GOLDEN ENERGY AND RESOURCES LIMITED
(Incorporated in the Republic of Singapore)
(Registration no. 199508589E)

Unaudited Financial Statements for the Period Ended 31 December 2017

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		
		12 Months Ended		
		31.12.2017	Restated 31.12.2016	+/(-) %
		US$'000		
Revenue	1	**763,806**	393,272	94.2
Cost of sales		**(447,898)**	(249,167)	79.8
Gross profit		**315,908**	144,105	119.2
Other income	2	**17,353**	13,796	25.8
Selling and distribution expenses		**(99,202)**	(56,443)	75.8
Administrative expenses		**(55,110)**	(34,767)	58.5
Other operating expenses		**(8,715)**	(3,908)	123.0
Fair value loss on biological assets		**(644)**	(2,531)	(74.6)
Finance costs	3	**(11,949)**	(11,112)	7.5
Profit before tax	4	**157,641**	49,140	220.8
Income tax expense	5	**(53,206)**	(15,476)	243.8
Profit for the year		**104,435**	33,664	210.2
Other comprehensive income not to be reclassified to profit or loss :				
Net actuarial gain/(loss) on post employment benefits		**73**	(46)	258.7
Other comprehensive income to be reclassified to profit or loss:				
Net fair value loss on available for sale financial asset		**(838)**	-	n.m.
Foreign currency translation		**4,476**	(1,129)	496.5
Total comprehensive income for the year		**108,146**	32,489	232.9
Profit for the year attributable to:				
Owners of the Company		**62,950**	22,006	186.1
Non-controlling interests		**41,485**	11,658	255.9
		104,435	33,664	210.2
Total comprehensive income for the year attributable to:				
Owners of the Company		**67,032**	21,220	215.9
Non-controlling interests		**41,114**	11,269	264.8
		108,146	32,489	232.9

Notes to the Statement of Comprehensive Income

		Group		
		12 Months Ended		
		31.12.2017	31.12.2016	+/(-) %
		US$'000		
1	**Revenue**			
	Coal Mining	**645,421**	329,523	95.9
	Coal Trading	**114,027**	54,817	108.0
	Others	**4,358**	8,932	(51.2)
		763,806	393,272	94.2
2	**Other Income**			
	Foreign exchange gain, net	**-**	255	(100.0)
	Interest income	**6,790**	6,099	11.3
	Compensation income	**1,673**	485	244.9
	Write back of withholding tax expense	**4,846**	1,851	161.8
	Miscellaneous income	**4,044**	5,106	(20.8)
		17,353	13,796	25.8
3	**Finance costs**			
	Interest expenses	**5,534**	6,466	(14.4)
	Trade financing charges	**4,022**	4,028	(0.1)
	Amortisation of discounted loans and borrowings	**-**	325	(100.0)
	Others	**2,393**	293	716.7
		11,949	11,112	7.5
4	**Profit before tax is arrived after charging the following:**			
	Freight and stockpile	**125,187**	67,397	85.7
	Royalty fees	**69,789**	33,883	106.0
	Mining services and overheads	**224,405**	110,095	103.8
	Depreciation of property, plant and equipment	**5,111**	4,952	3.2
	Amortisation expenses	**8,926**	24,982	(64.3)
	Foreign exchange loss	**5,508**	**-**	n.m.
	Inventories recognised as an expenses in cost of sales	**101,995**	56,916	79.2
5	**Income tax expenses can be analysed as follows:**			
	Current Income Tax	**42,826**	12,266	249.1
	Withholding Tax Expense	**6,507**	1,509	331.2
	Deferred Income Tax Expense	**2,586**	983	163.1
		51,919	14,758	251.8
	Under provision in respect of previous years			
	Income Tax	**1,287**	718	79.2
		53,206	15,476	243.8

n.m. : denotes 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	
	As at **31.12.2017**	**Restated** As at **31.12.2016**	As at **31.12.2017**	As at **31.12.2016**
	US$'000		US$'000	
Non-Current Assets				
Biological assets	**316**	-	**-**	-
Property, plant and equipment	**64,435**	58,940	**196**	9
Mining properties	**85,848**	88,836	**-**	-
Intangible assets	**11,699**	12,204	**-**	-
Goodwill on consolidation	**103,679**	103,707	**-**	-
Amounts due from subsidiaries	**-**	-	**2,063**	217
Investment in subsidiaries	**-**	-	**1,337,613**	1,203,073
Other investments	**23,340**	14	**23,310**	-
Deferred tax assets	**4,667**	7,006	**-**	-
Other receivables	**204**	258	**-**	-
Restricted funds	**4,664**	639	**1,310**	-
Other non-current assets	**23,139**	23,548	**-**	-
	321,991	295,152	**1,364,492**	1,203,299
Current Assets				
Inventories	**16,135**	8,637	**-**	-
Amounts due from subsidiaries	**-**	-	**1,038**	1,510
Trade and other receivables	**133,736**	79,046	**36,415**	204
Advances to suppliers/vendors	**89,801**	58,403	**-**	-
Other current assets	**1,690**	1,551	**128**	91
Held for trading investment	**1,023**	-	**1,023**	-
Cash and cash equivalents	**188,701**	79,076	**13,579**	20,354
	431,086	226,713	**52,183**	22,159
Current Liabilities				
Trade and other payables	**162,003**	61,985	**6,475**	9,372
Amounts due to subsidiaries	**-**	-	**1,041**	1,798
Provision for taxation	**35,348**	8,808	**6**	52
Loans and borrowings	**25,209**	2,270	**-**	-
	222,560	73,063	**7,522**	11,222
Net Current Assets	**208,526**	153,650	**44,661**	10,937
Non-Current Liabilities				
Trade and other payables	**123**	112	**-**	-
Loans and borrowings	**69,774**	47,388	**30,000**	-
Deferred tax liabilities	**13,007**	13,084	**103**	95
Post-employment benefits	**2,837**	2,338	**-**	-
Provision for mine closure	**1,721**	1,676	**-**	-
	87,462	64,598	**30,103**	95
Net Assets	**443,055**	384,204	**1,379,050**	1,214,141
Represented by:				
Equity attributable to equity holders of the Company				
Share capital	**305,528**	316,253	**1,230,107**	1,631,352
Reserves	**40,201**	(19,779)	**148,943**	(417,211)
	345,729	296,474	**1,379,050**	1,214,141
Non-controlling interests	**97,326**	87,730	**-**	-
Total Equity	**443,055**	384,204	**1,379,050**	1,214,141

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 31.12.2017		**As at 31.12.2016**		**As at 31.12.2017**		**As at 31.12.2016**	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
US$'000		US$'000		US$'000		US$'000	
25,209	**-**	2,270	-	**69,774**	**-**	47,388	**-**

[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) Pledge on the trade receivables and/or inventories for a minimum amount and a fixed margin deposit of a subsidiary; and
(b) The collaterals include certain property, plant and equipment and pledge of shares of certain 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.

	Group	
	12 Months Ended	
	31.12.2017	Restated 31.12.2016
	US$'000	
Cash flows from operating activities:		
Profit before tax	**157,641**	49,140
Adjustments for:		
Provision for mine closure	**45**	280
Depreciation of property, plant and equipment	**5,111**	4,952
Defined post-employment benefit expense	**462**	558
Amortisation of mining properties	**5,773**	21,382
Amortisation of software	**144**	239
Amortisation of land exploitation	**2,504**	2,856
Amortisation of intangible assets	**505**	505
Amortisation of loans and borrowings	**-**	325
Gain on disposal of other short-term investment	**(1,018)**	-
Inventories written down	**56**	38
Write back of withholding tax expense	**(4,846)**	(1,851)
Impairment loss on property, plant and equipment	**993**	85
Fair value gain on other investment	**(5)**	-
Fair value loss on biological assets	**644**	2,531
Interest and other financial charges	**9,556**	10,494
Interest income	**(6,790)**	(6,099)
Reversal of prior year interest expense	**-**	(4,029)
Net exchange differences	**5,907**	(2,042)
Operating cash inflows before changes in working capital	**176,682**	79,364
(Increase)/Decrease in inventories	**(7,553)**	7,868
Increase in trade and other receivables, advances and other current assets	**(80,043)**	(309)
Increase/(Decrease) in trade and other payables	**97,301**	(24,907)
Cash flows generated from operations	**186,387**	62,016
Interest and other financial charges paid	**(9,333)**	(9,647)
Interest income received	**7,425**	5,190
Income taxes paid	**(15,554)**	(3,734)
Net cash flows generated from operating activities	**168,925**	53,825
Cash flows from investing activities		
Net cash outflows on acquisition of subsidiaries	**-**	(36,440)
Net cash inflow from disposal of other investment	**1,018**	-
Purchase of investment securities	**(24,147)**	-
Additions to biological assets	**(960)**	(505)
Additions to mining properties	**(3,099)**	(5,644)
Additional of other investment	**(1,018)**	-
Advance payment for proposed acquisition of subsidiaries	**(8,000)**	-
Proceeds from disposal of property, plant and equipment	**29**	-
Purchase of property, plant and equipment	**(11,633)**	(2,488)
Receipt from loan to third parties	**-**	7
(Increase)/Decrease in other non-current assets	**(4,699)**	19,643
Changes in restricted funds	**(4,025)**	(325)
Net cash flows used in investing activities	**(56,534)**	(25,752)
Cash flows from financing activities		
Payment of dividend	**(17,777)**	-
Payment of dividend to NCI of subsidiaries	**(31,518)**	(5,622)
Proceeds from compliance placement, net of expenses	**-**	84,177
Proceeds from loans and borrowings	**149,140**	18,131
Repayment of loans and borrowings	**(103,377)**	(92,562)
Net cash flows (used in)/generated from financing activities	**(3,532)**	4,124
Net increase in cash and cash equivalents	**108,859**	32,197
Effect of exchange rate changes on cash and cash equivalents	**766**	2,392
Cash and cash equivalents at 1 January	**79,076**	44,487
Cash and cash equivalents at 31 December	**188,701**	79,076

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 12 months ended 31 December 2017 and 31 December 2016

	Group		Company	
	12 Months Ended		12 Months Ended	
	31.12.2017	Restated 31.12.2016	31.12.2017	31.12.2016
	US$'000		US$'000	
Profit for the year	**104,435**	33,664	**82,715**	11,825
Other comprehensive income not to be reclassified to profit & loss:				
Net actuarial gain/(loss) on post employment benefits	**73**	(46)	**-**	-
Other comprehensive income to be reclassified to profit & loss:				
Foreign currency translation	**4,476**	(1,129)	**100,809**	(25,586)
Net fair value loss on available for sale financial asset	**(838)**	-	**(838)**	-
Total comprehensive income for the year	**108,146**	32,489	**182,686**	(13,761)
Total comprehensive income attributable to:				
Owners of the Company	**67,032**	21,220	**182,686**	(13,761)
Non-controlling interests	**41,114**	11,269	**-**	**-**
	108,146	32,489	**182,686**	(13,761)

(ii) Consolidated statement of changes in equity for the 12 months ended 31 December 2017 and 31 December 2016

	<---------- 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 2017,restated[(1)]	316,253	(50,841)	1,281	29,781	(19,779)	87,730	384,204
Profit for the year	-	-	-	62,950	62,950	41,485	104,435
Other comprehensive income							
Net fair value loss on available for sale assets	-	-	(838)	-	(838)	-	(838)
Net actuarial loss on post employment benefits	-	-	37	-	37	36	73
Foreign currency translation	-	4,883	-	-	4,883	(407)	4,476
Other comprehensive income for the year	-	4,883	(801)	-	4,082	(371)	3,711
Total comprehensive income for the year	-	4,883	(801)	62,950	67,032	41,114	108,146
Contributions by and distributions to owners							
Capital reduction	(10,725)	-	-	10,725	10,725	-	-
Dividends paid on ordinary shares	-	-	-	(17,777)	(17,777)	-	(17,777)
Dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	(31,518)	(31,518)
Total contributions by and distributions to owners	(10,725)	-	-	(7,052)	(7,052)	(31,518)	(49,295)
Balance as at 31 December 2017	305,528	(45,958)	480	85,679	40,201	97,326	443,055
Balance as at 1 January 2016, restated	232,076	(50,046)	1,270	7,775	(41,001)	82,085	273,160
Profit for the year	-	-	-	22,006	22,006	11,658	33,664
Other comprehensive income, restated							
Net actuarial gain on post employment benefits	-	-	9	-	9	(55)	(46)
Foreign currency translation, restated	-	(795)	-	-	(795)	(334)	(1,129)
Other comprehensive income for the year	-	(795)	9	-	(786)	(389)	(1,175)
Total comprehensive income for the year	-	(795)	9	22,006	21,220	11,269	32,489
Contributions by and distributions to owners							
Dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	(5,622)	(5,622)
Total contributions by and distributions to owners	-	-	-	-	-	(5,622)	(5,622)
Difference arising from transaction with non-controlling interest	-	-	2	-	2	(2)	-
Issuance of shares pursuant to Compliance Placement	85,098	-	-	-	-	-	85,098
Share issuance expenses	(921)	-	-	-	-	-	(921)
Balance as at 31 December 2016, restated[(1)]	316,253	(50,841)	1,281	29,781	(19,779)	87,730	384,204

Note:
(1): On 18 September 2017, the Purchase Price Allocation in connection with the acquisition of EMS and its subsidiaries has been finalised and the financial statements have been adjusted accordingly on a retrospective basis.

(iii) Statement of changes in equity of the Company for the 12 months ended 31 December 2017 and 31 December 2016

	<---------- 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 2017	1,631,352	(33,615)	5,826	-	(389,422)	(417,211)	1,214,141
Profit for the year	-	-	-	-	82,715	82,715	82,715
Other comprehensive income							
Net fair value loss on available for sale assets	-	-	(838)	-	-	(838)	(838)
Foreign currency translation	-	100,809	-	-	-	100,809	100,809
Total comprehensive income for the year	-	100,809	(838)	-	82,715	182,686	182,686
Capital reduction	(401,245)	-	-	-	401,245	401,245	-
Dividends paid	-	-	-	-	(17,777)	(17,777)	(17,777)
Total transactions with owners in their capacity as owners	(401,245)	-	-	-	383,468	383,468	(17,777)
Balance as at 31 December 2017	1,230,107	67,194	4,988	-	76,761	148,943	1,379,050
Balance as at 1 January 2016	1,546,171	(8,029)	5,826	1,003	(401,247)	(402,447)	1,143,724
Profit for the year	-	-	-	-	11,825	11,825	11,825
Other comprehensive income							
Foreign currency translation	-	(25,586)	-	-	-	(25,586)	(25,586)
Total comprehensive income for the year	-	(25,586)	-	-	11,825	(13,761)	(13,761)
Issuance of ordinary shares	86,102	-	-	(1,003)	-	(1,003)	85,099
Share issuance expenses	(921)	-	-	-	-	-	(921)
Total transactions with owners in their capacity as owners	85,181	-	-	(1,003)	-	(1,003)	84,178
Balance as at 31 December 2016	1,631,352	(33,615)	5,826	-	(389,422)	(417,211)	1,214,141

(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 and the number of subsidiary holdings, 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.**

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 31.12.2017	As at 31.12.2016
Total number of issued shares	2,353,100,380	2,353,100,380

(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) **Acquisition of subsidiaries**

On 20 September 2016, the Group's subsidiary company, PT Golden Energy Mines Tbk ("GEMS") and PT Kuansing Inti Makmur ("KIM") acquired 100% share ownership in PT Era Mitra Selaras ("EMS") and its subsidiaries. EMS and its subsidiaries have not started operations.

Upon completion of the acquisition, the Group recognised a preliminary positive goodwill amounting to US$7.16 million in the financial statements based on the estimated fair value of the assets and liabilities on the acquisition date and accounted for in accordance with the accounting policies of the Group. The goodwill represents an excess on the fair value of purchase consideration over the fair value of the net identifiable assets of the net identifiable assets of EMS and its subsidiaries.

On 18 September 2017, the Purchase Price Allocation has been finalised with a positive goodwill of US$5.14 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 EMS and its subsidiaries' identifiable assets and liabilities as of the acquisition date were as follows:**

	Fair value recognised on acquisition Restated
	US$'000
Mining properties	42,118
Other non-current assets	104
Cash and cash equivalents	744
Other payables and accruals	(503)
Deferred tax liabilities	(10,423)
Total identifiable net assets at fair value	32,040
Fair value of purchase consideration	(37,184)
Goodwill arising from acquisition	(5,144)

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 2016. A number of new accounting standards are effective for the financial year beginning 1 January 2017. The adoption of these standards has no material impact on the financial statements.

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.**

Refer to paragraph 4 above.

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	
		12 Months Ended	
		31.12.2017	31.12.2016
Profit net of tax for the period attributable to owners of the Company used in the computation of basic and diluted earnings per share:			
(i)	Basic earnings per share (US cents) :-	**2.68**	1.01
	- Weighted average number of ordinary shares ('000) *	**2,353,100**	2,181,650
(ii)	Diluted earnings per share (US cents) :-	**2.68**	1.01
	- Adjusted weighted average number of ordinary shares ('000) *	**2,353,100**	2,181,650

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

	Group		Company	
	31.12.2017	Restated 31.12.2016	31.12.2017	31.12.2016
Net asset value per share (US cents)	14.69	12.60	58.61	51.60
Number of shares ('000)	**2,353,100**	2,353,100	**2,353,100**	2,353,100

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 comprises revenue generated from Coal Mining and Coal Trading Divisions as well as Others. Revenue from the Group increased from US$393.27 million in FY16 to US$763.81 million in FY17. The increase was mainly due to increases in revenue from the Group's Coal Mining and Coal Trading Divisions, partially offset by a decrease in revenue from Others.

Coal Mining Division

The Group's Coal Mining Division reported an increase in revenue from US$329.52 million in FY16 to US$645.42 million in FY17. The increase was mainly due to higher sales volume and higher weighted average selling price achieved as compared to the corresponding reporting year. Weighted average selling price increased from US$33.80 per metric ton in FY16 to US$42.49 per metric ton in FY17. The average Indonesia Coal Index 4 ("ICI4") in FY17, a better proxy for the majority of the Group's coal quality, was US$42.91 per metric ton.

Coal Trading Division

Revenue generated by the Group's Coal Trading Division increased from US$54.82 million in FY16 to US$114.03 million in FY17. The increase was mainly due to higher sales volume and higher weighted average sales price as compared to the corresponding reporting year.

Others

Revenue comprises revenue generated from log sales as well as management fee income. Revenue decreased from US$8.93 million in FY16 to US$4.36 million in FY17 due to a decrease in log sales volume and management fee income received as compared to the corresponding reporting year.

Cost of Sales

The Group reported an increase in cost of sales from US$249.17 million in FY16 to US$447.9 million in FY17. This was mainly due to increase in (i) mining services, coal freight, mining overhead and royalty as a result of an higher coal production and sales activities; and (ii) coal purchases from Coal Trading Division, offset by lower amortisation expenses resulting from lower depletion of mine properties for stripping activity asset in the Group's Coal Mining Division.

Gross Profit

The Group's gross profit increased from US$144.11 million in FY16 to US$315.91 million in FY17. The increase in gross profit was mainly due to the above factors.

Other income

The Group's other income increased from US$13.8 million in FY16 to US$17.35 million in FY17, mainly due to an increase in write back of withholding tax expense as a results of tax amnesty of US$3 million, interest income of US$0.69 million and compensation income of US$1.19 million, offset by an absence of foreign exchange gain of US$0.26 million and a decrease in miscellaneous income of US$1.06 million.

Expenses

Selling and distribution expenses

The Group's selling and distribution expenses increased from US$56.44 million in FY16 to US$99.2 million in FY17 mainly due to increase in freight and stockpile expenses in line with the increase in coal sales volume from Coal Mining and Coal Trading Divisions.

Administrative expenses

The Group's administrative expenses increased from US$34.77 million in FY16 to US$55.11 million in FY17 mainly due to increases in (i) repair and maintenance expenses for road development of our Group's coal concessions, (ii) salaries, benefits and employee welfare expenses as a result of a higher employee headcount, and (iii) legal and professional fees incurred for various corporate exercises.

Other operating expenses

The Group's other operating expenses increased from US$3.91 million in FY16 to US$8.72 million in FY17 mainly due to increase in (i) foreign exchange loss in FY17, (ii) amortisation expense, and (iii) other taxes.

Fair value loss on biological asset

The Group recorded a fair value loss on our biological assets of approximately US$0.64 million in FY2017. The fair value loss was attributed to the harvesting of the logs during the financial year, offset by a marginal increase of US$0.30 million in the valuation of the biological asset as a result of increase in plantation area and improved pricing.

Finance costs

The Group's finance costs remained relatively stable.

Income tax expenses

Income tax expenses increased from US$15.48 million in FY16 to US$53.21 million in FY17 as a result of (i) higher taxable profits in FY17 and (ii) an increase in withholding tax expense due to higher dividend income from a subsidiary company.

Profit after tax

Due to the factors above, the Group recorded a net profit of US$104.44 million in FY17 as compared to US$33.66 million in FY16, and a profit attributable to owners of the Company of US$62.95 million in FY17 as compared to US$22.01 million in FY16.

(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

Non-current assets

- Property, plant and equipment increased by US$5.5 million as a result of additions to property, plant and equipment, offset by depreciation.

- The decrease in deferred tax assets of US$2.34 million was due to the de-recognition of deferred tax assets from tax losses carried forward in subsidiaries.

- The increase in other investments of US$23.33 million was due to our initial payment for our investment in Westgold Resources Limited ("Westgold").

- The increase in restricted fund of US$4.03 million was due to an increase of reclamation guarantee money placed with banks and funds deposited in the interest reserve account relating to a loan.

Current assets

- The increase in inventories of US$7.5 million was due to an increase in coal production.

- The increase in trade and other receivables of US$54.69 million was mainly due to higher sales volume in 4Q17.

- The increase in advances to suppliers/vendors of US$31.4 million was mainly due to an increase of advance payment of US$22.8 million to coal suppliers and a down payment of US$8.0 million to the vendors for the proposed acquisition of BSL respectively.

Current liabilities

- Trade and other payables increased by US$100.02 million, mainly due to increased activities in 4Q17 in line with higher sales volume.

- Provision for taxation increased by US$26.54 million as a result of the increase in taxable income during the period under review.

- Loans and borrowings increased by US$22.94 million as a result of drawdown of working capital loan facility during the period under review.

Non-current liabilities

- Post-employment benefits increased by US$0.5 million mainly due to provision for employees benefit liability during the current reporting period.

- Loans and borrowings increased by US$22.39 million as a result of drawdown of a loan facility for the acquisition of Westgold partially offset by the refinancing of an existing loan facility at a lower interest rate.

As at 31 December 2017, the Group has net current assets of US$208.53 million and the Company has net current assets of US$44.66 million. The Group has loans and borrowings totalling US$94.98 million out of which US$25.21 million are due within the next 12 months.

Review of Statement of Cash Flows

For FY17, the Group had net cash inflows of US$108.86 million mainly due to the following:

Net cash generated from operating activities of US$168.92 million which comprised operating cash inflow before working capital changes of US$176.68 million, net working capital inflow of US$9.71 million, income tax paid as well as interest and other financial charges paid amounting to US$15.55 million and US$9.33 million respectively. The Group also recorded interest income received of US$7.43 million.

The net working capital inflow of US$9.71 million was mainly due to an increase in trade and other payables of US$97.3 million partially offset by an increase in trade and other receivables, advances and other current assets of US$80.04 million and an increase in inventories of US$7.55 million.

Net cash flows used in investing activities of US$56.53 million was mainly due to (i) additions of other investment of US$1.02 million; (ii) down payment for proposed acquisition of BSL of US$8 million; (iii) purchase of property, plant and equipment of US$11.63 million; (iv) changes in restricted fund of US$4.03 million; (v) initial payment for our investment in Westgold of US$24.15 million; and (vi) an increase in other non-current assets of US$4.7 million and (vii) additions to mining properties of US$3.1 million.

Net cash flows used in financing activities of US$3.53 million was mainly due to (i) repayment of loans and borrowings of US$103.38 million; (ii) payment of dividend of US$17.78 million; and (iii) payment of dividend to non-controlling interest of subsidiaries of US$31.52 million; partially offset by proceeds from loans and borrowings of US$149.14 million.

Proposed Capital Reduction to Reduce the Share Capital of the Company

On 15 September 2017, the Company announced its intention to undertake a capital reduction exercise pursuant to Section 78A read with Section 78C of the Companies Act (Chapter 50) of Singapore ("Companies Act") by reducing and cancelling the share capital of the Company, which is unrepresented by available assets to the extent of US$401,245,503 ("Proposed Capital Reduction"). The Proposed Capital Reduction is to write off accumulated losses of the Company up to 31 December 2015 of US$401,245,503. The paid-up share capital of the Company will reduce from US$1.63 billion to US$1.23 billion immediately after the implementation of the Proposed Capital Reduction exercise. The Proposed Capital Reduction exercise will also not involve the payment to any Shareholder of any paid-up share capital of the Company and there will be no change in the total number of issued ordinary shares in the Company held by the Shareholders of the Company immediately after the Proposed Capital Reduction exercise.

On 31 October 2017, GEAR's Shareholders unanimously approved the resolution for the Proposed Capital Reduction. The Company has filed the relevant publicity requirements as prescribed in the Companies Act, and lodged the relevant documents required under the Companies Act with the Accounting and Corporate Regulatory Authority of Singapore on 13 December 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.

We remain positive on the long-term outlook for the coal sector in Indonesia and the region as the expansion of the global economy is expected to spur manufacturing activities in Asia, which will drive demand for thermal coal .

Southeast Asia, in particular, is expected to be a key driver for this demand regionally, given its plans to more than double its current coal-fired capacity by 2040 . Indonesia's domestic coal consumption is expected to exceed 100 MT this year in support of the Indonesian government's ongoing electrification programme to add 35,000 megawatts in power generation capacity across the country by 2019.

Meanwhile, global supply has remained tight due to heavy congestion at ports in Australia and domestic production shortages in both China and India, particularly during the winter months .

Reflecting this, FOB Kalimantan 4,200 kcal/kg GAR coal price in January 2018 surged 34% since the start of 2017 to reach US$49.60/MT. The ongoing supply disruptions are likely to keep coal prices at relatively stable levels going forward.

11 Dividend

(a) Current Financial Period Reported On

Any ordinary dividend declared for the current financial period reported on?
Yes

Name of Dividend:	Final
Dividend type:	Cash
Dividend Amount per Share:	1.00 Singapore cents per ordinary share
Tax rate:	Tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Period

None

(c) Date payable.

To be announced at a later date

(d) Book Closure Date

To be announced at a later date

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

Not applicable

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$100,000)
	12 Months Ended	12 Months Ended
	31.12.2017 US$'000	31.12.2017 US$'000
Sales :		
PT Indah Kiat Pulp & Paper Tbk	-	83,712
PT Lontar Papyrus Pulp and Paper Industry	-	28,154
PT Sinar Mas Agro Resources & Technology Tbk	-	6,044
GMR Infrastructure Ltd	2,796[@]	-
PT Pabrik Kertas Tjiwi Kimia Tbk	-	9,393
PT SOCI Mas	-	3,785
Hainan Jinhai Trading (Hong Kong) Co,. Ltd **	-	55,526
PT Ivo Mas Tunggal	2,496**	-
PT Energi Sejahtera Mas	2,276**	-
PT Pindo Deli Pulp and Paper Mills	-	9,714
Interest income :		
PT Bank Sinarmas Tbk	-	11
Purchases :		
PT Rolimex Kimia Nusamas	-	70
Rental expenses :		
PT Royal Oriental	-	906
Repair and maintenance:		
PT Wirakarya Sakti	-	1,040
Insurance expenses :		
PT Kalibesar Raya Utama	-	19
PT Asuransi Sinar Mas	-	3,525

** Coal sale contracts entered into with PT Energi Sejahtera Mas and PT Ivo Mas Tunggal prior to 28 April 2017 and delivered during the Period under Review. On 28 April 2017, the Shareholders of the Company approved to include PT Energi Sejahtera Mas and PT Ivo Mas Tunggal under the Sinar Mas IPT Mandate. GEAR Audit Committee has reviewed the Coal Sale contracts in the relevant period under review.

[@] Coal sale contract entered into under the Coal Sale Agreement with GMR Coal Resources Pte Ltd which was approved by Shareholders on 21 August 2017.

14 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.

15 **Segmental 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.**

(a) **Operating Segment**

	2017				
	Coal Mining	**Coal Trading**	**Others**	**Elimination**	**Consolidated**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Segment revenue					
Revenue from external customers	645,421	114,027	4,358	-	763,806
Inter segment revenue	-	114	27	(141)	-
Total revenue	645,421	114,141	4,385	(141)	763,806
Segment results	174,726	235,535	118,822	(366,282)	162,800
Interest income					6,790
Finance costs					(11,949)
Profit before tax					157,641
Income tax expense					(53,206)
Profit after tax					104,435
Segment assets	295,373	519,862	228,956	(393,224)	650,967
Unallocated assets					102,110
Total assets					753,077
Segment liabilities	(187,336)	(216,803)	(4,392)	192,590	(215,941)
Unallocated liabilities					(94,081)
Total liabilities					(310,021)
Other segment information					
Depreciation of property, plant and equipment	4,251	233	627	-	5,111
Amortisation expenses	8,299	121	506	-	8,926
Fair value loss on biological assets	-	-	644	-	644
Compensation income	-	-	(1,673)	-	(1,673)

	2016 Restated				
	Coal Mining	**Coal Trading**	**Others**	**Elimination**	**Consolidated**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Segment revenue					
Revenue from external customers	329,523	54,817	8,932	-	393,272
Inter segment revenue	-	525	108	(633)	-
Total revenue	329,523	55,342	9,040	(633)	393,272
Segment results	52,123	41,859	40,108	(79,937)	54,153
Interest income					6,099
Finance costs					(11,112)
Profit before tax					49,140
Income tax benefit					(15,476)
Profit after tax					33,664
Segment assets	194,594	358,348	94,828	(237,606)	410,164
Unallocated assets					111,701
Total assets					521,865
Segment liabilities	(112,972)	(86,476)	(7,514)	103,761	(103,201)
Unallocated liabilities					(34,460)
Total liabilities					(137,661)
Other segment information					
Depreciation of property, plant and equipment	4,357	151	444	-	4,952
Amortisation expenses	24,258	219	505	-	24,982
Fair value loss on biological assets	-	-	2,531	-	2,531
Compensation income	-	-	(485)	-	(485)

(b) Geographical Segment

	Segment revenue		Other segment information	
	Sales to external customers		Non-current assets	
	2017 US$'000	2016 US$'000	2017 US$'000	2016 US$'000
Indonesia	226,570	229,113	321,795	295,143
Asia Pacific	523,663	161,621	-	-
Europe	13,573	679	-	-
Singapore	-	1,859	196	9
Consolidated	763,806	393,272	321,991	295,152

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

Coal Mining Division

The Group's Coal Mining Division reported an increase in revenue of US$315.9 million from US$329.52 million in FY16 to US$645.42 million in FY17. The increase was contributed by an increase in sales volume and an increase in weighted average sales price during the year.

Coal Trading Division

Revenue generated by the Group's Coal Trading Division increased by US$59.21 million from US$54.82 million in FY16 to US$114.03 million in FY17 mainly due to higher sales volume and higher weighted average sales price during the year.

Others

Revenue decreased from US$8.93 million in FY16 to US$4.36 million in FY17 due to a decrease in log sales volume and management fee income received as compared to the corresponding year.

17 A breakdown of sales

	Group (US$'000)		
	2017	2016	+/- %
Sales reported for first half year	282,826	186,977	51.3
Operating profit after tax before deducting non-controlling interests reported for first half year	48,690	1,731	2,712.8
Sales reported for second half year	480,980	206,295	133.2
Operating profit after tax before deducting non-controlling interests reported for second half year	55,745	31,933	74.6
Total sales for the year	763,806	393,272	94.2
Total operating profit after tax before deducting non-controlling interests reported for the year	104,435	33,664	210.2

18 Additional disclosure required for Mineral, Oil and Gas companies

(a) Rule 705 (7)(a) - Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Company and a summary of the expenditure incurred in 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 conducted infill exploration drilling including geophysical surveys during the financial year in BIB and KIM mines. The purpose of the drilling was to identify the subsurface geological conditions in detail and to improve the production planning. Group has also carried out exploration drilling in WRL to identify the extension of the coal seams and increase the resources and reserves.

The group has done project infrastructure expansion in BIB concession during the period under review.

The Mines had processed an aggregate of 15,586,745 metric tonnes of Sub-bituminous B coal for the financial year ended 31 December 2017. No mines under construction have been transferred to producing mines during the period under review.

The Group has capitalised approximately US$1.3 million in exploration activities, and expensed US$0.7 million in the ordinary course of regional exploration and US$237.5 million in production activities.

(b) Rule 705 (7)(b) - An update on its reserves and resources, where applicable, in accordance with the requirements as set out in Practice Note 6.3, including a summary of reserves and resources as set out in Appendix 7.5.

Sumary of reserves and resources as of 31 December 2017

Name of Asset / Country: BIB Coal Mining Concession / Indonesia

	Gross Attributable to Licence [1]			Net Attributable to the Company		
Category	Mineral Type	Tonnes (Millions)[4]	Grade	Tonnes (Millions)[4]	Grade	Change from previously reported (%) [2]
Reserves						
Proved	Coal	586.4	Sub-bituminous B	385.4	Sub-bituminous B	13.62%
Probable	Coal	90.8	Sub-bituminous B	59.7	Sub-bituminous B	-33.15%
Total		**677.2**		**445.1**		3.87%
Resources[3]						
Measured	Coal	992	Sub-bituminous B	652	Sub-bituminous B	8.31%
Indicated	Coal	333	Sub-bituminous B	218.9	Sub-bituminous B	-0.50%
Inferred	Coal	504	Sub-bituminous B	331.2	Sub-bituminous B	-10.73%
Total		**1,830**		**1,202.70**		**0.73%**

Notes :
(1) CCoW license issued by the Government of the Republic of Indonesia which was represented by Ministry of Mining and Energy (formerly the Ministry of Energy and Mineral Resources).
(2) Previous coal resources and coal reserves estimates were reported as at 31 December 2016
(3) Coal resources are inclusive of coal reserves
(4) Individual totals may differ due to rounding

The increase in resources and reserves estimates are mainly due to additional drillholes.

The movement in resources and reserves estimates are mainly due to production, coal prices and cost parameters.

Name of Asset / Country: KIM Coal Mining Concession / Indonesia

	Gross Attributable to Licence [1]			Net Attributable to the Company		
Category	Mineral Type	Tonnes (Millions)[4]	Grade	Tonnes (Millions)[4]	Grade	Change from previously reported (%) [2]
Reserves						
Proved	Coal	51	Sub-bituminous B	34.2	Sub-bituminous B	20.85%
Probable	Coal	13.1	Sub-bituminous B	8.8	Sub-bituminous B	-6.38%
Total		**64.1**		**42.9**		13.49%
Resources[3]						
Measured	Coal	116	Sub-bituminous B	77.7	Sub-bituminous B	2.24%
Indicated	Coal	56	Sub-bituminous B	37.5	Sub-bituminous B	-6.25%
Inferred	Coal	92	Sub-bituminous B	61.6	Sub-bituminous B	8.07%
Total		**264**		**176.9**		**2.85%**

(1) IUP license issued by the Governor of Jambi.
(2) Previous coal resources and coal reserve estimates were reported as at 31 December 2016
(3) Coal resources are inclusive of coal reserves
(4) Individual totals may differ due to rounding

The increase in resources and reserves estimates are mainly due to additional drillholes.

The movement in resources and reserves estimates are mainly due to production, coal prices and cost parameters.

Name of Asset / Country: TKS Coal Mining Concession / Indonesia

	Gross Attributable to Licence [1]			Net Attributable to the Company		
Category	Mineral Type	Tonnes (Millions)[3]	Grade	Tonnes (Millions)[3]	Grade	Change from previously reported (%) [2]
Reserves						
Proved	Coal	0	Sub-bituminous B	0	Sub-bituminous B	-
Probable	Coal	0	Sub-bituminous B	0	Sub-bituminous B	-
Total		**0**		**0**		**-**
Resources[3]						
Measured	Coal	24.7	Sub-bituminous B	11.6	Sub-bituminous B	-3.33%
Indicated	Coal	26	Sub-bituminous B	12.2	Sub-bituminous B	1.67%
Inferred	Coal	24	Sub-bituminous B	11.3	Sub-bituminous B	2.73%
Total		**74.7**		**35**		**0.00%**

(1) Two IUP licenses issued by the Keputusan Bupati Barito Utara and one IUP license issued by Bupati Barito Timur
(2) Previous coal resource estimates were reported as at 31 December 2016
(3) Individual totals may differ due to rounding.

No change in the resource estimates .

Name of Asset / Country: WRL Coal Mining Concession / Indonesia

	Gross Attributable to Licence [1]			Net Attributable to the Company		
Category	Mineral Type	Tonnes (Millions)[4]	Grade	Tonnes (Millions)[4]	Grade	Change from previously reported (%) [2]
Reserves						
Proved	Coal	33.8	Sub-bituminous B	22.6	Sub-bituminous B	41.25%
Probable	Coal	53.4	Sub-bituminous B	35.8	Sub-bituminous B	16.23%
Total		**87.2**		**58.4**		24.79%
Resources[3]						
Measured	Coal	54.5	Sub-bituminous B	36.5	Sub-bituminous B	40.38%
Indicated	Coal	100.2	Sub-bituminous B	67.1	Sub-bituminous B	72.05%
Inferred	Coal	161	Sub-bituminous B	107.9	Sub-bituminous B	89.30%
Total		**316**		**211.7**		**72.11%**

(1) IUPOP license issued by the provincial government of South Sumatra
(2) Previous coal resources and coal reserve estimates were reported as at 31 December 2016
(3) Coal resources are inclusive of coal reserves
(4) Individual totals may differ due to rounding.

The increase in resources and reserves estimates are mainly due to additional drillholes.

19 A breakdown of the total annual dividend (in US$ value) for the issuer's latest full year and its previous full year

Not applicable.

20 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such person, the issuer must make an appropriate negative Statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Fuganto Widjaja	36	Fuganto Widjaja, Executive Director and Group Chief Executive Officer of the Company, is the son of Mr. Indra Widjaja and the nephew of Mr. Franky Oesman Widjaja and Mr. Muktar Widjaja. Mr. Indra Widjaja, Mr. Franky Oesman Widjaja and Mr. Muktar Widjaja are ultimate controlling shareholders of the Company.	Executive Director and Group Chief Executive Officer of the Company First held: FY 2015 Commissioner of PT Golden Energy Mines Tbk ("GEMS"), a subsidiary of the Company First held: FY 2017 President Commissioner of PT Borneo Indobara, a subsidiary of GEMS First held: FY 2011 President Commissioner of PT Roundhill Capital Indonesia, a subsidiary of GEMS First held: FY 2011	The appointment as Commissioner in GEMS was approved by the shareholders of GEMS at GEMS' EGM held on 25 November 2016.

21 Use of placement proceeds

Referring to the placement of 181,000,000 new ordinary shares at S$0.67 each in the issued and paid-up share capital of the Company on 9 December 2016, pursuant to which gross proceeds of S$121,270,000 (or net proceeds of S$120,093,000) was raised.

As at the date of this announcement, the Company has utilised the net proceeds as follows:

Intended use of net proceeds	Amount Allotted after the Reallocation	Amount utilised as at the date hereof	Balance after the Reallocation
	S$'000	S$'000	S$'000
Repayment of loans owing to creditors	92,535	92,535	-
Working Capital (including, inter alia, manpower expenses, office running expenses, payment to tax authorities, professional fees for compliance placement and various corporate exercises, internal and external audit fees, fees for tax agents; share registrar; and corporate secretarial service providers)	23,958	16,182	7,776
Repayment of RTO expenses (including, inter alia, professional fees paid to external auditors; financial advisers and legal counsels)	3,600	2,749	851
Total reallocated / utilised / balance after reallocation	120,093	111,466	8,627

The Company will make periodic announcements on the further utilisation of the remaining net proceeds as and when it is materially disbursed, and will provide a status report on the use of the Placement in its annual reports as may be required under the SGX-ST Listing Rules.

BY ORDER OF THE BOARD
Fuganto Widjaja
Executive Director, Chief Executive Officer
9 March 2018

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.