



SGX Announcement

Geo Energy Resources Limited Consolidated Financial Statements

For the Year Ended 31 December 2022

FORWARD LOOKING STATEMENTS

This announcement contains statements that are, or may be deemed to be, "forward looking statements" which are prospective in nature. These forward looking statements may generally be identified by the use of forward looking terminology, or the negative thereof such as "plans", "expects" or "does not expect", "is expected", "seeks", "continues", "assumes", "is subject to", "budget", "scheduled", "estimates", "aims", "forecasts", "risks", "intends", "positioned", "predicts", "projects", "anticipates" or "does not anticipate", or "believes", or variations of such words or comparable terminology and phrases or statements that certain actions, events or results "may", "could", "should", "shall", "would", "might" or "will" be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements are not based on historical facts, but rather on current predictions, assumptions, expectations, beliefs, opinions, plans, objectives, goals, intentions and projections about future events, results of operations, prospects, financial condition and discussions of strategy, any of which could prove to be inaccurate. By their nature, forward looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of Geo Energy Resources Limited ("Geo Energy"). Forward looking statements are not guarantees of future performance and may and often do differ materially from actual results. There is no certainty or assurance as at the date of this announcement that any transaction disclosed in this announcement will proceed or be completed or that no changes will be made to the terms thereof. Important factors that could cause these uncertainties include, but are not limited to, those discussed in Geo Energy's Annual Report 2021. Neither Geo Energy nor any of its associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements which only speak as of the date of this announcement. Other than in accordance with its legal or regulatory obligations (including under the listing rules of the Singapore Exchange Securities Trading Limited), Geo Energy is not under any obligation and Geo Energy and its affiliates expressly disclaim any intention, obligation or undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This announcement shall not, under any circumstances, create any implication that there has been no change in the business or affairs of Geo Energy since the date of this announcement or that the information contained herein is correct as at any time subsequent to its date. No statement in this announcement is intended as a profit forecast or a profit estimate. This announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities. The making of this announcement does not constitute a recommendation regarding any securities. Shareholders, investors and other persons are advised to exercise caution in trading the securities of the Group.

Results Announcement:

To: Shareholders

The Board of Directors (the "Board") of Geo Energy Resources Limited (the "Company", and together with its subsidiaries the "Group") reports the following:

- A record set of results for 2022 as set out in the accompanying consolidated financial statements and other information.
- A strong cash balance of US\$234 million as at 31 December 2022, with minimal debt, puts the Company in a strong position for acquisition opportunities.
- For the financial year ended 31 December 2022, the Board has recommended a final one-tier tax exempt dividend of 4 SG cents per share, subject to shareholders' approval at the Annual General Meeting to be held on 28 April 2023. This brings the dividend payout ratio to 57.0%, higher than our dividend policy of 30% of our net profits.
- Details of the interim dividends paid during 2022, along with the proposed final dividend for 2022 are as follows:

Interim and proposed final dividends:	2022
Interim 1Q2022 one-tier tax exempt dividend	2 SG cents per share
Interim 2Q2022 one-tier tax exempt dividend	2 SG cents per share
Interim 3Q2022 one-tier tax exempt dividend	1 SG cents per share
Proposed final one-tier tax exempt dividend	4 SG cents per share
	<u>9 SG cents per share</u>

On behalf of the Board,

Charles Antonny Melati
Executive Chairman and Chief Executive Officer
27 February 2023

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PART 1 – Unaudited Consolidated Financial Statements Announcement for the Year Ended 31 December 2022

A. Consolidated statement of profit or loss and other comprehensive income

	Note	Group			Group		
		6 months ended 31.12.2022 US\$ (Unaudited)	6 months ended 31.12.2021 US\$ (Unaudited)	% Change	12 months ended 31.12.2022 US\$ (Unaudited)	12 months ended 31.12.2021 US\$ (Audited)	% Change
Revenue	4	365,142,638	421,560,935	(13)	733,474,967	641,888,828	14
Cost of sales		(244,548,253)	(230,092,454)	6	(461,418,818)	(380,656,363)	21
Gross profit		120,594,385	191,468,481	(37)	272,056,149	261,232,465	4
Other income		3,603,558	2,077,674	73	8,347,216	4,235,055	97
General and administrative expenses		(13,215,382)	(10,592,922)	25	(17,958,123)	(15,254,084)	18
Other expenses		(8,088,622)	(4,599,029)	76	(9,316,352)	(5,447,463)	71
Allowance for expected credit loss on trade and other receivables		(15,232,499)	(6,472,895)	135	(15,232,499)	(6,472,895)	135
Finance costs		(27,617)	(1,578,030)	(98)	(53,340)	(4,206,206)	(99)
Profit before income tax		87,633,823	170,303,279	(49)	237,843,051	234,086,872	2
Income tax expense		(30,006,419)	(39,748,807)	(25)	(74,256,155)	(55,010,822)	35
Profit for the period / year	6	57,627,404	130,554,472	(56)	163,586,896	179,076,050	(9)
Other comprehensive income, net of tax:							
Item that may be reclassified subsequently to profit or loss:							
- Exchange differences on translation of foreign operations		(189,555)	(319,155)	(41)	(127,871)	(153,825)	(17)
Item that will not be reclassified subsequently to profit or loss:							
- Net remeasurement of defined benefit obligations		61,594	567,735	(89)	61,594	567,735	(89)
Other comprehensive income for the period / year, net of tax		(127,961)	248,580	nm	(66,277)	413,910	nm
Total comprehensive income for the period / year		57,499,443	130,803,052	(56)	163,520,619	179,489,960	(9)
Profit attributable to:							
Owners of the Company		56,571,520	129,845,272	(56)	161,561,624	177,937,668	(9)
Non-controlling interests		1,055,884	709,200	49	2,025,272	1,138,382	78
		57,627,404	130,554,472	(56)	163,586,896	179,076,050	(9)
Total comprehensive income attributable to:							
Owners of the Company		56,448,582	130,097,699	(57)	161,495,198	178,351,062	(9)
Non-controlling interests		1,050,861	705,353	49	2,025,421	1,138,898	78
		57,499,443	130,803,052	(56)	163,520,619	179,489,960	(9)
Earning per share:	8						
Basic (cents)		4.02	9.23	(56)	11.48	12.68	(9)
Diluted (cents)		4.02	9.21	(56)	11.46	12.66	(9)

nm – not meaningful

B. Statements of financial position

	Note	Group		Company	
		31.12.2022 US\$ (Unaudited)	31.12.2021 US\$ (Audited)	31.12.2022 US\$ (Unaudited)	31.12.2021 US\$ (Audited)
ASSETS					
Current assets					
Cash and bank balances		234,082,769	190,595,157	64,601,526	11,173,163
Trade and other receivables	11	61,777,283	62,403,946	50,481,050	59,979,221
Deposits and prepayments		11,999,171	12,201,135	65,195	209,368
Inventory		30,969,092	24,128,714	-	-
Total current assets		338,828,315	289,328,952	115,147,771	71,361,752
Non-current assets					
Trade and other receivables	11b	5,838,706	6,553,509	-	-
Tax recoverable		12,287,939	7,591,486	-	-
Restricted cash deposits		6,916,015	4,956,322	-	-
Deposits and prepayments		19,731,555	18,960,622	736	8,383
Investment in subsidiaries		-	-	178,745,819	178,745,819
Deferred stripping costs	12	42,823,783	47,782,687	-	-
Property, plant and equipment	13	115,667,998	127,482,815	5,116,836	5,253,232
Right-of-use assets	14	14,633,049	17,733,347	-	-
Deferred tax assets		6,145,063	5,167,415	82,145	230,767
Other non-current asset		153,698	153,698	153,698	153,698
Total non-current assets		224,197,806	236,381,901	184,099,234	184,391,899
Total assets		563,026,121	525,710,853	299,247,005	255,753,651
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables		120,998,414	115,851,006	31,590,752	29,122,937
Current portion of bank borrowing	15	369,197	365,052	369,197	365,052
Current portion of lease liabilities	15	15,533	5,151	-	-
Income tax payable		14,259,397	40,875,944	-	-
Total current liabilities		135,642,541	157,097,153	31,959,949	29,487,989
Non-current liabilities					
Trade and other payables		1,248,020	1,438,167	71,144,443	53,144,443
Bank borrowing	15	3,017,401	3,355,778	3,017,401	3,355,778
Lease liabilities	15	13,038	12,467	-	-
Provisions		1,750,263	1,942,847	-	-
Deferred tax liabilities		13,069,399	12,757,471	-	-
Total non-current liabilities		19,098,121	19,506,730	74,161,844	56,500,221
Capital, reserves and non-controlling interests					
Share capital	16	109,544,661	109,415,916	109,544,661	109,415,916
Treasury shares	17	(4,901,049)	(2,150,021)	(4,901,049)	(2,150,021)
Capital and other reserves		5,175,195	2,756,791	5,001,583	5,010,643
Translation reserve		4,910,598	4,850,836	4,464,245	4,463,927
Retained earnings		292,635,544	232,910,895	79,015,772	53,024,976
Equity attributable to owners of the Company		407,364,949	347,784,417	193,125,212	169,765,441
Non-controlling interests		920,510	1,322,553	-	-
Total equity		408,285,459	349,106,970	193,125,212	169,765,441
Total liabilities and equity		563,026,121	525,710,853	299,247,005	255,753,651

C. Consolidated statement of cash flows

	Group		Group	
	6 months ended	6 months ended	12 months ended	12 months ended
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	US\$	US\$	US\$	US\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Operating activities				
Profit before income tax	87,633,823	170,303,279	237,843,051	234,086,872
Adjustments for:				
Depreciation of property, plant and equipment	7,585,025	9,009,362	15,464,523	16,826,655
Depreciation of right-of-use assets	1,564,285	1,627,371	3,126,804	2,167,975
Amortisation of deferred stripping costs	2,852,560	3,241,492	5,606,222	6,415,296
Gain on disposal of property, plant and equipment	(2,299)	(3,203)	(2,477)	(13,643)
Share-based payment expense	-	61,760	10,592	125,226
Amortisation of deferred gain	(105,736)	(126,518)	(190,147)	(241,689)
Write-back of allowance for inventory written-down	(124,501)	(260,092)	(459,717)	(936,751)
Allowance for expected credit loss on trade and other receivables	15,232,499	6,472,895	15,232,499	6,472,895
Premium on early redemption of the Notes	-	1,183,740	-	1,183,740
Amortisation of transaction costs of the Notes	-	158,126	-	426,346
Interest expense	27,617	1,419,907	53,340	3,779,860
Interest income	(3,453,392)	(2,131,541)	(5,654,592)	(3,904,662)
Retirement benefit obligations	(104,826)	(217,296)	3,244	(16,874)
Net foreign exchange loss (gain)	1,397,376	(914,006)	2,599,694	(158,077)
Operating cash flows before movement in working capital	112,502,431	189,825,276	273,633,036	266,213,169
Trade and other receivables	21,210,625	(6,403,644)	(17,597,660)	(24,484,846)
Deposits and prepayments	772,465	9,877,859	195,770	6,192,207
Inventories	(3,208,047)	3,664,597	(7,963,385)	(2,869,512)
Trade and other payables	(1,628,022)	30,928,853	5,151,599	37,690,472
Cash generated from operations	129,649,452	227,892,941	253,419,360	282,741,490
Income tax paid	(28,720,453)	(9,233,055)	(83,524,642)	(12,562,180)
Income tax refund	12,620	-	14,049	4,224,717
Retirement benefit obligations paid	(9,422)	(9,104)	(17,660)	(15,336)
Net cash from operating activities	100,932,197	218,650,782	169,891,107	274,388,691
Investing activities				
Interest received	1,292,840	229,868	1,683,749	417,925
(Advance payments for) Refund of purchase of property, plant and equipment	(860,111)	1,691,391	(1,013,354)	1,649,497
Purchase of property, plant and equipment	(223,536)	(5,320,279)	(2,923,982)	(6,188,349)
Proceeds from disposal of property, plant and equipment	5,461	5,286	6,273	48,764
Net cash from (used in) investing activities	214,654	(3,393,734)	(2,247,314)	(4,072,163)
Financing activities				
Decrease in deposits pledged and restricted cash deposits	499,437	53,819	395,967	22,012
Interest paid for lease liabilities	(858)	(3,519)	(1,347)	(10,781)
Interest paid for Senior Notes	-	(2,446,396)	-	(4,813,876)
Early redemption of Senior Notes	-	(60,370,740)	-	(60,370,740)
Repayment of obligations under lease liabilities	(10,331)	(12,724,954)	(13,228)	(20,104,919)
Proceeds from bank borrowing	-	3,872,437	-	3,872,437
Repayment of bank borrowing	(204,696)	(151,607)	(411,485)	(151,607)
Proceeds from issuance of share capital	-	2,902,730	128,745	2,902,730
Repurchases of shares	(2,026,027)	(2,150,021)	(2,751,028)	(2,150,021)
Withholding taxes paid	(7,761,204)	(1,601,325)	(15,265,355)	(1,601,325)
Dividends paid	(30,518,441)	(36,246,054)	(101,730,439)	(49,899,096)
Net cash used in financing activities	(40,022,120)	(108,865,630)	(119,648,170)	(132,305,186)

	6 months ended 31.12.2022 US\$ (Unaudited)	6 months ended 31.12.2021 US\$ (Unaudited)	12 months ended 31.12.2022 US\$ (Unaudited)	12 months ended 31.12.2021 US\$ (Audited)
Net increase in cash and cash equivalents	61,124,731	106,391,418	47,995,623	138,011,342
Cash and cash equivalents at beginning of period / year	171,777,069	78,956,936	185,594,921	47,662,057
Effect of exchange rate changes on the balance of cash held in foreign currencies	(925,001)	246,567	(1,613,745)	(78,478)
Cash and cash equivalents at end of period / year	231,976,799	185,594,921	231,976,799	185,594,921
Note A				
Cash on hand and at banks	143,617,186	103,593,405	143,617,186	103,593,405
Deposits	90,465,583	87,001,752	90,465,583	87,001,752
Cash and bank balances	234,082,769	190,595,157	234,082,769	190,595,157
Restricted cash deposits (non-current)	6,916,015	4,956,322	6,916,015	4,956,322
	240,998,784	195,551,479	240,998,784	195,551,479
Less: Deposits pledged	(2,105,970)	(5,000,236)	(2,105,970)	(5,000,236)
Less: Restricted cash deposits (non-current)	(6,916,015)	(4,956,322)	(6,916,015)	(4,956,322)
Cash and cash equivalent	231,976,799	185,594,921	231,976,799	185,594,921

D. Statements of changes in equity

Group	Share capital US\$	Treasury shares US\$	Capital and other reserves US\$	Translation reserve US\$	Retained earnings US\$	Equity attributable to owners of the Company US\$	Non- controlling interests US\$	Total equity US\$
At 1.1.2022 (audited)	109,415,916	(2,150,021)	2,756,791	4,850,836	232,910,895	347,784,417	1,322,553	349,106,970
Profit for the period	-	-	-	-	104,990,104	104,990,104	969,388	105,959,492
Other comprehensive income for the period	-	-	-	(80,881)	137,393	56,512	5,172	61,684
Transactions with owners, recognised directly in equity:								
Issue of share capital	128,745	-	-	-	-	128,745	-	128,745
Repurchases of shares	-	(725,001)	-	-	-	(725,001)	-	(725,001)
Deemed capital contribution*	-	-	10,592	-	-	10,592	-	10,592
Dividend paid	-	-	-	-	(71,211,998)	(71,211,998)	-	(71,211,998)
At 30.6.2022 (unaudited)	109,544,661	(2,875,022)	2,767,383	4,769,955	266,826,394	381,033,371	2,297,113	383,330,484
Profit for the period	-	-	-	-	56,571,520	56,571,520	1,055,884	57,627,404
Other comprehensive income for the period	-	-	-	140,643	(263,581)	(122,938)	(5,023)	(127,961)
Transactions with owners, recognised directly in equity:								
Repurchases of shares	-	(2,026,027)	-	-	-	(2,026,027)	-	(2,026,027)
Exercise of share options**	-	-	(19,652)	-	19,652	-	-	-
Dividend paid	-	-	-	-	(30,518,441)	(30,518,441)	-	(30,518,441)

Effects of additional interests shares in subsidiaries	-	-	2,427,464	-	-	2,427,464	(2,427,464)	-
At 31.12.2022 (unaudited)	109,544,661	(4,901,049)	5,175,195	4,910,598	292,635,544	407,364,949	920,510	408,285,459

Group	Share capital US\$	Treasury shares US\$	Capital and other reserves US\$	Translation reserve US\$	Retained earnings US\$	Equity attributable to owners of the Company US\$	Non-controlling interests US\$	Total equity US\$
At 1.1.2021 (audited)	106,513,187	-	3,081,094	5,000,555	103,867,477	218,462,313	183,655	218,645,968
Profit for the period	-	-	-	-	48,092,396	48,092,396	429,182	48,521,578
Other comprehensive income for the period	-	-	-	160,967	-	160,967	4,363	165,330
Transactions with owners, recognised directly in equity:								
Change in a subsidiary's functional currency	-	-	(7,796)	-	-	(7,796)	-	(7,796)
Deemed capital contribution*	-	-	63,466	-	-	63,466	-	63,466
Dividend paid	-	-	-	-	(13,653,042)	(13,653,042)	-	(13,653,042)
At 30.6.2021 (unaudited)	106,513,187	-	3,136,764	5,161,522	138,306,831	253,118,304	617,200	253,735,504
Profit for the period	-	-	-	-	129,845,272	129,845,272	709,200	130,554,472
Other comprehensive income for the period	-	-	-	(310,686)	563,113	252,427	(3,847)	248,580
Transactions with owners, recognised directly in equity:								
Issue of share capital	2,902,729	-	-	-	-	2,902,729	-	2,902,729
Repurchases of shares	-	(2,150,021)	-	-	-	(2,150,021)	-	(2,150,021)
Deemed capital contribution*	-	-	61,760	-	-	61,760	-	61,760
Exercise of share options**	-	-	(441,733)	-	441,733	-	-	-
Dividend paid	-	-	-	-	(36,246,054)	(36,246,054)	-	(36,246,054)
At 31.12.2021 (audited)	109,415,916	(2,150,021)	2,756,791	4,850,836	232,910,895	347,784,417	1,322,553	349,106,970

Company	Share capital US\$	Treasury shares US\$	Capital and other reserves US\$	Translation reserve US\$	Retained earnings US\$	Total equity US\$
At 1.1.2022 (audited)	109,415,916	(2,150,021)	5,010,643	4,463,927	53,024,976	169,765,441
Profit for the period	-	-	-	-	65,311,265	65,311,265
Other comprehensive income for the period	-	-	-	318	-	318
Transactions with owners, recognised directly in equity:						
Issue of share capital	128,745	-	-	-	-	128,745
Repurchases of shares	-	(725,001)	-	-	-	(725,001)
Deemed capital contribution*	-	-	10,592	-	-	10,592
Dividend paid	-	-	-	-	(71,211,998)	(71,211,998)
At 30.6.2022 (unaudited)	109,544,661	(2,875,022)	5,021,235	4,464,245	47,124,243	163,279,362
Profit for the period	-	-	-	-	62,390,318	62,390,318
Transactions with owners, recognised directly in equity:						
Repurchases of shares	-	(2,026,027)	-	-	-	(2,026,027)
Exercise of share options**	-	-	(19,652)	-	19,652	-
Dividend paid	-	-	-	-	(30,518,441)	(30,518,441)
At 31.12.2022 (unaudited)	109,544,661	(4,901,049)	5,001,583	4,464,245	79,015,772	193,125,212

Company	Share capital US\$	Treasury shares US\$	Capital and other reserves US\$	Translation reserve US\$	Retained earnings US\$	Total equity US\$
At 1.1.2021 (audited)	106,513,187	-	5,327,150	4,464,506	54,936,849	171,241,692
Profit for the period	-	-	-	-	7,883,840	7,883,840
Transactions with owners, recognised directly in equity:						
Deemed capital contribution*	-	-	63,466	-	-	63,466
Dividend paid	-	-	-	-	(13,653,042)	(13,653,042)
At 30.6.2021 (unaudited)	106,513,187	-	5,390,616	4,464,506	49,167,647	165,535,956
Profit for the period	-	-	-	-	39,661,650	39,661,650
Other comprehensive income for the period	-	-	-	(579)	-	(579)
Transactions with owners, recognised directly in equity:						
Issue of share capital	2,902,729	-	-	-	-	2,902,729
Repurchases of shares	-	(2,150,021)	-	-	-	(2,150,021)
Deemed capital contribution*	-	-	61,760	-	-	61,760
Exercise of share options**	-	-	(441,733)	-	441,733	-
Dividend paid	-	-	-	-	(36,246,054)	(36,246,054)
At 31.12.2021 (audited)	109,415,916	(2,150,021)	5,010,643	4,463,927	53,024,976	169,765,441

* Pertained to deemed capital contribution by Master Resources International Limited ("MRIL"), a substantial shareholder of the Company for the transfer of its shares in the Company to a former director (and the former Chief Executive Officer) of the Company, as share-based payment.

** Pertained to the exercise of share options pursuant to the Geo Energy share option scheme granted on 11 January 2019.

E. Notes to the consolidated financial statements

1. Corporate information

The Company (Registration No. 201011034Z) is incorporated in Singapore with its principal place of business and registered office at 7 Temasek Boulevard, #39-02 Suntec Tower One, Singapore 038987. The Company is listed on the Singapore Exchange Securities Trading Limited. These consolidated financial statements as at and for the year ended 31 December 2022 comprise the Company and its subsidiaries (collectively, the "Group"). The principal activity of the Company is that of investment holding and provision of management support services. The principal activities of the Group are coal mining, coal trading and mining services.

2. Basis of preparation

The financial statements for the year ended 31 December 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 and International Financial Reporting Standards ("IFRS") 34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore and International Accounting Standards Board, respectively. The interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2022 and the business update for the 9 months ended 30 September 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I) and IFRS, except for the adoption of new and amended SFRS(I) and IFRS that are relevant to the Group's operations. The adoption of the new and amended SFRS(I) and IFRS does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior periods.

The financial statements are presented in United States dollar, which is the Company's functional currency.

2.1 Use of judgments and estimates

In preparing the financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 7 – Income tax expense
- Note 11a – Financial assets at fair value through profit or loss
- Note 11b – Allowance for expected credit loss arising from advance payments for coal purchase
- Note 12 – Deferred stripping costs
- Note 13 – Property, plant and equipment

3. Seasonal operations

The Group's production in 2H2022 was affected by the prolonged extreme rainfall, significantly reducing the rate of coal mining and limiting the speed of transportation and transshipments of coal for sale. According to the Indonesian Agency for Meteorological, Climatological and Geophysics, rainfall is expected to improve to moderate to high level in 1Q2023¹.

¹ https://cdn.bmkg.go.id/web/BULETIN_HUJAN_BULANAN_BMKG_Edisi_JANUARI_2023.pdf

4. Segment and revenue information

The Group is organised into the following main business segments:

- Coal mining;
- Coal trading; and
- Mining services

Segment revenue represents revenue generated from external customers. Segment results represent the profit earned from each segment after allocating costs directly attributable to a segment as well as those that can be allocated on a reasonable basis. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Assets and liabilities are not allocated by segment as they are not considered critical by the chief operating decision maker in resource allocation and assessment of segment performance.

Group	Revenue		Gross Profit	
	6 months ended	6 months ended	6 months ended	6 months ended
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	US\$ (Unaudited)	US\$ (Unaudited)	US\$ (Unaudited)	US\$ (Unaudited)
Coal Mining	365,142,638	421,560,935	120,594,385	191,468,481
	365,142,638	421,560,935	120,594,385	191,468,481

Group	EBITDA		Profit Before Income Tax	
	6 months ended	6 months ended	6 months ended	6 months ended
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	US\$ (Unaudited)	US\$ (Unaudited)	US\$ (Unaudited)	US\$ (Unaudited)
Coal Mining	132,194,222	204,779,160	120,696,291	191,568,197
Unallocated:				
Depreciation of property, plant, and equipment	-	-	(277,531)	(307,454)
Allowance for expected credit loss on trade and other receivables	-	-	(15,232,499)	(6,472,895)
Other gains (losses) – net	2,480,375	(1,200,555)	(4,586,970)	(2,621,071)
Group administration costs and directors' remuneration	(12,937,851)	(10,223,708)	(12,937,851)	(10,285,468)
Finance costs	-	-	(27,617)	(1,578,030)
	121,736,746	193,354,897	87,633,823	170,303,279

Group	Revenue		Gross Profit	
	12 months ended	12 months ended	12 months ended	12 months ended
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	US\$ (Unaudited)	US\$ (Audited)	US\$ (Unaudited)	US\$ (Audited)
Coal Mining	733,474,967	641,888,828	272,056,149	261,232,465
	733,474,967	641,888,828	272,056,149	261,232,465

Group	EBITDA		Profit Before Income Tax	
	12 months ended 31.12.2022 US\$ (Unaudited)	12 months ended 31.12.2021 US\$ (Audited)	12 months ended 31.12.2022 US\$ (Unaudited)	12 months ended 31.12.2021 US\$ (Audited)
Coal Mining	295,278,588	285,034,598	272,259,960	261,431,896
<u>Unallocated:</u>				
Depreciation of property, plant, and equipment	-	-	(515,393)	(671,042)
Allowance for expected credit loss on trade and other Receivables	-	-	(15,232,499)	(6,472,895)
Other gains (losses) – net	6,507,156	318,527	(1,172,947)	(1,411,842)
Group administration costs and directors’ remuneration	(17,432,137)	(14,457,815)	(17,442,730)	(14,583,042)
Finance costs	-	-	(53,340)	(4,206,203)
	284,353,607	270,895,310	237,843,051	234,086,872

Revenue represents revenue generated from external customers. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors’ remuneration, finance costs and income tax expense. Segment EBITDA represents the profit, excluding non-cash gains and losses, earned by each segment without allocation of central administration costs and directors’ remuneration, finance costs, income tax expense.

	Revenue			
	6 months ended 31.12.2022 US\$ (Unaudited)	6 months ended 31.12.2021 US\$ (Unaudited)	12 months ended 31.12.2022 US\$ (Unaudited)	12 months ended 31.12.2021 US\$ (Audited)
China	228,786,039	333,669,714	400,959,703	462,648,292
Indonesia	63,869,071	35,669,517	147,383,412	96,255,038
South Korea	18,636,274	17,349,984	52,534,498	32,840,591
Philippines	16,768,923	3,898,000	25,489,333	11,056,538
Vietnam	-	12,101,200	-	17,580,964
India	37,082,331	15,759,990	100,133,581	18,394,875
Thailand	-	3,112,530	6,974,440	3,112,530
	365,142,638	421,560,935	733,474,967	641,888,828

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 2021:

	Group		Company	
	31.12.2022 US\$ (Unaudited)	31.12.2021 US\$ (Audited)	31.12.2022 US\$ (Unaudited)	31.12.2021 US\$ (Audited)
Financial assets:				
At amortised cost (including cash and bank balances)	278,698,045	239,424,839	115,083,312	71,160,767
At fair value through profit or loss	5,838,706	6,553,509	-	-
Financial liabilities:				
At amortised cost	116,279,653	115,950,335	106,121,793	85,821,400
Lease liabilities	28,571	17,618	-	-

6. Profit for the period / year

Profit for the period / year has been arrived at after charging (crediting):

Group	Group			Group		
	6 months ended	6 months ended	%	12 months ended	12 months ended	%
	31.12.2022 US\$ (Unaudited)	31.12.2021 US\$ (Unaudited)		31.12.2022 US\$ (Unaudited)	31.12.2021 US\$ (Audited)	
Interest income	(3,453,392)	(2,131,541)	62	(5,654,592)	(3,904,662)	45
Gain on disposal of property, plant and equipment (net)	(2,299)	(3,203)	(28)	(2,477)	(13,643)	(82)
Foreign exchange loss (net)	2,795,827	366,497	663	3,493,174	801,958	336
Interest on Senior Notes	-	1,381,430	(100)	-	3,722,605	(100)
Amortisation of transaction costs of Senior Notes	-	158,124	(100)	-	426,346	(100)
Premium on early redemption of Senior Notes	-	1,183,740	(100)	-	1,183,740	(100)
Depreciation of property, plant and equipment	7,585,025	9,009,362	(16)	15,464,523	16,826,655	(8)
Depreciation of right-of-use assets	1,564,285	1,627,371	(4)	3,126,804	2,167,975	44
Amortisation of deferred stripping costs	2,852,560	3,241,492	(12)	5,606,222	6,415,296	(13)
Share-based payment expense	-	61,760	(100)	10,592	125,226	(92)
Amortisation of deferred gain	(105,736)	(126,518)	(16)	(190,147)	(241,689)	(21)
Allowance for ECL on trade and other receivables	15,232,499	6,472,895	135	15,232,499	6,472,895	135
(Reversal of) Legal claim against a subsidiary	-	2,500,000	(100)	(2,500,000)	2,500,000	nm
Other expenses arising from finalisation of tax assessments	4,379,868	10,366	nm	4,379,868	10,366	nm

nm – not meaningful

6.1 Related party transactions

There are no related party transactions apart from those disclosed elsewhere in the financial statements.

7. Income tax expense

The Group calculates the period income tax expenses using the tax rate that would be applicable to the expected total annual earning based on the rates prevailing in the relevant jurisdiction. The major components of income tax expense in the consolidated statement of profit or loss are:

Group	Group		Group	
	6 months ended	6 months ended	12 months ended	12 months ended
	31.12.2022 US\$ (Unaudited)	31.12.2021 US\$ (Unaudited)	31.12.2022 US\$ (Unaudited)	31.12.2021 US\$ (Audited)
Income tax:				
- Current	25,012,735	40,996,964	56,888,013	52,966,156
- (Over)Underprovision in prior years	(896,624)	20,932	2,789,330	424,408
Withholding tax expense	7,761,204	1,601,325	15,265,355	1,601,325
Deferred tax:				
- Current	(1,999,039)	(1,042,281)	(805,503)	1,921,915
- Under(Over)provision in prior years	128,143	(1,828,133)	118,960	(1,902,982)
Total	30,006,419	39,748,807	74,256,155	55,010,822

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

Group	Group		Group	
	6 months ended 31.12.2022 US\$ (Unaudited)	6 months ended 31.12.2021 US\$ (Unaudited)	12 months ended 31.12.2022 US\$ (Unaudited)	12 months ended 31.12.2021 US\$ (Audited)
Earnings per share ("EPS")				
Earnings for computing basic and diluted EPS (US\$)	56,571,520	129,829,125	161,561,624	177,937,668
Weighted average number of ordinary shares for the purposes of basic EPS ⁽¹⁾	1,407,009,300	1,406,523,820	1,407,888,394	1,402,928,264
Effect of dilutive potential ordinary shares:				
Share options ⁽²⁾	1,500,000	2,420,000	1,500,000	2,420,000
Weighted average number of ordinary shares for the purposes of diluted EPS ⁽¹⁾	1,408,509,300	1,408,943,820	1,409,388,394	1,405,348,264
Basic EPS based on weighted average number of ordinary shares (US cent)	4.02	9.23	11.48	12.68
Basic EPS based on weighted average number of ordinary shares (SG cent)	5.42	12.50	15.48	17.18
Diluted EPS based on weighted average number of ordinary shares (US cent)	4.02	9.21	11.46	12.66
Diluted EPS based on weighted average number of ordinary shares (SG cent)	5.42	12.48	15.47	17.15

⁽¹⁾ The calculation for the basic EPS is based on the weighted average number of ordinary shares in issue during the respective financial period/year. The calculation for the diluted EPS is based on the weighted average number of ordinary shares in issue during the respective financial period/year, plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

⁽²⁾ The employee stock option issued by the Group has a dilutive effect as the average market price of ordinary shares during the period exceeded the exercise price of the employee stock option.

⁽³⁾ Numbers were translated using the 31 December 2022 and 2021 of US\$:S\$ exchange rates of 1.3492 and 1.3546 respectively.

9. 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 period reported on and (b) immediately preceding financial year

	Group		Company	
	31.12.2022 (Unaudited)	31.12.2021 (Audited)	31.12.2022 (Unaudited)	31.12.2021 (Audited)
Net asset value (US\$)	407,364,949	347,784,417	193,125,212	169,765,441
Number of issued shares	1,400,741,013	1,411,053,113	1,400,741,013	1,411,053,113
Net asset value per ordinary share (US cent)	29.08	24.65	13.79	12.03
Net asset value per ordinary share (SG cent) ⁽¹⁾	39.24	33.39	18.60	16.30

⁽¹⁾ Numbers were translated using the 31 December 2022 and 2021 of US\$:S\$ exchange rates of 1.3492 and 1.3546 respectively.

10. Dividends

	Group	
	12 months ended 31.12.2022 US\$ (Unaudited)	12 months ended 31.12.2021 US\$ (Audited)
Ordinary dividends paid:		
Final exempt 2021 dividend of SG 5.0 cents per share (2020: 0.8 cents per share)	(50,646,050)	(8,383,901)
Interim exempt 2022 dividend of SG 2.0 cents per share (2021: 0.5 cents per share)	(20,565,948)	(5,269,141)
Interim exempt 2022 dividend of SG 2.0 cents per share (2021: 0.5 cents per share)	(20,174,300)	(5,202,146)
Interim exempt 2022 dividend of SG 1.0 cents per share (2021: 3.0 cents per share)	(10,344,141)	(31,043,908)
	(101,730,439)	(49,899,096)
Dividend per share (net of tax)	0.073	0.035

11. Trade and other receivables

	Group		Company	
	31.12.2022 (Unaudited)	31.12.2021 (Audited)	31.12.2022 (Unaudited)	31.12.2021 (Audited)
Current asset:				
At amortised cost:				
Trade receivables from third parties	22,114,205	19,520,328	-	-
Less: Allowance for expected credit loss	(904,869)	(942,808)	-	-
	21,209,336	18,577,520	-	-
Other receivables from:				
- subsidiaries	-	-	50,358,353	59,977,364
- third parties	42,862,124	36,833,423	10,329	31
Less: Allowance for expected credit loss ^b	(36,247,773)	(21,043,822)	-	-
	6,614,351	15,789,601	50,368,682	59,977,395
Goods and services tax receivables	8,318	174,834	4,598	-
Value-added tax ("VAT") receivables	33,709,032	25,347,342	-	-
Prepaid income tax	42,741	2,494,424	-	-
Interest receivables	193,505	20,225	107,770	1,826
Total	61,777,283	62,403,946	50,481,050	59,979,221
Non-current asset:				
At amortised cost:				
Tax recoverable	12,287,939	7,591,486	-	-
At fair value through profit or loss ^a :				
Trade and other receivables under Cooperation Agreement	20,472,405	21,199,909	3,123,959	3,136,660
Less: Cumulative changes in fair value	(14,633,699)	(14,646,400)	(3,123,959)	(3,136,660)
	5,838,706	6,553,509	-	-
Total	18,126,645	14,144,995	-	-

a. Financial assets at fair value through profit or loss

The trade and other receivables under Cooperation Agreement are classified under level 3 on the fair value hierarchy (31 December 2021: level 3), indicating inputs which are not based on observable market data. The fair value was determined using discounted cash flow method where future cash flows are estimated based on present value of expected payments,

discounted using the entity's discount rate. The expected payments are determined based on the coal sold from the underlying coal mines under Cooperation Agreement.

There has been no change in the estimation techniques or significant assumptions made during the year in assessing the fair value of the receivables under Cooperation Agreement. Based on the assessment performed, management determined that there was no significant change in fair value.

b. Credit-impaired receivables arising from advance payments for coal purchase

In 2019, the Group entered into a conditional sale and purchase agreement ("CSPA") with a third party coal mine owner to acquire interest in two mining concessions for which it had paid a refundable deposit. In addition, the Group also entered into two separate coal purchase contracts with the coal mine owner for which it had made advance payments for coal purchase. Due to the coal mine owner's inability to fulfil certain conditions precedent to the CSPA, as well as its failure to deliver the coal, the refundable deposit and the remaining balance of advance payments were reclassified as other receivables and became immediately repayable.

The total receivables and interest accrued outstanding as at 31 December 2022 was US\$35,694,568 (31 December 2021: US\$32,265,394). Expected credit loss ("ECL") was measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

In determining the ECL, management has considered the following:

- the forward-looking economic scenarios used in the ECL model and the related probability of occurrence under the different economic scenarios;
- the basis and assumptions applied in the ECL calculation, including the expected net future cash flows, expected recovery time and discount rate used;
- information available to the Group, which includes third party public information.

There has been no change in the estimation techniques made during the year in assessing the allowance on these receivables. Based on the assessment performed, a further allowance of US\$15,373,280 was recorded during the year.

12. Deferred stripping costs

	Group	
	31.12.2022	31.12.2021
	US\$	US\$
	(Unaudited)	(Audited)
Cost:		
At beginning and end of year	73,044,407	73,044,407
Accumulated amortisation:		
At beginning of year	25,261,720	19,116,326
Amortisation	4,958,904	6,145,394
At end of year	30,220,624	25,261,720
Carrying amount:		
At end of year	42,823,783	47,782,687
At beginning of year	47,782,687	53,928,081

13. Property, plant and equipment ("PPE")

	Group	
	31.12.2022	31.12.2021
	US\$	US\$
	(Unaudited)	(Audited)
Cost:		
At beginning of year	233,435,648	226,921,684
Additions	2,941,482	6,406,858
Transferred from right-of-use assets	-	539,566
Disposals	(21,742)	(404,370)
Exchange differences	(363,383)	(28,090)
At end of year	<u>235,992,005</u>	<u>233,435,648</u>
Accumulated depreciation:		
At beginning of year	99,553,259	82,948,926
Depreciation	14,529,118	16,649,615
Transferred from right-of-use assets	-	369,485
Disposals	(17,946)	(401,918)
Exchange differences	(139,998)	(12,849)
At end of year	<u>113,924,433</u>	<u>99,553,259</u>
Accumulated impairment:		
At beginning and end of year	6,399,574	6,399,574
Carrying amount:		
At end of year	<u>115,667,998</u>	<u>127,482,815</u>
At beginning of year	<u>127,482,815</u>	<u>137,573,184</u>

14. Right-of-use assets

	Group	
	31.12.2022	31.12.2021
	US\$	US\$
	(Unaudited)	(Audited)
Cost:		
At beginning of year	19,541,182	1,857,376
Additions	26,506	19,541,182
Disposals	-	(1,316,690)
Transferred to PPE	-	(539,566)
Exchange differences	-	(1,120)
At end of year	<u>19,567,688</u>	<u>19,541,182</u>
Accumulated depreciation:		
At beginning of year	1,807,835	1,102,019
Depreciation	3,126,804	2,167,975
Disposals	-	(1,091,797)
Transferred to PPE	-	(369,485)
Exchange differences	-	(877)
At end of year	<u>4,934,639</u>	<u>1,807,835</u>
Carrying amount:		
At end of year	<u>14,633,049</u>	<u>17,733,347</u>
At beginning of year	<u>17,733,347</u>	<u>755,357</u>

15. Borrowings

	Group		Group	
	31.12.2022 US\$ Secured (Unaudited)	31.12.2022 US\$ Unsecured (Unaudited)	31.12.2021 US\$ Secured (Audited)	31.12.2021 US\$ Unsecured (Audited)
Amount repayable in one year or less, or on demand	384,730	-	370,203	-
Amount repayable after one year	3,030,439	-	3,368,245	-
	3,415,169	-	3,738,448	-

Details of any collateral and security:

As at 31 December 2022, the Group's lease liabilities are secured by the leased assets – motor vehicles, while the Group and Company's bank borrowing is secured by its office premise located at 7 Temasek Boulevard, #39-02 Suntec Tower One, Singapore 038987.

16. Share capital

	Group and Company			
	31.12.2022 (Unaudited)	31.12.2021 (Audited)	31.12.2022 US\$ (Unaudited)	31.12.2021 US\$ (Audited)
	Number of issued ordinary shares			
At beginning of the year	1,419,953,113	1,399,273,113	109,415,916	106,513,187
Exercise of share options	920,000	20,680,000	128,745	2,902,729
At end of the year	1,420,873,113	1,419,953,113	109,544,661	109,415,916

There were no outstanding convertibles as at 31 December 2022 and 2021.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2022 and 2021.

17. Treasury shares

	Group and Company			
	31.12.2022 (Unaudited)	31.12.2021 (Audited)	31.12.2022 US\$ (Unaudited)	31.12.2021 US\$ (Audited)
	Number of ordinary shares			
At beginning of the year	8,900,000	-	2,150,021	-
Repurchased during the year	11,232,100	8,900,000	2,751,028	2,150,021
At end of the year	20,132,100	8,900,000	4,901,049	2,150,021

The Company acquired 11,232,100 of its own shares through purchases on the Singapore Exchange during the year. The total amount paid to acquire the shares was US\$2,751,028 and has been deducted from shareholders' equity. The shares are held as treasury shares.

PART 2 – Other information required by Listing Rule Appendix 7.2

1. Review

The consolidated statement of financial position of the Company and its subsidiaries as at 31 December 2022 and the related consolidated profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and certain explanatory notes have not been audited or reviewed.

2 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.

As at 31 December 2022, the Company's share capital, excluding treasury shares and following the exercises of share options, comprised 1,400,741,013 shares (30 June 2022: 1,408,973,113 shares).

On 11 January 2019, the Group had announced the grant of share options pursuant to the Geo Energy share option scheme. A total of 24,850,000 options was granted at the exercise price of S\$0.19 per share. As at 31 December 2022, a balance of 1,500,000 options remain unexercised.

The Company acquired 11,232,100 of its own shares through purchases on the Singapore Exchange during the year. The total amount paid to acquire the shares was US\$2,751,028 and has been deducted from shareholders' equity. The shares are held as treasury shares.

Please refer to relevant announcements.

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

3.1 Income Statement

A. Key Operating Matrix

	Group		Group	
	6 months ended 31.12.2022 (Unaudited)	6 months ended 31.12.2021 (Unaudited)	12 months ended 31.12.2022 (Unaudited)	12 months ended 31.12.2021 (Audited)
Revenue – Coal mining				
Sales Volume (million tonnes)	5.0	6.0	10.2	11.4
- SDJ	2.0	2.7	4.3	4.6
- TBR	3.0	3.3	5.8	6.7
- BEK	-	-	0.1	0.1
Average Indonesian Coal Index Price (US\$/tonne)	82.20	83.25	86.06	65.85
Average Selling Price ("ASP") (US\$/tonne)	73.20	70.27	72.14	56.42
Production				
Production Volume – Finished goods (million tonnes)	4.8	5.6	10.3	10.9
- SDJ	2.0	2.6	4.3	4.5
- TBR	2.8	3.0	5.9	6.3
- BEK	-	-	0.1	0.1

Strip Ratio – Sales (times)				
- SDJ	1.1	1.7	1.5	2.1
- TBR	4.0	1.2	2.8	1.0
Production Cash Cost (US\$/tonne)	46.70	36.14	43.10	31.37
Cash Profit (US\$/tonne)	26.50	34.13	29.04	25.05
EBITDA (US\$/tonne)	24.40	32.23	27.97	23.81
Cash Profit Margin (%)	36.2	48.6	40.3	44.4
EBITDA Margin (%)	33.3	45.9	38.8	42.2
Effective Tax Rate (%)	34.2	23.3	31.2	23.5
Net Profit Margin (%)	15.8	31.0	22.3	27.9

B. Gross and Cash Profits

Group (All figures in US\$'000 except as indicated)	Coal mining	Coal trading	Total
6 months ended 31.12.2022 (unaudited)			
Volume (tonnes)	4,988,244	-	4,988,244
Revenue	365,143	-	365,143
Cost of sales	(244,548)	-	(244,548)
Gross profit	120,595	-	120,595
<u>Non-cash items:</u>			
Write-back of allowance for inventory written-down	(125)	-	(125)
Depreciation & amortisation	11,724	-	11,724
Cash profit	132,194	-	132,194
6 months ended 31.12.2021 (unaudited)			
Volume (tonnes)	5,998,879	-	5,998,879
Revenue	421,561	-	421,561
Cost of sales	(230,092)	-	(230,092)
Gross profit	191,469	-	191,469
<u>Non-cash items:</u>			
Write-back of allowance for inventory written-down	(260)	-	(260)
Depreciation & amortisation	13,571	-	13,571
Cash profit	204,780	-	204,780
12 months ended 31.12.2022 (unaudited)			
Volume (tonnes)	10,167,397	-	10,167,397
Revenue	733,475	-	733,475
Cost of sales	(461,419)	-	(461,419)
Gross profit	272,056	-	272,056
<u>Non-cash items:</u>			
Write-back of allowance for inventory written-down	(460)	-	(460)
Depreciation & amortisation	23,682	-	23,682
Cash profit	295,278	-	295,278
12 months ended 31.12.2021 (audited)			
Volume (tonnes)	11,377,268	-	11,377,268
Revenue	641,889	-	641,889
Cost of sales	(380,656)	-	(380,656)
Gross profit	261,233	-	261,233
<u>Non-cash items:</u>			
Write-back of allowance for inventory written-down	(937)	-	(937)
Depreciation & amortisation	24,739	-	24,739
Cash profit	285,035	-	285,035

2H2022 vs. 2H2021

Gross profit decreased to US\$120.6 million in 2H2022 from US\$191.5 million, with cash profits decreasing to US\$132.2 million from US\$204.8 million.

Decrease in revenue was mainly due to the lower sales volume in 2H2022, offset by the higher ASP. In comparison, the average production cash cost increased during the period due to the higher mining strip ratio at our TBR mine, higher fuel prices as well as the revision of the sales royalty rate for 4,200 GAR coal by the Indonesian government from 3% to 8% when HBA reference prices are above US\$90.00 per tonne, with effect from September 2022.

2022 vs. 2021

Gross profit increased to US\$272.1 million in 2022 from US\$261.2 million, with cash profits increasing to US\$295.3 million from US\$285.0 million.

Revenue increased mainly due to the much higher ICI4 prices and ASP in 2022, offset by the lower sales volume. The average production cash cost increased during the year due to the higher mining strip ratio at our TBR mine, higher fuel prices as well as the abovementioned revision of the sales royalty rate with effect from September 2022.

C. Profit for the Period / Year**2H2022 vs. 2H2021**

Net profit decreased to US\$57.6 million in 2H2022 from US\$130.6 million mainly due to allowance made for expected credit loss ("ECL") of US\$15.4 million, relating to receivables arising from advance payments for coal purchase and refundable deposit to acquire interest in two mining concessions in 2019, and higher effective tax rate. Further details as follow:

- Other income increased by US\$1.5 million mainly due to higher interest income from higher placement of fixed deposits and higher bank interest rates during the period;
- General and administrative expenses increased by US\$2.6 million mainly due to higher staff costs and professional fees;
- Other expenses increased by US\$3.5 million mainly due to other expenses arising from finalisation of tax assessments and forex losses from the depreciations of IDR and SGD against USD;
- Allowance made for ECL on trade and other receivables was US\$15.2 million, net of reversal of allowance for ECL of US\$0.2 million following receipts from a debtor. This was higher by US\$8.8 million compared to 2H2021. The allowance was determined by evaluating a range of possible future outcomes, time value for money, reasonable and supportable information that was available at reporting date, current conditions and forecasts of future economic conditions;
- Finance costs decreased by US\$1.6 million following the full redemption of our US\$300 million in aggregate amount at 8.0% Senior Notes in October 2021;
- Effective tax rate increased from 23.3% to 34.2% in 2H2022 mainly due to withholding tax expense incurred on higher amount of dividends received from the Company's Indonesian subsidiaries during the period.

2022 vs. 2021

Net profit decreased to US\$163.6 million in 2022 from US\$179.1 million despite an increase in gross and cash profit mainly due to the abovementioned allowance for ECL relating to receivables arising from advance payments and refundable deposit and higher effective tax rate. Further details as follow:

- Other income increased by US\$4.1 million mainly due to higher interest income from higher placement of fixed deposits and higher bank interest rates during the year as well as reversal of legal claim against a subsidiary of US\$2.5 million after entering into a Settlement Agreement with the subsidiary's former supplier;
- General and administrative expenses increased by US\$2.7 million mainly due to higher staff costs and professional fees;
- Other expenses increased by US\$3.9 million mainly due to other expenses arising from finalisation of tax assessments and forex losses from the depreciations of IDR and SGD against USD;
- Allowance made for ECL on trade and other receivables was US\$15.2 million, net of reversal of allowance for ECL of US\$0.2 million following receipts from a debtor. This was higher by US\$8.8 million compared to 2H2021;
- Finance costs decreased by US\$4.2 million following the full redemption of our Senior Notes in October 2021;
- Effective tax rate increased from 23.5% to 31.2% in 2022 mainly due to withholding tax expense incurred on higher amount of dividends received from the Company's Indonesian subsidiaries during the period.

3.2 Financial Position

A. Key Financial Ratios

	Group	
	12 months ended 31.12.2022 US\$ (Unaudited)	12 months ended 31.12.2021 US\$ (Audited)
EBITDA (US\$ millions)	284.4	270.9
Net Cash (US\$ millions)	230.7	186.9
Debt / Equity (times)	0.01	0.01
Return on Assets (%)	29.1	34.1
Return on Equity (%)	40.2	51.5
Dividend pay-out ratio (%) ⁽¹⁾	57.0	51.5
Dividend Yield (%) ⁽²⁾	27.7	26.9
Enterprise Value (US\$ millions) ⁽³⁾	106.7	162.1
Enterprise Value / EBITDA (times) ⁽³⁾	0.38	0.60

- (1) Based on the interim dividends declared and paid for 2022 and final dividend proposed for 2022, and total interim and final dividends paid for 2021.
- (2) Yield periods pertain to 1 January to 31 December 2022 and 2021. Yield for 2022 includes total interim dividends of S\$0.05 per share declared and paid for 3Q2022, 2Q2022 and 1Q2022, and proposed final dividend of S\$0.04 per share. Yield for 2021 includes total interim dividends and final dividend of S\$0.09 per share declared and paid for 2021.
- (3) Based on market capitalisation and share price as of 31 December for 2022 and 2021.

B. Group

Assets

Total assets increased by US\$37.3 million to US\$563.0 million as at 31 December 2022, mainly due to increases in cash and bank balance by US\$43.5 million, inventories by US\$6.8 million, restricted cash deposits by US\$2.0 million and tax recoverable by US\$4.7 million. These were offset by the decreases in deferred stripping costs, PPE and right-of-use assets totalling US\$19.9 million mainly due to depreciation and amortisation.

Increase in inventory was mainly due to the higher production cash costs that translated to higher value recorded for the coal produced in 2022. The Group placed additional US\$2.0 million in restricted cash deposits with the relevant government authorities during the year in relation to its reclamation and rehabilitation obligations. Additional tax recoverable during the year relates to amount receivable pending resolution of tax matters with the tax authorities.

Liabilities

Total liabilities decreased by US\$21.9 million to US\$154.7 million as at 31 December 2022, mainly due to decreased tax payable following tax payments made during the year. This is offset by the increase in total trade and other payables by US\$5.0 million.

C. Company

Assets

Total assets increased by US\$43.5 million to US\$299.2 million as at 31 December 2022, mainly due to higher cash and bank balances following receipts of dividends from its Indonesian subsidiaries, offset by decrease in intercompany receivables.

Liabilities

Total liabilities increased by US\$20.1 million to US\$106.1 million as at 31 December 2022, mainly from additional intercompany loan of US\$18.0 million and higher interest payable on the intercompany loan as the loans were first drawn down in September 2021. The loan balances are unsecured, bear interest rate of 5% p.a. and are due for repayment 5 years from the drawdown date.

3.3 Cash Flow

Group

2H2022 vs. 2H2021

Net cash from operating activities was US\$100.9 million. Operating cash flows before movements in working capital was an inflow of US\$112.5 million. The Group made income tax payments of US\$28.7 million during the period.

Working Capital

Working capital movement was positive US\$17.1 million, due mainly to better working capital management through faster receipts of receivables.

Net cash from investing activities of US\$0.2 million was from interest received, offset by advances paid for and purchase of PPE.

Net cash used in financing activities of US\$40.0 million was mainly due to dividends paid of US\$30.5 million, withholding taxes paid of US\$7.8 million and share buybacks of US\$2.0 million.

2022 vs. 2021

Net cash from operating activities was US\$169.9 million. Operating cash flows before movements in working capital was an inflow of US\$273.6 million. The Group made income tax payments of US\$83.5 million during the year.

Working Capital

Working capital movement was negative US\$20.2 million, mainly due to increase in trade and other receivables relating to VAT receivables and tax recoverable.

Net cash used in investing activities of US\$2.2 million was mainly from advances paid for and purchase of PPE, offset by interests received.

Net cash used in financing activities of US\$119.6 million was mainly due to dividends paid of US\$101.7 million, withholding taxes paid of US\$15.3 million and share buybacks of US\$2.8 million.

Overall, total cash and cash equivalent as of 31 December 2022 was US\$232.0 million, excluding the pledged deposits of US\$2.1 million.

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

The Group has previously estimated 2022 production and sales of 11 million tonnes in its 3Q2022 business update. Due to the prolonged extreme rainfall, the Group has achieved coal sales of 10.2 million tonnes, mainly from its SDJ and TBR coal mines. The Group has also achieved its full year DMO requirements for its SDJ and TBR mines in 2022.

For STT mine, the Group has on 12 January 2023 obtained recommendation from the Governor of East Kalimantan Province to apply the borrow-use forestry permit ("IPPKH") from the Ministry of Environmental & Forestry of the Republic of Indonesia for a total area of 1,223.16 hectares. The further development of STT, including the exploration drilling, is pending the IPPKH.

5. **A commentary at the date of the announcement of the 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**

The Rencana Kerja Anggaran Biaya ("RKAB") production quota for 2023 has been approved at 8 million tonnes for its SDJ and TBR coal mines. The Group continues to assess its operations and business viability and if the coal market remains strong and weather conditions permit, the Group will consider applying for an increase in RKAB to 10 million tonnes.

2022 saw a substantial reshuffling of the global energy market due to the rising geopolitical uncertainty, Russia's invasion of Ukraine, and a forced U-turn on coal demand by Europe. Traditional trade flows were disrupted as prices soared to record highs due to the imbalances caused by demand and supply. Natural gas showcased the sharpest increase among fossil fuels, which drove a shift towards more price-competitive options, such as coal. Despite a weakening economic environment, coal market shall remain robust in 2023 and gradually plateau by 2025 amid the normalising coal supply and demand dynamics as well as reduced investment in thermal coal².

Coal remains a significant pillar of the power generation and industrial sectors, particularly during the infrastructure-led economic recovery post COVID-19 pandemic. China and India continue to lead coal-fired power generation activities with an estimated growth rate of 2% and 7% respectively in 2023³. Similarly, European countries have been temporarily switching to coal due to the comparatively higher prices for natural gas, low hydropower generation and modest increase in nuclear power generation². According to McCloskey, European thermal coal imports are forecasted to increase to 118.2 million tonnes in 2023, up 11% compared to 2022 and 37% compared to 2021³.

Global coal production hit a new high in 2022 and the upward trajectory is expected to continue and reach a peak in 2023². However, the increase in coal supply is restricted by lack of financing due to environmental concerns over the industry. Due to the lack of alternative price-competitive energy sources, coal remains as the preferable option to supplement global energy imbalance⁴. Consequently, coal prices are expected to remain strong in 2023.

With minimal debt and strong cash balance of US\$234 million, the Group is strategically looking into acquisitions of mining concessions to increase production quantity and at the same time, diversify the sources of coal. The Group would like to complement and optimise its assets portfolio with sustainable business in the future. Further announcement will be made when such acquisition or investment materialises.

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

Revenue and earnings from Business segments

The Group's main business is coal mining. Revenue and earnings from coal mining are affected by the changes in coal prices and sales volume. In addition, the cap on ASP for DMO sales has a bearing on our earnings.

Our cash cost is also affected by the changes in coal prices as we have negotiated with our service providers for a resilient cost structure that is linked to ICI4.

In 2022, the increase in our revenue was attributed to the increase in ICI4 from US\$65.85 per tonne in 2021 to US\$86.06 per tonne. This was offset by the decrease in sales volume by 1.2 million tonnes in 2022. The 25% DMO had an impact on the ASP as the sales price to domestic power producers are capped at US\$38 per tonne.

Earnings in 2022 was also impacted by an increase in cash cost, which was linked to the increases in ICI4 coal price and fuel prices, higher stripping ratio and higher royalty rate to the Indonesian government.

Revenue from Geographical segments

In 2022, the Group exported around 68% of its production quantity through Offtakes with Macquarie Bank and Trafigura and sold the balance 32% to Indonesian buyers. Macquarie Bank and Trafigura then sell to buyers in China, South Korea, India and the ASEAN regions, with China remaining as the biggest market for the Group.

² Coal 2022: Analysis and forecast to 2025, December 2022 (International Energy Agency)

³ McCloskey Coal Report, 13 January 2023

⁴ Indonesia sees record coal exports of more than 500 million tonnes in 2023, 30 January 2023

7. A breakdown of sales

	Group		Change %
	12 months ended 31 December 2022 US\$ (Unaudited)	12 months ended 31 December 2021 US\$ (Audited)	
Sales reported for first half of year	368,332,329	220,327,893	67
Operating profit after tax before deducting non-controlling interests reported for first half year	105,959,492	48,521,578	118
Sales reported for second half of year	365,142,638	421,560,935	(13)
Operating profit after tax before deducting non-controlling interests reported for second half year	57,627,404	130,554,472	(56)

8. 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**

Total production for SDJ and TBR mines in 2022 was 10.2 million tonnes.

During the year, our BEK mine produced 0.1 million tonnes of coal and the Group has plans to increase production and sales in 2023.

The Group plans to further develop its STT mine, including exploration drilling, after receiving the required IPPKH and permits. Commencement of operations are planned thereafter, before 2024 if conditions permit.

- (b) **Rule 705 (7)(b) – Update on its reserves and resources, where applicable, in accordance with the requirements set out in Practice Note 4C, including a summary of reserves and resources as set out in Appendix 7D**

An updated copy of the Independent Qualified Person’s Report (“IQPR”) on the resources and reserves as at 31 December 2022 will be released together with the 2022 Annual Report.

9. If a decision regarding dividend has been made: -

- (a) **Whether an interim (final) ordinary dividend has been declared**

The directors recommend the payment of a final dividend in respect of the financial year ended 31 December 2022, subject to the approval of shareholders at the forthcoming annual general meeting of the Company.

- (b)(i) **Amount per share**

Name of dividend:	Final
Dividend type:	Cash
Dividend rate:	S\$0.04 per ordinary share

- (b)(ii) **Previous corresponding period**

Name of dividend:	Final
Dividend type:	Cash
Dividend rate:	S\$0.05 per ordinary share

- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country whether the dividend is derived**

Dividend declared is tax exempt (one-tier).

- (d) **The date the dividend is payable**

To be announced at a later date.

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

To be announced at a later date.

10. **If no dividend has been declared/recommended, a statement to that effect and provide the reasons for the decision**

Not applicable.

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

No IPT mandate has been obtained from shareholders and there is no IPT.

12. **Confirmation Pursuant to Rule 720(1) of the Listing Manual**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7 of the Listing Manual) under Rule 720(1) of the Listing Manual.

13. **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)**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Huang She Thong	46	Brother of Charles Antonny Melati	Retired as Executive Director on 15 June 2020 and became the Country Head/CEO of Indonesia and Head of Marketing. He oversees the Indonesian office and sales targets of the Group, devises plan and implements marketing strategies to increase the Group's customer base and maximise sales. He is also a substantial shareholder of the Company.	N.A.

Yanti Ng	40	Sister of Charles Antony Melati and Huang She Thong	Appointed in 2011 as Regional Operations and Administrative Manager where she was responsible for overseeing our Group's regional operational and administrative matters. On 1 January 2020, she was re-designated as Treasury Manager. She is responsible for supervising and managing treasury operations of the Group.	N.A.
Ng See Yong	45	Brother of Charles Antony Melati and Huang She Thong	Appointed in 2012 as Head Corporate and Human Resource. He is responsible for our Group's human resource functions and organisational development.	N.A.
Lim Kok Wah, Eric	40	Brother-in-law of Charles Antony Melati and Huang She Thong	Appointed in 2013 as Marketing Manager. He is involved in the sales and marketing functions of our Group.	N.A.
Ruddy	36	Nephew of Dhamma Surya	Appointed in 2016 as Mine Manager. He is responsible for all operations at site.	N.A.
Tee Yun Shan	29	Nephew of Charles Antony Melati and Huang She Thong	Joined the Group in 2018 as part of the Investment team. On 1 January 2021, he was appointed as Assistant Investment Manager and is involved in the Group's corporate finance, M&A and investor relations projects.	N.A.
Maryanto	45	Brother-in-law of Charles Antony Melati	Joined the Group in 2021 and is currently Operations Superintendent. He was also appointed as Director of TBR in 2022, overseeing mine operations.	N.A.

On behalf of the Board of Directors

Charles Antony Melati
Executive Chairman and Chief Executive Officer

27 February 2023