

GOLDEN ENERGY AND RESOURCES LIMITED

Company Registration Number: 199508589E

Incorporated in The Republic of Singapore

ADDITIONAL INFORMATION ON THE COMPANY'S UNAUDITED 12-MONTH FINANCIAL STATEMENTS ENDED 31 DECEMBER 2020

In response to the queries raised by the Singapore Exchange Limited ("SGX-ST") via email dated 10 March 2021 in connection with Golden Energy and Resources Limited's (the "Company") Full Year Results Announcement on 1 March 2021, the Company's responses are as follows:-

Question 1:

On page 3 of the Company's FY2020 Results, the Group reported Other Receivables (Non-current) amounting to US\$2,072,000 (FY2019: US\$8,975,000), and Trade and Other Receivables (Current) amounting to US\$139,636,000 (FY2019: US\$136,103,000).

Please disclose:

- (i) For other receivables,:-
 - a. the underlying transactions,
 - b. the nature of the other receivables and the reasons why a portion of it is classified as non-current
 - c. the terms of the transactions (including the contract sum),
 - d. terms of payment, and
 - e. whether this was incurred in the ordinary course of business;
- (ii) the ageing profile of the Company and its subsidiaries' (the "Group") trade and other receivables in bands of 3 months;
- (iii) whether these outstanding amounts are owed by related parties. If yes, to provide details and quantify;
- (iv) whether these debtors are related to any directors, key executives, substantial shareholders or their respective associates;
- (v) whether these customers are still in operation;
- (vi) what were the actions taken to recover the trade and other receivables; and
- (vii) the Board's assessment on the recoverability of the Group's trade and other receivables, and the basis for such an assessment.

Response:

(i) Please refer to the table below for details.

a. the underlying transactions	b. the nature of the other receivables and the reasons why a portion of it is classified as non-current	c. the terms of the transactions (including the contract sum)	d. terms of payment	e. whether this was incurred in the ordinary course of business	Amount (USD'000)
Transportation	as per part (a)	Contract sum of US\$270k	Instalment payment	Yes	126
Loan	as per part (a)	USD 30m with interest 7.5% p.a.+LIBOR	Half yearly	No	8,526
Marketing Fee	as per part (a)	Based on volume (in metric tonnes)	Monthly	Yes	144
Others (Employee receivables, Mining service Agreement)	as per part (a)	Agreed contract sum	Various	Yes	128
Long Service Leave Levy prepaid to Government for future utilisation	as per local Authority regulations	N/A	N/A	Yes	212
Income tax receivable from Tax Office	as per (a)	N/A	N/A	Yes	8,352
Advance for road construction	as per (a)	US\$4.9m	Milestone claim	Yes	4,968
Other Receivables (Current)					22,456

a. the underlying transactions	b. the nature of the other receivables and the reasons why a portion of it is classified as non-current	c. the terms of the transactions (including the contract sum)	d. terms of payment	e. whether this was incurred in the ordinary course of business	Amount (USD'000)
Transportation	as per part (a) and outstanding for more than 12 months	Contract sum of US\$270k	Instalment payment	Yes	67
Heavy Equipment Rental	as per part (a) and outstanding for more than 12 months	Based on volume (in metric tonnes)	Monthly	Yes	582
Marketing Fee	as per part (a) and outstanding for more than 12 months	Based on volume (in metric tonnes)	Monthly	Yes	33
Interest receivable	as per part (a) and due upon maturity which is more than 12 months	A\$22.8m	Upon maturity	No	1,390
Other receivables (Non-current)					2,072

(ii) Please refer to the table below for the Group's trade and other receivables' ageing profile.

(USD'000)	Amount	Current to 90 days	91 days to 180 days	More than 180 days
Trade receivables - third parties	106,326	106,218	101	7
Trade receivables - related parties	10,854	10,685	168	1
Other receivables - third parties	18,259	8,582	9,184	493
Other receivables - related parties	4,197	4,197	-	-
Trade and Other Receivables	139,636	129,682	9,453	501

(iii) Please refer to the table below for details of the outstanding amounts owed by related parties as at 31 December 2020.

Related Party	Amount (USD'000)	Note
PT Pindo Deli Pulp and Paper Mills	342	*
PT Lontar Papyrus Pulp And Paper Industry	639	*
PT Sinarmas Bio Energy	289	^
PT Sinar Mas Agro Resources and Technology Tbk	921	^
PT Soci Mas	901	^
PT Indah Kiat Pulp & Paper Tbk	4,218	*
PT DSSP Power Kendari	3,543	#
	10,854	

^ An associate of the Ultimate Controlling Shareholders¹

* An associate of a sibling of the Ultimate Controlling Shareholders¹

An associate of the Ultimate Controlling Shareholders¹ and DSS²

¹ Ultimate Controlling Shareholders means Messrs Franky Oesman Widjaja, Indra Widjaja and Muktar Widjaja, who collectively indirectly owns more than 30% controlling interest in these companies and DSS

² DSS means PT Dian Swastatika Sentosa Tbk, the immediate parent company of Golden Energy and Resources Limited. DSS directly owns more than 30% controlling interest in these companies

(iv) Except as disclosed in response Question 1 (iii) above, these debtors are not related to any directors, key executives, substantial shareholders or their respective associates.

(v) To the best of our knowledge, these customers are still in operations as at financial year ended 31 December 2020.

(vi) More than 75% of the trade balances are on LC terms and the Management is monitoring closely on the collections.

(vii) In accordance to SFRS(I) 9, the Group has implemented expected credit loss model and estimated loss allowance based on historical default rate adjusted for forward-looking information. Management have also assessed the receivables based on customers' credit profile and made provisions when collectability of certain receivables are in doubt. Moreover, more than 75% of the trade balances are on LC terms which mitigate any recoverability issues on the receivables. Based on the above assessment, the Board concurred with the Management's view that the debts are recoverable and sufficient provisioning had been made.

Question 2:

Please provide the reason(s) for the significant borrowings of US\$379.17 million by the Group when the Group recorded a cash and cash equivalent of US\$262.80 million as at 31 December 2020.

Please also disclose:

- (i) details of the loan, including the terms of the loan, interest on loans and maturity dates; and
- (ii) the use of proceeds from the loan.

Response:

The Group believes in maintaining a healthy level of borrowings as part of its liquidity risk management. The Group actively monitors its liquidity requirements and ensure that it will have sufficient liquidity to meet its expected and contingent liquidity demands. In addition, sufficient liquidity allows the Group to make swift decisions for its acquisitions which can be seen from its 2020 corporate actions.

Tenor	Use of proceeds of loans	Interest on loans	Balance as at 31.12.2020 (US\$'m)
11/8/2014 - 17/3/2021	Working capital	5.25% - 5.50%	1.2
22/6/2017 - 21/6/2021	Working capital	5.25% in USD; 9.5% in IDR	57.4
11/8/2017 - 23/12/2024	Term loan facility - General corporate purposes including refinancing	5.25%	28.4
30/8/2017 - 23/12/2024	Capital expenditure	5.25%	33.3
5 years or maximum August 9, 2024	Refinancing	3M Libor + 4.25%	27.5
11/11/2019 – 10/11/2024	Equipment finance	4.55%	8.7
31/7/2020 – 30/4/2021	Group annual insurances premiums	2.30%	1.1
14/2/2018 - 14/2/2023	Bond - General corporate purposes	9.00%	147.2
27/2/2019 - 9/10/2022	Funding for Investment	2.11%/BBSW + 7.00%	74.4

By Order of the Board

GOLDEN ENERGY AND RESOURCES LIMITED

Pauline Lee
Group Company Secretary
12 March 2021