

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

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

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

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

**PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

**1(a)(i) A statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<b>Consolidated Statement of Comprehensive Income</b>	<b>Unaudited 1H FY2021<sup>1</sup> US\$'000</b>	<b>Unaudited 1H FY2020<sup>2</sup> US\$'000</b>	<b>Change %</b>
Sales of crude oil	826	1,403	(41)
Investment income	-	136	(100)
<b>Total revenue</b>	<b>826</b>	<b>1,539</b>	<b>(46)</b>
Cost of sales	(830)	(1,262)	(34)
<b>Gross (loss)/profit</b>	<b>(4)</b>	<b>277</b>	<b>NM<sup>3</sup></b>
<i>Other items of income</i>			
Interest income	-	3	(100)
Other income	91	77	18
<i>Other items of expense</i>			
Administrative expenses	(644)	(594)	8
Finance costs	(254)	(446)	(43)
Other expenses	(507)	(417)	22
Other charges	(87)	(40)	118
Share of results of associate company	-	(48)	(100)
<b>Loss before income tax</b>	<b>(1,405)</b>	<b>(1,188)</b>	<b>18</b>
Income tax credit	156	79	97
<b>Loss for the financial period</b>	<b>(1,249)</b>	<b>(1,109)</b>	<b>13</b>
<b>Other comprehensive (loss)/income:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation differences arising from consolidation	(7)	(4)	75
Other comprehensive loss for the financial period, net of tax	(7)	(4)	75
<b>Total comprehensive loss for the financial period</b>	<b>(1,256)</b>	<b>(1,113)</b>	<b>13</b>
<b>(Loss)/Profit attributable to:</b>			
Owners of the Company	(1,250)	(1,108)	13
Non-controlling interests	1	(1)	NM <sup>3</sup>
	<b>(1,249)</b>	<b>(1,109)</b>	<b>13</b>
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the Company	(1,257)	(1,112)	13
Non-controlling interests	1	(1)	NM <sup>3</sup>
	<b>(1,256)</b>	<b>(1,113)</b>	<b>13</b>

**1(a)(ii) Notes to Consolidated Statement of Comprehensive Income**

	Unaudited 1H FY2021 <sup>1</sup> US\$'000	Unaudited 1H FY2020 <sup>2</sup> US\$'000	Change %
<b>Other income</b>			
Foreign exchange gain, net	14	44	(68)
Net fair value changes in investment carried at fair value through profit or loss	28	-	100
Other income	49	33	48
	91	77	18
<b>Finance costs</b>			
Interest expense	(254)	(446)	(43)
<b>Other charges</b>			
Allowance for obsolescence	(87)	-	100
Net fair value changes in investment carried at fair value through profit or loss	-	(40)	(100)
	(87)	(40)	118
<b>Others</b>			
Depreciation of other property, plant and equipment and right-of-use assets	127	142	(11)
Depletion of oil and gas properties	454	536	(15)
	581	678	(14)

<sup>1</sup> "1H FY2021": Period from 1 July 2020 to 31 December 2020

<sup>2</sup> "1H FY2020": Period from 1 July 2019 to 31 December 2019

<sup>3</sup> "NM": Not Meaningful

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	
	Unaudited 31-Dec-20 US\$'000	Audited 30-Jun-20 US\$'000	Unaudited 31-Dec-20 US\$'000	Audited 30-Jun-20 US\$'000
<b>Statements of Financial Position</b>				
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Exploration, evaluation and development assets	15,301	16,793	-	-
Oil and gas properties	59,493	58,363	-	-
Other property, plant and equipment	1,196	1,238	-	-
Right-of-use assets	-	83	-	-
Investments in subsidiaries	-	-	57,316	54,989
<b>Total Non-Current Assets</b>	<b>75,990</b>	<b>76,477</b>	<b>57,316</b>	<b>54,989</b>
<b>Current Assets</b>				
Inventories	1,953	2,048	-	-
Trade and other receivables	197	172	35	-
Deposits	81	72	-	-
Prepayments	21	51	11	11
Investment securities	15	24	-	-
Cash and bank balances	825	402	90	6
<b>Total Current Assets</b>	<b>3,092</b>	<b>2,769</b>	<b>136</b>	<b>17</b>
<b>Total Assets</b>	<b>79,082</b>	<b>79,246</b>	<b>57,452</b>	<b>55,006</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	142,712	140,245	142,712	140,245
Reserves	(5,102)	(5,095)	-	-
Accumulated losses	(119,136)	(117,886)	(86,871)	(86,523)
Equity attributable to owners of the Company	18,474	17,264	55,841	53,722
Non-controlling interests	2	1	-	-
<b>Total Equity</b>	<b>18,476</b>	<b>17,265</b>	<b>55,841</b>	<b>53,722</b>
<b>Non-Current Liabilities</b>				
Provision for restoration costs	1,631	1,553	-	-
Deferred tax liabilities	37,017	37,179	-	-
<b>Total Non-Current Liabilities</b>	<b>38,648</b>	<b>38,732</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities</b>				
Trade and other payables	3,138	3,229	611	284
Bank borrowings	18,820	19,923	-	-
Financial guarantee liability	-	-	1,000	1,000
Lease liabilities	-	82	-	-
Income tax payables	-	15	-	-
<b>Total Current Liabilities</b>	<b>21,958</b>	<b>23,249</b>	<b>1,611</b>	<b>1,284</b>
<b>Total Liabilities</b>	<b>60,606</b>	<b>61,981</b>	<b>1,611</b>	<b>1,284</b>
<b>Total Equity and Liabilities</b>	<b>79,082</b>	<b>79,246</b>	<b>57,452</b>	<b>55,006</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities****Amount repayable in one year or less, or on demand**

As at 31 Dec 2020 (US\$'000)		As at 30 Jun 2020 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
18,820	-	19,923	-

**Amount repayable after one year**

As at 31 Dec 2020 (US\$'000)		As at 30 Jun 2020 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

**Details of any collaterals****Loans**

During the financial year ended 30 June 2014, the Company's wholly-owned subsidiary, Loyz Oil Pte. Ltd. ("**Loyz Oil**"), drew down US\$32.0M pursuant to the term loan from OCBC Bank to finance the acquisition of petroleum interests held by Carnarvon Thailand Limited. The loan is secured by pledges of shares in the Company's wholly-owned subsidiary, Loyz Oil Thailand Pte. Ltd. ("**Loyz Thai**"), Loyz Oil's cash balances in the accounts maintained with and as designated by OCBC Bank, all earnings and other cash flow of Loyz Thai, as well as corporate guarantees by a shareholder of the Company, Jit Sun Investments Pte. Ltd. ("**Jit Sun**").

In June 2017, the Group has restructured the payment terms of the term loan, taken up in 2015, from DBS Bank. The restructured loan is secured by a pledge of the Company's shares in Loyz Oil, and corporate guarantees by the Company, as well as Jit Sun and certain of its subsidiaries.

**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>	<b>Unaudited 1H FY2021 US\$'000</b>	<b>Unaudited 1H FY2020 US\$'000</b>
<b>Operating activities</b>		
Loss before income tax	(1,405)	(1,188)
Adjustments for:		
Share of results of associate company	-	48
Depreciation of other property, plant and equipment and right-of-use assets	127	142
Depletion of oil and gas properties	454	536
Allowance for obsolescence	87	-
Net fair value changes in investment carried at fair value through profit or loss	(28)	40
Interest income	-	(3)
Interest expense	254	446
Operating cash flows before working capital changes	(511)	21
Working capital changes:		
Inventories	8	90
Trade and other receivables	(25)	262
Other assets	(9)	15
Prepayments	30	75
Trade and other payables	538	70
Cash generated from operations	31	533
Interest received	-	3
Income tax paid	(23)	(47)
Net cash from operating activities	8	489
<b>Investing activities</b>		
Purchase of plant and equipment	(2)	(9)
Additions to oil and gas properties	(92)	(836)
Proceeds from sales of investment securities	37	17
Net cash used in investing activities	(57)	(828)
<b>Financing activities</b>		
Interest paid	(778)	(40)
Repayment of lease liabilities	(84)	(80)
Net proceeds/(expenses) from issuance of ordinary shares	2,467	-
Repayment of bank borrowings	(1,126)	-
Net cash from/ (used in) financing activities	479	(120)
Net change in cash and cash equivalents	430	(459)
Foreign currency translation adjustments	(7)	(5)
Cash and cash equivalents at beginning of financial period	402	1,818
Cash and cash equivalents at end of financial period	825	1,354

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	Equity attributable to owners of the Company					Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Other reserve US\$'000	Foreign currency translation account US\$'000	Accumulated losses US\$'000	Total US\$'000		
	Balance at 1 July 2020	140,245	(5,102)	7	(117,886)		
<b>(Loss)/Profit for the financial period</b>	-	-	-	(1,250)	(1,250)	1	(1,249)
<b>Other comprehensive loss for the period:</b> Currency translation differences arising from consolidation	-	-	(7)	-	(7)	-	(7)
<b>Total comprehensive (loss)/income for the financial period</b>	-	-	(7)	(1,250)	(1,257)	1	(1,256)
Issuance of shares	2,467	-	-	-	2,467	-	2,467
Balance at 31 December 2020	142,712	(5,102)	-	(119,136)	18,474	2	18,476

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 (Continued)

Statement of Changes in Equity	Equity attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Other reserve	Foreign currency translation account	Accumulated losses	Total		
Group	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 July 2019	140,245	(5,102)	1	(84,528)	50,616	(2)	50,614
<b>Loss for the financial period</b>	-	-	-	(1,108)	(1,108)	(1)	(1,109)
<b>Other comprehensive loss for the period:</b> Currency translation differences arising from consolidation	-	-	(4)	-	(4)	-	(4)
<b>Total comprehensive loss for the financial period</b>	-	-	(4)	(1,108)	(1,112)	(1)	(1,113)
Balance at 31 December 2019	140,245	(5,102)	(3)	(85,636)	49,504	(3)	49,501



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 (Continued)

<b>Statement of Changes in Equity</b>			
<b>Company</b>	<b>Share capital US\$'000</b>	<b>Accumulated losses US\$'000</b>	<b>Total equity US\$'000</b>
Balance at 1 July 2020	140,245	(86,523)	53,722
<b>Loss for the financial period, representing total comprehensive loss for the financial period</b>	-	(348)	(348)
Issuance of shares	2,467	-	2,467
Balance at 31 December 2020	142,712	(86,871)	55,841

<b>Statement of Changes in Equity</b>			
<b>Company</b>	<b>Share capital US\$'000</b>	<b>Accumulated losses US\$'000</b>	<b>Total equity US\$'000</b>
Balance at 1 July 2019	140,245	(54,220)	86,025
<b>Loss for the financial period, representing total comprehensive loss for the financial period</b>	-	(69)	(69)
Balance at 31 December 2019	140,245	(54,289)	85,956

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share capital – Ordinary shares	Number of shares	US\$
Balance as at 30 June 2020	3,900,018,070	140,244,670
Issuance of Placement shares	1,888,888,889	2,489,191
Share issue expense	-	(22,130)
Balance as at 31 December 2020	5,788,906,959	142,711,731

**Outstanding convertibles**

**Number of outstanding convertibles**

Warrants:

- As at 31 December 2020	487,502,256
- As at 31 December 2019	487,502,256

Save for the above, there were no other outstanding convertibles as at 31 December 2020 and 31 December 2019.

The Company did not have any treasury shares or subsidiary holdings as at 31 December 2020 and 31 December 2019.

**(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.**

	31-Dec-20	30-Jun-20
Total number of issued shares excluding treasury shares	5,788,906,959	3,900,018,070

The Company did not have any treasury shares as at 31 December 2020 and 30 June 2020.

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

Not applicable, as the Company did not have any treasury shares during and as at the end of the financial period ended 31 December 2020.

**(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable, as the Company did not have any subsidiary holdings during and as at the end of the financial period ended 31 December 2020.

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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

The Company's independent auditors, Messrs Crowe Horwath First Trust LLP, had issued a disclaimer of opinion ("**Disclaimer of Opinion**") on the Group's audited financial statements for the financial year ended 30 June 2020 ("**FY2020**") (the "**Audited Financial Statements**"). The basis for the Disclaimer of Opinion is in relation to (i) going concern; and (ii) investment in associate and loan to associate.

## Going Concern

Please refer to Note 2 to the Audited Financial Statements on the details of the opinion of the Board of Directors of the Company that the Group will be able to continue as a going concern and the Audited Financial Statements have been prepared on a going concern basis for the reasons set out therein.

As stated in Note 2 to the Audited Financial Statements and announced by the Company on 15 November 2020, the Company has requested for waivers for technical breaches of financial covenants relating to the Group's facilities with OCBC Bank and DBS Bank. The Company has obtained an official waiver from OCBC Bank, while it is still in discussion with DBS Bank with regards to the technical breaches. The Company will make appropriate announcements as and when there are further material developments.

## Investment in associate and loan to associate

The Company had invested (in the form of equity and debt) in or through an associate, Fit Global Pte. Ltd. ("**FIT**"), which is in the business of investment, trading and other related services. As at 30 June 2020, the total gross carrying amount (before the impairment allowance made for the current financial year) of the Group's financial interests in FIT stood at US\$5,851,000 comprising a 40%-share equity investment of US\$1,379,000 and a loan receivable of US\$4,472,000.

Since the beginning of the Group's investment into FIT in 2017, the investment and trading business managed by FIT has been badly hampered by the economic downturn and the unprecedented coronavirus pandemic. Based on the past performance and the adverse business conditions which remain uncertain, the business prospects of FIT remain dim for now. The Group and the Company have therefore made full allowance for a one-off impairment of US\$5.9 million against the total gross carrying amounts of the debt and equity investments in FIT Group in FY2020, on account of the significant economic uncertainties brought about by the coronavirus pandemic. The Group will continue to monitor the performance of the investment business managed by FIT and assess the way forward for this business.

Based on current available information, the Board confirms that the impact of all outstanding audit issues on the financial statements has been adequately disclosed.

## **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 under item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period reported on as that of the Company's most recently audited financial statements for the financial year ended 30 June 2020.

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

The Group has adopted the new and revised standards that are effective for annual periods beginning on or after 1 July 2020. The adoption of these standards did not have any material effect on the financial performance of the Group for the current financial period reported on.

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

<b>Loss per share of the Group based on loss attributable to owners of the Company</b>	<b>1H FY2021</b>	<b>1H FY2020</b>
- Basic (US cents)	(0.03)	(0.03)
- On a fully diluted basis (US cents)	(0.03)	(0.03)

### **Notes:**

The basic loss per share for 1H FY2021 and 1H FY2020 are calculated based on 4,444,110,196 and 3,900,018,070 weighted average number of ordinary shares in issue respectively.

On a fully diluted basis, the loss per share for 1H FY2021 and 1H FY2020 are calculated based on 4,444,110,196 and 3,900,018,070 weighted average number of ordinary shares in issue respectively. Diluted loss per share for each of 1H FY2021 and 1H FY2020 is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive.

## **7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

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

	<b>Group 31-Dec-20</b>	<b>Group 30-Jun-20</b>	<b>Company 31-Dec-20</b>	<b>Company 30-Jun-20</b>
Net asset value per share (US cents)	0.32	0.44	0.96	1.38

### **Note:**

The net asset value per share as at 31 December 2020 and 30 June 2020 are calculated based on 5,788,906,959 and 3,900,018,070 ordinary shares in issue respectively.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on.**

#### **Review for 1H FY2021 vs 1H FY2020**

##### Consolidated Statement of Comprehensive Income

Revenue decreased by US\$0.71M or 46%, from US\$1.54M in 1H FY2020 to US\$0.83M in 1H FY2021, due to the decrease in revenue from the oil and gas business segment and the investment income business segment. The decrease in revenue from the oil and gas business segment was mainly due to a drop in the Group's share of oil production volume from its Thailand concessions of 7,016 barrels, from 27,830 barrels in 1H FY2020 to 20,814 barrels in 1H FY2021, as a result of the natural decline of the existing wells. The impact of the aforementioned lower oil production volume on the revenue was further aggravated by a decrease in the average oil price from US\$52.52 per barrel in 1H FY2020 to US\$41.42 per barrel in 1H FY2021. Investment income decreased from US\$0.1M in 1H FY2020 to US\$nil in 1H FY2021 as the interest income earned from the loan ("Loan") extended to the Company's associate company, FIT Global Pte Ltd ("FIT"), had been fully impaired in the financial statements in FY2020, as a result of a one-off full impairment of the Loan by the Group and the Company in FY2020.

Cost of sales, relating to the cost of oil and gas sold, decreased by US\$0.4M or 34%, from US\$1.3M in 1H FY2020 to US\$0.8M in 1H FY2021, as a result of the lower share of production volume. Consequently, gross profit declined by US\$0.28M, from US\$0.28M in 1H FY2020 to a negative of US\$4K in 1H FY2021.

Other income increased by US\$0.01M in 1H FY2021, as compared to 1H FY2020, mainly due to (i) an increase in fair value of a quoted investment security in 1H FY2021 of US\$0.03M (whereas the Group suffered fair value loss in 1H FY2020 as recorded in "other charges"); and (ii) an increase in other income of US\$0.03M mainly from wage subsidy and rental rebate received by the Group, as part of the Singapore Government's effort to provide support to firms to pull through the COVID-19 pandemic situation, partially offset by the decrease in foreign exchange gain of US\$0.03M.

Administrative expenses increased by US\$0.05M, from US\$0.59M in 1H FY2020 to US\$0.64M in 1H FY2021. This was mainly due to an increase in staff costs.

Finance costs decreased by US\$0.20M, from US\$0.45M in 1H FY2020 to US\$0.25M in 1H FY2021, mainly due to the reduction in the interest rate.

Other expenses increased by US\$0.09M, from US\$0.42M in 1H FY2020 to US\$0.51M in 1H FY2021, mainly due to an increase in legal and professional fees.

Other charges increased by US\$0.05M, from US\$0.04M in 1H FY2020 to US\$0.09M in 1H FY2021, mainly due to allowance for obsolescence of US\$0.08M in relation to the Thailand operation. The increase was partially offset by the absence of fair value loss on a quoted investment security recorded in 1H FY2020 of US\$0.04M.

Share of losses of associate company decreased by US\$0.05M to US\$nil in 1H FY2021, as the Group made full allowance for a one-off impairment of the Group's investments in its associate company, FIT, in FY2020. As such, no further share of losses was recorded in 1H FY2021.

The income tax credit of US\$0.16M recorded in 1H FY2021 arose due to a reversal of overprovision of deferred tax relating to the Thailand operation.

As a result of the above, the Group recorded a loss after income tax of US\$1.2M in 1H FY2021, as compared to a loss after income tax of US\$1.1M in 1H FY2020.

##### Consolidated Statement of Financial Position

Non-current assets decreased by US\$0.5M, from US\$76.5M as at 30 June 2020 to US\$76.0M as at 31 December 2020. The decrease was due to the (i) decrease in right-of-use assets to US\$nil as at 31 December 2020 (US\$0.08M as at 30 June 2020); and (ii) decrease in exploration, evaluation and development assets by US\$1.5M; and (iii) partially offset by an increase in oil and gas properties by US\$1.1M, mainly due to the reclassification from exploration, evaluation and development assets to oil and gas properties as at 31 December 2020.

Current assets increased by US\$0.3M, from US\$2.8M as at 30 June 2020 to US\$3.1M as at 31 December 2020. The increase was mainly due to the cash and cash equivalents of US\$0.4M (please refer to the explanation of cash and cash equivalents under consolidated statement of cash flows below), partially offset by a decrease of US\$0.1M in inventories due to the provision for obsolescence in the Thailand operation.

Non-current liabilities decreased by US\$0.1M, from US\$38.7M as at 30 June 2020 to US\$38.6M as at 31 December 2020. This was mainly due to the decrease in deferred tax liabilities in relation to the Thailand operation.

Current liabilities decreased by US\$1.3M, from US\$23.3M as at 30 June 2020 to US\$22.0M as at 31 December 2020. This was mainly due to (i) the repayment of bank borrowings amounted to US\$1.1M; (ii) the decrease in lease liabilities to US\$nil as at 31 December 2020 (US\$0.08M as at 30 June 2020); (iii) the repayment of current tax payable of US\$0.01M; and (v) the decrease in trade and other payables of US\$0.09M.

The Group reported a negative working capital position of US\$20.5M as at 30 June 2020 (31 December 2020: US\$18.9M), out of which US\$17.8M of current liabilities relates to an outstanding loan which had been successfully restructured by the Group as disclosed in the FY2020 annual report of the Company. The corporate guarantee provided by the Company to the relevant bank

has been discharged, and the outstanding loan amounts are ring fenced and confined to the Company's subsidiary, Loyz Oil, and the remaining collaterals, including the Thailand concessions. As such, apart from Loyz Oil, the relevant bank has no recourse on the loan to the rest of the Group. Please refer to Note 2 to the Audited Financial Statements for further details. In addition, the Directors of the Company are considering several options such as the sale of the Group's assets, obtain additional funding or further restructure the repayment terms for the Group's outstanding loans.

#### Consolidated Statement of Cash Flows

The Group generated net cash of approximately US\$8K from its operating activities for 1H FY2021, as compared to net cash generated from operating activities of US\$0.5M in 1H FY2020. The main movement of the cash flows from operating activities was due to the (i) increase in trade and other receivables of US\$0.03M; (ii) decrease in inventories of US\$0.95M; (iii) decrease in prepayments of US\$0.03M; and (v) decrease in trade and other payables US\$0.9M.

The Group used net cash of US\$0.06M for its investing activities in 1H FY2021 mainly due to (i) evaluation work performed in relation to the Thailand operation; and (ii) proceeds from sales of investment securities.

The Group generated net cash of US\$1.1M for its financing activities in 1H FY2021 mainly due to net proceeds from issuance of placement shares of US\$2.5M, which was partially offset by (i) the repayment of lease liability and interest paid; and (ii) repayment of bank borrowings.

As a result of the above, and taking into account foreign currency translation adjustments, cash and cash equivalents decreased by US\$0.6M from US\$1.4M as at 31 December 2019 to US\$0.8M as at 31 December 2020.

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

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

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

##### **Oil and gas business**

The Organization of the Petroleum Exporting ("OPEC") expected global oil demand in 2021 to increase by 5.9 million barrels per day year on year to average 95.9 million barrels per day. However, OPEC has warned uncertainties over the impact of the coronavirus pandemic remain high.

The Thailand joint operation continues to work towards additional drilling and workover programmes in 2021 to increase production. A new drilling campaign is currently being planned to take place around Q3 2021. The actual timing of the drilling campaign will be subject to the then situation of the coronavirus pandemic.

##### **Investment and trading-related activities**

The Group's investment business managed by FIT, the Company's associate, has suffered, being affected negatively by the global economic uncertainties and impact from the coronavirus pandemic, and business prospects of FIT remain dim for now. In the meanwhile, FIT will continue to keep its costs of operation low.

The Group will continue to source for new business opportunities to deliver value to its shareholders and explore fund raising options, while working towards raising oil production and revenue at its Thailand joint operation.

#### **11. Dividend**

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

Any dividend declared for the current financial period reported on?

No.

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

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

No.

##### **(c) Date payable**

Not applicable.

##### **(d) The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined**

Not applicable.

#### **12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for the half year ended 31 December 2020 as the Group incurred losses and the Board of Directors of the Company deems it appropriate to conserve cash for the Group's operations.

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

The Group has not obtained a general mandate from shareholders for interested person transactions. There were no interested person transactions above S\$100,000 entered into by the Group in the current financial period reported on.

**14. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not applicable.

**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not applicable.

**16. A breakdown of sales**

Not applicable.

**17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

**18a. Rule 705(6)(a) of the Catalist Rules in relation to the use of funds/ cash for the quarter and projection on the use of funds/ cash for the next immediate quarter, including principal assumptions.**

The summary of the expenditure for 1H FY2021 (period from 1 July 2020 to 31 December 2020) is as follows:

	US\$'000
Evaluation, Exploration & Development Expenditure	-
Fixed Assets	-
Administrative Expenses	-

Projected expenditure for 2H FY2021 (period from 1 January 2021 to 30 June 2021) is as follows:

	US\$'000
Evaluation, Exploration & Development Expenditure	-
Fixed Assets	-
Administrative Expenses	-

**18b. Rule 705(6)(b) of the Catalist Rules in relation to the director's confirmation**

The Board of Directors ("**Board**") of the Company confirms that, to the best of its knowledge, nothing has come to its attention which may render such information provided false or misleading in any material aspect.

**19. Rule 705(7) of the Catalist Rules in relation to details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Company and a summary of the expenditure incurred on those activities, including explanation 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.**

The Group has a 20% stake in the Thailand onshore oil concessions located in Phetchabun Basin (the "**Concessions**"). There were no drilling activities undertaken at the Concessions in 1H FY2021 as the new drilling campaign that was initially scheduled to start, has been delayed till early part of 2021, barring unforeseen circumstances, due to the current weak oil price.

As the operations at the Thailand onshore oil concessions are self-funded, the Group did not and does not expect to incur any expenditure for exploration, development and production activities for 1H FY2021 and 2H FY2021, respectively.

Save as disclosed above, the Group does not have any exploration, development and/or production activities for 1H FY2021 and is not expected to incur any expenditure for such activities for 2H FY2021.

**20. Use of proceeds**

Use of Proceeds from the Placement

On 9 November 2020, the Company completed a placement of an aggregate of 1,888,888,889 new ordinary shares at an issue price of S\$0.0018 per share (the "**Placement**"), raising net proceeds of approximately S\$3,370,000 (the "**Placement Net Proceeds**"). Please refer to the Company's announcements dated 16 September 2020, 18 September 2020, 3 November 2020, 6 November 2020 and 9 November 2020 for more information on the Placement.

The following is a summary of the Placement Net Proceeds and the utilisation thereof:

Use of Placement Net Proceeds	Allocation of Placement Net Proceeds (\$'000)	Amount utilised as at 15 November 2020 (\$'000)	Amount utilised from 16 November 2020 to 31 December 2020 (\$'000)	Balance of Placement Net Proceeds as at 31 December 2020 (\$'000)
<b>General working capital</b>				
- General and administrative expenses including office expenses, staff costs and administrative expenses	337 to 674 (10% to 20% of Placement Net Proceeds)	156	518	-
- Repayment of bank borrowings and interests	2,696 to 3,033 (80% to 90% of Placement Net Proceeds)	2,505	77	114
<b>Total</b>	<b>3,370</b>	<b>2,661</b>	<b>595</b>	<b>114</b>

The use of Placement Net Proceeds is in accordance with the intended use as stated in the Company's announcements dated 16 and 18 September 2020.

The Company will make periodic announcements via SGXNet as and when the balance of the Placement Net Proceeds is materially utilised.

#### 21. Requirement under Rule 705(5) of the Listing Manual

On behalf of the Board, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board which may render the unaudited financial statements and dividend announcement for the half year ended 31 December 2020 to be false or misleading in any material aspect.

On behalf of the Board

Pang Kee Chai, Jeffrey  
Chief Executive Officer and Executive Director

Lee Chye Cheng, Adrian  
Non-Executive Independent Director and Chairman

#### 22. Confirmation from the Company under Rule 720(1) of the Catalist Rules

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

BY ORDER OF THE BOARD

Pang Kee Chai, Jeffrey  
Chief Executive Officer and Executive Director  
27 January 2021