

14 April 2021

The purpose of this Appendix is to provide Shareholders of Golden Energy and Resources Limited (the “**Company**”) with information pertaining to, and to explain the rationale for the proposed renewal of the Sinar Mas IPT Mandate (as defined in this Appendix) to be tabled at the Annual General Meeting (“**AGM**”) of the Company, to be convened and held by way of electronic means, pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, on 29 April 2021 at 4.30 p.m..

Printed copies of this Appendix, together with the accompanying Annual Report, Summary Independent Qualified Person’s Reports, the Notice of AGM and the Proxy Form will **NOT** be sent to members. Instead, the soft copy of this Appendix, together with the accompanying Annual Report, Summary Independent Qualified Person’s Reports, the Notice of AGM and the Proxy Form could be accessed via SGXNet and the Company’s website at the URL: <http://investor.gear.com.sg/ar.html>.

If you are in any doubt in relation to the contents of this Appendix or as to the action that you should take, you should consult your stockbroker, bank manager, accountant, solicitor tax advisor or other professional adviser immediately.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.



golden energy and resources

GOLDEN ENERGY AND RESOURCES LIMITED

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

**APPENDIX IN RELATION TO
THE PROPOSED RENEWAL OF THE SINAR MAS IPT MANDATE**

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DEFINITIONS

Save where the context otherwise requires, the following definitions apply throughout this Appendix:

“AGM”	:	The annual general meeting of the Company
“Annual Report”	:	The annual report of the Company for the financial year ended 31 December 2020
“approved exchange”	:	A stock exchange that has rules which safeguard the interests of Shareholders against Interested Person Transactions according to similar principles to Chapter 9 of the Listing Manual
“associate”	:	(a) In relation to any director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family (that is, the person’s spouse, child, adopted child, step-child, sibling and parent);(ii) the trustee of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) In relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“associated companies”	:	Companies in which at least 20% but not more than 50% of its shares are held by the company or the group, in which the company or the group has significant influence in those companies
“Audit Committee”	:	The audit committee of the Company for the time being
“Board”	:	The board of Directors of the Company for the time being
“CDP”	:	The Central Depository (Pte) Limited
“CEO”	:	The chief executive officer of the Company
“Company”	:	Golden Energy and Resources Limited
“Constitution”	:	The existing constitution of the Company
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company

DEFINITIONS

“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the total voting rights in a company (unless the SGX-ST determines that a person who satisfies this is not a Controlling Shareholder of the company); or (b) in fact exercises Control over the company
“Directors”	:	The directors of the Company for the time being, and “Director” shall mean any one of them
“DSS”	:	PT Dian Swastatika Sentosa Tbk
“EGM”	:	The extraordinary general meeting of the Company
“Executive Directors”	:	The executive Directors of the Company for the time being
“GEMS Group”	:	PT Golden Energy Mines Tbk and its subsidiaries
“Group”	:	The Company and its subsidiaries, and (where applicable) its associated companies
“Entities at Risk”	:	The Company, a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange, or an associated company of the Company that is not listed on the SGX-ST or an approved exchange, provided that the Group, or the Group and its Interested Person(s), has control over the associated company
“Interested Person”	:	A director, chief executive officer or controlling shareholder of the listed company or an associate of any such director, chief executive officer, or controlling shareholder
“Interested Person Transaction” or “IPT”	:	A transaction between an entity at risk and an interested person
“Listing Manual”	:	The listing manual of the SGX-ST
“Mandated Interested Person”	:	(a) each of the Ultimate Controlling Shareholders (namely Messrs Franky Oesman Widjaja, Indra Widjaja and Muktar Widjaja) and their associates; and (b) DSS and its associates; including but not limited to (i) DSS; (ii) DSS’s subsidiaries (which includes but not limited to PT DSSP Power Sumsel; PT DSSP Power Kendari; PT Ekamas Fortuna; PT Bumi Kencana Eka Sejahtera and subsidiary, PT Citra Alam Indah; PT Manggala Alam Lestari; and PT Andalan Satria Lestari and its subsidiaries); (iii) PT Purinusa Ekapersada and its subsidiaries (which includes but not limited to PT Indah Kiat Pulp & Paper Tbk; PT Pindo Deli Pulp and Paper Mills; PT Lontar Papyrus Pulp & Paper Industry; and PT Pabrik Kertas Tjiwi Kimia Tbk);

DEFINITIONS

- (iv) Golden Agri-Resources Limited and its subsidiaries and associated companies (which includes but not limited to PT Ivo Mas Tunggal; PT Sinar Mas Agro Resources and Technology Tbk and its subsidiaries (which includes but not limited to PT SOCI Mas; PT Sinarmas Bio Energy; and PT Super Wahana Tehno));
- (v) PT Sinar Mas Multiartha Tbk and subsidiaries (which includes but not limited to PT AB Sinar Mas Multifinance; PT Arthamas Solusindo and subsidiaries; PT Asuransi Sinar Mas and subsidiaries; PT Bank Sinarmas Tbk; PT Sinar Mas Multifinance and subsidiaries);
- (vi) PT Smartfren Telecom Tbk and subsidiaries (which includes but not limited to PT Smart Telecom);
- (vii) Sinarmas Land Limited and subsidiaries (which includes but not limited to PT Royal Oriental and PT Sinar Mas Teladan);
- (viii) Guangsi Jingui Pulp & Paper Co. Ltd;
- (ix) Ningbo Asia Pulp & Paper Co. Ltd;
- (x) Hainan Jinhai Pulp & Paper Co. Ltd;
- (xi) Hainan Jinhai Trading (Hong Kong) Co., Ltd;
- (xii) Golden East Paper (Jiangsu) Company Limited;
- (xiii) Golden Hong Ye Trading (Hong Kong) Company Limited;
- (xiv) Gold Huasheng (SuZhou Industrial Park) Co., Ltd.;
- (xv) PT Wirakarya Sakti;
- (xvi) PT Asuransi Simas Net;
- (xvii) PT Arara Abadi;
- (xviii) PT Bina Sinar Amity;
- (xix) PT Maritim Sinar Utama;
- (xx) PT Rolimex Kimia Nusamas;
- (xxi) PT Energi Sejathera Mas;
- (xxi) PT Sinarmas Distribusi Nusantara; and
- (xxiii) Asia Star Fund Ltd;

and each a “**Mandated Interested Person**”

DEFINITIONS

“Mandated Transaction” or “Mandated Interested Person Transaction”	:	Transaction(s) with Mandated Interested Persons that will be covered by the Sinar Mas IPT Mandate
“NTA”	:	Net tangible assets
“Ordinary Resolution”	:	A resolution proposed and passed as such by a majority being more than 50.0% of the total number of votes cast for and against such resolution at a meeting of Shareholders duly convened and held in accordance with the provisions of the Constitution of the Company
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with the Shares
“Shares”	:	Ordinary shares in the share capital of the Company
“Sinar Mas IPT Mandate”	:	The general mandate for Mandated Transactions which was previously approved by Shareholders and for which renewal is now being sought. The Sinar Mas IPT Mandate was first approved by Shareholders at the Company’s 2015 EGM, modified at the Company’s 2017 EGM and last renewed at the 2020 AGM
“Substantial Shareholder”	:	A person (including a corporation) who has an interest in not less than five per cent of the issued voting shares of the Company
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“US\$” and “US cents”	:	United States dollars and cents, respectively

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

The term **“Depositor”** shall have the meaning ascribed to it in Section 81SF of the Securities and Futures Act (Chapter 289 of Singapore).

References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Appendix is made by reference to Singapore time unless otherwise stated.

LETTER TO SHAREHOLDERS

GOLDEN ENERGY AND RESOURCES LIMITED

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

LETTER TO SHAREHOLDERS

Directors:

Mr. Fuganto Widjaja (Executive Chairman)
Mr. Dwi Prasetyo Suseno (Executive Director, Group Chief Executive Officer)
Mr. Mark Zhou You Chuan (Executive Director, Chief Investment Officer)
Mr. Mochtar Suhadi (Executive Director)
Mr. Lim Yu Neng Paul (Lead Independent Director)
Mr. Irwandy Arif (Independent Director)
Mr. Lew Syn Pau (Independent Director)
Mr. Djuangga Mangasi Mangunsong (Independent Director)

Registered Office:

20 Cecil Street
#05-05 PLUS
Singapore 049705

14 April 2021

To: The Shareholders of Golden Energy and Resources Limited

Dear Sir/Madam

1. INTRODUCTION

- 1.1 The purpose of this Appendix is to provide Shareholders with the relevant information relating to the renewal of the Sinar Mas IPT Mandate.
- 1.2 The Sinar Mas IPT Mandate was originally approved by Shareholders at the EGM on 4 March 2015 (“**2015 EGM**”) and modified on 28 April 2017 (“**2017 EGM**”). The Sinar Mas IPT Mandate was last renewed on 25 June 2020 (“**2020 AGM**”) and will expire on the date of the forthcoming AGM.

2. RENEWAL OF THE SINAR MAS IPT MANDATE

2.1 Chapter 9 of the Listing Manual

Chapter 9 of the Listing Manual governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company’s Interested Persons. Whenever this Chapter applies to a transaction and the value of that transaction alone or in aggregate with other transactions conducted with that interested person during the financial year reaches, or exceeds certain materiality thresholds, the listed company is required to make an immediate announcement and seek its shareholders’ approval for that transaction.

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its Interested Persons and therefore are excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement and shareholders’ approval would be required in respect of transactions with Interested Persons if certain financial thresholds (which are based on the value of the transaction as compared with the group’s latest audited consolidated NTA), are reached or exceeded.

In particular, shareholders’ approval is required for an Interested Person Transaction, individually or in aggregate, of a value equal to, or which exceeds:

- (a) 5% of the group’s latest audited consolidated NTA; or

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- (b) 5% of the group's latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.

Chapter 9 of the Listing Manual permits a listed company, however, to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as purchase and sale of supplies and materials (but not in respect of purchase or sale of assets, undertakings or businesses) that may be conducted with the listed company's Interested Persons.

2.2 Renewal of the Sinar Mas IPT Mandate

Approval is being sought from Shareholders at the AGM for the renewal of the Sinar Mas IPT Mandate for entry by the Group into Mandated Transactions with the Mandated Interested Persons. If approved, the renewal of the Sinar Mas IPT Mandate will take effect from the date of the AGM and continue in force until the date of the next AGM of the Company or such date as the next AGM is required by law or by the Constitution of the Company to be held unless, prior thereto, the Sinar Mas IPT Mandate is revoked or varied by the Company in general meeting. The Sinar Mas IPT Mandate may be put to Shareholders for renewal at each subsequent AGM of the Company.

2.3 Rationale for and Benefits of the Sinar Mas IPT Mandate

The transactions with the Mandated Interested Persons are entered into or to be entered into by the Group in its ordinary course of business. They are recurring transactions which are likely to occur with some degree of frequency and arise at any time and from time to time. The Sinar Mas IPT Mandate is intended to facilitate these transactions, provided that they are carried out at arm's length and on the Group's normal commercial terms and are not prejudicial to the Company and its minority Shareholders. Disclosure will be made in the format required by the Listing Manual, and to the extent required by the SGX-ST, of the aggregate value of Interested Person Transactions conducted pursuant to the Sinar Mas IPT Mandate during the current financial year, and in the annual reports for the subsequent financial years during which the Sinar Mas IPT Mandate is in force.

The Group will be able to benefit from such transactions with the Mandated Interested Persons. The Sinar Mas IPT Mandate and its subsequent renewal on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential Interested Person Transactions with a specific class of Mandated Interested Persons arise, thereby reducing substantially the administrative time and expenses involved in convening such meetings, without compromising the Group's corporate objectives or adversely affecting the business opportunities available to the Group.

2.4 Classes of Interested Persons

The Sinar Mas IPT Mandate will apply to Interested Person Transactions with the following Mandated Interested Persons:

- (a) each of the Ultimate Controlling Shareholders (namely Messrs Franky Oesman Widjaja, Indra Widjaja and Muktar Widjaja) and their associates; and
- (b) DSS and its associates.

The following associates of each of the Ultimate Controlling Shareholders and DSS have entered into transactions with the Group from 20 April 2015 to 31 December 2020, being the latest financial year end:

- (i) DSS;
- (ii) PT Indah Kiat Pulp & Paper Tbk;

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- (iii) PT Lontar Papyrus Pulp & Paper Industry;
- (iv) PT Pabrik Kertas Tjiwi Kimia Tbk;
- (v) PT SOCI Mas;
- (vi) PT Pindo Deli Pulp and Paper Mills;
- (vii) PT Sinar Mas Agro Resources and Technology Tbk;
- (viii) PT Ekamas Fortuna;
- (ix) PT Ivo Mas Tunggal;
- (x) Hainan Jinhai Trading (Hong Kong) Co. Ltd;
- (xi) PT Energi Sejahtera Mas;
- (xii) PT Bank Sinarmas Tbk;
- (xiii) PT Rolimex Kimia Nusamas;
- (xiv) PT Citra Alam Indah;
- (xv) PT Royal Oriental;
- (xvi) PT Wirakarya Sakti;
- (xvii) PT Arthamas Solusindo;
- (xviii) PT Kalibesar Raya Utama*;
- (xix) PT Asuransi Sinar Mas;
- (xx) Gold Hong Ye Trading (Hong Kong) Company Limited;
- (xxi) PT Smartfren Telecom Tbk;
- (xxii) PT Smart Telecom;
- (xxiii) PT Asuransi Simas Net;
- (xxiv) PT DSSP Power Sumsel;
- (xxv) PT DSSP Power Kendari;
- (xxvi) PT Sinarmas Distribusi Nusantara;
- (xxvii) PT Sinarmas Bio Energy;
- (xxviii) PT Super Wahana Techno; and
- (xxix) Asia Star Fund Ltd

**Not an associate of each of the Ultimate Controlling Shareholders and DSS with effect from 17 October 2017.*

Transactions with Mandated Interested Persons that do not fall within the ambit of the Sinar Mas IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

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2.5 Mandated Transactions

The Mandated Transactions relate to the provision to, or the obtaining from, Mandated Interested Persons of recurrent transactions (such as the purchase and sale of products and services in the normal course of the Group's business) of a revenue or trading nature or which are necessary for its day-to-day operations (but not in respect of the purchase or sale of assets, undertakings or businesses which are not part of its day-to-day operations) comprising the following:

- (a) sale and purchase of coal, the entry into marketing agent arrangements in respect of the sale and purchase of coal, and the entry into road access and maintenance arrangements;
- (b) procurement of goods and services (including procurement of logs and the provision of transportation services in Indonesia);
- (c) obtaining financial and insurance services (the "**Financial and Insurance Services**"), such as:
 - (i) purchasing or obtaining of insurances;
 - (ii) purchasing or obtaining of hire purchase facilities, term loans and other credit or deposit facilities; and
 - (iii) obtaining of banking, financial and advisory services and related facilities (including hire purchase and factoring arrangements);
- (d) leasing, rental or renewal of lease of properties; and
- (e) any other transaction relating to the provision, or obtaining from or through Mandated Interested Persons, or the joint transacting with Mandated Interested Persons, for goods and services and products related to the Group's principal and ancillary activities in the normal course of its businesses and on normal commercial terms.

2.6 Review Procedures for Mandated Transactions with Mandated Interested Persons

The Audit Committee has oversight of all Interested Person Transactions undertaken by the Group including the review of, and where required, approval of, such transactions. The Company has also established the procedures described below to ensure that the Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms.

Review Procedures

The Company has established procedures to ensure that Mandated Transactions with Mandated Interested Persons are undertaken on an arm's length basis and on the Group's normal commercial terms, consistent with its usual business practices and policies, which are generally no more favourable to the Mandated Interested Persons than those extended to unrelated third parties.

The senior executives of the Group (with no interest, direct or indirect, in the relevant transactions) for the purpose of the review procedures include any Executive Director, the group chief executive officer and group chief financial officer or its equivalent of the Group, and the chief executive officers of the main operating subsidiaries of the GEMS Group (the "**Senior Executives**").

In particular, the following review procedures have been put in place:

- Sale and purchase of coal, or provision of marketing agent services in respect of the sale and purchase of coal, and the entry into road access and maintenance arrangements.

All contracts entered into or transactions with Mandated Interested Persons with regard to the sale and purchase of coal, provision of marketing agent services in respect of the sale and purchase of coal, and the entry into road access and maintenance arrangements, are to be carried out at the prevailing market rates or prices, and on terms which are no more

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favourable to the Mandated Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates, prices, commissions or discounts accorded to customers or purchasers who have a long-term contract with the Group) or otherwise in accordance with applicable industry norms.

Where the prevailing market rates or prices are not available, the pricing for coal products, marketing agent services or rates for road access and maintenance, is to be determined in accordance with the Group's usual business practices and pricing policies, consistent with the usual margin to be obtained or price to be paid by the Group for the same or substantially similar type of contract or transaction with unrelated third parties taking into consideration factors such as, but not limited to, quantity, volume, customer requirements, specifications, duration of contract and strategic purposes of the transaction or the limited resources available to the Group.

- Procurement of goods and services

When obtaining goods and services from Mandated Interested Persons, a Senior Executive (with no interest, direct or indirect, in the relevant transactions) shall compare the terms offered by the Mandated Interested Person against the terms of at least two (2) quotations obtained from unrelated third parties supplying similar goods and services, prior to the entering into the contract or transaction with the Mandated Interested Person, as a basis for comparison to determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable and comparable to those offered by other unrelated third parties supplying the same or substantially similar type of goods and services.

Where it is not possible or practicable for a formal quotation to be called (for example, where the product is a proprietary item or the Mandated Interested Person is the sole provider of such product or service), the Group's authorised Senior Executive (with no interest, direct or indirect, in the relevant transactions) will determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable. This would include taking into account, where known, if similar price and terms are offered to unrelated third parties.

- Obtaining of financial and insurance services

When obtaining financial and insurance services from Mandated Interested Persons, a Senior Executive (with no interest, direct or indirect, in the relevant transactions) shall compare the terms and rates offered by the Mandated Interested Person against the terms and rates offered by at least two (2) unrelated financial institutions or companies, prior to the entering into of the contract or transaction with the Mandated Interested Person, as a basis for comparison to determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable and comparable to those offered by other unrelated financial institutions or companies.

Where quotations from less than two (2) financial institutions or companies, or no quotations are received from financial institutions or companies, the Group's authorised Senior Executive (with no interest, direct or indirect, in the relevant transactions) will determine whether the terms and rates offered by the Mandated Interested Person are fair and reasonable. This would include taking into account, where known, available recent terms and conditions of comparable transactions and corroborative inputs from market practitioners.

- Leasing, rental or renewal of lease of properties

When leasing, renting or renewing the lease of properties from or to a Mandated Interested Person, appropriate steps will be taken to ensure that such lease, rent or renewal is matched with prevailing market rates, including adopting measures such as making relevant enquiries with at least two (2) landlords of similar properties and obtaining suitable reports or reviews published by property agents (where necessary). The rent payable shall be based on the most competitive market rental rates of similar properties in terms of size and location, based on the results of the relevant enquiries.

LETTER TO SHAREHOLDERS

Where it is not possible or practicable for enquiries to be made or to obtain suitable reports or reviews by property agents, the Group's authorised Senior Executive (with no interest, direct or indirect, in the relevant transactions) will determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable. This would include taking into account, where known, if similar price and terms are offered to unrelated third parties by Mandated Interested Persons or other unrelated third parties, as the case may be.

Approval Limits

Approval Limits	Approving Authority
Individual transaction exceeding S\$100,000 but less than US\$1.0 million in value	Reviewed and approved by any Executive Director
Individual transaction equal to or exceeding US\$1.0 million but less than 3.0% of the latest audited NTA of the Group in value	Reviewed and approved by the majority of the members of the Board
Individual transaction equal to or exceeding 3.0% of the latest audited NTA of the Group in value	Reviewed and approved by the majority of the Audit Committee and the Board

If any person specified above has an interest (direct or indirect) in a transaction falling within a category of transactions to be reviewed and approved by him, he will abstain from any decision making in respect of that transaction, and such transaction will be reviewed and approved by other persons who are authorised to review and approve that category of transactions, if any, who do not have any interest (direct or indirect) in that transaction.

If not, the transaction must be approved by the person(s) who has (have) authority for reviewing and approving the category of transactions that immediately follows in terms of value.

The Board and the Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures to monitor Interested Person Transactions have been complied with.

2.7 Other Review Procedures

The Group has also implemented the following procedures for the identification of Mandated Interested Persons and the recording of all Interested Person Transactions:

- (a) prior to entering into any contract with a value exceeding S\$100,000, new counterparties that the Group will be transacting with will be required to submit a statement identifying its shareholder(s), its board of commissioners (if any), board of directors and a description of its affiliation (if any) with the Ultimate Controlling Shareholders and DSS, together with any supporting documents;
- (b) maintaining a register of Interested Persons and a register of all transactions carried out with Interested Persons, whether mandated or non-mandated;
- (c) a monthly review and confirmation of the register of Interested Persons and a register of all transactions carried out with Interested Persons, whether mandated or non-mandated, by the Group's legal team and chief financial officer or its equivalent;

the Group's internal audit plan will incorporate a review of all Interested Person Transactions, whether mandated or non-mandated; and

- (d) on a quarterly basis, the Group's internal auditors will submit a report to the Audit Committee of all recorded Interested Person Transactions, and the basis of such transactions, entered into by the Group.

LETTER TO SHAREHOLDERS

The Audit Committee will review all of the Group's Interested Person Transactions, whether mandated or non-mandated, on a quarterly basis in accordance with the requirements of Chapter 9 of the Listing Manual and will include the review of the Group's Interested Person Transactions as part of its standard procedures while examining the adequacy of the Group's internal controls.

2.8 Review of Interested Person Transactions not subject to the Sinar Mas IPT Mandate and Review by Audit Committee

The Audit Committee will also review the internal audit reports to ascertain whether the guidelines and procedures established to monitor Interested Person Transactions have been complied with. Further, if during these periodic reviews by the Audit Committee, the Audit Committee is of the view that the guidelines and procedures as stated in paragraphs 2.6 and 2.7 of this Appendix are to ensure that these Interested Person Transactions will be on normal commercial terms and will not be prejudicial to the Company and its minority Shareholders, the Group will (pursuant to Rule 920(1)(b)(iv) and (vii) of the Listing Manual) revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with Mandated Interested Persons pursuant to which additional information may be required to be presented to Shareholders and an independent financial adviser may be appointed for an opinion.

In the event that a member of the Board or a member of the Audit Committee has a conflict of interest in relation to any Interested Person Transaction, he will abstain from reviewing and/or approving (as the case may be) that particular transaction. In such instances, an alternative approving authority will be responsible for reviewing and/or approving (as the case may be) the transaction.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Directors' and Substantial Shareholders' interests in the Shares of the Company are presented in the "Directors' Report" section and "Statistics of Shareholdings" section of the Company's Annual Report respectively.

4. DISCLOSURES

In accordance with Chapter 9 of the Listing Manual, the Company will disclose in its Annual Report, the aggregate value of the Interested Person Transactions conducted pursuant to the Sinar Mas IPT Mandate during the financial year. In addition, the Company will announce the aggregate value of the Interested Person Transactions conducted pursuant to the renewed Sinar Mas IPT Mandate for the financial periods which it is required to report on within the time required for the announcement of such report. These disclosures will be in the form set out in Rule 907 of the Listing Manual.

5. VOTING

In accordance with the requirements of Chapter 9 of the Listing Manual, DSS will abstain from voting, and has undertaken to ensure that its associates will abstain from voting, on the Ordinary Resolution relating to the renewal of the Sinar Mas IPT Mandate to be proposed at the forthcoming AGM in respect of the Shares held by it.

6. STATEMENT FROM THE AUDIT COMMITTEE

The Audit Committee, having considered the terms of the Sinar Mas IPT Mandate and the review procedures referred to in paragraph 2.6 of this Appendix, is of the view that:

- (a) the methods or procedures for determining the transaction prices under the Sinar Mas IPT Mandate have not changed since the last Shareholders' approval; and
- (b) the methods and procedures referred to in (a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interest of the Company and its minority Shareholders.

LETTER TO SHAREHOLDERS

7. DIRECTORS' RECOMMENDATION

The Directors (save for Mr Fuganto Widjaja who is abstaining from making a recommendation in respect of the proposed renewal of the Sinar Mas IPT Mandate), after taking into account the rationale and information relating to the Sinar Mas IPT Mandate set out in Section 2 of this Appendix, are of the opinion that the renewal of the Sinar Mas IPT Mandate is in the best interests of the Company.

Accordingly, the Directors (save for Mr Fuganto Widjaja) recommend that Shareholders vote in favour of the Ordinary Resolution relating to the proposed renewal of the Sinar Mas IPT Mandate as set out in the Notice of AGM.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Sinar Mas IPT Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

Yours faithfully

For and on behalf of
The Board of Directors of
Golden Energy and Resources Limited

Dwi Prasetyo Suseno
Executive Director and Group Chief Executive Officer

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