GOLDEN ENERGY AND RESOURCES LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number: 199508589E

PROPOSED ACQUISITION OF:

(1) INTEREST IN COAL CONCESSION HELD BY PT BARASENTOSA LESTARI

(2) MANDATORY CONVERTIBLE BONDS ISSUED BY PT DWIKARYA SEJATI UTAMA

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

1. INTRODUCTION

1.1 **Proposed Acquisition.** The Board of Directors (the "**Board**" or "**Directors**") of Golden Energy and Resources Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that its 66.9998%-owned subsidiary, PT Golden Energy Mines Tbk ("**GEMS**", together with its subsidiaries, the "**GEMS Group**"), has on 12 May 2017 entered into a conditional sale and purchase agreement ("**Sale and Purchase Agreement"**) with GMR Energy (Netherlands) B.V. ("**GMR Energy**") and GMR Infrastructure (Overseas) Limited ("**GMR Infrastructure**") (together, the "**GMR Vendors**"), pursuant to which the GEMS Group will acquire from the GMR Vendors:

(a) the Sale Shares (as defined below) for an aggregate consideration of US$59,270,000 (the "**Sale Shares Acquisition**"); and

(b) the MCBs (as defined below) for an aggregate consideration of US$6,368,158 (the "**MCB Acquisition**"),

(together, the "**Proposed Acquisition**").

1.2 **Sale Shares**. Pursuant to the Proposed Acquisition, the GEMS Group shall acquire from the GMR Vendors:

(a) **BSL Shares.** 175 shares in the issued share capital of PT Barasentosa Lestari ("**BSL**"), representing 5% of the total issued and paid up share capital of BSL, owned by GMR Infrastructure;

(b) **UNS Shares.** 100,000 shares in the issued share capital of PT Unsoco ("**UNS**"), representing 100% of the total issued and paid up share capital of UNS, owned 99% by GMR Energy and 1% by GMR Infrastructure;

(c) **DSI Shares.** 10 shares in the issued share capital of PT Duta Sarana Intermusa ("**DSI**"), representing 1% of the total issued and paid up share capital of DSI, owned by GMR Energy; and

(d) **DSU Shares.** 1,000 shares in the issued share capital of PT Dwikarya Sejati Utama ("**DSU**"), representing 100% of the total issued and paid up share capital of DSU, owned 99.9% by GMR Energy and 0.01% by GMR Infrastructure,

(together, the "**Sale Shares**"), subject to the terms and conditions of the Sale and Purchase Agreement. The entire effective shareholding interest in BSL is held by the GMR Vendors directly and through DSU, DSI and UNS (together with BSL, the "**Target Group**", and each a "**Target Group Company**").

1.3 **MCBs.** Pursuant to the Proposed Acquisition, the GEMS Group shall acquire from the GMR Vendors all the mandatory convertible bonds of aggregate face value of US$6,368,158 ("**MCBs**") issued by DSU and held by the GMR Vendors, subject to the terms and conditions of the Sale and Purchase Agreement.

1.4 The Proposed Acquisition constitutes an "Interested Person Transaction" as defined under Chapter 9 of the Listing Manual.

2. RATIONALE

The Proposed Acquisition is in line with the Group's strategic plans to expand its business operations and increase its coal reserves and production levels, thereby bringing additional value to the Company and its Shareholders. The Proposed Acquisition will provide the Company access to and control over the coal concession and coal deposits in the coal mining license area of BSL, the description of which are set out in Section 3 of this Announcement. This acquisition would increase the Company's quantity of high calorific value coal resources available for production. The Company is required to increase its coal reserves on an ongoing basis as harvesting and selling the existing coal reserves would eventually deplete our coal reserves.

The MCB Acquisition was negotiated as an integral part of the Sale Shares Acquisition.

3. INFORMATION RELATING TO THE TARGET GROUP AND THE GMR VENDORS

3.1 The Target Group

(a) **BSL.** BSL is a limited liability company incorporated under the laws of Indonesia, having its registered office at Prudential Tower, 23rd Floor, Jalan Jenderal Sudirman Kav. 79, Jakarta 12910, Indonesia. BSL has an authorised capital of Rp3,500,000,000 and issued and paid-up capital of Rp3,500,000,000 divided into 3,500 shares each with nominal value of Rp1,000,000.

The principal business of BSL is coal mining and coal trading. BSL is the holder of a mining concession pursuant to the Coal Contract of Work dated 15 August 1994 entered into between the BSL and PT Perusahaan Negara Tambang Batubara (as amended on 27 June 1999) (the "**CCoW**") and the First Stage of Operation Production Activity Within the CCoW area pursuant to The Decree of The Ministry of Energy and Mineral Resources No. 718.K/30/DJB/2011 dated 31 March 2011, that is valid for 30 years commencing from 31 March 2011, in respect of coal concession areas located over an area of 24,385 hectares in Musi Rawas, Musi Rawas Utara and Musi Banyuasin Regencies, South Sumatra, Indonesia ("**Coal Concession Area**"). The Coal Concession Area consists of

two sub-blocks, namely the north block ("**North Block**") and south block ("**South Block**"). As at 1 April 2017[1], the estimated coal resources and reserves from the South Block are 393 million tonnes and 194.6 million tonnes, respectively. Based on the early stage exploration in the North Block, three sub-blocks that have prospects of coal have been identified – Sungai Kapas, Sinkling Merjang and Meranti.

(b) **UNS.** UNS is a limited liability company incorporated under the laws of Indonesia, having its registered address at Prudential Tower Building 23rd floor, Jalan Jenderal Sudirman Kav. 79, Jakarta 12910, Indonesia. UNS has an authorised capital of Rp4,000,000,000 and issued and paid-up capital of Rp1,000,000,000 divided into 100,000 shares each with nominal value of Rp10,000. UNS holds 0.03% shareholding interest in BSL. The principal business of UNS is management consulting, but operations are currently inactive.

(c) **DSI.** DSI is a limited liability company incorporated under the laws of Indonesia, having its registered address at Prudential Tower, 23rd Floor, Jalan Jenderal Sudirman Kav. 79, Jakarta 12910, Indonesia. DSI has an authorised capital of Rp4,000,000,000 and issued and paid-up capital of Rp1,000,000,000 divided into 1,000 shares each with nominal value of Rp1,000,000. DSI holds 94.97% shareholding interest in BSL. The principal business of DSI is management consulting.

(d) **DSU.** DSU is a limited liability company incorporated under the laws of Indonesia, having its registered address at Prudential Tower Building, 23rd floor, Jalan Jenderal Sudirman Kav. 79, Jakarta 12910, Indonesia. DSU has an authorised capital of Rp4,000,000,000 and issued and paid-up capital of Rp1,000,000,000 divided into 1,000 shares each with nominal value of Rp1,000,000. DSU holds 99% shareholding interest in DSI. The principal business of DSU is management consulting.

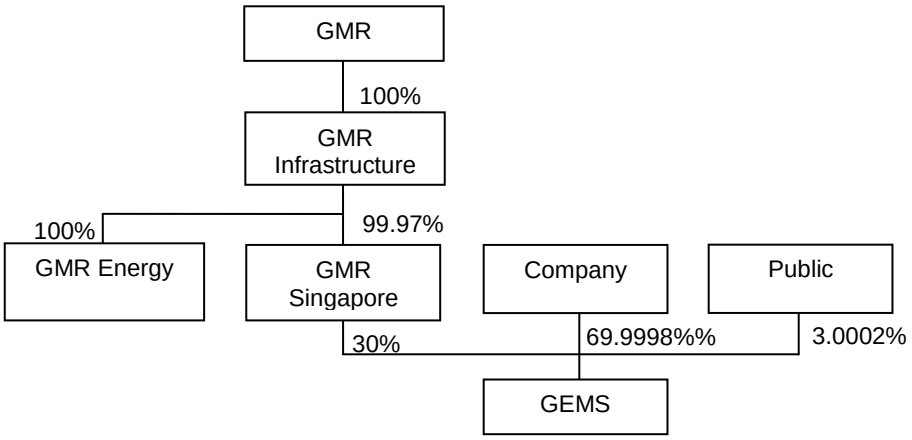
3.2 **GMR Vendors.** GMR Energy is an investment holding company incorporated in Netherlands, having its registered office at WTC Schiphol Airport, D Tower, 11th Floor, Schiphol Boulevard 359, 1118 BJ Schiphol, the Netherlands. GMR Infrastructure is an investment holding company incorporated in Mauritius, having its registered office at 6th Floor, Tower A, 1 Cybercity, Ebene, Republic of Mauritius.

The GMR Vendors are subsidiaries of GMR Infrastructure Ltd ("**GMR**", together with its subsidiaries, the "**GMR Group**"), an infrastructure developing company listed on the Bombay Stock Exchange and the National Stock Exchange of India.

3.3 **The Relationship between the Company, GEMS and the GMR Vendors.** GMR Coal Resources Pte Ltd ("**GMR Singapore**"), which is a member of the GMR Group, holds 30% of the entire issued and paid-up share capital of GEMS. The ultimate holding company of GMR Singapore and the GMR Vendors is GMR.

For illustrative purposes, please see the following diagrammatic chart[2] outlining the relationship between the Company, GEMS and the GMR Vendors.

[1] Based on an independent qualified person's report dated 7 April 2017 on the coal resources and coal reserves within the Coal Concession Area conducted by Salva Mining Pty Ltd in accordance with the JORC Code 2012.
[2] Please note that for purposes of clarity, some entities of the Group and the GMR Group have not been included.



3.4 **Financial Information of the Target Group.** The audited consolidated net asset value ("**NAV**") and net tangible liabilities ("**NTL**") attributable to the shareholders of the Target Group as at 31 December 2016 is approximately US$1,859,000 and US$64,781,000 respectively. The total assets and total liabilities of the Target Group as at 31 December 2016 is US$81,219,000 and US$79,359,000 respectively.

Based on the adjusted financial statements of the Target Group for the 12-months ended 31 December 2016, the Target Group's profits before income tax, minority interest and extraordinary items is approximately US$26,000.

A summary of the financial information of the Target Group is set out in Appendix A.

4. KEY TERMS OF THE PROPOSED ACQUISITION

4.1 **The Proposed Acquisition.** On the terms and subject to the conditions in the Sale and Purchase Agreement, the GMR Vendors (each as to those of the Sale Shares and MCBs it respectively owns) shall jointly and severally sell to GEMS or PT GEMS Energy Indonesia (a 99%-owned subsidiary of GEMS) (together, the "**Purchasers**"), and the Purchasers shall acquire from the GMR Vendors, the Sale Shares and MCBs.

For the avoidance of doubt, the GMR Vendors shall not be bound to transfer any Sale Shares or MCBs, and GEMS shall not be bound to purchase any Sale Shares or MCBs, unless the sale and purchase of all (and not some only) of the Sale Shares and MCBs is completed at the same time.

Please see Appendix B for the shareholding holding structure of the Target Group on completion of the Proposed Acquisition ("**Completion**").

4.2 **Terms of Sale.** The Sale Shares and MCBs shall be sold and transferred free from encumbrances and with all rights attached thereto as at the date of Completion ("**Completion Date**"). Without prejudice to the terms of the Sale and Purchase Agreement, the GEMS Group will assume the total liabilities of the Target Group on Completion.

4.3 **Consideration.** The aggregate consideration payable by GEMS to the GMR Vendors for the Proposed Acquisition is US$65,638,158 ("**Consideration**"), comprising an aggregate consideration of US$59,270,000 for the Sale Shares Acquisition ("**Sale Shares Consideration**")

and aggregate consideration of US$6,368,158 ("**MCBs Consideration**") for the MCB Acquisition.

The Consideration will be satisfied in the following manner:

(a) an amount of US$8,000,000 ("**First Refundable Amount**"), to be paid by GEMS to the GMR Vendors no later than five (5) business days from the date of the Sale and Purchase Agreement;

(b) an amount of US$15,790,000 ("**Second Refundable Amount**"), to be paid by GEMS to the GMR Vendors no later than five (5) business days following issuance of the clearance from the SGX-ST referred to in Schedule C, paragraph 9; and

(c) the remaining Consideration of US$41,848,158, comprising:

(x) US$35,480,000, being the remaining balance of the Sale Shares Consideration; and

(y) US$6,368,158, being the full amount of the MCBs Consideration,

to be paid by GEMS to the GMR Vendors on the Completion Date.

The Consideration was arrived at on a willing-buyer and willing-seller basis after taking into consideration, *inter alia*, the following factors:

(i) the face value of the MCBs;

(ii) the prospects of BSL;

(iii) the current market prices for comparable coal quality;

(iv) the audited financial results of BSL for the 9-months financial period ended 31 December 2016;

(v) draft fairness opinion prepared by KJPP Jennywati, Kusnanto & rekan on the fair market value of the Sale Shares; and

(vi) the Independent Qualified Person's Reports.

4.4 **Conditions Precedent.** Completion will be conditional upon the satisfaction or waiver (in accordance with the Sale and Purchase Agreement) of, conditions precedents set out in the Sale and Purchase Agreement ("**Conditions Precedent**"), including but not limited to the key Conditions Precedent as set out in Appendix C.

4.5 **Completion.** Completion will take place on the date that the Conditions Precedents have been satisfied or waived, as the case may be (or at such other date as GEMS and the GMR Vendors may agree in writing).

4.6 **Long Stop Date; Refund of Consideration Paid.** Subject to the terms of the Sale and Purchase Agreement, GEMS, GMR Energy and GMR Infrastructure shall each be entitled to terminate the Sale and Purchase Agreement at any time on or prior to 31 December 2017 in the event, *inter alia*, any of the Conditions Precedent is or is reasonably likely to become incapable of satisfaction and such Condition Precedent has not been waived.

In the event the Sale and Purchase Agreement is terminated, any Consideration already paid by GEMS to the GMR Vendors as at the date of such termination shall be refunded to GEMS within five (5) business days from such termination.

4.7 **Undertakings and Warranties.** Each of GEMS and the GMR Vendors has provided such undertakings and warranties as are customary for transactions of this nature or other similar transactions.

4.8 **Indemnity.** The GMR Vendors shall jointly and severally indemnify and hold harmless in full GEMS, *inter alia*, for an amount equal to:

(a) any payment of taxation made or to be made by the Target Group, the liability for which arises as a result of any transactions occurring on or before Completion (other than taxation arising in respect of income, profits or gains earned after Completion as a result of any such transactions or any liabilities to pay stamp duty) or in respect of any profits earned on or before the Completion Date;

(b) any out-of-pocket costs or expenses reasonably and properly incurred by GEMS and/or any Target Group Company solely and directly in connection with any payment of taxation or the non-availability, loss, reduction or cancellation of a right to a repayment of taxation as is, in each case, referred to in the above paragraph (a) or in connection with any action taken in avoiding, resisting or settling any such payment of taxation or such non-availability, loss, reduction or cancellation of a right to a repayment of taxation, whether or not any company is or may be entitled to claim reimbursement of the payment from any person; and

(c) any losses or liabilities arising from out of or in connection with a breach by any GMR Vendor of the warranties and undertakings given by the GMR Vendors.

5. SOURCE OF FUNDS

The Proposed Acquisition will be funded by GEMS' internal resources.

6. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company or GEMS in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company or GEMS and any such person.

7. THE PROPOSED TRANSACTION AS AN INTERESTED PERSON TRANSACTION

7.1 **Proposed Transaction as an Interested Person Transaction.** As disclosed in the Company's circular to shareholders dated 30 January 2015 in relation to the Company's acquisition of 66.9998% of the issued and paid-up share capital of GEMS (the "**RTO**"), GMR Singapore is regarded as an "interested person" of the Company by virtue of its ownership of 30% of the entire issued share capital of GEMS (notwithstanding that GMR Singapore does not have any interest in the Company). Consequently, transactions between GMR Singapore or any of its associates, and the Group will be regarded as "interested person transactions" and subject to the provisions of Chapter 9 of the Listing Manual.

GMR Vendors are wholly-owned subsidiaries of GMR, which is the controlling shareholder of GMR Singapore by holding through GMR Infrastructure[3]. As such, the GMR Vendors are each associates of GMR Singapore and thus an "interested person".

Accordingly, the Proposed Acquisition is regarded as an "interested person transaction" under Chapter 9 of the Listing Manual.

7.2 **Materiality Thresholds under Chapter 9 of the Listing Manual.** Under Chapter 9 of the Listing Manual, Shareholders' approval is required for an interested person transaction of a value equal to, or exceeding, 5% of the Group's latest audited NTA.

Under Rule 909(1) of the Listing Manual, in the case of a partly-owned subsidiary, the value of the transaction (being the amount at risk to the issuer) is the issuer's effective interest in that transaction. As GEMS is a 66.9998% owned subsidiary of the Company, the amount at risk to the Company in the Proposed Acquisition is US$43,977,434.58.

Based on the Group's latest audited NTA of US$228,819,000[4], the amount at risk of the Proposed Acquisition to the Company against the Group's latest audited NTA is 28.69%. Accordingly, as the amount at risk to the Company exceeds 5% of the Group's latest audited NTA, the Proposed Acquisition is subject to Shareholders' approval.

7.3 **Current and Ongoing Interested Person Transactions.** Save for the Proposed Acquisition, the Group has not entered into any transactions with the GMR Vendors, during the current financial year beginning 1 January 2017 and up to the date of this Announcement.

For the avoidance of doubt, the aggregate value of all interested person transactions entered into by the Group with associates of the GMR Vendors, during the current financial year beginning 1 January 2017 and up to the date of this Announcement is approximately US$3.5 million.

The aggregate value of all interested person transactions entered into by the Group for the current financial year beginning 1 January 2017 up to the date of this Announcement is approximately US$56.5 million.

7.4 **Independent Financial Adviser.** Pursuant to Chapter 9 of the Listing Manual, the Company has appointed ZICO Capital Pte. Ltd., as the independent financial adviser ("**IFA**") to the independent directors of the Company in relation to the Proposed Acquisition. A copy of the letter from the IFA to the independent directors of the Company will be included in the Circular (as defined below) which will be despatched to Shareholders in due course.

7.5 **Audit Committee's Statement.** The Audit Committee of the Company will obtain an opinion from the IFA on the Proposed Acquisition before forming its view, which will be disclosed in the Circular, as to whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

8. VALUATION

[3] Please refer to Section 3.3 of this Announcement for more information on the relationship between the Company, GEMS and the GMR Vendors.

[4] As at the date of this Announcement, the Group's latest available audited NTA is based on the Group's audited accounts as at 31 December 2016.

GEMS has commissioned Salva Mining Pty Ltd to prepare independent qualified person's reports on the Coal Concession Area in accordance with the JORC Code 2012 and VALMIN Code 2015 ("**Independent Qualified Person's Reports**"). Based on the Independent Qualified Person's Reports, the preferred valuation of the Coal Concession Area (comprising the North Block and South Block) as of 1 April 2017 is US$258.5 million.

For the avoidance of doubt, there is no valuation report on the Sale Shares commissioned by GEMS.

9. LISTING MANUAL COMPUTATIONS

9.1 **Relative Figures.** The relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006(a) to (d) of the Listing Manual are as follows:

Rule 1006(a): Net asset value of assets to be disposed of, compared with the Group's net asset value	Not applicable
Rule 1006(b): Net profits attributable to the assets acquired, compared with the Group's net asset value	0.05%(1)
Rule 1006(c): Aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	8.61%(2)
Rule 1006(d): Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
Rule 1006(e): Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable

Note:

(1) The net profits of the Target Group for the 12 months ended 31 December 2016 was approximately US$26,000. The net profits of the Group for the financial year ended 31 December 2016 was US$47,360,000. Under Rule 1002(3) of the Listing Manual, net profits means "profit or loss before income tax, minority interests and extraordinary items".

(2) Based on the Consideration for the Proposed Acquisition and the Company's market capitalisation as at 11 May 2017, being the market day immediately preceding the date of the Sale and Purchase Agreement. The market capitalisation of the Company is derived by multiplying 2,353,100,380 ordinary shares in issue by the volume-weighted average traded price of S$0.4501 on 11 May 2017. (Source: Bloomberg LP)

9.2 **Discloseable Transaction.** As the relative figures computed under Rules 1006(c) of the Listing Manual exceeds 5% but does not exceed 20%, the Proposed Acquisition therefore constitutes a "Discloseable Transaction" as defined under Chapter 10 of the Listing Manual.

10. FINANCIAL EFFECTS

The proforma financial effects of the Proposed Acquisition are set out in Appendix D.

11. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors (other than in his capacity as director or shareholder of the Company, as

the case may be) of the Company has any interest, direct or indirect in the Proposed Acquisition. To the best of the knowledge of the Board, there are no substantial shareholders in the Company who have any interest, direct or indirect, in relation to the Proposed Acquisition.

12. FURTHER INFORMATION

12.1 **Circular.** As the Proposed Acquisition is regarded as an "interested person transaction" under Chapter 9 of the Listing Manual and the amount at risk of the Company in relation to the Proposed Acquisition exceeds 5% of the Group's latest audited NTA, the Proposed Acquisition is subject to Shareholders' approval. A Circular containing further information on the Proposed Acquisition, together with a notice of the extraordinary general meeting of the Company, will be despatched by the Company to Shareholders in due course.

12.2 **Documents for Inspection.** A copy of the Sale and Purchase Agreement and the Independent Qualified Person's Report, will be made available for inspection during normal business hours at the registered office of the Company for three (3) months from the date of this Announcement.

13. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Acquisition is subject to numerous conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

14. RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of the preparation of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement (other than information relating to BSL, UNS, DSI, DSU, GMR and the GMR Group, including in particular paragraph 3 of this Announcement ("**GMR Group Information**")) and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed herein (other than information relating to the GMR Group Information) are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this Announcement misleading.

The directors of the GMR Vendors (including those who may have delegated detailed supervision of the preparation of this Announcement) collectively and individually accept full responsibility for the accuracy of the GMR Group Information given in this Announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed herein (only in respect of the GMR Group Information) are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors and the directors of the GMR Vendors respectively has been to ensure that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

By Order of the Board
GOLDEN ENERGY AND RESOURCES LIMITED

Pauline Lee
Company Secretary
12 May 2017

APPENDIX A

FINANCIAL HIGHLIGHTS OF THE TARGET GROUP

A summary of the audited consolidated financial statements of the Target Group for the 12-months financial year ended 31 March 2014 ("**FY2014**"), 31 March 2015 ("**FY2015**") and 31 March 2016 ("**FY2016**"), and the 9-months financial period ended 31 December 2016 ("**FP2017**"), are set out below ("**Target Group Financial Statements**").

The Target Group's Financial Statements have been prepared in accordance with generally accepted accounting principles in Indonesia. Some of the Target Group Financial Statements were prepared in Indonesian Rupiah ("**Rp**") and have been translated into United States Dollar ("**US$**") for the purposes of this Appendix A on the exchange rates set out in the following table:

	Rp/ US$	
	Average	**Closing**
FY2014	11,009	11,395
FY2015	12,154	13,071
FY2016	13,594	13,148
FP 2017	13,275	13,492

Source: Bloomberg L.P.

The translation of the financial statements into US$ is purely for the illustration purposes and does not mean that the Rp amounts could have been, or could be, actually converted into US$ amounts at the rate stated, or at all, and *vice-versa.*

(A) Summary of Consolidated Income Statement

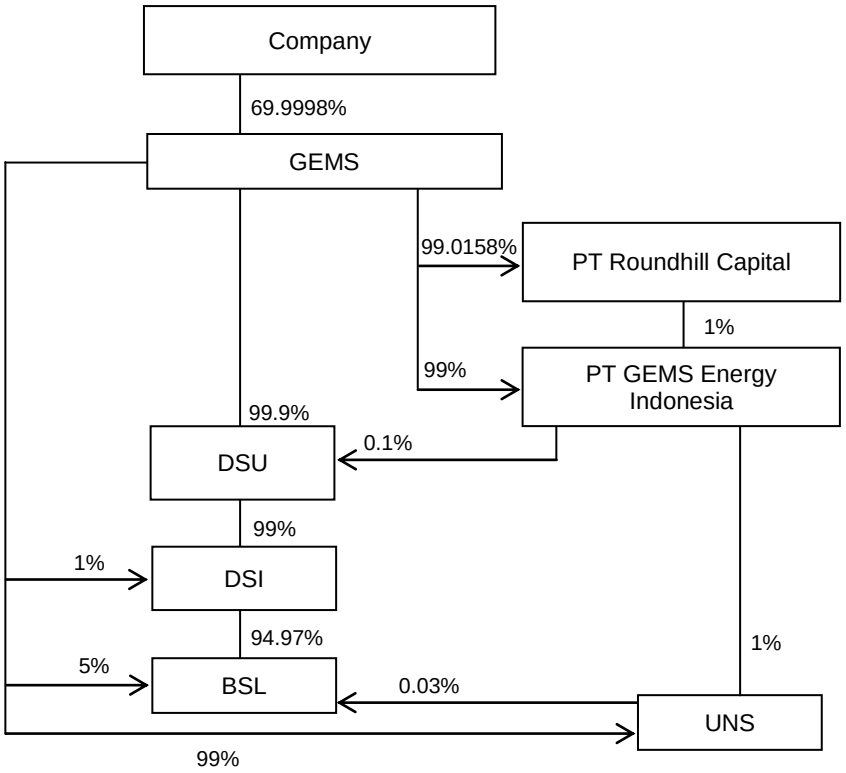
	FY2014 (US$'000)	**FY2015 (US$'000)**	**FY2016 (US$'000)**	**FP2017 (US$'000)**
General Operating Expenses	536	384	311	215
Operating Loss	(536)	(384)	(311)	(215)
Net Other Income / (Expenses)	(81)	(18)	423	219
Profit/(Loss) before Tax	(617)	(402)	112	4
Tax Credit / (Expense)	1	(2)	(6)	8
Profit/(Loss) after Tax	(616)	(404)	106	13

(B) Summary of Consolidated Balance Sheet

	31 March 2014 (US$'000)	31 March 2015 (US$'000)	31 March 2016 (US$'000)	31 December 2016 (US$'000)
Current Assets				
Cash and Cash Equivalent	83	6,364	271	86
Inventories	-	405	426	-
Other Receivables	422	826	1,085	650
	505	7,594	1,781	736
Non-Current Assets				
Fixed Assets	7,690	12,929	13,551	13,403
Other Receivables	19	13	13	16
Restricted Deposits	1,410	1,719	398	424
Mining Properties	47,010	54,689	62,341	66,640
	56,129	69,350	76,303	80,483
Total Assets	**56,634**	**76,944**	**78,085**	**81,219**
Current Liabilities				
Other Payables	9,380	29,987	35,622	38,746
Tax Payables	47	54	188	312
	9,427	30,041	35,811	39,057
Non-Current Liabilities				
Loans and Borrowings	44,400	44,400	40,000	40,000
Other Payables	622	508	479	291
Deferred Tax Liabilities	-	49	2	12
	45,022	44,956	40,481	40,302
Net Assets	**2,185**	**1,947**	**1,793**	**1,859**
Shareholders' Equity				
Share Capital	242	242	242	242
Mandatory Convertible Bonds	6,368	6,368	6,368	6,368
Reserves	(4,426)	(4,664)	(4,818)	(4,752)
	2,185	**1,947**	**1,793**	**1,859**

APPENDIX B

SHAREHOLDING STRUCTURE OF THE TARGET GROUP ON COMPLETION



APPENDIX C

KEY CONDITIONS PRECEDENT

1. Approval of the GMR Vendor Shareholders

Each of the GMR Vendors having obtained and provided a copy to GEMS of the GMR Vendors' approval from its respective shareholders of the Proposed Acquisition and all other transactions contemplated in the Sale and Purchase Agreement (together, the "**Transaction**") as required under its constitutional documents and applicable law, and such approval not having been cancelled, revoked or withdrawn.

2. Approval of the Target Group Company Shareholders

The shareholders' approval of each Target Group Company for the Proposed Acquisition (including (a) the sale and transfer of the Sale Shares and the MCBs, (b) the waiver of the shareholders' rights of first refusal over the relevant Sale Shares, (c) appointment or nomination of all Commissioners and Directors nominated by GEMS, which appointment or nomination shall take effect on and with effect from the Completion Date, (d) the discharge of all existing Commissioners and Directors as may have been nominated or appointed by the GMR Vendors, which discharge and retirement shall take effect on and with effect from the Completion Date, and (e) the conversion of the status of the Target Group Company into a company without foreign shareholding ownership (*PT Biasa* or *PT Penanaman Modal Dalam Negeri*)), having been obtained and such approval not having been cancelled, revoked or withdrawn.

3. Third Party Approvals

(a) Each Target Group Company having obtained all required and necessary consents and/or approvals (including without limitation the creditors' consents and all approvals from governmental authorities (including the Ministry of Energy and Mineral Resources and Investment Coordinating Board of Indonesia (*Badan Koordinasi Penanaman Modal*)) for the Transaction, and such consent or approval not having been cancelled, revoked, or withdrawn.

(b) GEMS having obtained all required or necessary consents and/or approvals from third parties, if any, for the Transaction, and such consents and/or approvals not having been cancelled, revoked or withdrawn.

4. Restructuring Undertakings

The GMR Vendors providing satisfactory evidence to GEMS that:

(a) the facility agreement between ICICI Bank Limited ("**ICICI**") and BSL dated 28 March 2013 in respect of the US$40,000,000 loan facility ("**ICICI Loan Facility**") have been duly restructured on terms largely comparable to the current terms, provided that BSL arranges/provides the necessary security for the ICICI Loan Facility as requested by ICICI for accepting the change in ownership of BSL from the GMR Vendors to GEMS;

(b) each of the loan facilities provided by the GMR Vendors to the Target Group Companies as set out in the Sale and Purchase Agreement are restructured to become interest free and payable within a period of four years from 2017 to 2020 (subject to completion of the Transaction), and the GMR Vendors shall cause such loan facilities to be duly amended based on the foregoing and the payment will depend on the operation of BSL; and

(c) the BSL Shares are free from encumbrances.

5. Warranties of GEMS and the GMR Vendors

The warranties provided by GEMS and the GMR Vendors in the Sale and Purchase Agreement being true and accurate in all material respects as at the date of the Sale and Purchase Agreement and as at the Completion Date as if made on the Completion Date.

6. Undertakings of the GMR Vendors

The GMR Vendors having in all material respects performed or complied with each of the undertakings of the GMR Vendors in the Sale and Purchase Agreement which are required to be performed or complied with by it on or prior to the Completion Date.

7. Approvals of GEMS

GEMS having obtained approvals as required under its constitutional documents and applicable law, and such approval not having been cancelled, revoked or withdrawn.

8. Approval of the Company's Shareholders

The resolution of the Shareholders of the Company having been obtained at an extraordinary general meeting of the Company for the entry into, implementation and completion of, the Transaction, as required under the listing rules of the SGX-ST.

9. Clearance of the SGX-ST

The Transaction being cleared by the SGX-ST, and if such clearance granted or obtained is subject to any conditions, such conditions being reasonably acceptable to GEMS and the GMR Vendors.

10. Announcement in newspaper

GEMS and each of BSL, DSI, DSU, UNS having announced the proposed sale and transfer of the Sale Shares in a national newspaper and to its employees (as applicable) at least thirty (30) calendar days prior to the date of the notice of the general meeting of the shareholders of BSL as stipulated in Article 127 paragraph (2) of Law No. 40 of 2007, and no creditor has submitted any objection to any Target Group Company.

11. Others

(a) GEMS having paid in full the First Refundable Amount and the Second Refundable Amount.

(b) There being no final and non-appealable order, decree or ruling or any other action issued or taken by any court of competent jurisdiction, stock exchange, lender, or any other governmental authority having jurisdiction over the Transaction, which permanently restrains or otherwise prohibits the Transaction, or objects to, refuses to give the necessary regulatory approvals or clearances, or otherwise refuses to do anything necessary to permit the Transaction.

APPENDIX D

COMBINED PROFORMA FINANCIAL EFFECTS

1. BASES AND ASSUMPTIONS

1.1. **Bases.** The combined proforma financials effects of the Proposed Acquisition on the Group as set out in this Appendix D are based on:

(a) the audited consolidated financial statements of the Group for the financial year ended 31 December 2016 ("**FY2016**"); and

(b) the audited consolidated financial statements of the Target Group for the financial period ended 31 December 2016 ("**FP2017**").

1.2. **Assumptions.** For the purposes of illustrating the financial effects of the Proposed Acquisition, the financial effects have been prepared based on, *inter alia*, the above bases and the following assumptions:

(a) the financial effects of the Proposed Acquisition on the Group's net tangible assets ("**NTA**") is computed assuming that the Proposed Acquisition is completed on 31 December 2016;

(b) the financial effects of the Proposed Acquisition on the Group's earnings per share ("**EPS**") is computed assuming that the Proposed Acquisition is completed on 1 January 2016; and

(c) costs and expenses in connection with the Proposed Acquisition are disregarded for the purposes of calculating the financial effects.

1.3. **Proforma Financial Effects.** The proforma financial effects of the Proposed Acquisition as set out below are strictly for illustrative purposes and do not necessarily reflect the actual financial position and performance of the Company or the Group, prepared according to the relevant accounting standards, following the Proposed Acquisition.

2. COMBINED PROFORMA FINANCIAL EFFECTS

2.1. **NTA**

	As at 31 December 2016	Immediately following completion of the Proposed Acquisition
NTA of the Group (US$'000)	228,819	98,400
Number of Shares excluding Treasury Shares	2,353,100,380	2,353,100,380
NTA Per Share (US$)	9.72	4.18

2.2. **EPS**

	FY2016	Immediately following completion of the Proposed Acquisition
Net profit/ (loss) of the Company and its subsidiaries for FY2016 (US$)	22,006,000	22,028,000[(1)]
Weighted average number of Shares in issue[(2)]	5,155,305,000	5,155,305,000
Net profit/ (loss) per Share (US cents) - Basic and diluted	0.43	0.43

Note:

(1) Applying DSU group of companies and UNS unaudited financial performance for 12-months ended 31 December 2016.

(2) The weighted average number of ordinary shares for the year is calculated based on:-

(a) the number of ordinary shares outstanding from the beginning of the prior period, up to the completion of the RTO ("**RTO Completion Date**") is computed based on the weighted average number of ordinary shares of the GEMS Group outstanding before the RTO Completion Date multiplied by the exchange ratio established in the share purchase agreement of the RTO;

(b) the number of ordinary shares outstanding from the RTO Completion Date up to 31 December 2015 is the actual number of ordinary shares of the Company outstanding; and

(c) the weighted average effect of new shares issued by the Company during the year.

2.3. **Share Capital**

The Proposed Acquisition will not have any impact on the issued share capital and shareholding structure of the Company as the Proposed Acquisition does not involve the allotment and issuance of any new shares in the Company and the Consideration is to be satisfied in cash only.