GOLDEN ENERGY AND RESOURCES LIMITED

(Incorporated in the Republic of Singapore)
(Registration no. 199508589E)

Unaudited Financial Statements for the Period Ended 30 June 2016

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

(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.

	Notes	Group 3 Months Ended			Group 6 Months Ended		
		30.06.2016	Restated 30.06.2015	+/(-) %	30.06.2016	Restated 30.06.2015 (1)	+/(-) %
		US$'000			US$'000		
Revenue	1	**90,137**	90,272	(0.1)	**186,977**	168,255	11.1
Cost of sales		**(61,625)**	(55,638)	10.8	**(132,930)**	(102,587)	29.6
Gross profit		**28,512**	34,634	(17.7)	**54,047**	65,668	(17.7)
Other income	2	**1,611**	1,391	15.8	**6,397**	2,520	153.8
Selling and distribution expenses		**(13,785)**	(19,084)	(27.8)	**(27,156)**	(35,072)	(22.6)
Administrative expenses		**(9,915)**	(10,338)	(4.1)	**(16,955)**	(18,656)	(9.1)
Other operating expenses		**(764)**	(2,130)	(64.1)	**(1,328)**	(4,712)	(71.8)
Finance costs	3	**(5,058)**	(2,644)	91.3	**(9,511)**	(3,621)	162.7
Profit before tax	4	**601**	1,829	(67.1)	**5,494**	6,127	(10.3)
Income tax expense	5	**(1,060)**	(1,692)	(37.4)	**(3,763)**	(3,254)	15.6
(Loss)/Profit for the period		**(459)**	137	(435.0)	**1,731**	2,873	(39.7)
Other comprehensive income to be reclassified to profit or loss:							
Foreign currency translation		**(62)**	21	(395.2)	**(1,052)**	204	(615.7)
Total comprehensive income for the period		**(521)**	158	(429.7)	**679**	3,077	(77.9)
(Loss)/profit attributable to:							
Owners of the Company		**(1,169)**	(1,627)	(28.1)	**512**	997	(48.6)
Non-controlling interests		**710**	1,764	(59.8)	**1,219**	1,876	(35.0)
		(459)	137	(435.0)	**1,731**	2,873	(39.7)
Total comprehensive income attributable to:							
Owners of the Company		**(1,216)**	(1,613)	(24.6)	**(453)**	1,211	(137.4)
Non-controlling interests		**695**	1,771	(60.8)	**1,132**	1,866	(39.3)
		(521)	158	(429.7)	**679**	3,077	(77.9)

n.m. : denotes not meaningful

Note (1): In accordance with FRS 103 Business Combinations, the comparative figures presented in the consolidated statement of comprehensive income include (i) the results of GEMS Group from 1 January 2015 to 30 June 2015; and (ii) the results of GEAR Group from 1 May 2015 to 30 June 2015.

Notes to the Statement of Comprehensive Income

		Group 3 Months Ended			Group 6 Months Ended		
		30.06.2016	Restated 30.06.2015	+/(-) %	30.06.2016	Restated 30.06.2015 (1)	+/(-) %
		US$'000			US$'000		
1	**Revenue**						
	Coal Mining	**78,949**	78,999	(0.1)	**142,707**	148,420	(3.8)
	Coal Trading	**9,404**	9,093	3.4	**39,811**	17,655	125.5
	Forestry	**1,285**	2,180	(41.1)	**3,426**	2,180	57.2
	Others	**499**	-	n.m.	**1,033**	-	n.m.
		90,137	90,272	(0.1)	**186,977**	168,255	11.1
2	**Other Income**						
	Foreign exchange gain, net	**445**	-	n.m.	**2,229**	-	n.m.
	Interest income	**1,169**	826	41.5	**2,298**	1,830	25.6
	Compensation income	**-**	45	(100.0)	**-**	45	(100.0)
	Port income	**-**	44	(100.0)	**-**	157	(100.0)
	Reversal of prior year withholding tax provision	**(13)**	-	n.m.	**1,851**	-	n.m.
	Miscellaneous income	**10**	476	(97.9)	**19**	488	(96.1)
		1,611	1,391	15.8	**6,397**	2,520	153.8
3	**Finance costs**						
	Interest expenses	**3,831**	1,587	141.4	**7,223**	1,630	343.1
	Trade financing charges	**1,082**	905	19.6	**1,908**	1,717	11.1
	Amortisation of discounted loans and borrowings	**84**	83	1.2	**189**	83	127.7
	Others	**61**	69	(11.6)	**191**	191	0.0
		5,058	2,644	91.3	**9,511**	3,621	162.7

Notes to the Statement of Comprehensive Income (cont'd)

		Group			Group		
		3 months ended			6 months ended		
		30.06.2016	Restated 30.06.2015	+/(-) %	30.06.2016	Restated 30.06.2015 [1]	+/(-) %
		US$'000			US$'000		
4	**Profit before tax is arrived after charging the following:**						
	Freight and stockpile	**8,882**	14,226	(37.6)	**24,641**	31,278	(21.2)
	Royalty fees	**6,962**	6,294	10.6	**13,579**	12,451	9.1
	Mining services and overheads	**33,491**	30,594	9.5	**62,701**	58,110	7.9
	Depreciation of property, plant and equipment	**1,207**	1,581	(23.7)	**2,439**	2,846	(14.3)
	Amortisation expenses	**7,313**	4,458	64.0	**12,484**	7,678	62.6
	Foreign exchange (gain)/loss, net	**(445)**	1,181	(137.7)	**(2,229)**	3,447	(164.7)
	Expenses in connection with DSS acquisition	**-**	34	(100.0)	-	34	(100.0)
	Reversal of inventories written down	**24**	-	n.m.	**(624)**	-	n.m.
	Inventories recognised as an expenses in cost of sales	**14,132**	7,985	77.0	**43,858**	18,093	142.4
	Inventories written down to net realisable value	**-**	27	(100.0)	-	27	(100.0)
5	**Income tax expenses can be analysed as follows:**						
	Current Income Tax	**962**	2,164	(55.5)	**2,354**	4,267	(44.8)
	Deferred Income Tax Expense/(Benefit)	**98**	(472)	(120.8)	**1,541**	(1,013)	(252.1)
		1,060	1,692	(37.4)	**3,895**	3,254	19.7
	Overprovision in respect of previous years						
	Deferred Income Tax	**-**	-	n.m.	**(132)**	-	n.m.
		1,060	1,692	(37.4)	**3,763**	3,254	15.6

n.m. : denotes not meaningful

Note (1): In accordance with FRS 103 Business Combinations, the comparative figures presented in the consolidated statement of comprehensive income include (i) the results of GEMS Group from 1 January 2015 to 30 June 2015; and (ii) the results of GEAR Group from 1 May 2015 to 30 June 2015.

(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	
	As at **30.06.2016**	**Restated** As at **31.12.2015**	As at **30.06.2016**	As at **31.12.2015**
	US$'000		US$'000	
Non-Current Assets				
Forestry assets	**3,916**	3,766	**-**	-
Property, plant and equipment	**58,259**	59,727	**5**	5
Mining properties	**55,866**	63,524	**-**	-
Intangible assets	**12,457**	12,709	**-**	-
Goodwill on consolidation [(i)]	**98,565**	98,562	**-**	-
Investment in subsidiaries	**-**	-	**1,288,695**	1,228,755
Other investments	**14**	14	**-**	-
Deferred tax assets	**7,289**	8,538	**-**	-
Trade and other receivables	**711**	710	**-**	-
Restricted funds	**101**	299	**-**	-
Other non-current assets	**45,395**	47,369	**-**	-
	282,573	295,218	**1,288,700**	1,228,760
Current Assets				
Inventories	**6,557**	16,543	**-**	-
Amounts due from subsidiaries	**-**	-	**486**	239
Trade and other receivables	**86,473**	90,550	**404**	158
Other current assets	**63,489**	46,696	**21**	39
Cash and cash equivalents	**53,912**	44,487	**52**	183
	210,431	198,276	**963**	619
Current Liabilities				
Trade and other payables	**73,134**	87,437	**11,444**	10,722
Amounts due to subsidiaries	**-**	-	**1,811**	1,787
Provision for taxation	**562**	589	**-**	-
Loans and borrowings [(ii)]	**90,569**	20,645	**77,266**	16,368
	164,265	108,671	**90,521**	28,877
Net Current Assets/(Liabilities)	**46,166**	89,605	**(89,558)**	(28,258)
Non-Current Liabilities				
Trade and other payables	**114**	109	**-**	-
Loans and borrowings [(ii)]	**47,863**	104,883	**-**	56,778
Deferred tax liabilities	**3,270**	3,368	**-**	-
Post-employment benefits	**2,237**	1,907	**-**	-
Provision for mine closure	**1,416**	1,396	**-**	-
	54,900	111,663	**-**	56,778
Net Assets	**273,839**	273,160	**1,199,142**	1,143,724
Represented by:				
Equity attributable to equity holders of the Company				
Share capital	**232,076**	232,076	**1,546,171**	1,546,171
Reserves	**(41,454)**	(41,001)	**(347,029)**	(402,447)
	190,622	191,075	**1,199,142**	1,143,724
Non-controlling interests	**83,217**	82,085	**-**	-
Total Equity	**273,839**	273,160	**1,199,142**	1,143,724

Note (i) Goodwill on consolidation comprises:

	As at **30.06.2016** US$'000
Goodwill arising from consolidating GEMS Group	**698**
Goodwill arising from completion of acquisition (Refer to 1e(i))	**97,867**
Total	**98,565**

Note (ii) Comprises loans and borrowings and interest accrued thereon.

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debts securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

Amount repayable in one year or less, or on demand [(1)]				**Amount repayable after one year [(2)]**			
As at 30.06.2016		**Restated As at 31.12.2015**		**As at 30.06.2016**		**Restated As at 31.12.2015**	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
US$'000		US$'000		US$'000		US$'000	
84,910	**5,659**	15,330	5,315	**47,863**	**-**	104,883	**-**

[(1)] These represent aggregate balances of short term loans and borrowings.

[(2)] These represent aggregate balances of long term loans and borrowings.

Details of any collateral

The following sets out the details of the collateral for the Group's borrowings :

(a) Charge on the woodchip mill of a subsidiary; and
(b) Pledge on the entire issued and paid-up share capital of certain subsidiaries; and
(c) Pledge on the trade receivables and/or inventories for a minimum amount and a fixed margin deposit of a subsidiary; and
(d) The collaterals include certain property and equipment, and pledge of shares of a subsidiary and related company; and corporate guarantee from related company.

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.

	Group		Group	
	3 Months Ended		6 Months Ended	
	30.06.2016	Restated 30.06.2015	30.06.2016	Restated 30.06.2015 [1]
	US$'000		US$'000	
Cash flows from operating activities:				
Profit before tax	**601**	1,829	**5,494**	6,127
Adjustments for:				
Provision for mine closure	**10**	195	**20**	208
Depreciation of property, plant and equipment	**1,207**	1,581	**2,439**	2,846
Loss on disposal of property, plant and equipment	**-**	-	**-**	22
Defined post-employment benefit expense	**120**	127	**242**	258
Amortisation of mining properties	**6,601**	3,525	**11,129**	6,246
Amortisation of software	**65**	107	**129**	217
Amortisation of land exploitation	**520**	742	**973**	1,131
Amortisation of intangible assets	**127**	84	**253**	84
Amortisation of discounted loans and borrowings	**84**	83	**189**	83
Reversal of inventories written down	**24**	-	**(624)**	-
Inventories written down to net realisable value	**-**	27	**-**	27
Interest and other financial charges	**4,913**	2,506	**9,131**	3,361
Interest income	**(1,169)**	(826)	**(2,298)**	(1,830)
Expenses in connection with DSS acquisition	**-**	34	**-**	34
Net exchange differences	**(387)**	1,939	**(2,392)**	3,896
Operating cash inflows before changes in working capital	**12,716**	11,953	**24,685**	22,710
Decrease in inventories	**5,497**	223	**11,010**	3,689
Decrease/(Increase) in trade and other receivables and other current assets	**794**	(12,441)	**(10,870)**	4,291
(Decrease)/Increase in trade and other payables	**(12,870)**	16,979	**(15,215)**	(1,749)
Cash flows generated from operations	**6,137**	16,714	**9,610**	28,941
Interest and other financial charges paid	**(2,909)**	(1,879)	**(5,007)**	(2,748)
Interest income received	**1,138**	859	**1,851**	1,961
Income taxes paid	**(788)**	(2,418)	**(1,667)**	(3,404)
Net cash flows generated from operating activities	**3,578**	13,276	**4,787**	24,750
Cash flows from investing activities				
Net cash inflow on completion of the Acquisition	**-**	1,451	**-**	1,451
Additions to forestry assets	**(322)**	(484)	**(550)**	(484)
Additions to mining properties	**(1,914)**	(4,470)	**(3,225)**	(9,413)
Purchase of property, plant and equipment	**(550)**	(1,692)	**(935)**	(2,439)
Payment for mines under construction	**(7)**	(49)	**(7)**	(49)
Receipts from loan to third parties	**28**	10	**1**	10
Decrease/(Increase) in other non-current assets	**443**	(17,125)	**(142)**	(23,027)
Changes in restricted funds	**100**	573	**203**	573
Net cash flows used in investing activities	**(2,222)**	(21,786)	**(4,655)**	(33,378)
Cash flows from financing activities				
Payment of dividend	**-**	(1,529)	**-**	(1,529)
Payment of dividend to NCI of subsidiaries	**-**	(31)	**-**	(31)
Proceeds from loans and borrowings	**12,385**	20,000	**14,959**	22,396
Repayment of loans and borrowings	**(2,903)**	(1,640)	**(6,522)**	(6,640)
Net cash flows generated from financing activities	**9,482**	16,800	**8,437**	14,196
Net increase in cash and cash equivalents	**10,838**	8,290	**8,569**	5,568
Effect of exchange rate changes on cash and cash equivalents	**(538)**	250	**856**	(1,363)
Cash and cash equivalents at beginning of the period	**43,612**	58,883	**44,487**	63,218
Cash and cash equivalents at end of the period	**53,912**	67,423	**53,912**	67,423

Note (1): In accordance with FRS 103 Business Combinations, the comparative figures presented in the consolidated statement of cash flows include (i) the cash flow movement of GEMS Group from 1 January 2015 to 30 June 2015; and (ii) the cash flow movement of GEAR Group from 1 May 2015 to 30 June 2015.

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.

(i) Statement of Comprehensive Income for the 6 months ended 30 June 2016 and 30 June 2015

	Group		Company	
	6 months ended		6 months ended	
	30.06.2016	Restated 30.06.2015	30.06.2016	Restated 30.06.2015
	US$'000		US$'000	
Profit/(Loss) for the period	**1,731**	2,873	**(363)**	5,296
Other comprehensive income to be reclassified to profit & loss:				
Foreign currency translation	**(1,052)**	204	**55,781**	2,672
Total comprehensive income for the period	**679**	3,077	**55,418**	7,968
Total comprehensive income attributable to:				
Owners of the Company	**(453)**	1,211	**55,418**	7,968
Non-controlling interests	**1,132**	1,866	**-**	-
	679	3,077	**55,418**	7,968

(ii) Consolidated statement of changes in equity for the 6 months ended 30 June 2016 and 30 June 2015

	<---------- Attributable to owners of the Company ---------->						
	Share Capital	Foreign Currency Translation	Other Reserves	Retained earnings	Total Reserves	Non-controlling Interests	Total Equity
GROUP	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000
Balance as at 1 January 2016, restated	**232,076**	**(50,046)**	**1,270**	**7,775**	**(41,001)**	**82,085**	**273,160**
Profit for the period	-	-	-	512	512	1,219	1,731
Other comprehensive income							
Foreign currency translation	-	(965)	-	-	(965)	(87)	(1,052)
Total comprehensive income for the period	-	(965)	-	512	(453)	1,132	679
Balance as at 30 June 2016	232,076	(51,011)	1,270	8,287	(41,454)	83,217	273,839
Balance as at 1 January 2015 [(1)]	294,085	(75,826)	1,927	27,156	(46,743)	716	248,058
Profit for the period, restated	-	-	-	997	997	1,876	2,873
Other comprehensive income, restated							
Foreign currency translation, restated	-	214	-	-	214	(10)	204
Total comprehensive income for the period, restated	-	214	-	997	1,211	1,866	3,077
Effects of Reverse Acquisition in accordance with FRS 103, restated	(62,009)	24,921	(637)	(8,396)	15,888	81,159	35,038
Dividends paid	-	-	-	(1,529)	(1,529)	(59)	(1,588)
Balance as at 30 June 2015	232,076	(50,691)	1,290	18,228	(31,173)	83,682	284,585

Note (1): In accordance with FRS 103 Business Combinations, the comparative figures presented in the consolidated statement of changes in equity include (i) the changes in equity of GEMS Group from 1 January 2015 to 30 June 2015; and (ii) the movement of reserves of GEAR Group from 1 May 2015 to 30 June 2015.

(iii) Statement of changes in equity of the Company for the 6 months ended 30 June 2016 and 30 June 2015

	<---------- Attributable to owners of the Company ---------->						
	Share Capital	Foreign Currency Translation	Other Reserves	Share Based Reserves	Accumulated Losses	Total Reserves	Total Equity
COMPANY	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000
Balance as at 1 January 2016	**1,546,171**	**(8,029)**	**5,826**	**1,003**	**(401,247)**	**(402,447)**	**1,143,724**
Loss for the period	-	-	-	-	(363)	(363)	(363)
Other comprehensive income							
Foreign currency translation	-	55,781			-	55,781	55,781
Total comprehensive income for the period	-	55,781	-	-	(363)	55,418	55,418
Balance as at 30 June 2016	1,546,171	47,752	5,826	1,003	(401,610)	(347,029)	1,199,142
Balance as at 1 January 2015	257,956	46,631	5,826	-	(398,611)	(346,154)	(88,198)
Profit for the period, restated	-	-	-	-	5,296	5,296	5,296
Other comprehensive income, restated							
Foreign currency translation, restated	-	2,672	-	-	-	2,672	2,672
Total comprehensive income for the period, restated	-	2,672	-	-	5,296	7,968	7,968
Issuance of ordinary shares	1,288,387	-	-	-	-	-	1,288,387
Share issuance expenses	(172)	-	-	-	-	-	(172)
Total transactions with owners in their capacity as owners	1,288,215	-	-	-	-	-	1,288,215
Balance as at 30 June 2015	1,546,171	49,303	5,826	-	(393,315)	(338,186)	1,207,985

(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.

Nil.

(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 30.06.2016	As at 31.12.2015
Total number of issued shares	2,170,120,082	2,170,120,082

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

Not applicable.

1 (e) Goodwill on consolidation upon completion of DSS transactions

Background

On 20 April 2015, the Company completed the reverse acquisition ("RTO") of PT Golden Energy Mines Tbk and its subsidiaries ("GEMS" Group) as set out in the circular to the shareholders dated 30 January 2015 ("Circular").

Upon completion of the RTO, the Group recognised a preliminary positive goodwill amounting to US$109.18 million in the financial statements based on the estimated fair value of the assets and liabilities on the completion date and accounted for in accordance with the accounting policies of the Group. The goodwill represents an excess on the cost of the reverse-take-over over the fair value of the net identifiable assets of the Group.

On 18 April 2016, the Purchase Price Allocation has been finalised with a positive goodwill of US$97.87 million and an intangible asset of US$13.04 million. As a result, the prior period's comparatives in the current period's financial statements have been restated to reflect the above.

1 (e)(i) The fair value of the identifiable assets and liabilities of GEAR as at acquisition date were:

	Golden Energy and Resources Limited	
	Provision as at 20 April 2015	**Restated based on PPA report dated 18 April 2016**
	US$'000	
Forestry concession	6,241	6,241
Intangible assets - forest concession licence	-	13,046
Property, plant and equipment	7,009	7,010
Deferred tax assets	179	179
Inventories	722	722
Trade receivables and other receivables	3,805	3,805
Cash and cash equivalents	1,451	1,451
Trade and other payables	(20,912)	(20,912)
Amount due to holding company	(852)	(852)
Short term loans	(71,057)	(70,460)
Deferred tax liabilities	(649)	(2,968)
Post-employment benefits	(90)	(90)
Total identifiable net liabilities at fair value	(74,153)	(62,828)
Non-controlling interest of acquiree	7	-
Fair value of consideration transferred *	(35,039)	(35,039)
Goodwill	(109,185)	(97,867)

* Fair value of consideration transferred

Equity instruments issued (242,882,384 of PT GEMS shares @IDR1,860)

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

The figures have not been audited nor reviewed by the Company's auditor.

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

Not applicable.

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

The accounting policies and methods of computation are consistent with those applied by the Group and the Company and as adopted in the financial statements for the year ended 31 December 2015.

On 20 April 2015, the Company completed the reverse acquisition ("RTO" or the "Acquisition") of PT Golden Energy Mines Tbk ("GEMS") and its subsidiaries (the "GEMS Group") as set out in the circular to Shareholders dated 30 January 2015 ("Circular") and the Company announcement dated 20 April 2015.

Following the completion of the RTO and the disposal of Poh Lian Construction (Pte.) Ltd. (In Liquidation) on 20 April 2015, the core business of the Company and its subsidiaries is that of the GEMS Group, which is in the business of coal mining and coal trading. Since 20 April 2015, the Group are principally engaged in coal mining, coal trading and forestry.

Basis of preparation of the financial statements

At Group Level

Accounting for the Reverse Acquisition

The acquisition of the GEMS Group was accounted for as a reverse acquisition in accordance with FRS 103 Business Combinations. GEMS Group was identified to be the accounting acquirer and the Company was deemed to be the accounting acquiree. Accordingly, the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheets, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows of the Group (comprising the Company and GEMS Group) for the financial period ended 30 June 2015 has been presented as a continuation of GEMS Group's financial statements.

Since the comparative financial position for the financial period ended 30 June 2015 and financial position as at 31 December 2015 of the Group represent a continuation of the finanical statements of GEMS Group:-

- the assets and liabilities of the Company and its subsidiaries were recognised and measured in the consolidated balance sheets at their fair values on completion date;

- the comparative consolidated statement of comprehensive income of 1H2015 reflects the comparative 6 month results of GEMS Group together with the post-acquisition results of GEAR and its subsidiaries from May 2015.

At Company Level

Reverse acquisition accounting applies only to the consolidated financial statements at the Group level. At the Company's level, for accounting purposes, the investments in the legal subsidiaries are accounted for at cost.

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.

	Group		Group	
	3 Months Ended		6 Months Ended	
	30.6.2016	Restated 30.06.2015	30.6.2016	Restated 30.06.2015
(Loss)/Profit net of tax for the year attributable to owners of the Company used in the computation of basic and diluted loss per share:				
(i) Basic (loss) earnings per share (US cents) :-	**(0.02)**	(0.04)	**0.01**	0.03
- Weighted average number of ordinary shares ('000)	**5,143,806**	3,883,480	**5,143,806**	3,883,480
(ii) Diluted (loss) earnings per share (US cents) :-	**(0.02)**	(0.04)	**0.01**	0.03
- Adjusted weighted average number of ordinary shares ('000)	**5,143,806**	3,883,480	**5,143,806**	3,883,480

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	
	30.6.2016	Restated 31.12.2015	30.6.2016	Restated 31.12.2015
Net assets value per share (US cents)	8.78	8.80	55.26	52.70
Number of shares ('000)	**2,170,120**	2,170,120	**2,170,120**	2,170,120

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

Revenue

The Group's revenue was contributed mainly by the Group's Coal Mining, Coal Trading and Forestry Divisions. Revenue contributed by the Coal Mining and Coal Trading Divisions remained relatively stable as a result of higher sales volume offset by lower average sales realisation price as compared to corresponding reporting period. Forestry revenue decreased by US$0.9 million from US$2.18 million in 2Q15 to US$1.28 million in 2Q16 due to lower demand.

Cost of Sales

The Group reported a higher cost of sales from US$55.64 million in 2Q15 to US$61.62 million in 2Q16, in line with the higher coal sales volume and production activities.

Gross margin

The Group's gross profit decreased from US$34.63 million in 2Q15 to US$28.51 million in 2Q16, mainly due to continuous pressure in coal prices.

Other income

The Group's other income increased by US$0.22 million from US$1.39 million in 2Q15 to US$1.61 million in 2Q16, mainly due to increase of (1) foreign exchange gain of US$0.45 million recorded in 2Q16 as a result of stronger IDR and SGD against USD, and (2) US$0.32 million interest income from loan granted to a third party; offset by (a) absence of compensation and port income of US$0.09 million, and (b) reversal of overprovision of trading penalties in 1Q2015.

Expenses

Selling and distribution expenses

The Group's selling and distribution expenses decreased from US$19.08 million in 2Q15 to US$13.78 million in 2Q16, mainly due to decrease in freight costs of US$4.75 million as a result of higher sales transacted under FOB barge term.

Administrative expenses

The Group's administrative expenses remained relatively stable.

Other operating expenses

The Group's other operating expenses decreased by US$1.37 million from US$2.13 million in 2Q15 to US$0.76 million in 2Q16 mainly due to absence of foreign exchange loss of US$1.29 million as a result of stronger IDR and SGD against USD.

Finance costs

The Group's finance costs increased from US$2.64 million in 2Q15 to US$5.06 million in 2Q16, mainly due to (1) drawdown of term loan facility in 2015; and (2) 3 months of interest expense accrued for the Company's secured and unsecured lenders in 2Q16 as compared to approximately 2 months of interest expense accrued as the Reverse Acquisition was completed in late April 2015.

Income tax expenses

The Group reported a higher effective corporate tax rate in 2Q16 as compared to 2Q15 mainly due to higher losses arising from the Company and its subsidiaries which could not be set-off against the profits of the profitable subsidiaries.

Profit after tax

Due to the factors above, the Group reported a net loss of US$0.46 million in 2Q16 as compared to a net profit of US$0.14 million in 2Q15.

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

Review of Statement of Financial Position

Assets and liabilities
Total assets and total liabilities remained relatively stable as compared to the corresponding reporting period.

Non-current assets
- The decrease in mining properties of US$7.66 million was mainly due to amortisation during the period under review.

- The decrease in deferred tax assets of US$1.25 million was due to the utilisation of prior years' deferred tax benefits.

- The decrease in restricted funds of US$0.20 million was mainly due to the fulfillment of reclamation activities.

- The decrease in other non-current assets of US$1.98 million was mainly due to lower (1) tax refund and (2) guarantee deposits on mining services.

Current assets

- The decrease in inventories of US$9.99 million was mainly due to lower coal inventory volume as compared to 31 December 2015.

- The decrease in trade and other receivables of US$4.08 million was mainly due to lower sales in June 2016 as compared to December 2015.

- The increase in other current assets of US$16.79 million was mainly due to advance payment of US$16.20 million to coal suppliers during the period under review.

Current liabilities

- Trade and other payables decreased by US$14.30 million mainly due to lower purchases in June 2016 as compared to December 2015.

- Loans and borrowings increased by US$69.92 million as a result of reclassification of long term loans and borrowings to current and interest accrued in the period under review, offset by the amortisation of loans and borrowings.

Non-current liabilities

- Post-employment benefits increased by US$0.33 million mainly due to higher employees benefit liability during the period.

- Loans and borrowings decreased by US$57.02 million mainly due to the reclassification of loans and borrowings to current liabilities.

As at 30 June 2016, the Group has net current assets of US$46.17 million and the Company has net current liabilities of US$89.56 million. The Group has loans and borrowings totalling US$138.43 million out of which US$90.57 million are due within the next 12 months.

Review of Statement of Cash Flows

For 2Q16, the Group had net cash inflows of US$10.84 million mainly due to the following:

Net cash generated from operating activities of US$3.58 million which comprised operating cash inflow before working capital changes of US$12.72 million, net working capital outflow of US$6.58 million and income tax paid and interest and other financial charges paid of US$0.79 million and US$2.91 million respectively and offset by interest income received of US$1.14 million.

The net working capital outflow of US$6.58 million in 2Q2016 was mainly due to the decrease in trade and other payables of US$12.87 million, offset by a decrease in (1) inventories of US$5.50 million and (2) trade and other receivables and other current assets of US$0.79 million.

Net cash flows used in investing activities of US$2.22 million was mainly due to the additions to (1) mining properties of US$1.91 million; (2) property, plant and equipment of US$0.55 million and; (3) forestry assets of US$0.32 million; and offset by decrease in other non-current assets of US$0.44 million.

Net cash flows generated from financing activities of US$9.48 million was due to proceeds received from loans and borrowings of US$12.39 million, offset with repayment of loans and borrowings of US$2.90 million.

Statutory compliance placement to comply with the shareholding spread and distribution requirements under the Listing Rules of SGX-ST

On 4 March 2015 extraordinary general meeting, the Shareholders of the Company approved the allotment and issuance of up to 226,500,000 new placement shares.

On 14 May 2015, the Company announced that it had lodged the Offer Information Statement with the Monetary Authority of Singapore. On the same day, the Company further announced that it and RHB Securities Singapore Pte Ltd ("RHB" or "Placement Agent") had entered into a placement agreement dated 14 May 2015, pursuant to which the Company had agreed to allot and issue up to 226,500,000 new placement shares at an issue price to be determined but in any event not less than S$0.50 per placement share, and RHB has agreed to place, on a commercially reasonable efforts basis, to subscribe the placement share at the placement price, subject to the terms and conditions of the placement agreement.

As further disclosed, the Company intends to utilise the proceeds for, *inter alia* , repayment of loans and obligations owing to certain creditors of the Company.

On 22 May 2015, the Company applied to the SGX-ST for an extension of the placement period for another month to 22 June 2015 as the Company requires more time to complete the book building process in order to comply with the shareholding spread and distribution requirements under the Listing Rules of SGX-ST.

On 23 June 2015, the Company announced that due to challenging market condition, the Company had applied to the SGX-ST for a further extension of the placement period till 24 August 2015 as the Company requires more time to complete the book building process.

On 27 August 2015, the Company announced that due to market condition, the Company had applied to SGX-ST for a further extension of the placement period as the Company requires more time to complete the book building process.

On 4 May 2016, the Company announced that it had received a notification from SGX-ST that it had no objection to the Company's request for a further extension of the Placement Period till 30 June 2016 ("Extension"). On 11 July 2016, the Company further announced that it had received a notification from SGX-ST that it had no objection to the Company's request for a further extension of the Placement Period till 31 December 2016, subject to the Company making an announcement:

(a) updating investors on the status of the Post-Completion Placement (including steps taken by the relevant parties);

(b) announcing the period of extension granted; and

(c) the reasons for seeking the extension of time and the conditions as required under Listing Rule 107.

The Company has approached potential investors during the past few months regarding their participation in the Post-Completion Placement. Since then, the Company has identified and is in advanced discussions with certain potential investors. The Extension would allow the Company more time to continue the discussions with certain potential investors on the commercial terms of the investment. Barring unforeseen circumstances which are beyond the control of the Company, the Company will continue to take steps to expedite the process with a view to completing the Post-Completion Placement as soon as possible.

The Company will update the Shareholders in relation to the Post-Completion Placement.

GEMS US$30.00 million loan to ACEV

Further to the Company's announcement of 13 May 2016, the Group, Asia Coal Energy Ventures Limited ("ACEV") and ASM Administration Limited had agreed to extend the US$30.00 million loan facility to 18 May 2017.

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.

Coal Mining and Coal Trading Divisions

During 2Q2016, the coal price marginally improved from the earlier quarter. The ICI4 index stood at US$27.96 in June 2016 as compared to US$26.64 and US$26.77 in March 2016 and December 2015, respectively. The NEWC index was US$55.32 as of end June 2016 as against US$51.18 and US$50.49 as of end of March 2016 and December 2015.

The rise in the coal price during the recent months was mainly driven by output cuts in Indonesia and Australia, coupled with stronger demand from China. Output from Indonesia has been hit by heavy rainfall this year while a rise in oil prices has also impacted miners in Australia leading to cutbacks. China's total coal output for the first six months this year dropped 9.7% to 1.63 billion tonnes. Since April this year, the China's government has implemented a 276 workday a year, down from 330 workdays earlier which has an impact on the output. In addition, the flooding in China disrupted the local production. China's coal import rose by 8.2% to 108 million tonnes year on year in the first six months of 2016.

An analyst at Morgan Stanley predicts that thermal coal prices could get a further boost this year from potentially continuing weather related disruptions to Indonesia and Australian production and ongoing industry reforms in China. China plans to cut coal production in 2016 by 280 million tonnes as the government seeks to curtail industrial overcapacity. In terms of imports, an analyst at ICIS China thinks coal imports will be sustained at more than 20 million tonnes a month in the second half of the year. China is being impacted by La Nina and an aggressive storm season and in early July 2016, Typhoon Nepartak disrupted shipping into China. Looking forward, if La Nina were to bring in heavier than expected rainfall, combined with production cuts, coal prices could jump another 50%, at least according to Citigroup. Chinese buyers worked to scoop up coal suppliers amid the government's clampdown on overcapacity. In addition, the demand for coal has improved amid the rebound of natural gas and oil prices.

Admist the current challenging climate, GEMS continues to commit in its programs in maximizing long-term and sustainable returns to its shareholders and benefits for the stakeholders through amongst others cost rationalisation, improving work processes and conserving cash whilst actively exploring new markets overseas whilst at the same time focusing on domestic market which includes the proposed 35,000 MW project envisioned by the government.

11 If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

***(b) (i)* Amount per share…… cents.**

None.

***(b) (ii)* Previous corresponding period …... cents**

None.

(c) Whether the dividend is before tax, net of tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the financial period ended 30 June 2016.

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.

Rule 920(1)(a)(ii) - An issuer must announce the aggregate value of transactions conducted pursuant to the general mandate (if any) for interested person transactions for the financial periods which it is required to report on pursuant to Rule 705 within the time required for the announcement of such report. The disclosure must be in the form set out in Rule 907.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (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 during the financial year under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
	6 Months Ended	6 Months Ended
	30.06.2016 US$'000	30.06.2016 US$'000
Sales :		
PT Indah Kiat Pulp & Paper Tbk	-	37,919
PT Lontar Papyrus Pulp and Paper Industry	-	13,026
PT Sinar Mas Agro Resources & Technology Tbk	-	1,723
PT Ekamas Fortuna	-	448
PT Pabrik Kertas Tjiwi Kimia Tbk	-	406
PT SOCI Mas	-	279
Hainan Jinhai Trading (Hong Kong) Co,. Ltd **	3,870	-
PT Ivo Mas Tunggal	935	-
PT Energi Sejahtera Mas	55	-
Interest income :		
PT Bank Sinarmas Tbk	-	44
Purchases :		
PT Rolimex Kimia Nusamas	-	35
Rental expenses :		
PT Royal Oriental	-	493
Repair and maintenance:		
PT Wirakarya Sakti	-	519
Insurance expenses :		
PT Kalibesar Raya Utama	-	28
PT Asuransi Sinar Mas	-	312
Interest expenses :		
PT Dian Swastatika Sentosa Tbk	-	26
Asia Star Fund Ltd @	3,515	-

@ US$35.00 million loan facility granted by Asia Star Fund Ltd on 12 January 2011 and utilised in FY 2011.
** The contracts were reviewed and entered into with the Group and the customer in late December 2015 and goods were delivered in January 2016.

14 Negative confirmation by the Board pursuant to Rule 705(5)

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render for financial results for the period ended 30 June 2016 to be false or misleading in any material aspect.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out Appendix 7.7) under Rule 720(1)

The Company has procured undertakings from all its directors and executive officers.

BY ORDER OF THE BOARD
Fuganto Widjaja
Executive Director, Chief Executive Officer
13 August 2016

RHB Securities Singapore Pte. Ltd. (formerly known as DMG & Partners Securities Pte Ltd) was the financial adviser to the Company for the acquisition of 66.9998% of the issued and paid-up share capital of PT Golden Energy Mines Tbk (the "Financial Adviser"). The Financial Adviser has not reviewed this announcement and assumes no responsibility for the contents of this announcement.