtors and deposits (current)	471	–	74	–
Investment securities	10	–	–	–
Amounts due from subsidiaries	–	–	19,870	–
Cash and cash equivalents	4,766	–	1,977	–
Restricted time deposit	25,000	–	–	–
	<u>30,982</u>	<u>–</u>	<u>22,002</u>	<u>–</u>
Financial liabilities				
Trade payables	–	6,874	–	–
Other payables and accruals (current)	–	53,377	–	15,740
Other payables and accruals (non-current)	–	48,216	–	–
Loans and borrowings	–	312,539	–	287,378
	<u>–</u>	<u>421,006</u>	<u>–</u>	<u>303,118</u>

35. Financial risk management objectives and policies

The Group and Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include liquidity risk and foreign currency risk. The board of directors reviews and agrees policies and procedures for the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process. The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks. There has been no significant change to the Group's and Company's exposure to these financial risks or the manner in which it manages and measures the risks.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

35. Financial risk management objectives and policies (cont'd)

(a) *Liquidity risk*

Liquidity risk is the risk that the Group and/or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. In the management of liquidity risk, the Group and Company monitor and maintain a level of cash and cash equivalents, deemed adequate by management to finance the Group's and Company's operations and mitigate the effects of fluctuations in cash flows. As and when the need arises, the Group also sources for additional financing from potential investors, which can be in the form of convertible notes or sales of shares and repurchase agreement. The Group's mandatory convertible notes are expected to be mandatorily converted to ordinary shares of the Company twelve months from issuance.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted payments.

Group	1 year or less Rp million	1 to 5 years Rp million	Over 5 years Rp million	Total Rp million
2021				
<i>Financial assets</i>				
Long term fixed deposits	–	–	420	420
Other debtors and deposits	490	314	–	804
Investment securities	10	–	–	10
Cash and cash equivalents	13,380	–	–	13,380
Restricted time deposits	25,000	–	–	25,000
Total undiscounted financial assets	38,880	314	420	39,614
<i>Financial liabilities</i>				
Trade payables	195	–	–	195
Other payables and accruals	56,252	48,216	–	104,468
Loans and borrowings	67,895	795,325	1,455,760	2,318,980
Lease liabilities	2,338	1,358	–	3,696
Total undiscounted financial liabilities	126,680	844,899	1,455,760	2,427,339
Total net undiscounted financial liabilities	(87,800)	(844,585)	(1,455,340)	(2,387,725)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

35. Financial risk management objectives and policies (cont'd)

(a) *Liquidity risk (cont'd)*

Analysis of financial instruments by remaining contractual maturities (cont'd)

Group	1 year or less Rp million	1 to 5 years Rp million	Over 5 years Rp million	Total Rp million
2020				
<i>Financial assets</i>				
Long term fixed deposits	–	–	420	420
Other debtors and deposits	471	315	–	786
Investment securities	10	–	–	10
Cash and cash equivalents	4,766	–	–	4,766
Restricted time deposits	25,000	–	–	25,000
Total undiscounted financial assets	30,247	315	420	30,982
<i>Financial liabilities</i>				
Trade payables	6,874	–	–	6,874
Other payables and accruals	53,377	48,216	–	101,593
Loans and borrowings	25,161	950,676	1,505,522	2,481,359
Lease liabilities	570	1,910	–	2,480
Total undiscounted financial liabilities	85,982	1,000,802	1,505,522	2,592,306
Total net undiscounted financial liabilities	(55,735)	(1,000,487)	(1,505,102)	(2,561,324)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

35. Financial risk management objectives and policies (cont'd)

(a) *Liquidity risk (cont'd)*

Analysis of financial instruments by remaining contractual maturities (cont'd)

Company	1 year or less Rp million	1 to 5 years Rp million	Over 5 years Rp million	Total Rp million
2021				
Financial assets				
Other debtors and deposits	100	80	–	180
Amounts due from subsidiaries	4,844	–	–	4,844
Cash and cash equivalents	1,462	–	–	1,462
Total undiscounted financial assets	6,406	80	–	6,486
Financial liabilities				
Other payables and accruals	15,737	–	–	15,737
Loans and borrowings	–	795,325	1,455,760	2,251,085
Lease liabilities	480	–	–	480
Total undiscounted financial liabilities	16,217	795,325	1,455,760	2,267,302
Total net undiscounted financial liabilities	(9,811)	(795,245)	(1,455,760)	(2,260,816)
2020				
Financial assets				
Other debtors and deposits	74	81	–	155
Amounts due from subsidiaries	19,870	–	–	19,870
Cash and cash equivalents	1,977	–	–	1,977
Total undiscounted financial assets	21,921	81	–	22,002
Financial liabilities				
Other payables and accruals	15,740	–	–	15,740
Loans and borrowings	–	950,676	1,505,522	2,456,198
Total undiscounted financial liabilities	15,740	950,676	1,505,522	2,471,938
Total net undiscounted financial liabilities	6,181	(950,595)	(1,505,522)	(2,449,936)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

35. Financial risk management objectives and policies (cont'd)

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's cash, other debtors and deposits, other payables and accruals, loans and borrowings and mandatory convertible notes are denominated in foreign currencies. As at the end of the reporting period, such foreign currency balances are mainly in SGD and USD.

Sensitivity analysis for foreign currency risk

As at 31 December 2021, if SGD and USD had strengthened/weakened against IDR with all other variables held constant, the effects arising from the net financial position on the Group's profit/(loss) before tax will be as follows:

		Group	
		Profit/(loss) before tax	
		Increase/(decrease)	
		2021	2020
		Rp million	Rp million
SGD	- strengthened 2% (2020: 7%)	(442)	904
	- weakened 2% (2020: 7%)	442	(904)
USD	- strengthened 2% (2020: 9%)	(5,003)	28,139
	- weakened 2% (2020: 9%)	5,003	(28,139)

36. Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and stage of development of the Group's mining activities. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 December 2021 and period ended 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2021

37. Segment information

The Group principally operates a gold mining business which management considers a single operating segment.

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

Geographical information

(a) **Non-current assets**

	Group	
	2021	2020
	Rp million	Rp million
Singapore	43,877	48,399
Indonesia	544,675	508,877
	<u>588,552</u>	<u>557,276</u>

Non-current assets information provided above consists of mine properties, property, plant and equipment, intangible assets, right-of-use assets, prepayments, other debtors and deposits and long term fixed deposits as presented in the consolidated balances sheets.

(b) **Revenue**

	Group	
	2021	2020
	Rp million	Rp million
Singapore	–	–
Indonesia	4,829	9,530
	<u>4,829</u>	<u>9,530</u>

38. Events occurring after the reporting period

On 8 March 2022, the Company issued 7,894,736 new shares in the capital of the Company in relation to the partial conversion of 15 mandatory convertible notes, at an issue price of S\$0.019 each.

On 24 March 2022, the Company issued 7,142,857 new shares in the capital of the Company in relation to the partial conversion of 15 mandatory convertible notes, at an issue price of S\$0.021 each.

On 29 March 2022, the Group had entered into a sale and purchase agreement whereby the Group had agreed to sell an aggregate of 742,000,000 ordinary shares in the capital of PT. Wilton Makmur Indonesia Tbk ("PT WMI TBK") for a cash of consideration of S\$3.5 million (the "Disposal"). The Disposal was completed on 31 March 2022.

Pursuant to the agreement, the Group had entered into a put/call option for an additional 530,000,000 ordinary shares in the capital of PT WMI TBK for an additional cash consideration of S\$3.5 million.

39. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 12 April 2022.

STATISTICS OF SHAREHOLDINGS

As at 23 March 2022

Issued and fully paid-up capital	:	S\$395,240,294
Number of shares	:	2,587,024,043
Class of shares	:	Ordinary share
Voting rights	:	One vote per ordinary share
Number of treasury shares and percentage	:	Nil
Number of subsidiary holdings and percentage	:	Nil

SUBSTANTIAL SHAREHOLDERS

	Direct Interests		Deemed Interests	
	No. of Shares	%	No. of Shares	%
Wijaya Lawrence ¹	582,640,000	22.52	–	0.00
Ngiam Mia Je Patrick ²	364,150,000	14.08	–	0.00
Dato Sri Chong Thim Pheng	215,953,205	8.35	–	0.00
Lauw Hui Kun	189,358,000	7.32	–	0.00

Notes:

⁽¹⁾ Wijaya Lawrence has a direct interest in the 552,640,000 shares held under Raffles Nominees (Pte.) Limited, 22,857,143 shares held under UOB Kay Hian Pte Ltd, and 7,142,857 shares under lent shares to the subscriber of the conversion notes issued by the Company.

⁽²⁾ Ngiam Mia Je Patrick has a direct interest in the 182,075,000 shares held under DBS Nominees (Private) Limited.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders		No. of Shares	
		%		%
1 - 99	128	10.08	3,616	0.00
100 - 1,000	73	5.75	47,339	0.00
1,001 - 10,000	150	11.81	944,539	0.04
10,001 - 1,000,000	833	65.59	138,640,192	5.36
1,000,001 AND ABOVE	86	6.77	2,447,388,357	94.60
TOTAL	1,270	100.00	2,587,024,043	100.00

STATISTICS OF SHAREHOLDINGS (Continued)

As at 23 March 2022

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	RAFFLES NOMINEES (PTE.) LIMITED	661,885,398	25.58
2	DBS NOMINEES (PRIVATE) LIMITED	336,556,866	13.01
3	CHONG THIM PHENG	215,953,205	8.35
4	LAUW HUI KUN	189,358,000	7.32
5	NGIAM MIA JE PATRICK	182,075,000	7.04
6	CITIBANK NOMINEES SINGAPORE PTE LTD	165,899,732	6.41
7	LIAN SENG INVESTMENT PTE LTD	68,449,012	2.65
8	CHOW BON TONG	52,047,336	2.01
9	SEAH CHEONG LENG	38,397,200	1.48
10	UOB KAY HIAN PRIVATE LIMITED	38,287,239	1.48
11	NICCO INVESTMENT PTE. LTD.	37,000,000	1.43
12	SEAH KIAT HONG (XIE JIEFENG)	36,000,000	1.39
13	KOH YOONG HOCK OR CHIANG KAH PENG	31,012,500	1.20
14	CHUA LEONG HAI @CHUA LEANG HAI	25,080,667	0.97
15	NG SUK SIAN	25,000,000	0.97
16	LI JICHENG	24,266,666	0.94
17	CHEONG CHOONG KONG	21,837,500	0.84
18	MAYBANK SECURITIES PTE. LTD.	21,498,397	0.83
19	TAN LIM HUI	19,854,447	0.77
20	OCBC SECURITIES PRIVATE LIMITED	17,620,995	0.68
TOTAL		2,208,080,160	85.35

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information available to the Company as at 23 March 2022, approximately 38.74% of the total number of issued ordinary shares of the Company (excluding treasury shares) is held by the public. Accordingly, the Company has complied with Rule 723 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst, which requires at least 10% of a listed issuer's equity securities to be held by public.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2021 Annual General Meeting ("**AGM**") of Wilton Resources Corporation Limited (the "**Company**", and together with its subsidiaries, the "**Group**") will be held by way of electronic means on Thursday, 28 April 2022 at 3.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2021 together with the Auditors' Report thereon. **Resolution 1**
2. To approve the payment of Directors' fees of S\$143,500 for the financial year ending 31 December 2022, to be payable quarterly in arrears. (FY2020: S\$147,000) **Resolution 2**
3. To re-elect Mr Wijaya Lawrence, a Director of the Company retiring pursuant to Regulation 91 of the Constitution of the Company, and who, being eligible, offered himself for re-election, as a Director. **Resolution 3**
[See Explanatory Note (ii)]
4. To re-elect Mr Seah Seow Kang Steven, a Director of the Company retiring pursuant to Regulation 91 of the Constitution of the Company, and who, being eligible, offered himself for re-election, as a Director. **Resolution 4**
[See Explanatory Note (ii)]
5. To re-elect Mr Lui Pang Hung, a Director of the Company retiring pursuant to Regulation 97 of the Constitution of the Company, and who, being eligible, offered himself for re-election, as a Director. **Resolution 5**
[See Explanatory Note (iii)]
6. To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**
7. To transact any other ordinary business which may properly be transacted at an AGM 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:

8. **Authority to allot and issue shares**

That pursuant to Section 161 of the Companies Act 1967 ("**Companies Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors be and are hereby authorised and empowered to:

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

NOTICE OF ANNUAL GENERAL MEETING (Continued)

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares pursuant to any Instrument made or granted by the Directors while this Resolution is in force, provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed one hundred per centum (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), of which the aggregate number of Shares and Instruments to be issued other than on a *pro rata* basis to existing shareholders of the Company (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed fifty per centum (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);

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

(a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;

(b) (where applicable) new Shares arising from the exercise of share options or vesting of share awards, provided the share options or awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

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

adjustments in accordance with sub-sections (2)(a) and (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 and the Company's Constitution for the time being in force; and

(4) unless revoked or varied by the Company in a general meeting, the authority conferred by this Resolution shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM 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.

Resolution 7

[See Explanatory Note (iv)]

9. That, subject to and contingent upon the passing of Ordinary Resolution 4 above and Ordinary Resolution 9 below, and pursuant to Rule 406(3)(d)(iii) of the Catalist Rules, shareholders of the Company to approve the continued appointment of Mr Seah Seow Kang Steven as an Independent Director of the Company, and the authority conferred by this Resolution shall remain in force until the earlier of the following: (i) the retirement or resignation of Mr Seah Seow Kang Steven; or (ii) the conclusion of the third Annual General Meeting following the passing of this Resolution.

Resolution 8

[See Explanatory Note (v)]

NOTICE OF ANNUAL GENERAL MEETING (Continued)

10. That, subject to and contingent upon the passing of Ordinary Resolutions 4 and 8 above, and pursuant to Rule 406(3)(d)(iii) of the Catalist Rules, shareholders of the Company (excluding Directors, and the Executive Chairman and President of the Company, and their respective associates) to approve the continued appointment of Mr Seah Seow Kang Steven as an Independent Director of the Company, and the authority conferred by this Resolution shall remain in force until the earlier of the following: (i) the retirement or resignation of Mr Seah Seow Kang Steven; or (ii) the conclusion of the third Annual General Meeting following the passing of this Resolution. **Resolution 9**

[See Explanatory Note (v)]

11. That, subject to and contingent upon the passing of Ordinary Resolution 11 below, and pursuant to Rule 406(3)(d)(iii) of the Catalist Rules, shareholders of the Company to approve the continued appointment of Mr Tan Cher Liang as an Independent Director of the Company, and the authority conferred by this Resolution shall remain in force until the earlier of the following: (i) the retirement or resignation of Mr Tan Cher Liang; or (ii) the conclusion of the third Annual General Meeting following the passing of this Resolution. **Resolution 10**

[See Explanatory Note (v)]

12. That, subject to and contingent upon the passing of Ordinary Resolution 10 above, and pursuant to Rule 406(3)(d)(iii) of the Catalist Rules, shareholders of the Company (excluding Directors, and the Executive Chairman and President of the Company, and their respective associates) to approve the continued appointment of Mr Tan Cher Liang as an Independent Director of the Company, and the authority conferred by this Resolution shall remain in force until the earlier of the following: (i) the retirement or resignation of Mr Tan Cher Liang; or (ii) the conclusion of the third Annual General Meeting following the passing of this Resolution. **Resolution 11**

[See Explanatory Note (v)]

By Order of the Board

Siau Kuei Lian

Company Secretary
Singapore, 12 April 2022

Explanatory Notes:

- (i) Mr Wijaya Lawrence will, upon re-election as a Director, remain as the Executive Chairman and President of the Company, and a member of the Remuneration Committee. Please refer to Corporate Governance Report on pages 28 to 35 in the Annual Report for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.
- (ii) Mr Seah Seow Kang Steven will, upon re-election as a Director, remain as an Independent Non-Executive Director, Chairman of the Nominating Committee, and a member of the Audit Committee and the Remuneration Committee. Mr Seah Seow Kang Steven has no relationship (including immediate family relationships) with the rest of the Directors, the Company, its related corporation, its substantial shareholders or its officers. The board of directors of the Company (the "**Board**") considers Mr Seah Seow Kang Steven to be independent for the purpose of Rule 704(7) of the Catalist Rules. Please refer to Corporate Governance Report on pages 28 to 35 in the Annual Report for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.
- (iii) Mr Lui Pang Hung will, upon re-election as a Director, remain as an Independent Non-Executive Director, Chairman of the Remuneration Committee, and a member of the Audit Committee and the Nominating Committee. Mr Lui Pang Hung has no relationship (including immediate family relationships) with the rest of the Directors, the Company, its related corporation, its substantial shareholders or its officers. The Board considers Mr Lui Pang Hung to be independent for the purpose of Rule 704(7) of the Catalist Rules. Please refer to Corporate Governance Report on pages 28 to 35 in the Annual Report for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.

NOTICE OF ANNUAL GENERAL MEETING (Continued)

- (iv) Ordinary Resolution 7 proposed in item 8 above, if passed, will empower the Directors from the date of the 2021 AGM until the date of the next AGM, or the date by which the next AGM 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, make or grant Instruments convertible into Shares, and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any), of which up to fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) may be issued other than on a *pro rata* basis to shareholders of the Company.

For the purpose of determining the aggregate number of Shares and Instruments that may be issued, the percentage of the aggregate number of Shares and Instruments will be calculated 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 new Shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards which are outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

- (v) Resolutions 8 and 9, and Resolutions 10 and 11, are to approve the respective continued appointments of Mr Seah Seow Kang Steven and Mr Tan Cher Liang as Independent Directors of the Company, who would have served as Independent Directors for an aggregate period of more than nine (9) years from 12 December 2022. The Company is seeking the requisite approval from shareholders under Rule 406(3)(d)(iii)(A) and (B) of the Catalist Rules for the respective continued appointments of Mr Seah Seow Kang Steven and Mr Tan Cher Liang as Independent Directors of the Company from the date of passing of these resolutions.

For the purpose of Resolutions 9 and 11, in accordance with Rule 406(3)(d)(iii)(B) of the Catalist Rules, the Directors, and the Executive Chairman and President of the Company, and their respective associates, must not accept appointment as proxies unless specific instructions as to voting are given.

The Board and the Nominating Committee have evaluated the participation of Mr Seah Seow Kang Steven and Mr Tan Cher Liang at Board and Board Committees' meetings and determined that each of them continues to possess independent thinking and the ability to exercise objective judgement on corporate matters independently.

Resolutions 8 and 9, and Resolutions 10 and 11, if passed, will enable Mr Seah Seow Kang Steven and Mr Tan Cher Liang to respectively continue their appointment as Independent Directors (unless the appointments have been changed subsequent to the Annual General Meeting) pursuant to Rule 406(3)(d)(iii) of the Catalist Rules (which took effect from 1 January 2022) and Provision 2.1 of the Code of Corporate Governance 2018, and the approvals shall remain in force until the earlier of (a) their retirements or resignations; or (b) the conclusion of third Annual General Meeting of the Company. Otherwise, the aforesaid Directors shall be deemed non-independent pursuant to Rule 406(3)(d)(iii) with effect from 12 December 2022. Accordingly, they will be re-designated as Non-Executive Non-Independent Directors with effect from 12 December 2022.

In the event of the re-designation arising from the above which resulted in the Board having less than two independent directors and independent directors comprising less than one-third of the Board pursuant to Rule 406(3)(c) of the Catalist Rules, the Company shall endeavour to fill the vacancy within two months, but in any case not later than three months.

Notes:

- Pursuant to the COVID-19 (Temporary Measures) Act 2020 (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing regulations to hold a physical meeting. Due to the current COVID-19 situation and the Company's efforts to keep physical interactions and COVID-19 transmission risks to a minimum, the Annual General Meeting of the Company will be held by way of electronic means. The Company will arrange for (i) a "live" audio-visual webcast of the AGM ("**LIVE WEBCAST**"), which allows Shareholders to view the proceedings of the AGM contemporaneously, and (ii) "live" audio-only stream ("**LIVE AUDIO STREAM**"), which allows Shareholders to observe the proceedings of the AGM contemporaneously.
- The Annual Report, Notice of Annual General Meeting and Proxy Form will be made available to members solely by electronic means via publication on the Company's website at the URL <https://www.wilton.sg> and also on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. Printed copies of these documents will NOT be despatched to members.
- Members (including a Relevant Intermediary*) will not be able to attend the Annual General Meeting in person. Members may:-
 - pre-register at the following URL: <https://conveneagm.sg/wilton2022> ("**Wilton AGM Website**") to participate at the Annual General Meeting by watching and/or listening to the proceedings via LIVE WEBCAST or LIVE AUDIO STREAM;
 - submit questions related to the resolutions to be tabled for approval in advance of the Annual General Meeting at Wilton AGM Website; and/or
 - appoint the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the Annual General Meeting.
- A member of the Company (including a Relevant Intermediary*) entitled to vote at the Annual General Meeting must appoint the Chairman of the Meeting to act as proxy and direct the vote at the Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING (Continued)

5. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) and wishes to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the Annual General Meeting. CPF Investor and SRS Investor may submit their questions related to any resolution set out in the Notice of AGM prior to the AGM at Wilton AGM Website.
6. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the proxy form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. The instrument appointing the Chairman of the Meeting as proxy must (i) if sent personally or by post, be deposited at the registered office of the Company at 62 Ubi Road 1, Oxley Bizhub 2, #03-10, Singapore 408734; or (ii) if submitted electronically at Wilton AGM Website; or (iii) by email to the Company at email@wilton.sg and in either case, by not less than forty-eight (48) hours before the time appointed for holding the AGM, and in default the instrument of proxy shall not be treated as valid.

In view of the current COVID-19 situation and the related safe distancing measures, members are strongly encouraged to submit completed proxy forms electronically via the Wilton AGM Website or email to the Company.

8. The Annual Report for FY2021 may be accessed on the Company's website at the URL <https://www.wilton.sg> and is also available on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

Important notes to members:

- A. The key dates which members should take note of are set out in the table below:-

Key dates	Actions
After trading hours on 12 April 2022	Members may begin to pre-register at the following URL: https://conveneagm.sg/wilton2022 (" Wilton AGM Website "), to create an account. Corporate members must also submit the Corporate Representative Certificate to the Company via email at email@wilton.sg .
By 5.00 p.m. on 19 April 2022	Deadline for CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy to approach their respective CPF Agent Banks or SRS Operators to submit their votes.
By 5.00 p.m. on 20 April 2022	Deadlines for members to submit questions related to the resolutions to be tabled for approval in advance.
By 3.00 p.m. on 24 April 2022	The Company to address and publish its responses to those substantial and relevant questions received from members via the Company's website and SGXNet, if any.
By 3.00 p.m. on 26 April 2022	Deadlines for members to: • pre-register for LIVE WEBCAST or LIVE AUDIO STREAM; • submit the Corporate Representative Certificate (for Corporate members only); and • submit proxy forms.
By 12 noon on 27 April 2022	Authenticated members will receive an email on their authentication status and will be able to access the LIVE WEBCAST or LIVE AUDIO STREAM using the account created (the " Confirmation Email ") Members who do not receive the Confirmation Email by 12 noon on 27 April 2022, but have registered by the 26 April 2022 deadline should contact the Company for assistance at email@wilton.sg with (i) the full name of the member; and (ii) his/her/its identification/registration number.
3.00 p.m. on 28 April 2022	To access the LIVE WEBCAST or LIVE AUDIO STREAM of the proceedings of the Annual General Meeting using the account created.

- B. Due to the constantly evolving COVID-19 situation in Singapore, the Company may be required to change its Meeting arrangements at short notice. Members should check the Company's website at the URL <http://www.wilton.sg> and SGXNet at the URL <https://www.sgx.com/securities/company-announcements> for the latest updates on the status of the Annual General Meeting, if any.

NOTICE OF ANNUAL GENERAL MEETING (Continued)

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy

By pre-registering for the LIVE WEBCAST or LIVE AUDIO STREAM, submitting the proxy form appointing the Chairman to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of the Chairman as proxy for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

*This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. ("**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

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

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

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WILTON RESOURCES CORPORATION LIMITED

(Company Registration No. 200300950D)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this form)

IMPORTANT:

- Pursuant to the COVID-19 (Temporary Measures) Act 2020 (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing regulations to hold a physical meeting. Due to the current COVID-19 situation and the Company's efforts to keep physical interactions and COVID-19 transmission risks to a minimum, the Annual General Meeting of the Company will be held by way of electronic means.
- A member will not be able to attend the Meeting in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the Meeting. A member (whether individual or corporate) who wishes to exercise his/her/its vote must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting.
- An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investors") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) and who wishes to appoint the Chairman of the Meeting as proxy should inform their respective CPF Agent Banks and/or SRS Operators to submit their votes at least 7 working days before the Meeting.
- This Proxy Form is not valid for use by CPF Investors and/or SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, _____ (Name) _____ (NRIC / Passport No. / Co. Reg. No.)

of _____ (Address)

being *a member/members of **WILTON RESOURCES CORPORATION LIMITED** (the "**Company**"), hereby appoint the **Chairman of the Meeting**, as *my/our proxy to vote for *me/us on *my/our behalf at the Annual General Meeting ("**Meeting**") to be held by way of electronic means on Thursday, 28 April 2022 at 3.00 p.m. and at any adjournment thereof. *I/We direct the Chairman of the Meeting to vote for, against or to abstain from voting the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the appointment of the Chairman of the Meeting will be treated as invalid.

(If you wish to exercise all your votes "For", "Against" or to "Abstain" from voting, please indicate with a tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.)

No.	Resolutions relating to:	For	Against	Abstain
Ordinary Business				
1	Adoption of the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2021 together with the Auditors' Report thereon			
2	Approval of Directors' fees of S\$143,500 for the financial year ending 31 December 2022, to be payable quarterly in arrears			
3	Re-election of Mr Wijaya Lawrence as a Director of the Company			
4	Re-election of Mr Seah Seow Kang Steven as a Director of the Company			
5	Re-election of Mr Lui Pang Hung as a Director of the Company			
6	Re-appointment of Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration			
Special Business				
7	Authority to allot and issue shares in the capital of the Company			
8	Approval for the continued appointment of Mr Seah Seow Kang Steven as an Independent Director for the purpose of Rule 406(3)(d)(iii)(A) of the Catalist Rules by all shareholders			
9	Approval for the continued appointment of Mr Seah Seow Kang Steven as an Independent Director for the purpose of Rule 406(3)(d)(iii)(B) of the Catalist Rules by shareholders, excluding the directors of the Company, and the Executive Chairman and President of the Company, and their respective associates			
10	Approval for the continued appointment of Mr Tan Cher Liang as an Independent Director for the purpose of Rule 406(3)(d)(iii)(A) of the Catalist Rules by all shareholders			
11	Approval for the continued appointment of Mr Tan Cher Liang as an Independent Director for the purposes of Rule 406(3)(d)(iii)(B) of the Catalist Rules by shareholders, excluding the directors of the Company, and the Executive Chairman and President of the Company, and their respective associates			

Dated this _____ day of _____ 2022

Total number of Shares Held	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
and/or, Common Seal of Corporate Shareholder

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:

The Proxy Form will be sent to members solely by electronic means via publication on the Company's website at the URL <https://www.wilton.sg> and will also be made available on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and at the following URL: <https://conveneagm.sg/wilton> (the "Wilton AGM Website"). Printed copies of the proxy form will not be despatched to members of the Company.

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company (including a Relevant Intermediary*), entitled to attend and vote at a meeting of the Company must appoint Chairman of the Meeting to act as proxy and direct the vote at the Meeting.
3. In appointing the Chairman of the Meeting as proxy, members must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the Proxy Form. Failing which, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
4. The Chairman of the Meeting, as proxy, need not be a member of the Company. Proxy forms appointing such person other than the Chairman of the Meeting shall be deemed to appoint the Chairman of the Meeting as proxy.
5. The instrument appointing the Chairman of the Meeting as proxy must (i) if sent personally or by post, be deposited at the registered office of the Company at 62 Ubi Road 1, Oxley Bizhub 2, #03-10, Singapore 408734; or (ii) if submitted electronically via the Wilton AGM Website; or (iii) by email to the Company at email@wilton.sg, and in either case, not less than 48 hours before the time appointed for the Meeting, and in default the instrument of proxy shall not be treated as valid.
6. The instrument appointing the Chairman of the Meeting as the proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the Chairman of the Meeting as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
7. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) and wishes to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the Meeting.

In view of the current COVID-19 situation and the related safe distancing measures, members are strongly encouraged to submit completed proxy form electronically via the Wilton AGM Website or email to the Company.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as the proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as the proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as the proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this proxy form, the member accepts and agrees to the personal data privacy terms as set out in the Notice of Annual General Meeting dated 12 April 2022.

WILTON RESOURCES CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200300950D)

62 Ubi Road 1
Oxley Bizhub 2 #03-10
Singapore 408734
Tel : (65) 6732 4889
Fax : (65) 6732 4882
Email : email@wilton.sg
www.wilton.sg