

# **WILTON**

**WILTON RESOURCES CORPORATION LIMITED**

(Company Registration Number: 200300950D)

## Unaudited Financial Statements Announcement for the Third Quarter and Nine Months Ended 31 March 2014

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## Introduction

Hartawan Holdings Limited (“HHL” or the “**Company**”) had on 12 December 2013 completed the acquisition (“RTO” or the “**Acquisition**”) of Wilton Resources Holdings Pte. Ltd. and its subsidiaries (the “WRH Group”). Contemporaneous with the completion of the Acquisition, all subsidiaries of HHL were divested. The liabilities assumed by the Company (now named **Wilton Resources Corporation Limited (“WRC”)**) under the Acquisition are only those relating to professional fees for the Acquisition.

The RTO marked a transformation of the Company from a property leasing/ management and hospitality company into a gold mining firm. The Company’s concessions in West Java province, Indonesia, contain estimated Joint Ore Reserves Committee (“**JORC**”) Code compliant total Mineral Resources of 1,176,000 oz. (36,580 kg) of gold (Au) and Proved and Probable Ore Reserves of 557,300 oz. (17,333 kg) of gold (Au) as at 31 May 2013.

## BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

### At Group Level

The Acquisition has been accounted for as a reverse acquisition in accordance to FRS 103, and WRH Group was deemed to be the accounting acquirer for accounting purposes. Accordingly, the consolidated income statement, consolidated statement of financial position, consolidated statement of changes in equity and consolidated cashflow statement of the Enlarged Group (comprising the Company and WRH Group) for the nine months ended 31 March 2014 has been presented as a continuation of WRH Group’s financial results and operations.

Since such consolidated financial statement represented a continuation of the financial statements of WRH Group and reflects the following:

- (a) the assets and liabilities of the WRH Group were recognised and measured in the consolidated statement of financial position at their carrying amounts before the Acquisition;
- (b) the assets and liabilities of HHL were recognised and measured in the consolidated statement of financial position at their acquisition date values;
- (c) the retained earnings and other equity balances of WRH Group before the Acquisition;
- (d) the amount recognised as issued equity interest in the consolidated financial statements were determined by adding the issued equity of WRH immediately before the business combination to the fair value of HHL. However, the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instrument issued) shall reflect the equity structure of the legal parent (i.e. the Company), including the equity instruments issued by the legal parent (i.e. the Company) to effect the Acquisition;
- (e) the consolidated income statement for the current period reflects that of the WRH for the full period together with the post-acquisition results of HHL and WRH’s subsidiaries acquired pursuant to the RTO; and
- (f) the comparative figures presented in these consolidated financial statements were that of the financial statements of the WRH.

Consolidated financial statements prepared following a reverse acquisition shall reflect the fair values of the assets, liabilities and contingent liabilities of the legal parent (i.e. the acquiree for accounting purposes). Therefore, the cost of the business combination for the Acquisition was allocated to the identifiable assets, liabilities and contingent liabilities of the legal parent that satisfy the recognition criteria at their fair value at the completion of the Acquisition.

## At Company Level

Reverse acquisition accounting applies only at the consolidated financial statements at the Enlarged Group level. Therefore, in the Company's financial statements, the investment in the legal subsidiaries (WRH Group) is accounted for at cost.

### Notes:

- The consolidated income statement of the Group for the nine months ended 31 March 2014 referred to the Enlarged Group, which included the results of WRH from 1 July 2013 to 31 March 2014, the post-acquisition results of WRH's subsidiaries from 1 October 2013 to 31 March 2014 and the post-acquisition results of WRC from 12 December 2013 to 31 March 2014.
- The consolidated statement of financial position of the Group as at 31 March 2014 referred to the Enlarged Group, which included the assets and liabilities of WRH Group and HHL as at 31 March 2014
- The consolidated cash flow statement of the Group for the nine months ended 31 March 2014 referred to the Enlarged Group from 1 July 2013 to 31 March 2014.
- The consolidated income statement of the Group for the nine months ended 31 March 2013 referred to WRH's income statement for the period from 1 July 2012 to 31 March 2013.
- The consolidated statement of financial position of the Group as at 30 June 2013 referred to the statement of financial position of WRH as at 30 June 2013.
- The statement of financial position of the Company as at 31 March 2014 and 30 June 2013 referred to that of HHL (now known as Wilton Resources Corporation Limited).
- The consolidated cash flow statement of the Group for the nine months ended 31 March 2013 referred to that of WRH.



WILTON RESOURCES CORPORATION LIMITED

## WILTON RESOURCES CORPORATION LIMITED

Company Registration Number: 200300950D

### UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2014

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

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Wilton Group & subsidiaries						
Consolidated statement of comprehensive income						
	Group		Increase/ (decrease) %	Group		Increase/ (decrease) %
	3QFY14 Rp Million	3QFY13 Rp Million		9MFY14 Rp Million	9MFY13 Rp Million	
Revenue	-	-	N.M.	-	-	N.M.
Cost of sales	-	-	N.M.	-	-	N.M.
<b>Gross profit</b>	-	-	N.M.	-	-	N.M.
Other operating expenses	-	-	N.M.	(752,553)	-	N.M.
Exploration and evaluation expenses	-	(82,599)	-100.0%	-	(82,599)	-100.0%
General & administrative expenses	(5,252)	(1,540)	241.0%	(24,930)	(2,059)	1110.8%
<b>Operating Loss</b>	<b>(5,252)</b>	<b>(84,139)</b>	<b>-93.8%</b>	<b>(777,483)</b>	<b>(84,658)</b>	<b>818.4%</b>
Other Income	12,229	-	N.M.	12,229	19	N.M.
Other expenses	(35)	(2)	N.M.	(14)	(6)	133.3%
Interest income	217	1	N.M.	264	3	N.M.
<b>Profit/(loss) before tax</b>	<b>7,159</b>	<b>(84,140)</b>	<b>-108.5%</b>	<b>(765,004)</b>	<b>(84,642)</b>	<b>803.8%</b>
Income tax	(21)	-	N.M.	(21)	-	N.M.
Income tax credit	37	-	N.M.	237	-	N.M.
<b>Profit/(loss) after tax</b>	<b>7,175</b>	<b>(84,140)</b>	<b>-108.5%</b>	<b>(764,788)</b>	<b>(84,642)</b>	<b>803.6%</b>
<b>Other comprehensive income</b>						
<b>Item that may be reclassified subsequently to profit or loss:</b>						
Net effect of exchange differences arising from translation of financial statements	(15,795)	(380)	N.M.	(37,616)	(757)	N.M.
<b>Total comprehensive loss for the period</b>	<b>(8,620)</b>	<b>(84,520)</b>	<b>-89.8%</b>	<b>(802,404)</b>	<b>(85,399)</b>	<b>839.6%</b>

N.M. = Not meaningful

Note: The comparatives for 3QFY13 and 9MFY13 comprises of WRH only as the restructuring of WRH Group was only completed on 30 September 2013.

	3QFY14	3QFY13	Increase/ (decrease) %	9MFY14	9MFY13	Increase/ (decrease) %
	Rp Million	Rp Million		Rp Million	Rp Million	
<b>Operating profit/(loss) before tax is stated after crediting/(charging):</b>						
Depreciation and amortisation of non-current assets	(102)	(42)	142.9%	(222)	(43)	416.3%
Impairment of goodwill	-	-	N.M.	(752,553)	-	N.M.
Share-based payment expenses	-	-	N.M.	(8,379)	-	N.M.
Foreign exchange gain/(loss)	930	-	N.M.	955	19	N.M.
Accruals written back	11,268	-	N.M.	11,268	-	N.M.
Adjustments for under or overprovision of tax in respect of prior years	(21)	-	N.M.	(21)	-	N.M.

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	31/3/2014	30/6/2013	31/3/2014	30/6/2013
	Rp Million	Rp Million	Rp Million	Rp Million
<b>Non-current assets</b>				
Exploration and evaluation assets	94,879	-	-	-
Mine properties	23,720	-	-	-
Property, plant and equipment	1,955	436	377	8
Investment in subsidiaries	-	-	2,714,922	31,780
Deferred tax assets	1,812	-	-	-
	<u>122,366</u>	<u>436</u>	<u>2,715,299</u>	<u>31,788</u>
<b>Current assets</b>				
Other debtors and deposits	2,067	507	1,650	186
Prepayment	13,008	57	12,945	96
Amount due from related parties	10,881	-	-	-
Amount due from related companies	-	7,384	155,203	-
Loan receivable	-	-	-	115,242
Inventories	30	-	-	-
Cash and cash equivalents	212,654	1,667	195,602	283,751
	<u>238,640</u>	<u>9,615</u>	<u>365,400</u>	<u>399,275</u>
<b>Total assets</b>	<u>361,006</u>	<u>10,051</u>	<u>3,080,699</u>	<u>431,063</u>
<b>Current liabilities</b>				
Trade payable	4,637	-	-	-
Other payables and accruals	22,726	11,345	1,880	3,148
Amount due to related companies	-	-	683	-
Loan payable	-	94,095	-	-
Tax payable	55	-	25	99
	<u>27,418</u>	<u>105,440</u>	<u>2,588</u>	<u>3,247</u>
Net current assets/(liabilities)	<u>211,222</u>	<u>(95,825)</u>	<u>362,812</u>	<u>396,028</u>
<b>Total liabilities</b>	<u>27,418</u>	<u>105,440</u>	<u>2,588</u>	<u>3,247</u>
<b>Net assets/(liabilities)</b>	<u>333,588</u>	<u>(95,389)</u>	<u>3,078,111</u>	<u>427,816</u>
<b>Equity</b>				
Share capital	1,152,293	7	3,620,166	730,740
Accumulated losses	(786,061)	(94,291)	(352,756)	(302,924)
Foreign currency translation reserve	(38,721)	(1,105)	(189,299)	-
Merger reserve	(4,804)	-	-	-
Capital reserve	10,881	-	-	-
<b>Total equity/(deficit)</b>	<u>333,588</u>	<u>(95,389)</u>	<u>3,078,111</u>	<u>427,816</u>
<b>Total equity and liabilities</b>	<u>361,006</u>	<u>10,051</u>	<u>3,080,699</u>	<u>431,063</u>

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

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

(In Rp million)

As at 31 March 2014		As at 30 June 2013	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	94,095

**Amount repayable after one year**

As at 31 March 2014		As at 30 June 2013	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

The loan payable as at 30 June 2013 of Rp 94,095 million (S\$12 million) was in relation to the convertible loan payable to HHL (now named Wilton Resources Corporation Limited or WRC) by WRH Group. The loan payable to HHL was non-interest bearing and was denominated in SGD. Following the acquisition of WRH Group, the loan amount was eliminated upon consolidation of the Group's financial statements. As at 31 March 2014, this amount is reflected as an intercompany balance.

**Details of any collateral**

Not Applicable.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<b>Consolidated statement of cash flows</b>				
	3 months ended 31/3/2014	3 months ended 31/3/2013	9 months ended 31/3/2014	9 months ended 31/3/2013
	Rp Million	Rp Million	Rp Million	Rp Million
<b>Cash flows from operating activities</b>				
Profit/(loss) for the period	7,074	(84,140)	(765,004)	(84,642)
Impairment of goodwill	-	-	752,553	-
Share-based payment expenses	-	-	8,379	-
Unrealised foreign exchange differences	(31,768)	-	(30,253)	-
Interest income	(218)	(5)	(264)	(3)
Accruals written back	11,268	-	11,268	-
Depreciation and amortisation of non-current assets	102	42	222	43
	(13,542)	(84,103)	(23,099)	(84,602)
Changes in working capital				
Prepayments	(12,264)	185	(12,155)	(36)
Due from related parties	-	38,718	-	-
Other debtors and deposits	(1,077)	(1)	(594)	(358)
Trade payables	382	-	2,305	-
Other payables and accruals	(22,592)	9,486	(3,626)	7,109
Cash used in operations	(49,093)	(35,715)	(37,170)	(77,887)
Interest received	218	5	264	3
Income taxes	(25)	-	(25)	-
Net cash used in operating activities	(48,900)	(35,710)	(36,931)	(77,884)
<b>Cash flows from investing activities</b>				
Investment in exploration and evaluation assets	(22,024)	-	(33,063)	-
Investment in mine properties	(5,506)	-	(8,266)	-
Purchases of property, plant and equipment	(1,430)	(384)	(1,433)	(518)
Net cash inflow on disposal of subsidiaries	-	-	30,348	-
Net cash inflow on reverse acquisition	-	-	246,010	-
Due from a related party	-	(41,202)	319	(41,202)
Net cash generated from/(used in) investing activities	(28,960)	(41,586)	233,915	(41,720)
<b>Cash flows from financing activities</b>				
Proceeds from loan from Hartawan	-	183	-	46,644
Due from a related company	-	26,557	-	73,018
Net cash generated from financing activities	-	26,740	-	119,662
Net (decrease)/increase in cash and cash equivalents	(77,860)	(50,556)	196,985	58
Cash and cash equivalents at the beginning of the period	275,523	8,957	1,667	4,423
Effects of exchange rate changes on the balance of cash held in foreign currencies	14,991	46,318	14,002	238
Cash and cash equivalents at the end of the period	212,654	4,719	212,654	4,719

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Statement of changes in equity						
Group	Attributable to owners of the Company					
	Total Equity Rp Million	Share Capital Rp Million	Accumulated losses Rp Million	Foreign currency translation reserves Rp Million	Merger Reserves Rp Million	Capital Reserves Rp Million
Balance at 1 July 2013	(95,389)	7	(94,291)	(1,105)	-	-
Loss for the period	(764,788)	-	(764,788)	-	-	-
<u>Other comprehensive income</u>						
Net effect of exchange differences arising from translation of financial statements	(37,616)	-	-	(37,616)	-	-
Total comprehensive loss for the period, net of tax	(802,404)	-	(764,788)	(37,616)	-	-
<u>Contributions by and distributions to owners</u>						
Capital injection by a shareholder	10,881	-	-	-	-	10,881
Issuance of shares as part payment of professional fees for the reverse acquisition	8,379	8,379	-	-	-	-
Issuance of shares pursuant to reverse acquisition	1,143,907	1,143,907	-	-	-	-
Total contributions by and distributions to owners	1,163,167	1,152,286	-	-	-	10,881
<u>Changes in ownership interests in subsidiaries</u>						
Acquisition of Indonesia's subsidiaries as part of WRH Group restructuring	(4,804)	-	-	-	(4,804)	-
Capitalisation of EEA expenses on consolidation	73,018	-	73,018	-	-	-
Total changes in ownership interests in subsidiaries	68,214	-	73,018	-	(4,804)	-
Balance at 31 March 2014	333,588	1,152,293	(786,061)	(38,721)	(4,804)	10,881
Balance at 1 July 2012	(5,503)	7	(5,309)	(201)	-	-
Loss for the period	(84,642)	-	(84,642)	-	-	-
<u>Other comprehensive income</u>						
Net effect of exchange differences arising from translation of financial statements	(757)	-	-	(757)	-	-
Total comprehensive loss for the period, net of tax	(85,399)	-	(84,642)	(757)	-	-
Balance at 31 March 2013	(90,902)	7	(89,951)	(958)	-	-



Company	Attributable to owners of the Company			
	Total Equity	Share Capital	Accumulated losses	Foreign currency translation reserves
	Rp Million	Rp Million	Rp Million	Rp Million
Balance at 1 July 2013	427,816	730,740	(302,924)	-
Loss for the period	(49,832)	-	(49,832)	-
<u>Other comprehensive income</u>				
Net effect of exchange differences arising from translation of financial statements	(189,299)	-	-	(189,299)
Total comprehensive loss for the period, net of tax	(239,131)	-	(49,832)	(189,299)
<u>Contributions by and distributions to owners</u>				
Issuance of shares as part payment of professional fees for the reverse acquisition	8,379	8,379	-	-
Issuance of shares pursuant to reverse acquisition	2,881,047	2,881,047	-	-
Total contributions by and distributions to owners	2,889,426	2,889,426	-	-
Balance at 31 March 2014	3,078,111	3,620,166	(352,756)	(189,299)
Balance at 1 July 2012	424,553	730,740	(306,187)	-
Profit for the period	11,964	-	11,964	-
<u>Other comprehensive income</u>				
Net effect of exchange differences arising from translation of financial statements	-	-	-	-
Total comprehensive loss for the period, net of tax	11,964	-	11,964	-
Balance at 31 March 2013	436,517	730,740	(294,223)	-

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

	FY14		FY13		Remarks
	No. of shares	Rp Million	No. of shares	Rp Million	
Issued and fully paid ordinary shares:					
At 1 July	812,139,411	730,740	812,139,411	730,740	
Share consolidation	676,782,440	730,740	-	-	See note 1
Issuance of shares pursuant to reverse acquisition	1,500,000,000	2,881,047	-	-	See note 2
Issuance of shares as part payment of professional fees for the reverse acquisition	4,362,290	8,379	-	-	See note 3
At 31 March	2,181,144,730	3,620,166	812,139,411	730,740	

**Notes:**

1. As part of the RTO, every 12 existing shares of the Company were consolidated into 10 consolidated shares on 10 December 2013.
2. This represents the purchase consideration for the Company's acquisition of the WRH & its subsidiaries, which was satisfied by the allotment and issuance of 1,500,000,000 consolidated shares at S\$0.20 per share in the capital of the Company on 12 December 2013.
3. This represents part of the professional fees paid to Canaccord Genuity Singapore Pte. Ltd., in respect of the financial advisory services rendered to the Company in connection with the RTO, which was satisfied by the allotment and issuance of 4,362,290 consolidated shares at S\$0.20 per share in the capital of the Company on 12 December 2013.

The Company did not have any outstanding options, convertible securities or treasury shares as at 31 March 2014 and 31 March 2013.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 31 March 2014	As at 30 June 2013
Number of issued shares	2,181,144,730	812,139,411

Note: The number of shares as at 30 June 2013 of 812,139,411 shares are before share consolidation.

The Company did not have any treasury shares as at 31 March 2014 and as at 30 June 2013.

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

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

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

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

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

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

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

Except as disclosed in Paragraph 5, the Group and the Company have applied the same accounting policies and methods of computations in the financial statements for the current reporting period as those of the most recently audited combined financial statements for the financial year ended 30 June 2013.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Nil.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

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

	Group	
	9MFY14	9MFY13
Earnings per ordinary share for the period based on net profit/(loss) attributable to shareholders:		
(a) Basic earnings per share (Rp)	(432)	(84,642,000)
Weighted average number of shares	1,770,966,334	1,000
(b) On a fully diluted basis	(432)	(84,642,000)

For 9MFY14, the weighted average number of shares for the period before the Acquisition was determined based on the exchange ratio of shares issued by the legal parent (HHL) for the number of shares of the legal subsidiary (WRH Group). The weighted average number of shares for the period after the Acquisition was determined based on the total number of shares, being 2,181,144,730 shares as at 31 March 2014.

For 9MFY13, the weighted average number of shares is determined based on the actual number of shares of WRH, which were 1,000 shares.

The diluted loss per share were the same as the basic loss per share as there were no outstanding convertible securities for the financial periods ended 31 March 2014 and 31 March 2013.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	Group		Company	
	31 March 2014	30 June 2013	31 March 2014	30 June 2013
Net asset/(liability) value (Rp million)	333,588	(95,389)	3,078,111	427,816
Number of shares at the end of the period	2,181,144,730	1,000	2,181,144,730	812,139,411
Net asset/(liability) value per share (Rp)	152.94	(95,389,000.00)	1,411.24	526.78
Note: The number of shares for the Company as at 30 June 2013 of 812,139,411 shares were before share consolidation. The number of shares for the Group as at 30 June 2013 of 1,000 shares were the actual number of shares of WRH.				

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**  
**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors;**

Revenue/Cost of sales

There was no revenue or cost of sales reported for the current financial period reported on (3QFY14 and 9MFY14) or the previous financial period reported on (3QFY13 and 9MFY13) as the Group has yet to commence production at its gold mine in Indonesia.

Other operating expenses

Other operating expenses mainly consisted of impairment of goodwill and site related expenses.

For 9MFY14, other operating expenses increased significantly by Rp 752.6b. This was mainly due to the one-time impairment charge of goodwill of Rp 752.6b, arising from the acquisition of WRH Group which was completed on 12 December 2013.

General and administrative expenses

General and administrative (G&A) expenses comprised mainly of professional fees, office rental, directors' fees, directors' salary staff salaries and depreciation for office equipment and furniture and fittings.

For 3QFY14, G&A expenses increased significantly by Rp 3.8b, from Rp 1.5b in 3QFY13 to Rp 5.3b. This was mainly due to higher professional fees of Rp 5.5b incurred by the Group in connection with the RTO.

For 9MFY14, G&A expenses increased significantly by Rp 22.8b, from Rp 2.1b in 9MFY13 to Rp 24.9b. This was mainly due to higher professional fees of Rp 14.9b incurred in connection with the RTO. The remaining increase in G&A expenses was mainly due to higher staff costs of Rp 3.9b, audit fees of Rp0.9b, directors' fees of Rp 0.7b and office rental of Rp 0.5b.

Exploration and evaluation expenses

Exploration and evaluation expenses (EEE) comprised mainly expenses such as drilling costs, site management costs and other contractor costs.

The amounts in both 3QFY13 and 9MFY13 represent the EEE incurred in 3QFY13 by WRH. On a group level, these expenses were capitalised on consolidation to Exploration

and Evaluation assets (EEA) or Mine Properties (MP), hence there are no corresponding amounts in 3QFY14 and 9MFY14.

#### Other income

Other income for both 3QFY14 and 9MFY14 increased by Rp 12.2b due to a write back of accruals of Rp 11.3b relating to potential tax on expenses incurred in certain exploration and evaluation works that was no longer required and a net exchange gain of Rp 0.9b.

#### Profit/(loss) before tax

For 3QFY14, profit before tax increased significantly by Rp 91.3b, from a loss of Rp 84.1b in 3QFY13 to a profit of Rp 7.2b in 3QFY14. This was mainly due to lower EEE of Rp 82.6b, higher other income of Rp 11.3b, offset by higher G&A expenses of Rp 3.8b.

For 9MFY14, loss before tax increased by Rp 680.4b from Rp 84.6b in 9MFY13 to Rp 765.0b in 9MFY14.

This was due mainly to the one-time impairment charge of goodwill on acquisition of the WRH Group of Rp 752.6b, as well as the increase in professional fees incurred in connection with the RTO, partly offset by lower EEE of Rp 82.6b and higher other income of Rp 11.3b.

#### **(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

#### Assets

EEA increased to Rp 94.9b as at 31 March 2014 due mainly to the consolidation of WRH Group's EEA for the first time as compared to 30 June 2013.

MP increased to Rp 23.7b as at 31 March 2014 due mainly to the consolidation of WRH Group's MP for the first time as compared to 30 June 2013.

Deferred tax assets increased to Rp 1.8b as at 31 March 2014 due to an income tax credit arising from tax losses of an Indonesian subsidiary.

Prepayments increased by Rp 12.9b, from Rp 0.1b as at 30 June 2013 to Rp 13.0b as at 31 March 2014. Prepayments comprised mainly prepayment made for land rental of Rp 9.7b.

Other debtors and deposits increased by Rp 1.6b from Rp 0.5b as at 30 June 2013 to Rp 2.1b as at 31 March 2014 due to the GST receivables and other receivables of the Company that were consolidated for the first time as compared to 30 June 2013.

Amount due from related parties relates to the amount receivable from Mr. Wijaya Lawrence, our Chairman and President. As at 31 December 2013, the amount receivable from Mr. Wijaya Lawrence amounted to Rp 23.3b, being the liabilities of the WRH Group up to the date of completion of the RTO on 12 December 2013. This was pursuant to a deed of indemnity provided by Mr. Wijaya Lawrence, as part of the conditions precedent for the completion of the sale and purchase agreement under the RTO. As at 31 March 2014, the amount has been reduced to Rp 10.9b as certain accruals that form the liabilities are no longer required.

Amount due from related companies decreased from Rp 7.4b as at 30 June 2013 to nil as at 31 March 2014 as it was eliminated upon consolidation of the Group's financial statements. As at 31 March 2014, the amount is reflected as an inter-company balance and eliminated on consolidation of the Group's financial statements.

## Liabilities

Trade payables increased to Rp 4.6b as at 31 March 2014 mainly due to higher outstanding amounts due to contractors for drilling, lab test and site management expenses of Rp 4.6b at the mine site.

Other payables and accruals increased by Rp 11.4b from Rp 11.3b as at 30 June 2013 to Rp 22.7b as at 31 March 2014. Other payables decreased by Rp 0.7b from Rp 0.9b as at 30 June 2013 to Rp 0.2b as at 31 March 2014 due to payment of the professional fees in connection with the RTO. Accruals increased by Rp 12.1b due to Rp 19.5b accrued for drilling costs and other exploration and evaluation expenses, partly offset by a reversal of Rp 9.9b of accruals that are no longer required.

Loan payable decreased from Rp 94.1b to nil as at 31 March 2014 as the loan payable was due to the Company (then known as Hartawan Holdings Limited) and following the acquisition, it was eliminated upon consolidation of the Group's financial statement.

## Cashflow

The operating cash outflow of Rp 37.2b was due mainly to higher cash used in working capital of Rp 2.8b, offset by the operating loss before working capital changes of Rp 34.4b.

Cash used in working capital for 9MFY14 amounted to Rp 14.1b, due mainly to higher prepayment of Rp 12.2b, other debtors and deposits of Rp 0.6b, lower other payables/accruals of Rp 3.6b partly offset by higher trade payables of Rp 2.3b. After interest received and income taxes paid, net cash used in operating activities were Rp 36.9b.

Net cash generated from investing activities of Rp 233.9b was due mainly to proceeds from the disposal of subsidiaries of Rp 30.3b and net cash inflow of Rp 246.0b from the RTO, partly offset by investments in EEA and MP of Rp 41.3b and investments in property, plant and equipment of Rp 1.4b.

No cashflow was generated from financing activities.

As at 31 March 2014, the Group had a cash and cash equivalents balance of Rp 212.7b, representing an increase of Rp 211.0b from Rp 1.7b as at 30 June 2013.

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

Not Applicable.

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

In the Circular relating to the RTO of HHL dated 26<sup>th</sup> September, 2013, both the Independent Qualified Person's Report, prepared by SRK Consulting (China) Ltd ("SRK"), and the Independent Valuation Report, prepared by Greater China Appraisal Limited, recommended that the proposed mining methods and processing options for the project be studied and assessed further before commencement of development. Additional drilling, both to upgrade the Mineral Resource and Ore Reserve estimates as well as to expand the project life was also recommended.

Subsequent to the publication of the Circular and prior to the commissioning of additional studies, further independent reviews of the project have suggested that an initial phase of open pit mining might strongly enhance the viability of the project, while considerably de-risking the investment.

The depth of oxidation of the lodes at Ciemas is known to extend up to 100 metres. Oxidation results in the breakdown of sulfide minerals which contain some of the gold, which has the effect of making the ore cheaper to treat. The oxidation also results in redistribution of the gold into lower grade haloes surrounding the lodes. This lower grade mineralisation is not believed to be technically and/or economically feasible via underground mining but might be easily and cheaply extracted via open pit mining methods. The Group is of the view that the potentially attractive economics of this alternative method of mining are such that further investigative studies are warranted.

In accordance with these recommendations and its stated development plans, the Group has embarked upon the following programmes, as announced in 1HFY14 results announcement:

**Resource Upgrade Programme:**

Inclusive of the 4 diamond core drill holes (“DDH”) drilled in December 2013, the Group has completed 7 DDH, for a total depth of 787.9 metres in January 2014, over the prospective areas of Pasir Manggu, Cikadu, Cibatu and Sekolah, under the supervision of the Group’s independent experts, SRK in accordance with their standard operating procedures. The additional drilling reported herein as part of the Production Programme (see below) will also generate additional information, particularly on the grade and distribution of oxide zone mineralisation that should be incorporated into the Resource Upgrade Programme. Barring any unforeseen circumstances and subject to additional drilling, this work is expected to result in an upgrade of the status of the Mineral Resources and Ore Reserves currently attributed to the deposits, and will be reported on by the Group’s independent experts, SRK, by 2QFY15.

**Production Programme:**

As previously announced, the Group has accepted the advice of its independent experts to evaluate additional options for both the mining operation and processing plant. The evaluation will examine both the cut and fill underground mining methods, as previously proposed, as well as open pit mining methods for the near-surface ore.

The Group has engaged specialist mining services group Mancala Pty Ltd as a consultant to review all project data and determine a mining concept and design. It is hoped that a draft report will be provided in 4QFY14, but this will be subject to finalisation when other studies (see below) now underway are completed, as these will have an impact on the final outcome.

Additionally, and in accordance with the recommendations of the Group’s independent experts, representative samples of oxidised, transition and primary ore types are currently being collected in another round of drilling for the purpose of comprehensive metallurgical testwork of the various expected ore types.

The drilling programme comprises of an additional 30 DDH (32 with re-drills) and, at the date of this announcement, only 1 DDH remained to be finished and this is expected to be completed by May 2014. Samples from the programme will be despatched to Australian Minmet Metallurgical Laboratories Pty Ltd. (“AMML”), who have been selected to provide a comprehensive evaluation of all aspects of the flow sheet of the Ciemas treatment plant, which will be suitable for process and plant design. AMML personnel have extensive experience in the testing and design of gold treatment plants throughout the Asia-Pacific region. It is hoped that the results of this evaluation will be available during 2QFY15.

It is hoped that these two studies will enable the Group to determine the optimum development strategy for the property.

**Outlook:**

The public listing status has raised our corporate profile, enabling the Group to gain access to further business opportunities. As previously announced, the Group has suspended further ore production and excavation of underground openings and postponed further construction of the processing plant until the results of the Resource Upgrade Programme and the Production Programme are available.

The results of these programmes will have a fundamental effect on the future development of the project, with a firming of cost and revenue estimates, as well as a realistic timetable for development of full production. The Group is targeting for a report on the Resource Upgrade Programme, followed by comprehensive recommendations from the Production Programme by 2QFY15. This is expected to provide a robust basis for financing an accelerated development of the project.

**11. Dividend**

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

Any dividend declared for the current financial period reported on?

None.

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

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

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared or recommended for the third quarter ended 31 March 2014.



13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$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 \$100,000)
-	- <sup>1</sup>	-

**Note:**

- (1) As disclosed in Section 8(b), as at 31 December 2013, the Group had an amount of Rp 23.3b receivable from Mr. Wijaya Lawrence, our Chairman and President, being the liabilities of the WRH Group up to the date of completion of the RTO, which was 12 December 2013. This was pursuant to a deed of indemnity provided by Mr. Wijaya Lawrence, as part of the conditions precedent for the completion of the sale and purchase agreement under the RTO. As at 31 March 2014, the amount has been reduced to Rp10.9b as certain accruals that form the liabilities are no longer required.

**The Company/Group does not have any general mandate from shareholders pursuant to Rule 920.**

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

**14 (a) Rule 705(6)(a) of the Catalist Listing Manual**

**i. Use of funds/cash for the quarter :**

For 3QFY14, there were no mining and production activities. For 3QFY14 and the current 4QFY14, the Company’s efforts focused upon the Production Programme outlined in the 1HFY14 results announcement, with achievement as presented elsewhere in this report. A drilling programme to collect core samples for oxide zone evaluation and metallurgical test work to permit process and plant design work commenced in February, as did an in-depth evaluation of optimal mining concept and mine design.

For 3QFY14 (period from 1 January 2014 to 31 March 2014), the Group’s use of funds/cash for mining and exploration activities were as follows:

<b>Purpose</b>	<b>Budgeted</b>	<b>Actual</b>	<b>Variance</b>	
	<b>Rp million</b>	<b>Rp million*</b>	<b>Rp million</b>	<b>%</b>
Prepayment on long-term lease of additional land within the Group’s concession blocks for mining and exploration	14,442	9,787	(4,655)	-32.2%
Exploration and evaluation expenses	28,884	33,063	4,179	14.5%
<b>Total</b>	<b>43,326</b>	<b>42,850</b>	<b>(476)</b>	<b>-1.1%</b>

\*exchange rate Rp 9,104.05 : US\$1 (9 months average rate)

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

For the next immediate quarter, 4QFY14 (period from 1 April 2014 to 30 June 2014), the Group's use of funds/cash for mining and exploration activities are expected to be as follows:

<b>Purpose</b>	<b>US\$ million</b>	<b>Rp million*</b>
Long-term lease of additional land within the Group's concession blocks for mining and exploration	0.42	3,801
Exploration and evaluation expenses	2.00	18,099
<b>Total</b>	<b>2.42</b>	<b>21,900</b>

\*exchange rate Rp 9049.74 : US\$1 as at 31 March 2014

The Group's exploration and evaluation plans for the next immediate quarter are expected to be follows:

**Resource Upgrade Program:**

Additional work will be done on the Resource Upgrade Programme to incorporate the results of recent drilling. This will permit better definition of near surface resources that might be accessible within open pit workings into the resource wireframe models. It is expected that this will be completed and reported in late 2014.

**Production Programme:**

a) Production Programme Drilling

The Group expects to complete the drilling programme commenced in 3QFY14 by May (4QFY14). Data from the drill holes will be gathered and stored in compliance with best industry practices. It should be noted that, as the purpose of the drilling programme is to generate adequate quantities of sample for metallurgical testwork, it is intended to utilise 100% of mineralised core for this purpose.

b) Core sampling and analysis

Analysis of oxide zone samples will be done on quarter core prior to selection of intervals for dispatch for metallurgical test work. Entire core intersections of primary and transition ores will be forwarded to the laboratory and will be analysed prior to compositing to produce representative metallurgical test samples. Once the drilling program is concluded, the samples will be sent for comprehensive metallurgical testwork, the results of which will be used in further studies to determine an efficient mining and processing plant design.

c) Data compilation

All field data will be recorded and stored according to best industry practices. This will be utilised in both the Resource Upgrade Programme and the Production Programme.

**14 (b) Rule 705(6)(b) of the Catalist Listing Manual**

The Board confirms that to the best of their knowledge, nothing has come to their attention which may render the above information provided to be false or misleading in any material aspects.

**14 (c) Rule 705(7)(a) of the Catalist Listing Manual**

**Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Group and a summary of the expenditure incurred on those activities including explanations for any material variances with previous projections, for the period under review. If there has been no exploration development and/or production activity respectively, that fact must be stated.**

For 3QFY14, there were no mining and production activities. In February 2014, the Group commenced a drilling programme to evaluate the near-surface oxide zone, and to obtain sufficient fresh sample of oxide, transition, and primary ore types to enable comprehensive metallurgical tests to be completed to provide data for flowsheet selection and plant design, as well as a mining study intended to lead to conclusive recommendations for mining methods. During the quarter under review, some 12 core holes were completed for 575.8 metres of drilling.

In total, a programme of 32 diamond core drill holes ("DDH") (for 1,864 metres of drilling, including 2 holes re-drilled for improved core recovery) has been undertaken by the Group, to sample and evaluate mineralisation in the oxide, transition and primary ore types at Ciemas. 9 DDH have been drilled into the oxide zone at Pasir Manggu, and the remainder into the other Ciemas mineralised zones: Cikadu (9 holes), Sekolah (6 holes), and Cibatu (8 holes). A total of 31 holes approximately 1,717 metres of core drilling were completed by early May in this programme with the remaining hole expected to complete within May 2014.

Samples from the program will be shipped to AMML of West Gosford, Australia.

In addition, a comprehensive evaluation of options for mining the deposits was commenced by mining specialists, Mancala Pty Ltd.

For 3QFY14, exploration and evaluation costs, including drilling costs, lab tests and site management expenses amounted to Rp 33.1b. These amounts were capitalised as exploration and evaluation assets and mine properties. In addition, a study of mining methods and design had commenced.

**14 (d) Rule 705(7)(b) of the Catalist Listing Manual**

**Update on its reserves and resources, where applicable, in accordance with the requirements as set out in Practice Note 4C, including a summary of reserves and resources set out in Appendix 7D.**

The Group has no material updates on our reserves and resources as at 31 May 2013, as set out in the Independent Qualified Persons Report in our Circular dated 26 September 2013.

**15. Negative Confirmation by the Board pursuant to Rule 705(5)**

The Board of Directors of the Company, do hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board, which may render the unaudited financial statements for the third quarter and nine months ended 31 March 2014 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**Wijaya Lawrence**  
**Chairman and President**  
15 May 2014