golden energy and resources

GOLDEN ENERGY AND RESOURCES LIMITED

ANNUAL REPORT 2019

VISION

To be a sustainable energy and resources company in Asia Pacific embarking on achieving carbon neutrality.

MISSION

- Develop and nurture a leading corporate culture centred on human capital
- Amplify on excellence in operations and processes
- Continue sustainable growth trajectory through high safety standards, meaningful community development programmes, while maintaining and conserving our environment

CONTENTS

FINANCIAL CONTENTS

CORPORATE PROFILE

Golden Energy and Resources Limited (the “**Company**” or “**GEAR**”) is a Singapore-listed leading energy and resources company in the Asia Pacific region. Its businesses include mining of thermal coal through its subsidiary PT Golden Energy Mines Tbk (“**GEMS**”) operating in Indonesia, mining of metallurgical coal through its investment in Stanmore Coal Limited (“**Stanmore**”) (31.35%), mining of gold through a minority investment in Westgold Resources Limited (“**Westgold**”) (7.25%) and various investments in renewable energy projects in Asia. GEAR is represented on the board of Stanmore.

Stock code:
Listed on the Mainboard of
Singapore Stock Exchange
AUE

5 mining concessions
covering an aggregate area of approximately
66,204 hectares

Owns the right to mine more than
2.8 billion tonnes
of thermal coal

Coal reserves of over
1.0 billion tonnes
as at 31 December 2019

Average calorific value:
2,835-6,829 kcal/kg (arb)

GEAR’s mining concessions are held through its
66.9998%
-owned subsidiary
PT Golden Energy Mines Tbk

Forestry concession rights of
265,095
hectares in Kalimantan

CORPORATE PROFILE

STANMORE COAL LIMITED

Listed on the **Australian Stock Exchange**

Stock code: **SMR**

Ownership **31.35%**

Coal resource **1,728 m tonnes**

Coal reserves **129.3 m tonnes**

Coal processing facilities **up to 3.5 mtpa**

WESTGOLD RESOURCES LIMITED

Listed on the **Australian Stock Exchange**

Stock code: **WGX**

Ownership **7.25%**

Gold resource **9.12 m ounces**

Gold reserves **2.62 m ounces**

Gold processing facilities **up to 5.5 mtpa**

CHAIRMAN'S MESSAGE

Dear

Shareholders,

FY2019 has been a challenging year for Golden Energy and Resources Limited (the "**Company**" or "**GEAR**") as the coal mining industry experienced the third consecutive year of decline in coal prices. Notwithstanding the softer coal prices, we once again achieved a new record in terms of revenue and coal production output. Supported by a good fundamental position, we made 2019 a good year in terms of production growth and timely investment.

Over the course of the year 2019, we increased our stake in Stanmore Coal from 25.5% to 28.4%. Post-2019, we had further increased our stake to 31.35%. With the support of the Economic Development Board, GEAR set up an innovation centre, GEAR Innovation Network Pte. Ltd., with an initial focus on transformational digital technologies. The Group also incorporated a new subsidiary, GEAR Renewables Pte. Ltd., for investments in renewable energy projects, to support the Group's vision to be a sustainable energy and resources company in the Asia Pacific embarking on carbon neutrality.

FINANCIAL AND OPERATING PERFORMANCE

Having fulfilled our Domestic Market Obligation ("**DMO**") in FY2019, we have obtained the Indonesian Government's approval to raise coal production output at our main mining concession, PT Borneo Indobara ("**BIB**"), to 24 million tonnes per annum, up from 20 million tonnes in FY2018. GEAR continued to increase production and recorded a full year coal production volume of 30.8 million tonnes in FY2019, exceeding our initial production target of 25 million tonnes. Moving forward, GEAR targets a coal production volume of 31 million tonnes for FY2020, a 0.65% increase from the actual production in FY2019.

In the year under review, GEAR continued to explore strategic investments to continue diversifying our product suite into counter-cyclical precious metals. We have made significant progress in our diversification efforts, having included coking coal and gold to our portfolio.

Subsequent to FY2019, GEAR and EMR Capital entered into an agreement to jointly acquire the Ravenswood Gold Mine ("**Ravenswood**"), in Queensland, Australia, marking the Group's second investment in gold in Australia. Ravenswood is a proven producing asset with multiple open pits to support large scale, low cost and long term production. As at 30 June 2019, Ravenswood has a total gold resource of 5.92 million ounces and a total gold reserve of 2.74 million ounces.

DIVIDENDS

The Board considers dividends to be an important component of shareholder returns and had declared an interim dividend of 0.29 Singapore cents per share paid on 9 September 2019.

"We have made significant progress in our diversification efforts, having included coking coal and gold to our portfolio."

CHAIRMAN'S MESSAGE

"Fitch Ratings and Moody's Investor Services maintained ratings at 'B+' long-term IDR and 'B1' CFR respectively."

OUTLOOK FOR COAL PRICES

The global coal price may face further challenges in 2020. Global coal demand, however, is expected to be supported by rising appetite in India and other Asian countries, offset by declines in the US and Europe. High demand for coal in Southeast Asia, is expected to be driven by emerging economies. While China plans to move towards renewable energy, the transition is relatively slow and coal is still expected to make up a large portion of the country's power mix.

In the domestic market, Indonesia has planned a domestic coal allocation of 155 million tonnes for 2020, citing a growth in demand for electricity and the refining industry. Under the DMO, the sale price of coal continues to be capped at US$70 per tonne. Indonesia's Ministry of Energy and Mineral Resources has set its March 2020 thermal coal reference price at US$67.08 per tonne, representing a 25.9% year-on-year decrease from US$90.57 per tonne for March 2019.

The prolonged slump in coal prices comes on the back of a global economic slowdown coupled with record production and exports. Seeking to bolster prices, Indonesia has cut its production target for 2020 to 550 million tonnes, almost 10% from 610 million tonnes in 2019.

Moving forward, while we continue to fulfil the DMO, we will focus on strengthening our relationship with business partners in high demand markets across the region which offer attractive margins.

Reaffirming GEAR's financial resilience and business fundamentals, Fitch Ratings and Moody's Investor Services maintained ratings at 'B+' Long-Term Issuer Default Rating (IDR) and 'B1' Corporate Family Rating (CFR), respectively.

ACKNOWLEDGEMENTS

As we look forward to another year of achievements, I would like to express my gratitude to our management team and staff who have supported the Group with their dedication and commitment which have been the foundation of our success today.

On behalf of the Board, I would also like to extend my appreciation to our shareholders, customers and business associates for their continued support. As we forge ahead, we will remain focused on maintaining a long-term growth strategy to ensure the sustainability of our businesses while executing our diversification strategy to deliver value to our shareholders.

MR. L. KRISNAN CAHYA
Non-Executive Chairman

Dear

Shareholders,

2019 was a very good year in terms of production growth and timely investments. As we enter 2020 with a strong balance sheet and robust fundamentals, GEAR is well-positioned to weather the impact caused by the COVID-19 global pandemic as well as a possible global recession.

During the year, GEAR focused on increasing production and managing production costs. Our efforts have paid off and we achieved a record coal production of 30.8 million tonnes and a record revenue of US$1.1 billion for the financial year ended 31 December 2019 ("**FY2019**"), a 36.3% and 6.9% increase respectively over the previous corresponding year ("**FY2018**").

Despite the increase in revenue, the coal industry was impacted by lower coal prices during the year. Partially mitigated by our lower production costs, the Group turned in a lower profit of US$32.9 million for FY2019, a decrease of 55.3% from US$73.7 million registered in FY2018.

COAL MINING DIVISION

Coal Mining division remains the main revenue driver for our Group. In FY2019, the division contributed US$1.1 billion, or approximately 93.7% of the total revenue. Our annual coal production continues its strong upward momentum with a CAGR of 33.7% between FY2013 and FY2019.

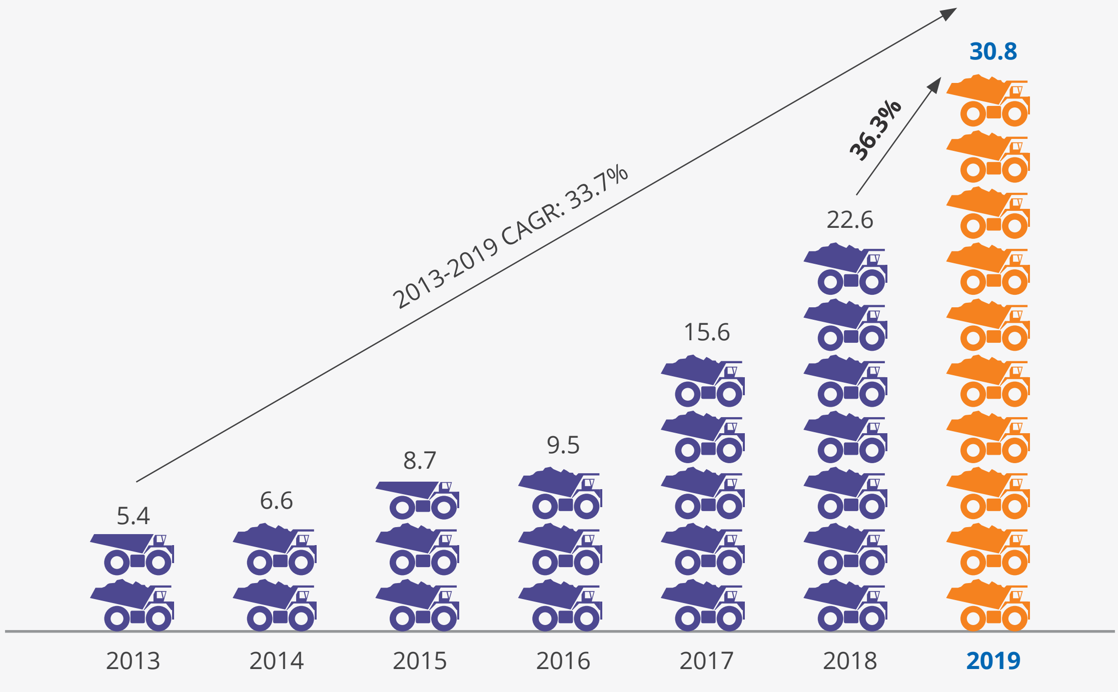
Coal Mining 93.7%

Coal Trading 5.6%

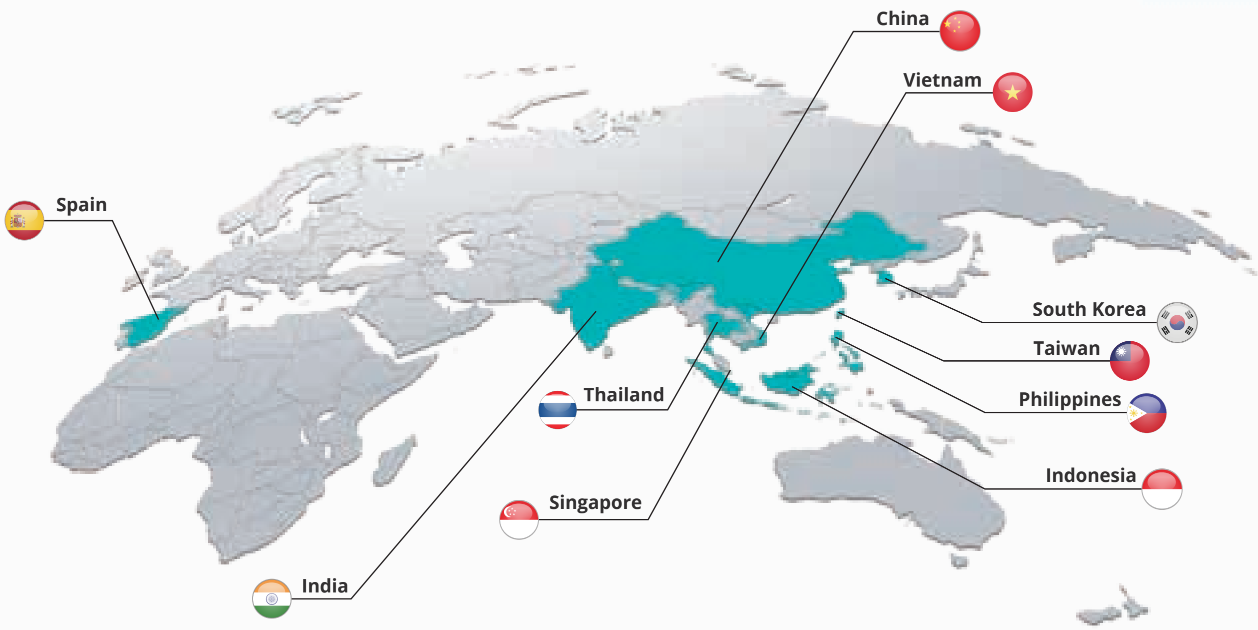
Non-Coal* 0.7%

* Majority represents dividends from Stanmore Coal Investment.

Production Volume Trend
(million tonnes)



GEAR's Global Distribution Reach



Revenue Breakdown by Geography

	FY2019 Revenue: US$1,121m	FY2018 Revenue: US$1,048m
China	**39%**	40%
Indonesia	**32%**	32%
India	**22%**	19%
South Korea	**3%**	5%
Spain	**-**	3%
Others	**4%**	<1%

CEO'S MESSAGE

In FY2019, driven by the successful expansion of production, GEAR sold a total of 30.0 million tonnes of coal, a 31.6% increase in sales volume from 22.8 million tonnes in FY2018, with an average selling price of approximately US$34.99 per tonne, compared to US$41.39 per tonne in FY2018.

Notwithstanding the increased production, we continued to focus on controlling our production costs to mitigate the impact of the weaker coal price environment. Supported by lower fuel rates, lower strip ratios and contractor rates, cash cost during the year decreased by 12.1% to US$24.11 per tonne in FY2019.

GEAR's coal production volume for the year continued to exceed our target, outperforming by 23.2%, with a record coal production volume of 30.8 million tonnes (FY2018: 22.6 million tonnes). Our BIB concession led the production growth, contributing 28.7 million tonnes in FY2019, an increase from 20.3 million tonnes in FY2018. For FY2020, GEAR has set a production target of 31 million tonnes.

COAL TRADING DIVISION

Revenue from GEAR's Coal Trading division decreased by 38.9% to US$63.3 million in FY2019 from US$103.6 million in the previous year mainly due to lower sales volume and average selling price.

GEAR continues to maintain our competitiveness, underpinned by the low-cost structure of the BIB mining concession which has a low strip ratio and short haulage. The low-cost structure of GEAR's key producing concession allows the Group to extend beyond the domestic market in Indonesia to reach international markets such as China, India, South Korea and Spain.

In FY2019, GEAR continued to forge relationships with business partners and made headway into new markets including the Philippines, Kuwait, Vietnam and Taiwan. Despite the move towards renewable energy, China remains our largest export market and we will continue to focus on strengthening relationships with our business partners in China.

INDONESIA'S DOMESTIC MARKET OBLIGATIONS

To ensure the supply of coal for domestic interest, Indonesia's Ministry of Energy and Mineral Resources has set the Domestic Market Obligations ("**DMO**") rate at 25% of each coal mining company's production with a price cap of US$70 per tonne. Coal miners that fulfil their DMO will receive an incentive in the form of an increase in approved production quota.

GEAR consistently fulfils the DMO and had sold 32% of our coal production volume to the domestic market in FY2019.

CEO'S MESSAGE

NON-COAL BUSINESSES

In line with GEAR's vision to be a sustainable energy and resources Company in the Asia Pacific, GEAR had taken active steps to further diversify our overall portfolio as well as our geographical reach, with an investment of an approximately 25.5% stake in Stanmore Coal, a primarily coking coal focused company based in Australia, in January 2019. Subsequently in August, we further increased our shareholding in Stanmore Coal to 28.4%. GEAR had received approximately US$5.4 million in dividends from our investment in Stanmore Coal.

Building on such traction, GEAR had together with joint venture partner EMR Capital, entered into an agreement to acquire the Ravenswood Gold Mine, located approximately 130 kilometres south of Townsville in Queensland, Australia. The transaction is expected to be completed by 31 March 2020, marking the Group's second investment in gold in Australia.

IN CONCLUSION

While the coal industry is likely to experience volatility in the year ahead due to the global effects of the COVID-19 on economies and capital markets, we were fortunate to have made good investments to diversify our income streams to include defensive commodities such as gold.

Over the course of the year, we are glad to report that we have (1) made significant progress with the diversification of our coal product mix to include Metallurgical Coal, which reduces our dependence on thermal coal; and (2) increased our geographical presence in Australia through our investment in Stanmore Coal. Subsequent to FY2019, we had increased our shareholding in Stanmore Coal to 31.4% and made our second investment in gold mining in Australia. We are looking forward to an additional revenue contribution from this new investment.

Through our subsidiary, GEAR Renewables, we continue to embark on achieving carbon neutrality by looking into investments in renewable energy projects such as solar, wind and geothermal.

On the corporate and social responsibility front, GEAR had actively collaborated with the Garden City Fund (established by the National Parks Board of Singapore) to donate and plant coastal hill forest trees as well as with Yong-en Care Centre by purchasing, packing and distributing food ration packs to underprivileged families in the Chinatown district. In February 2020, GEAR also played a part to support the fight against COVID-19 by making donations of S$220,000 to the TTSH Community Fund, the charity arm of Tan Tock Seng Hospital; NUHS Fund Limited, the charity arm of the National University Health System; and the Singapore Red Cross.

Going forward, GEAR will continue to seek and evaluate potential acquisition targets to further diversify our core business of coal mining with the view of delivering additional value to our shareholders over the long-term.

GEAR's success was built with the hardwork, commitment and diligence of our board of directors, management and staff. I would like to take this opportunity to express our gratitude to all parties who have made this possible and look forward to the continued support of all our stakeholders.

MR. FUGANTO WIDJAJA
Executive Director, Group Chief Executive Officer

BOARD OF DIRECTORS

MR. LAY KRISNAN CAHYA
Non-Executive Chairman

Mr. Lay Krisnan Cahya was appointed as a non-Executive Director and non-Executive Chairman on 20 April 2015 following the completion of the acquisition of 66.9998% equity interest in the share capital of PT Golden Energy Mines Tbk ("**GEMS**") from PT Dian Swastatika Sentosa Tbk ("**DSS**") ("**DSS Completion**"). Mr. Cahya is a member of both the Audit Committee and Nominating Committee. Except as provided below, Mr. Cahya does not have any relationships including immediate family relationships with the Directors or the Company as defined in the Code of Corporate Governance 2018 ("**Code**"). Mr. Cahya was re-elected to the Board on 30 April 2018.

Mr. Cahya has over 35 years working experience in banking and corporate. He is currently the President Director of DSS and President Commissioner of GEMS.

Mr. Cahya graduated with a Bachelor of Economics (Accounting) from Tarumanagara University, Indonesia in 1986.

MR. FUGANTO WIDJAJA
Executive Director,
Group CEO

Mr. Fuganto Widjaja was appointed as an Executive Director and the Group Chief Executive Officer on 20 April 2015 following DSS Completion. Mr. Widjaja is a member of the Remuneration Committee. Mr. Widjaja is the son of Mr. Indra Widjaja and nephew of Mr. Franky Oesman Widjaja and Mr. Muktar Widjaja. Mr. Indra Widjaja, Mr. Franky Oesman Widjaja and Mr. Muktar Widjaja are the ultimate controlling shareholders of the Company. Except as provided above, Mr. Widjaja does not have any relationships including immediate family relationship with the Directors or the Company as defined in the Code. Mr. Widjaja was re-elected to the Board on 28 April 2017

Mr. Widjaja has more than 16 years of experience in general management and supervisory responsibilities in the coal industry. Mr. Widjaja is a Commissioner of GEMS and PT Sinar Mas Multiartha Tbk.

Mr. Widjaja graduated with a Bachelor of Arts (Computer Science and Economics) from Cornell University in 2003 and obtained a Master's Degree in Philosophy (Finance) from the University of Cambridge in 2004.

BOARD OF DIRECTORS

MR. DWI PRASETYO SUSENO
Executive Director,
Deputy Group CEO

Mr. Dwi Prasetyo Suseno was appointed as an Executive Director and the Deputy Group Chief Executive Officer on 26 October 2015. He does not have any relationships including immediate family relationship with the Directors, the Company or its 5% shareholders as defined in the Code. Mr. Suseno was re-elected to the Board on 30 April 2018.

Mr. Suseno has over 20 years of experience in mining, commodities and oil & gas related industries with exposures in operations, general management, trading, finance, business development, merger and acquisitions, corporate legal and international taxation. He has worked with PT Indo Straits Tbk, Straits Asia Resources Limited, Baker Hughes Inc., Arthur Andersen and Ernst & Young LLP Australia.

Mr. Suseno obtained his Bachelor of Commerce degree from the University of Western Australia, Postgraduate Diploma in Business degree from Curtin University, Western Australia and Executive MBA degree from Kellogg School of Management & HKUST. He holds a Graduate Diploma degree in Taxation Law Masters from the University of Melbourne, Australia. Mr. Suseno is a Fellow Certified Public Accountant of CPA Australia. He is also a Chartered Accountant and member of Institute of Singapore Chartered Accountants.

MR. MOCHTAR SUHADI
Executive Director

Mr. Mochtar Suhadi was appointed as an Executive Director of the Company on 20 April 2015 following DSS Completion. He does not have any relationships including immediate family relationship with the Directors, the Company or its 5% shareholders as defined in the Code. Mr. Suhadi was re-elected to the Board on 29 April 2019.

Mr. Suhadi has many years of experience in general management of operations, merger and acquisitions, exploration, joint ventures and joint operations of coal mines in Indonesia.

Mr. Suhadi was previously a non-executive director of the Company from January 2011 to August 2011. Mr. Suhadi graduated with a Bachelor of Science from University of Michigan in 2004.

BOARD OF DIRECTORS

MR. LIM YU NENG PAUL
Lead Independent Director

MR. LEW SYN PAU
Independent Director

Mr. Lim Yu Neng Paul is the Lead Independent Director of the Company. Mr. Lim was appointed as a Non-Executive Director of the Company on 3 August 2007 and was re-designated as an Independent Director on 26 February 2009. He is presently the Chairman of the Audit Committee and member of both the Nominating Committee and the Remuneration Committee of the Company. Mr. Lim does not have any relationships including immediate family relationships with the Directors, the Company or its 5% shareholders as defined in the Code. Mr. Lim was re-elected to the Board on 29 April 2019.

Mr. Lim has over 25 years of banking experience with international investment banks including Morgan Stanley, Deutsche Bank, Solomon Smith Barney and Bankers Trust. He is currently the Managing Director and Head of Private Equity of SBI Ven Capital Pte Ltd. Mr. Lim is an Independent Director of China Everbright Water Limited and Nippecraft Limited. Mr. Lim graduated with a Bachelor of Science in Computer Science in 1985 and obtained his Master of Business Administration in Finance in 1986 from the University of Wisconsin, Madison, USA. He is also a Chartered Financial Analyst.

Mr. Lew Syn Pau was appointed as an Independent non-Executive Director of the Company on 20 April 2015 following DSS Completion. He is presently the Chairman of the Nominating Committee and the Remuneration Committee and member of the Audit Committee of the Company. He does not have any relationships including immediate family relationship with the Directors, the Company or its 5% shareholders as defined in the Code. Mr. Lew was re-elected to the Board on 28 April 2017.

Mr. Lew's prior work experience includes being Managing Director of NTUC Comfort (a transport enterprise), Executive Director of NTUC Fairprice (a supermarket co-operative), Assistant Secretary-General of NTUC and Country Manager of Banque Indosuez.

Mr. Lew is an Independent Director of SUTL Enterprise Ltd, Broadway Industrial Group Limited, Food Empire Holdings Ltd, Golden Agri-Resources Ltd and Sinarmas Land Limited. He is also Chairman of SUTL Enterprise Ltd and Broadway Industrial Group Limited.

Mr. Lew was a Singapore Government scholar, and has a Bachelor (1977) and Master (1981) of Engineering from Cambridge University, UK and a Master of Business Administration from Stanford University, USA (1984). He was a member of the Singapore Parliament from 1988 to 2001, during which he chaired the Singapore Government Parliamentary Committees for Education, Finance, Trade and Industry and National Development.

BOARD OF DIRECTORS

MR. IRWANDY ARIF
Independent Director

MR. DJUANGGA MANGASI MANGUNSONG
Independent Director

Mr. Irwandy Arif was appointed as an Independent non-Executive Director of the Company on 20 April 2015 following DSS Completion. He does not have any relationships including immediate family relationship with the Directors, the Company or its 5% shareholders as defined in the Code. Mr. Arif was re-elected to the Board on 29 April 2019.

Mr. Arif has over 40 years of experience in the mining industry. He is an Independent Commissioner of GEMS and PT Indexim Coalindo, member of audit committee on the Board of Commissioners of GEMS. He was previously an Independent Commissioner of PT Vale Indonesia Tbk and a member of audit committee on the Board of Commissioner of PT Adaro Energy Tbk and PT Tobabara Sejahtera Tbk.

Mr. Arif graduated with a Bachelor of Engineering in Mining Engineering from the Bandung Institute of Technology in 1976, obtained his Master of Science in Industrial Engineering from the Bandung Institute of Technology in 1985 and was conferred a Doctoral Degree from the Ecole des Mines de Nancy, France in 1991.

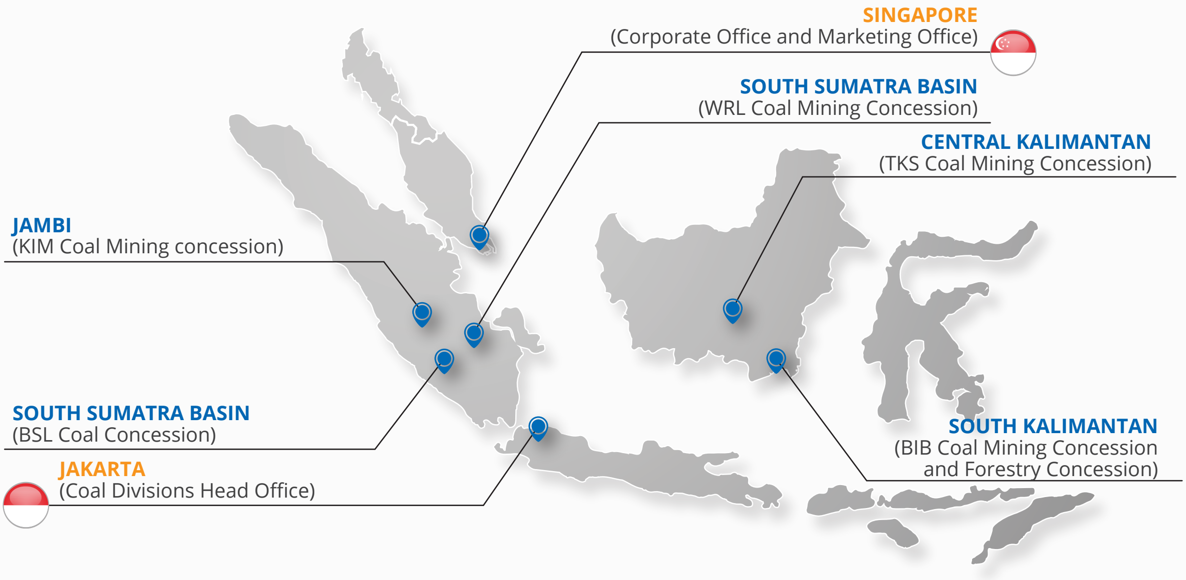
Mr. Djuangga Mangasi Mangunsong was appointed as an Independent non-Executive Director of the Company on 18 January 2018. He does not have any relationships including immediate family relationship with the Directors, the Company or its 5% shareholders as defined in the Code. Mr. Mangunsong was re-elected to the Board on 30 April 2018.

Mr. Mangunsong has many years of experience in the mining industry. He is the Vice Chairman of PT Indo Minerba Insani (Indonesian Mining Institute) and a non-Executive Director of PT Media Bakti Tambang (Tambang Magazine). He was previously a Director of PT Tambang Mas Sangihe and a member of the Working Group on Energy and Mineral Resources of Indonesia’s National Committee for Economy and Industry.

Mr. Mangunsong holds a Bachelor of Engineering degree in Mining Engineering from the Bandung Institute of Technology.

OUR AREAS OF OPERATIONS

SINGAPORE AND INDONESIA



AUSTRALIA

OUR STRATEGIC INVESTMENTS

AUSTRALIA

STANMORE COAL LIMITED

- ASX listed Brisbane-based metallurgical and thermal coal miner
- Operates the Isaac Plains Complex in the prime coking coal region of Bowen Basin in Queensland, Australia
- 1 operating project and 6 development mines
- Production life of approximately 12 years
- Main customers include steel makers in Japan, Korea and Europe

Ownership
31.35%

Coal Resource
1,728 m tonnes

Coal Reserves (Marketable)
129.3 m tonnes

Coal Processing Facilities
up to 3.5 mtpa

WESTGOLD RESOURCES LIMITED

- ASX listed gold miner
- 6th largest domestic gold producer in Australia
- Operates three production facilities in Western Australia

Ownership
7.25%

Gold Resource
9.12 m ounces

Gold Reserves
2.62 m ounces

Gold Processing Facilities
up to 4.0 mtpa

FULL YEAR HIGHLIGHTS

Revenue (USD)
1.1 billion

Gross profit (USD)
369.9 million

EBITDA (USD)
128.7 million

Net profit after tax (USD)
32.9 million

Cash (USD)
177.8 million

Production volume
30.8 million tonnes

2P Reserves over
1.0 billion tonnes

Net asset value per share (US cents)
15.27

Earnings per share (US cents)
0.42

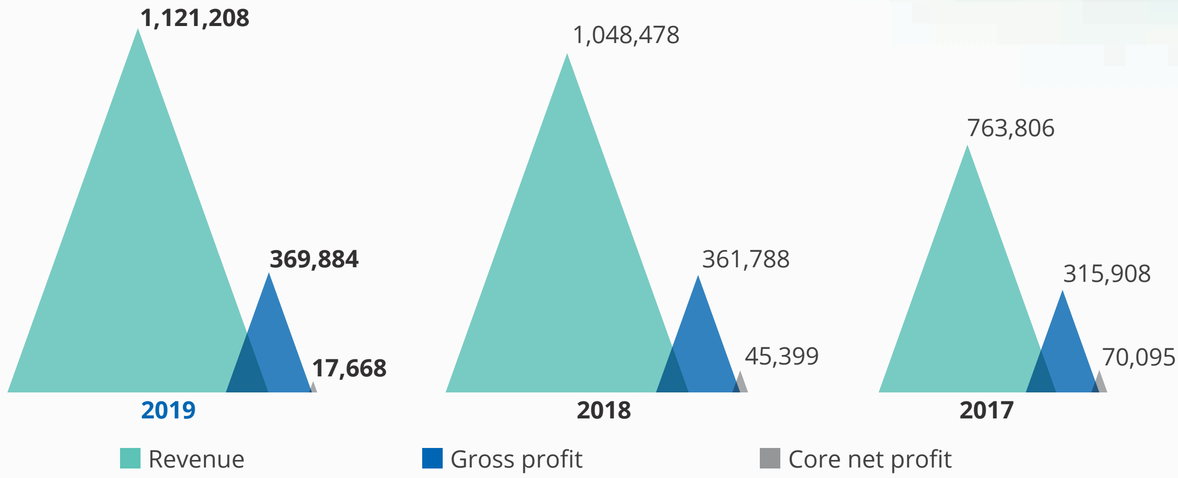
31.35%
stake in **Stanmore**
(as of 20 March 2020)

Launched
gear innovation network
to focus on **digital technologies**

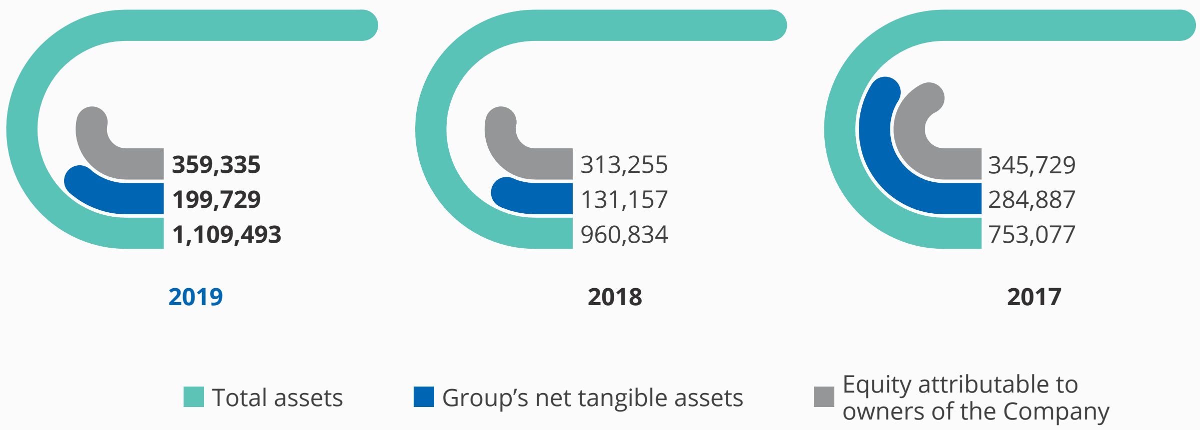
Incorporated
gear renewables
to invest in **renewable energy projects**

FINANCIAL HIGHLIGHTS

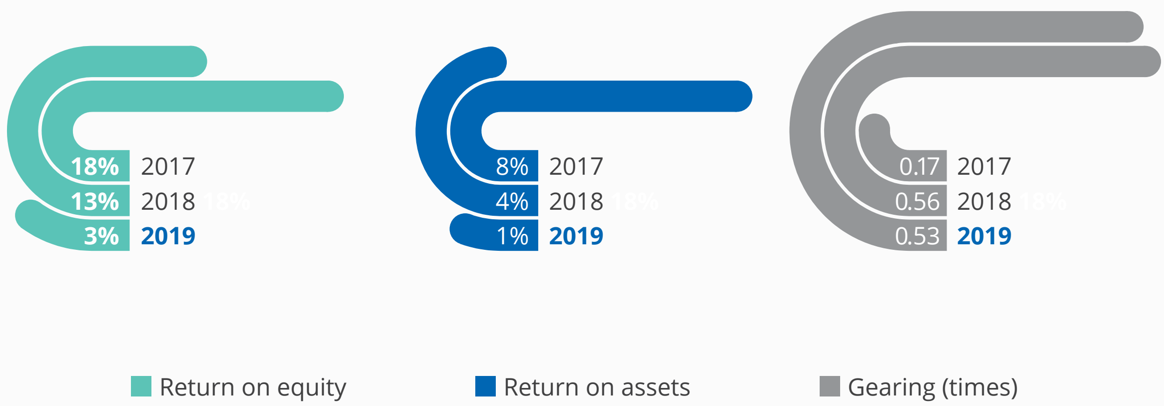
CONSOLIDATED INCOME STATEMENT (US$'000)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION (US$'000)

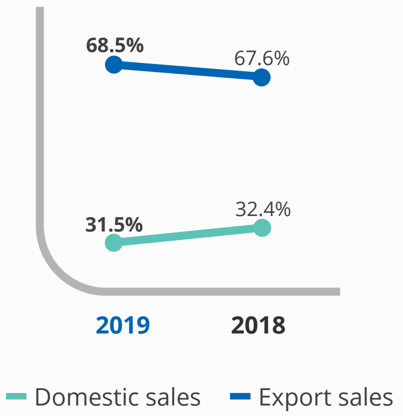


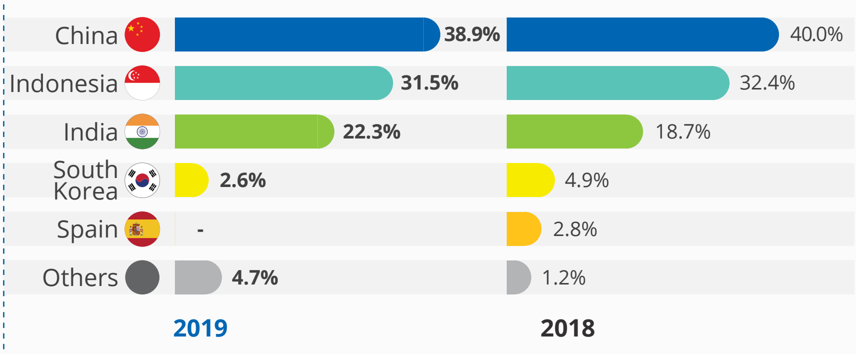
RATIOS



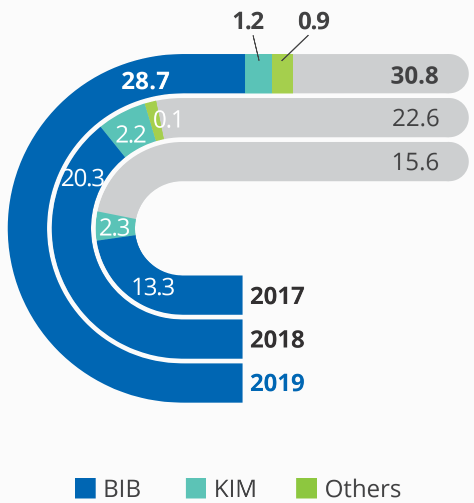
FINANCIAL HIGHLIGHTS

REVENUE MIX

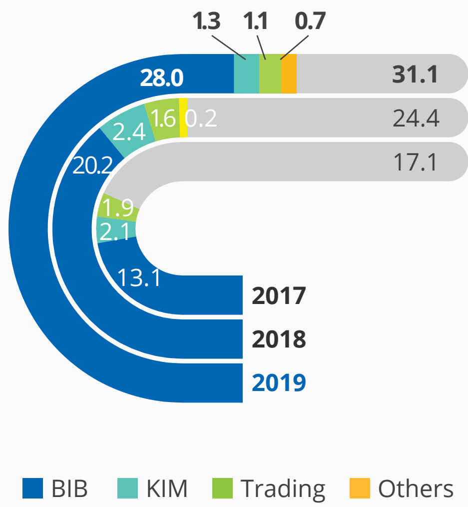




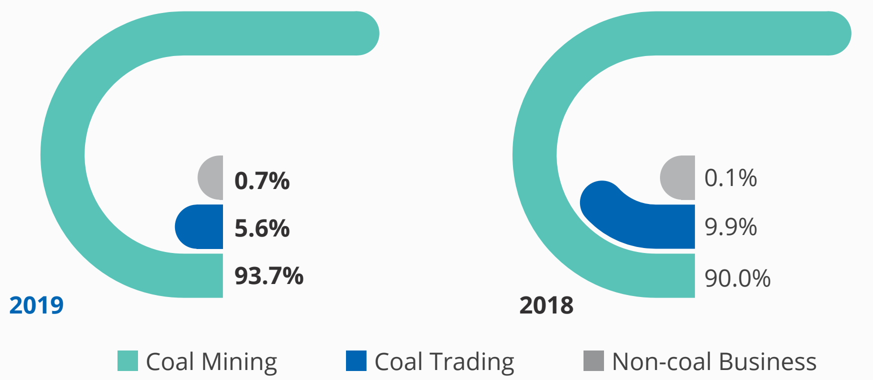
PRODUCTION VOLUME (MILLION TONNES)



SALES VOLUME (MILLION TONNES)



REVENUE MIX BUSINESS SEGMENT



FINANCIAL HIGHLIGHTS

CONSOLIDATED INCOME STATEMENT (US$'000)	2019	2018	2017
Revenue	**1,121,208**	1,048,478	763,806
Gross profit	**369,884**	361,788	315,908
EBITDA[1]	**128,749**	156,639	184,620
Net profit after tax[2]	**32,888**	73,680	104,435
Core net profit[3]	**17,668**	45,399	70,095
Net profit[4]	**9,947**	39,318	62,950
Weighted average number of shares[5] ('000)	**2,353,100**	2,353,100	2,353,100
Core net profit[3] per share (US cents)	**0.75**	1.93	2.98
Earnings per share[5] (US cents)	**0.42**	1.67	2.68

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (US$'000)	2019	2018	2017
Total assets	**1,109,493**	960,834	753,077
Total current assets	**452,286**	382,942	431,086
Total current liabilities	**303,380**	251,148	222,560
Total non-current liabilities	**326,992**	291,411	87,462
Net tangible assets[6]	**199,729**	131,157	284,887
Non-controlling interests	**119,786**	105,020	97,326
Equity attributable to owners of the Company	**359,335**	313,255	345,729
Total outstanding shares[7] ('000)	**2,353,100**	2,353,100	2,353,100

RATIOS	2019	2018	2017
Gross profit margin	**33%**	35%	41%
EBITDA[1] margin	**11%**	15%	24%
Core net profit[3] margin	**2%**	4%	9%
Net profit[4] margin	**1%**	4%	8%
Return on equity[8]	**3%**	13%	18%
Return on assets[9]	**1%**	4%	8%
Current ratio[10] (times)	**1.49**	1.52	1.94
Gearing ratio[11] (times)	**0.53**	0.56	0.17
Net tangible assets per share[12] (cents)	**8.49**	5.57	12.11
Receivable turnover[13] (days)	**36**	36	35
Inventory turnover[14] (days)	**10**	10	10

Notes:
(1) EBITDA = Profit for the year + finance costs + income tax expense + depreciation and amortisation + impairment loss - reversal of prior year interest expense - income tax benefit
(2) Net profit/(loss) after tax = profit/(loss) before tax - income tax (expense)/benefit
(3) Core net (loss) profit = net (loss)/profit attributable to owners of the Company excluding the net effect of net gain or loss from changes in fair value of biological assets, foreign exchange differences, impairment of good will arising from consolidation & impairment loss on property, plant and equipment
(4) Net profit/(loss) = net profit/(loss) attributable to owners of the Company
(5) Refer to Note 9 of Financial contents for explanation
(6) Net tangible assets = total assets - total liabilities - intangible assets
(7) Refer to Note 28 of Financial contents for explanation
(8) Return on equity = net profit/(loss) attributable to owners of the Company / equity attributable to owners of the Company
(9) Return on assets = net profit/(loss) attributable to owners of the Company / total assets
(10) Current ratio = curent assets/current liabilites
(11) Gearing ratio = (loans and borrowings + trade and other payables - advances received - cash and cash equivalents) / (loans and borrowings + trade and other payables - advances received -cash and cash equivalents + equity attributable to owners of the Company)
(12) Net tangible assets per share = Net tangible assets[6]/Number of shares in issued
(13) Receivable turnover = average trade receivables / revenue * 365
(14) Inventory turnover = average inventory / cost of sales * 365

FINANCIAL AND OPERATIONS REVIEW

Amidst a challenging environment due to softer coal prices where the average ICI price for 4,200 GAR coal was US$35.00 in 2019, 16.7% lower from US$42.00 in 2018, our Group recorded revenue of US$1.1 billion (6.9% year-on-year growth) in FY2019. This was achievable largely due to the Group's strategic plan for the multi-year expansion of the Port Bunati facilities to deliver a record-breaking sales volume of 31.1 million tonnes representing 6.7 million tonnes increase over FY2018.

The coal mining division contributed to 93.7% of our Group's total revenue, predominantly from BIB mine. Our Coal Mining Division is principally engaged in the exploration, mining, processing and marketing of thermal coal sourced from its principal coal mining concession areas in Indonesia, which are in South Kalimantan, Sumatra, Central Kalimantan and South Sumatra Basin, Indonesia. In all our concession areas, our Coal Mining Division uses the open cut mining method, which includes the exploration, planning and clearing of required surface areas, mining, transportation, distribution of coal and rehabilitation. Third party mining services providers play an important role in the mining operations which is under the supervision of our management.

The remaining 6.3% of revenue was contributed by the coal trading division and non-coal businesses. The coal trading division purchases and sells coal from third parties and facilitates blending opportunities with our own mined coal. Despite weakened prices, the coal trading division managed to record revenue of US$63.3 million. The non-coal division comprise mainly forestry business where we plant Acacia and Sengon, as well as strategically support our coal mining division for overlapping areas granted to BIB under a land use permit.

Our Group's gross profit improved from US$361.79 million in FY2018 to US$369.88 million in FY2019, reflecting the positive impact of achieving higher production.

However, with the higher sales volume, selling and distribution expenses came in 22.5% higher at US$185.42 million in FY2019. In order to maintain our competitiveness, our Group monitored its administrative expenses and was able to reduce it by US$1.95 million from US$76.93 million in FY2018 to US$74.98 million in FY2019.

Profit for the year dipped US$40.79 million to US$32.89 million (FY2018: US$73.68 million), as a result of lower average selling price, higher selling and distribution expenses from the increase of sales volume and higher finance costs attributable to the drawdown of loans.

FINANCIAL AND OPERATIONS REVIEW

Other comprehensive income rose to a net gain of US$34.40 million in FY2019 from a net loss of US$30.11 million in FY2018. It was mainly due to an increase in share price of Westgold to A$2.29 as at 31 December 2019 (2018: A$0.88) and increase in share price of Stanmore to A$1.05 as at 31 December 2019 (2018: A$1.00), partially offset by weakening of Australian dollar against USD.

Notwithstanding the lower profit, our Group paid dividends of S$0.0029 per share in 2019 as a return to shareholders.

Our Group ended FY2019 with cash and bank balances of US$177.76 million, an increase of US$64.64 million for the year. This was mainly due to receipts from coal sales, net drawdown of loans as well as repayment of loan to our subsidiary, partially offset by payment of taxes, lower advances made to mining contractors, capital expenditure in relation to expansion of Bunati port, purchase of investment in securities (Stanmore and Westgold), dividend payment, and operating expenses.

Property, plant and equipment increased by US$11.74 million in FY2019 due to expansion of Bunati port which enabled the handling of higher sales volume with lesser operational disruption.

Our Group's well-executed plan to diversify our geographical and product mix led to an increase in investments in securities of US$57.41 million to US$115.11 million at 31 December 2019. This was mainly due to increases in Stanmore's and Westgold's market values, additional purchase of Stanmore's shares as well as new shares issued pursuant to the dividend reinvestment plan.

SUSTAINABILITY OVERVIEW

Sustainable growth has become increasingly important as we continue to grow and expand our business. In the long-term, we believe that our focus on sustainability will place us in a better position to enhance value for our shareholders while looking after the needs of the broader stakeholder community.

A detailed Sustainability Report has been prepared with reference to the Global Reporting Initiative ("**GRI**") Standards and GRI Mining and Metals sector supplement. We have chosen GRI Standards for our reporting framework, due to its internationally-recognised, robust guidance and universal application, which enables comparability of our performance. We have not yet sought external assurance on the disclosures made in the Sustainability Report but will consider doing it as our reporting matures over time. Our Sustainability Report is focused on the coal mining operations of our core subsidiary, PT Borneo Indobara ("**BIB**") which its production account for more than 90% of our Group's production volume.

In line with our Group's sustainability efforts, the FY2019 Sustainability Report is published exclusively online and is available for download from 31 May 2019 from our corporate website at https://gear.com.sg/sustainability/

STAKEHOLDER ENGAGEMENT

At the heart of our business is our vision to enhance value for all our stakeholders. At the same time, we believe in forging collaborative partnerships with our stakeholders to achieve sustainable development. For these reasons, we place great emphasis on effective stakeholder engagement, as summarised in the table below.

Table 1: GEAR's approach towards stakeholder engagement

Stakeholder group	Stakeholder's expectations	Stakeholder management/Response(s) to stakeholder's expectations	Engagement platform(s)	Frequency of engagement
Shareholders	• GEAR's financial health	• Formulation of strategies to enhance GEAR's financial performance	• Regular updates and announcements on financial performance • Annual and Sustainability Reports • Meetings with shareholders • Communications through "Investor Relations" section on GEAR's company website	• At least once per quarter • Annual • At least once per year • As necessary
	• Accountability of Environmental, Social and Corporate Governance ("**ESG**") performance	• Implementation of sustainable business practices		
Employees and workers	• Fair employment practices	• Implementation of fair employment practices based on meritocracy	• Electronic updates through e-mail and intranet	• Periodic
	• Training and development	• Provision of in-house and external training opportunities	• Townhalls and meetings with the management	• Periodic
	• Occupational health and safety	• Establishment of Health, Safety and Environment ("**HSE**") system, regular safety briefings, emergency drills, provision of personal protective equipment	• Training programmes, including intensive coaching to potential identified leaders • HSE campaign involving all employees to create safe work condition • Performance appraisal	• Periodic • Periodic • Periodic

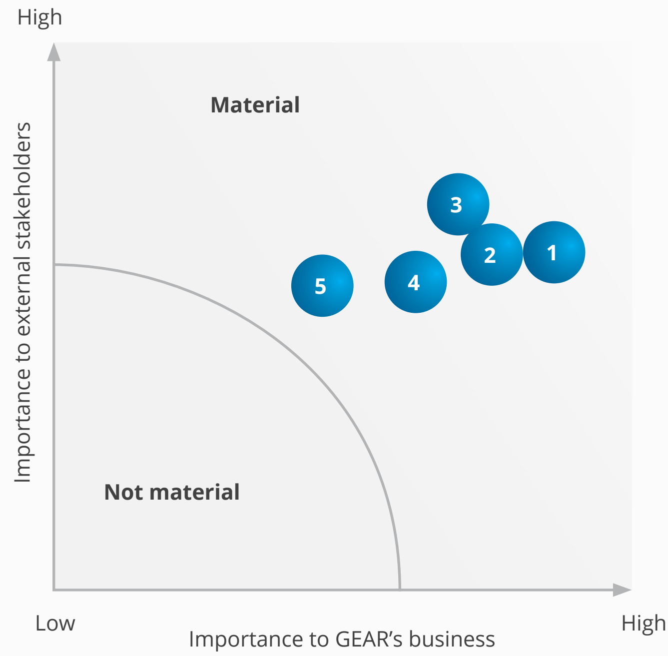
Stakeholder group	Stakeholder's expectations	Stakeholder management/Response(s) to stakeholder's expectations	Engagement platform(s)	Frequency of engagement
Customers	• Product and service quality	• Implementation of quality control processes • Provide transparent information about our product to customers • Regular engagement with customers to understand their satisfaction level	• Meetings • Annual Reports • Tours to site	• Periodic • Annual • As necessary
	• Sustainable business practices	• Implementation of sustainable business practices and transparent reporting	• Sustainability Reports	• Annual
Local communities	• Socioeconomic development	• Local employment opportunities • Provision of trainings to enable the local community to earn their livelihood	• Dialogues with the local community • CSR programmes • Training programmes • Engagement with experts from Indonesia's top universities (Institut Pertanian Bogor and Universitas Indonesia) • Consultation with the local community for inputs to the EIA report • Local hiring • Engagement with third party specialists and the local government to take samples and monitor our environmental parameters	• Periodic • Periodic • Periodic • As necessary • As necessary • Every time • Every time
	• Management of negative economic, environmental and social impact	• Implementation of Corporate Social Responsibility ("**CSR**") Programmes • Management and monitoring of pre-agreed environmental parameters which are affected by our mining as stated in our Environmental Impact Assessment ("**EIA**") report • Engage experts to establish blueprint and evaluation criteria for long-term CSR programmes • Engaging local entrepreneurs and local enterprises to support our mining activities		
Regulatory authorities	• Regulatory compliance	• Keeping abreast of regulatory requirements and ensuring compliance to all	• Statutory reporting • Public consultation forums/events • On-site inspections	• Periodic • Periodic • As necessary
	• Community empowerment	• Implementation of CSR programmes		
Contractors and suppliers	• Fair procurement practices • Business opportunities	• Administration of open and fair tender process	• Tender process	• As necessary
	• Safe working environment	• Implementation of occupational health and safety initiatives	• Performance Review	• Periodic
	• Feedback on performance	• Review of supplies' performance		

For more information on our stakeholder engagement, please refer to our FY2019 Sustainability Report – Engaging our Stakeholders.

MATERIALITY ASSESSMENT

It is crucial for GEAR's future sustainability growth to establish which ESG matters are material for GEAR. Our formal assessment in 2017 year was conducted with key personnel from respective departments, including both internal and external stakeholders, with the guidance of independent sustainability consultants. Through a workshop, we narrowed down these factors by determining what are considered to be our greatest impacts. In FY2019, we have determined the materials reported in FY2017 and FY2018 to be still relevant to our business today. Although we re-look into our material matters every year, we intend to perform a formal materiality assessment in the future.

Figure 1: GEAR's materiality matrix



No.	Material matters	Sub-matters
1	Safety	Emergency preparedness
		Occupational health & safety
2	Environment	Air quality management
		Energy management
		GHG emissions
		Land management (pre- and post-mining
		Solid waste management
		Water resource management
3	Community Management	Empowering local communities
4	Labour Relations	Employee welfare and benefits
		Labour relations management
5	Governance	Anti-corruption
		Anti-fraud

For more information on our materiality assessment, please refer to our FY2019 Sustainability Report – Focusing on What Matters Most.

CORPORATE SOCIAL RESPONSIBILITIES

We will continue to strive relentlessly in our endeavour of nation-building, sustainable development, inclusive growth and social equity through local community investment. Pursuant to that, we implemented various CSR initiatives to meet the needs of local communities where we have presence in.

SUSTAINABILITY OVERVIEW

CSR Blueprint Pillars	Community investments and initiatives in FY2019
Education	Provision of additional classrooms and classrooms renovations, 480 chairs and 480 study desks for 10 local schools in the community.
	Plastic waste reuse and recycling programme targeted at housewives to create economic and environmental value addition in households.
Health	Provide free health examinations and services to the community in collaboration with the local health office and puskesmas (Inpatient Public Health Center) constructed by BIB.
	Healthcare education to the community, targeted at housewives on basic first-aid in the event of an accident in the house before the follow-up to the doctor.
Economy & Infrastructure	Providing capital and training to the fishing community of Bunati village on Kelulut honey cultivation and marketing strategy to supplement fishermen's income.
	Organic paddy planting programme benefiting 3 groups of farmers from 3 villages by increasing their income from growing healthier rice grains at lower planting cost.
	Vanilla farming enhancement programme benefitting 3 groups of existing vanilla farmers by increasing their income from improved quality and quantity of vanilla.
	Developed and constructed a 2-storey inpatient public health center offering accessible and affordable healthcare services to the surrounding community.
	Geoelectric activity in searching for water sources in the Bunati village, aiding access to clean water for the surrounding community.
	Community-based clean water supply management programme for 4 villages.
	Construction of water towers and distributing clean water to homes during periods of water shortage, benefitting over 1,000 families. Providing improved sanitation to schools in collaboration with local business owners.
Socio-cultural	Provision of 1,100 copies of religious books to the villagers of 17 villages.
	Donations to underprivileged families during Hari Raya Haji for 17 villages.
	Groceries donations during Ramadhan to families of 17 villages and institutions.

Moreover, caring for trees and the environment is the social responsibility of everyone. In FY2019, GEAR and its employees, together with their family members, participated in caring for the environment by planting coastal hill forest trees in Labrador Nature Reserve under the Plant-A-Tree Programme organised by the Garden City Fund. Garden City Fund was established in 2002 by the National Parks Board of Singapore with the vision to enhance green spaces, support conservation of urban biodiversity and engaging our community. In the same year, as part of our caring for disadvantaged families programme, GEAR and its employees, in collaboration with Yong-en Care Centre, had also participated in a Food Ration Packing & Distribution exercise, by purchasing, packing and distributing food rations for 150 families residing at Banda Street in Chinatown, Singapore.

Please refer to our FY2019 Sustainability Report – Empowering Local Communities for our detailed strategy and local community investment.

COAL MINING CONCESSIONS

Summary of reserves and resources as of 31 December 2019

Name of Asset/Country: BIB Coal Mining Concession / South Kalimantan, Indonesia

		Gross Attributable to License[1]		Net Attributable to the Company		
Category	**Mineral Type**	**Tonnes (Millions)[4]**	**Grade**	**Tonnes (Millions)[4]**	**Grade**	**Change from previous update (%)[2]**
Reserves						
Proved	Coal	576.4	Bituminous A/ Sub-bituminous B	378.8	Bituminous A/ Sub-bituminous B	-1.64%
Probable	Coal	86.4	Bituminous A/ Sub-bituminous B	56.8	Bituminous A/ Sub-bituminous B	-7.94%
Total		**662.8**		**435.6**		**-2.51%**
Resources[3]						
Measured	Coal	935	Bituminous A/ Sub-bituminous B	614	Bituminous A/ Sub-bituminous B	-4.36%
Indicated	Coal	355	Bituminous A/ Sub-bituminous B	233	Bituminous A/ Sub-bituminous B	6.39%
Inferred	Coal	526	Bituminous A/ Sub-bituminous B	346	Bituminous A/ Sub-bituminous B	3.90%
Total		**1,816**		**1,193**		**-0.08%**

Notes:

(1) CCoW license issued by the Government of the Republic of Indonesia which was represented by Ministry of Mining and Energy (formerly the Ministry of Energy and Mineral Resources)

(2) Previous coal resources and coal reserves estimates were reported as at 31 December 2018

(3) Coal resources are inclusive of coal reserves

(4) Individual totals may differ due to rounding

Name of Qualified Person: Manish Garg
Date: 31 December 2019
Professional Society Affiliation/ Membership: B. Eng. (Hons), MAppFin, MAusIMM; MAICD

The decrease in resources and reserves estimates are mainly due to production

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

COAL MINING CONCESSIONS

Summary of reserves and resources as of 31 December 2019

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

Category	Mineral Type	Gross Attributable to License[1] Tonnes (Millions)[4]	Gross Attributable to License[1] Grade	Net Attributable to the Company Tonnes (Millions)[4]	Net Attributable to the Company Grade	Change from previous update (%)[2]
Reserves						
Proved	Coal	46.5	Sub-bituminous B	31.2	Sub-bituminous B	-3.11%
Probable	Coal	13.1	Sub-bituminous B	8.8	Sub-bituminous B	0.00%
Total		**59.6**		**39.9**		**-2.44%**
Resources[3]						
Measured	Coal	112	Sub-bituminous B	75	Sub-bituminous B	-1.32%
Indicated	Coal	56	Sub-bituminous B	37	Sub-bituminous B	-2.63%
Inferred	Coal	92	Sub-bituminous B	62	Sub-bituminous B	0.00%
Total		**260**		**174**		**-0.57%**

Notes:
(1) IUP license issued by the Governor of Jambi
(2) Previous coal resources and coal reserve estimates were reported as at 31 December 2018
(3) Coal resources are inclusive of coal reserves
(4) Individual totals may differ due to rounding

Name of Qualified Person: Manish Garg
Date: 31 December 2019
Professional Society Affiliation/Membership: B. Eng. (Hons), MAppFin, MAusIMM; MAICD

The decrease in resources and reserves estimates are mainly due to production

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

COAL MINING CONCESSIONS

Summary of reserves and resources as of 31 December 2019

Name of Asset/Country: BSL Coal Mining Concession / South Sumatra Basin, Indonesia

		Gross Attributable to License[1]		Net Attributable to the Company		
Category	**Mineral Type**	**Tonnes (Millions)[4]**	**Grade**	**Tonnes (Millions)[4]**	**Grade**	**Change from previous update (%)[2]**
Reserves						
Proved	Coal	149.2	Sub-bituminous B	100.0	Sub-bituminous B	-0.79%
Probable	Coal	61.0	Sub-bituminous B	40.9	Sub-bituminous B	0.00%
Total		**210.1**		**140.8**		**-0.56%**
Resources[3]						
Measured	Coal	198	Sub-bituminous B	133	Sub-bituminous B	0.00%
Indicated	Coal	133	Sub-bituminous B	89	Sub-bituminous B	0.00%
Inferred	Coal	87	Sub-bituminous B	58	Sub-bituminous B	0.00%
Total		**418**		**280**		**-0.36%**

Notes:

(1) Generation II CCoW license issued by the Government of the Republic of Indonesia which was presented by Ministry of Mining and Energy (formerly the Ministry of Energy and Mineral Resources)

(2) Previous coal resources and coal reserve estimates were reported as at 31 December 2018

(3) Coal resources are inclusive of coal reserves

(4) Individual totals may differ due to rounding

Name of Qualified Person: Manish Garg
Date: 31 December 2019
Professional Society Affiliation/ Membership: B. Eng. (Hons), MAppFin, MAusIMM; MAICD

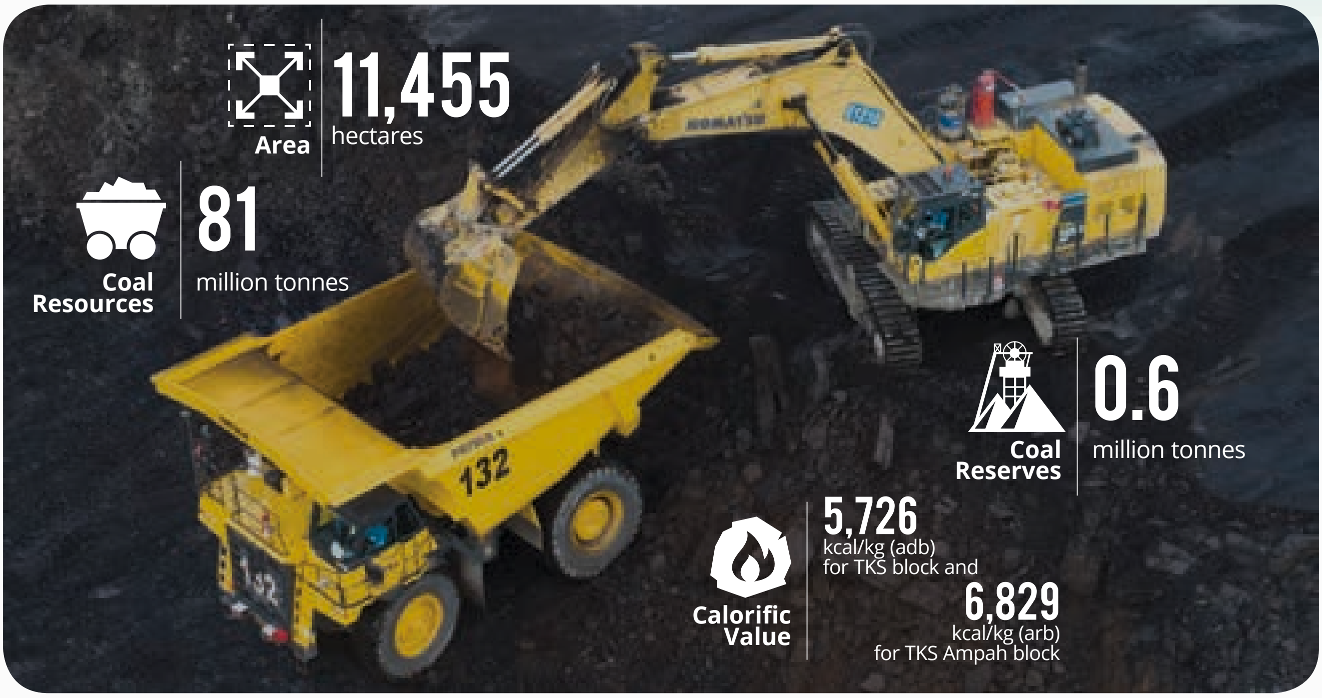
The decrease in resources and reserves estimates are mainly due to production

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

COAL MINING CONCESSIONS

Summary of reserves and resources as of 31 December 2019

Name of Asset/Country: TKS and TKS Ampah Blocks / Central Kalimantan, Indonesia



Category	Mineral Type	Gross Attributable to License[1] Tonnes (Millions)[4]	Grade	Net Attributable to the Company Tonnes (Millions)[4]	Grade	Change from previous update (%)[2]
Reserves						
Proved	Coal	0.2	Bituminous A	0.1	Bituminous A	0.00%
Probable	Coal	0.4	Bituminous A	0.2	Bituminous A	0.00%
Total		**0.6**		**0.3**		
Resources[3]						
Measured	Coal	26	Bituminous A and Sub-bituminous B	12	Bituminous A and Sub-bituminous B	0.00%
Indicated	Coal	29	Bituminous A and Sub-bituminous B	14	Bituminous A and Sub-bituminous B	0.00%
Inferred	Coal	26	Bituminous A and Sub-bituminous B	12	Bituminous A and Sub-bituminous B	0.00%
Total		**81**		**38**		**0.00%**

Notes:
(1) Two IUP Licenses issued by the Keputusan Bupati Barito Utara and one IUP license issued by Bupati Barito Timur
(2) Previous coal resource estimates were reported as at 31 December 2018
(3) Coal resources are inclusive of coal reserves
(4) Individual totals may differ due to rounding

Name of Qualified Person: Manish Garg
Date: 31 December 2019
Professional Society Affiliation/ Membership: B. Eng. (Hons), MAppFin, MAusIMM; MAICD

The resources and reserves estimates remain relatively stable

COAL MINING CONCESSIONS

Summary of reserves and resources as of 31 December 2019

Name of Asset/Country: WRL Mining Concession / South Sumatra Basin, Indonesia

	Gross Attributable to License[1]			Net Attributable to the Company		
Category	**Mineral Type**	**Tonnes (Millions)[4]**	**Grade**	**Tonnes (Millions)[4]**	**Grade**	**Change from previous update (%)[2]**
Reserves						
Proved	Coal	33.8	Sub-bituminous B	22.6	Sub-bituminous B	0.00%
Probable	Coal	53.4	Sub-bituminous B	35.8	Sub-bituminous B	0.00%
Total		**87.2**		**58.4**		**0.00%**
Resources[3]						
Measured	Coal	55	Sub-bituminous B	37	Sub-bituminous B	0.00%
Indicated	Coal	100	Sub-bituminous B	67	Sub-bituminous B	0.00%
Inferred	Coal	161	Sub-bituminous B	108	Sub-bituminous B	0.00%
Total		**316**		**212**		**0.00%**

Notes:
(1) IUPOP license issued by the provincial government of South Sumatra
(2) Previous coal resources and coal reserve estimates were reported as at 31 December 2018
(3) Coal resources are inclusive of coal reserves
(4) Individual totals may differ due to rounding

Name of Qualified Person: Manish Garg
Date: 31 December 2019
Professional Society Affiliation/Membership: B. Eng. (Hons), MAppFin, MAusIMM; MAICD

The resources and reserves estimates remain relatively stable

EXPLORATION (INCLUDING GEOPHYSICAL SURVEYS), DEVELOPMENT AND PRODUCTON ACTIVITIES

The Group has conducted infill exploration drilling including geophysical surveys during the financial year ended 31 December 2019 in BIB, BSL and TKS Ampah mines. The purpose of the drilling was to identify the subsurface geological conditions in detail and to improve the production planning. The Group has done project infrastructure expansion in BIB coal mine during the period under review.

The mines had processed an aggregate of 30,830,771 metric tonnes of Bituminous A and Sub-bituminous B coal for the financial year ended 31 December 2019 and no transfer of mines under construction to producing mines during the period under review.

ACCOLADES RECEIVED BY GEMS GROUP

Award for Quality Assessment of 2018 Annual Report with B+ Rating

Period:	2018
Organiser:	National Committee of Governance Policy (KNKG) and Committee of ARA 2018
Award Date:	14 November 2019

One of 50 Largest Companies by Market Capitalisation with the Best Good Corporate Governance

Period:	2019
Organiser:	Indonesian Institute for Corporate Directorship
Award Date:	14 October 2019

Award from Participation in ESDM Disaster Alert on Flood and Landslide of Bengkulu Province

Period:	2019
Organiser:	The Ministry of Energy and Mineral Resources
Award Date:	April 2019

Proper Award "GREEN" Rating in Environmental Performance Assessment for BIB

Period:	2018 – 2019
Organiser:	The Ministry of Environment and Forestry

GEMS was ranked 12th in 100 Excellent Growth Company Ranks in 2019 by Indonesia Business Magazine

Proper Award "BLUE" Rating in Environmental Performance Assessment for KIM

Period:	2018 – 2019
Organiser:	The Ministry of Environment and Forestry

Certificate of Merit for Implementation of CSR Programme in KIM

Period:	2019
Organiser:	The District Government of Bungo, Indonesia
Award Date:	N/A

Certificate of Merit for Implementation of CSR Programme in BSL

Period:	2018 - 2019
Organiser:	The Northern Regent of Musi Rawas, Indonesia
Award Date:	21 November 2019

Certificate Of Merit in Supporting the CSR Programme in the Health Sector in BSL

Period:	2019
Organiser:	The Northern Regent of Musi Rawas, Indonesia
Award Date:	23 December 2019

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Lay Krisnan Cahya
Non-Executive Chairman

Mr. Fuganto Widjaja
Executive Director, Group Chief Executive Officer

Mr. Dwi Prasetyo Suseno
Executive Director, Deputy Group Chief Executive 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

AUDIT COMMITTEE

Mr. Lim Yu Neng Paul
Chairman

Mr. Lay Krisnan Cahya

Mr. Lew Syn Pau

NOMINATING COMMITTEE

Mr. Lew Syn Pau
Chairman

Mr. Lay Krisnan Cahya

Mr. Lim Yu Neng Paul

REMUNERATION COMMITTEE

Mr Lew Syn Pau
Chairman

Mr. Lim Yu Neng Paul

Mr. Fuganto Widjaja

GROUP COMPANY SECRETARY

Ms. Pauline Lee

EXTERNAL AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Tel: 6535 7777
Fax: 6532 7662

AUDIT PARTNER-IN-CHARGE

Mr. Vincent Toong Weng Sum
(appointed with effect from financial year ended 31 December 2017)

REGISTERED OFFICE

20 Cecil Street
#05-05 PLUS
Singapore 049705
Tel: 6838 7500
Fax: 6284 0074

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Tel: 6535 5355
Fax: 6535 1360

PRINCIPAL BANKERS

BNP Paribas, Singapore Branch
CIMB Bank Berhad, Singapore Branch
Credit Suisse AG, Singapore Branch
ICICI Bank Limited, Singapore Branch
RHB Bank Berhad, Singapore Branch
PT Bank Central Asia Tbk
PT Bank CIMB Niaga Tbk
PT Bank Danamon Indonesia Tbk
PT Bank Mandiri (Persero) Tbk
PT Bank Rakyat Indonesia (Persero) Tbk

CORPORATE STRUCTURE

GOLDEN ENERGY AND RESOURCES LIMITED (the "Company")

COAL MINING AND COAL TRADING DIVISIONS

PT Golden Energy Mines Tbk**
66.9998%

COAL MINING DIVISION

PT Borneo Indobara**(1)
65.7235%

PT Kuansing Inti Makmur**(1)
66.9997%

PT Karya Cemerlang Persada**(1)
66.9997%

PT Bara Harmonis Batang Asam**(1)
66.9997%

PT Bungo Bara Utama**(1)
66.9997%

PT Berkat Nusantara Permai**(1)
66.9997%

PT Tanjung Belit Bara Utama**(1)
66.9997%

PT Wahana Rimba Lestari**(1)
66.9998%

PT Berkat Satria Abadi**(1)
66.9998%

PT Bungo Bara Makmur**(1)
66.9998%

PT Kuansing Inti Sejahtera**(1)
66.9998%

PT Barasentosa Lestari**(1)
66.9998%

PT Trisula Kencana Sakti**(1)
46.8999%

COAL TRADING DIVISION

GEMS Trading Resources Pte Ltd*(1)
66.9998%

PT Roundhill Capital Indonesia**(1)
66.3404%

GEAR Trading Enterprise Pte Ltd*
100%

NON-COAL BUSINESS

PT GEMS Energy Indonesia**(1)
66.9932%

PT Era Mitra Selaras**(1)
66.9998%

PT Dwikarya Sejati Utama**(1)
66.9998%

PT Duta Sarana Internusa**(1)
66.9998%

PT Unsoco**(1)
66.9998%

PT Karya Mining Solutions**(1)
66.9997%

PT Mangium Anugerah Lestari **
99.9976%

PT Hutan Rindang Banua**
100%

GEAR Innovation Network Pte Ltd*
100%

GEAR Renewables Pte Ltd*
100%

Golden Investments (Australia) Pte Ltd *
99.9999%

Golden Investments (Australia) II Pte Ltd*
100%

PT Marga Buana Bumi Mulia**
100%

Anrof Singapore Limited@
100%

Able Advance Limited@@
100%

Shinning Spring Resources Limited@@
100%

Pacificwood Investment Ltd@
100%

Poh Lian (Cambodia) Ltd@@@
100%

COKING COAL

Stanmore Coal Limited#
31.35%

GOLD

Westgold Resources Limited#
7.25%

Information as of 20 March 2020
(1)Subsidiaries of PT Golden Energy Mines Tbk
*Singapore
**Indonesia

@Mauritius
@@BVI
@@@Cambodia
#Strategic investments in Australia

The Board of Directors and Management of Golden Energy and Resources Limited (the "**Company**") are committed to continually enhancing shareholders value by maintaining high standards of corporate governance, business integrity and professionalism in all its activities.

This Report sets out the corporate governance practices and procedures adopted by the Company and its subsidiaries (the "**Group**") with specific reference to the Code of Corporate Governance 2018 (the "**Code**") and the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Listing Manual**"). The Company has complied with the principles and provisions as set out in the Code and the Listing Manual where appropriate, to the extent that there are deviations, explanations have been provided in this Report. For easy reference, the principles of the Code are set out in italics in this Report.

A. BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board of Directors of the Company (the "**Board**") is responsible for providing effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders to achieve sustainable and successful performance. The Board has the responsibility to fulfill its role which includes the following:

(a) ensuring that the long-term interests of the shareholders are being served and safeguarding the Company's assets;

(b) assessing major risk factors relating to the Company and its performance, and reviewing measures, including internal controls, to address and mitigate such risks;

(c) reviewing and approving Management's strategic and business plans, including developing a depth of knowledge of the business being served, understanding and questioning the assumptions upon which plans are based, and reaching an independent judgement as to the probability that the plans can be realised;

(d) monitoring the performance of Management against plans and goals;

(e) reviewing and approving significant corporate actions and major transactions, such as major changes to the Group's Management and control structure; material acquisitions and disposal of assets or investments; major funding proposals; financial reporting and dividends; and any other matters which requires Board or shareholders' approval pursuant to the Listing Manual, Singapore Companies Act, Cap. 50 ("**Companies Act**") or other applicable rules and regulations;

(f) assessing the effectiveness of the Board;

(g) ensuring ethical behaviour (including ethical standards) and compliance with laws and regulations, auditing and accounting principles and the Company's own governing documents;

(h) identifying key stakeholder groups and recognising that their perceptions affect the Company's reputation;

(i) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation; and

(j) performing such other functions as are prescribed by law, or assigned to the Board in the Company's governing documents.

All Directors are expected to fulfill their duties to objectively take decisions in the interests of the Company.

The Board currently consists of eight members, as shown below together with their membership on the Board committees of the Company (collectively, the "**Board Committees**" or individually, the "**Board Committee**") as of the date of this Report:

Name	Board Appointment	Board Committees Appointment(s)
Lay Krisnan Cahya	Non-Executive Chairman	Member of AC and NC
Fuganto Widjaja	Executive Director and Group Chief Executive Officer ("**CEO**")	Member of RC
Dwi Prasetyo Suseno	Executive Director and Deputy Group CEO	N.A.
Mochtar Suhadi	Executive Director	N.A.
Lim Yu Neng Paul	Lead Independent Director	Chairman of AC and a member of NC and RC
Lew Syn Pau	Independent Director	Chairman of NC and RC and a member of AC
Irwandy Arif	Independent Director	N.A.
Djuangga Mangasi Mangunsong	Independent Director	N.A.

Abbreviation:	N.A.	:	Not Applicable
	AC	:	Audit Committee
	NC	:	Nominating Committee
	RC	:	Remuneration Committee

To assist the Board, the Board has delegated certain functions to the three Board Committees, namely, the AC, the NC and the RC, at the same time recognising that the ultimate responsibility on all matters rest with the Board. Each of the Board Committees has its own written terms of reference. Please refer to this Report for further information on the three Board Committees.

To facilitate Directors' attendance at meetings, the dates of the Board, Board Committees' meetings and Annual General Meeting ("**AGM**") are scheduled at the beginning of each financial year, with Directors' meetings each quarter. In addition to the regular scheduled meetings, ad-hoc meetings are held whenever required. If a physical meeting is not possible, the Company's Constitution provides for the Board to conduct meetings by telephone conference and/or video conference. The Board and the Board Committees may also make important decisions concerning the Group by way of circular resolutions under the Company's Constitution and their respective terms of reference.

Details on the number of Board and Board Committees' meetings held in the financial year 2019 ("**FY2019**"), and the attendance of Directors and Board Committees, members respectively at those meetings are disclosed below:

Type of Meeting	Board	AC	NC	RC
Total number of meetings held	6	4	1	1
Name of Director	**Number of meetings attended**			
Lay Krisnan Cahya	6	4	1	N.A.
Fuganto Widjaja	6	N.A.	N.A.	1
Dwi Prasetyo Suseno	6	N.A.	N.A.	N.A.
Mochtar Suhadi	4	N.A.	N.A.	N.A.
Irwandy Arif	6	N.A.	N.A.	N.A.
Lew Syn Pau	6	4	1	1
Lim Yu Neng Paul	6	4	1	1
Djuangga Mangasi Mangunsong	6	N.A.	N.A.	N.A.

N.A.: Not Applicable

The Company has adopted and documented internal guidelines setting forth matters that require the Board's approval. Material transactions which are specifically reserved for the Board's approval are as follows:

- major changes to the Group's Management and control structure;
- material acquisitions and disposal of assets or investments;
- major funding proposals;
- financial reporting and dividends; and
- any other matters which requires the Board or shareholders' approval pursuant to the Listing Manual, Companies Act or other applicable rules and regulations.

The Company has adopted internal guidelines governing matters that require Board's approval for transactions exceeding certain threshold limits, while delegating authority for transactions below those prescribed limits to specific members of key management via a structured authority matrix, which is reviewed on a regular basis and accordingly revised when necessary.

Procedures are in place whereby newly appointed Directors are provided with a formal appointment letter setting out the terms of appointment, duties and obligations. They are also given the relevant governing documents of the Company and contact particulars of the Senior Management. Those who do not have prior experience as director of a Singapore listed company are required to undergo externally conducted training on their roles and responsibilities as a director of a listed company in Singapore.

Newly appointed Non-Executive Directors who are not familiar with the Group's business may, upon recommendation of the Chairman of the NC, be provided with orientation through overseas trips to familiarise them with the Group's operations. Management will brief the new Directors on the Group's business as well as governance practices.

Directors are provided with updates and briefings from time to time by professional advisers, auditors and Management on relevant practices, new laws, rules and regulations, Directors' duties and responsibilities, corporate governance, changes in accounting standards and risk management issues applicable or relevant to the performance of their duties and responsibilities as Directors.

Directors are also informed and encouraged to attend relevant training programmes organised by the Singapore Institute of Directors and/or the relevant regulators and may suggest training topics that are relevant to his duties as a Director. The training programmes are funded by the Company.

The Board members are provided with adequate and timely information prior to Board meetings. In addition, Management provides the Board with proper information which includes Board papers, disclosure documents, budgets and related materials, background or explanatory information relating to matters to be brought up before the Board.

Management provides the Board with financial statements and management reports of the Group on a quarterly basis, and upon request as and when required. Explanations are given by Management for material variances.

The Board has separate and independent access to the Senior Management and the Group Company Secretary. The Group Company Secretary is responsible for, among other things, ensuring that Board procedures are observed and that the Company's Constitution, relevant rules and regulations including requirements of the Singapore Securities and Futures Act (Chapter 289), Companies Act and the Listing Manual, are complied with. The Group Company Secretary attends all Board meetings and prepares minutes of Board meetings and assists the Chairman of the Company in ensuring good information flows within the Board and its Board Committees and between Management and Non-Executive Directors. The appointment and removal of the Group Company Secretary is subject to approval of the Board as a whole.

The Board takes independent professional advice as and when necessary to enable it to discharge its responsibilities effectively. Subject to the approval of the Chairman, the Directors, whether as a group or individually, may seek and obtain independent professional advice to assist them in their duties at the expense of the Company.

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The size and composition of the Board are reviewed from time to time by the NC which strives to ensure that the size of the Board is conducive to effective discussions and decision making and that the Board has an appropriate balance of Independent Directors.

As a group, the Directors bring with them a broad range of industry knowledge, expertise and experience in areas such as accounting, banking, finance, business and management. The diversity of the Directors' experience allows for the useful exchange of ideas and views as well as provide for effective decision-making. Key information regarding the Directors are set out in pages 10 to 13 and pages 41 to 43 of this Annual Report.

The Board comprises eight Directors, four of whom are Independent Directors. With at least half of the Board consisting of Independent Directors, there is a strong element of independence on the Board. Taking into account the scope and nature of the current operations of the Group, the Board considers that the current board size of eight Directors is appropriate to facilitate decision making.

The NC and Board have considered the following Directors as Independent Directors of the Company:

Mr Irwandy Arif
Mr Lew Syn Pau
Mr Lim Yu Neng Paul
Mr Djuangga Mangasi Mangunsong

The ensuing paragraphs set out the criteria for independence and processes to determine a Director's independence.

The Board has adopted guidelines as set out in the Code and the Listing Manual on relationships, the existence of which, would deem a Director not to be independent. A Director who has no relationship with the Company, its related corporations, officers or its shareholders with shareholdings of 5% or more in the voting shares of the Company, that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of the Company, is considered to be independent. Each Independent Director is required to complete a Director's Independence Checklist annually to confirm his independence based on the guidelines as set out in the Code and the Listing Manual.

As at 31 December 2019, the Board comprises five Non-Executive Directors, of whom four are independent. The Company has begun reviewing its Board composition to comply with Provision 2.2 of the Code for the financial year commencing 1 January 2020. The NC is tasked to determine on an annual basis and, as and when the circumstances require, whether or not a Director is independent, bearing in mind the Code, the Listing Manual and any other salient factors which would render a Director to be deemed not independent. In addition, consideration is given to Guideline 2.4 of the Code of Corporate Governance 2012 (continues to apply until 1 January 2022) which requires that the independence of any director who has served on the board beyond nine years, be subject to particularly rigorously review. Mr Lim Yu Neng Paul has served on the Board as an Independent Non-Executive Director for more than nine years.

In reviewing the independence of Mr Lim Yu Neng Paul who has been appointed as a Director since 2007, the NC considered that the Company has experienced changes in controlling shareholder and the management team after the reverse takeover in 2015. Although Mr Lim Yu Neng Paul has served more than nine years from the date of his appointment, he has demonstrated independence in character and judgment in the discharge of his responsibilities as a Director of the Company, and has been forthcoming in expressing his independent views, debates issues and objectively scrutinises and challenges Management at the Board and Board Committees' meetings. During the review, Mr Lim Yu Neng Paul had excused himself and abstained from all deliberations and discussion.

The NC takes the view that a Director's independence cannot be determined solely and arbitrarily on the basis of the length of time. A Director's contribution in terms of experience, expertise, professionalism, integrity, objectivity and independent judgement in engaging and challenging the Management in the interests of the Group as he performs his duties in good faith, are more critical measures in ascertaining a Director's independence than the number of years served on the Board. Having considered the factors, the Board is of the view that Mr Lim continue to be considered as an Independent Director, notwithstanding that he has served on the Board for more than nine years.

Each Independent Director duly abstained from the NC and Board determination of his independence.

The Company does not have a Board diversity policy. However, the Company is mindful that the Board and Board Committees should be of an appropriate balance and mix of skills, knowledge, experience, and other aspect of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. During FY2019, the Company has embraced most aspects of diversity in the current Board composition save for the gender diversity. In this respect, the Board conducts an annual review to assess if the existing attributes and core competencies of the Board are complementary and contributes to the efficacy of the Board. This enables the Board to maintain or enhance balance and diversity within the Board. Nevertheless, the Board may, from time to time, seek to improve the aspects of its diversity and measure progress accordingly.

Non-Executive Directors are encouraged, in line with the corporate governance practice, to constructively challenge and help develop proposals on strategy; to review the performance of Management in meeting agreed goals and objectives; and to monitor the reporting of performance.

To facilitate a more effective check on the Management, the Non-Executive and Independent Directors shall meet at least annually without the presence of Management.

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

There is a clear separation of the roles and responsibilities of the Chairman and the Group Chief Executive Officer ("**CEO**"). This is to ensure appropriate balance of power and authority, accountability and decision-making.

Mr Lay Krisnan Cahya, who is the Non-Executive Chairman, and Mr Fuganto Widjaja, the Group CEO of the Company are not related to each other. Mr Fuganto Widjaja is related to the ultimate controlling shareholders of the Company. Mr Fuganto Widjaja is responsible for the day-to-day management of the affairs of the Company. He ensures that the Board is kept updated and informed of the Group's business operations.

The Chairman is responsible for:

(a) leading the Board to ensure its effectiveness on all aspects of its role;

(b) setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;

(c) reviewing key proposals and Board papers before they are presented to the Board and ensures that Board members are provided with accurate and timely information;

(d) promoting a culture of openness and encourage Board members to engage Management in constructive debate on various matters including strategic issues and business planning processes;

(e) encouraging constructive relations within the Board and between the Board and Management;

(f) facilitating the effective contribution of Non-Executive and Independent Directors in particular; and

(g) ensuring effective communication with shareholders.

The four Independent Directors continue to uphold good corporate governance at the Board level and their presence facilitates the exercise of independent and objective judgement on corporate affairs. Their participation and input also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, always taking into account the long-term interest of the Company and the Group, and its shareholders.

The current Board, with Independent Non-Executive Directors making up one half of the Board, provides a strong element of independence on the Board capable of exercising objective judgement on corporate affairs of the Company and the Group. No individual or small group of individuals dominates the Board's decision-making.

In order to ensure good corporate governance practice and that there is no concentration of power and authority vested in one individual, the Company has appointed Mr Lim Yu Neng Paul since 20 April 2015 as the Lead Independent Director. The Lead Independent Director will be available to the shareholders where they have concerns which cannot be resolved through the normal channels of the Non-Executive Chairman, the CEO or the Chief Financial Officer ("**CFO**") or its equivalent, or where such contact is not possible or inappropriate.

The Independent Directors will also meet periodically without the presence of the other Directors, and the Lead Independent Director will provide feedback to the Non-Executive Chairman after such meetings.

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC comprises the following three Directors, two of whom including the NC Chairman are Independent Directors:

Mr Lew Syn Pau	(NC Chairman)
Mr Lim Yu Neng Paul	(Member)
Mr Lay Krisnan Cahya	(Member)

The NC's duties as set out in the terms of reference include the following:

1. review and assess all candidates for directorships before making recommendation to the Board for appointment of Directors;

2. review and recommend to the Board the re-election of Directors retiring in accordance with the Company's Constitution at each AGM;

3. review the composition of the Board annually to ensure that the Board has appropriate balance of Independent Directors and to ensure an appropriate balance of expertise, skills, attributes and ability among the Directors;

4. review the independence of Directors annually;

5. review Board succession plans for Directors, in particular, Chairman and CEO;

6. evaluate the performance and effectiveness of the Board as a whole; and

7. review the training and professional development programmes for the Board to keep the Board abreast of relevant new laws, regulations and changing of commercial risk.

The NC reviews and assesses candidates for directorship before making recommendations to the Board. In recommending new Directors to the Board, the NC takes into consideration the skills and experience and the current composition of the Board, and strives to ensure that the Board has an appropriate balance of Independent Directors as well as Directors with the right profile of expertise, skills, attributes and ability. In evaluating a Director's contribution and performance for the purposes of re-nomination, the NC takes into consideration a variety of factors such as attendance, preparedness, participation and candour. The NC makes recommendation for new Directors, retirement and re-election of Directors. The Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. The Company's Constitution provides that one-third of the Board, or the number nearest to one-third is to retire by rotation at every AGM. In addition, the Company's Constitution also provides that newly appointed Directors are required to submit themselves for re-nomination and re-election at the next AGM of the Company.

In its deliberation on the re-election/re-appointment of retiring Directors, the NC takes into consideration the Directors' contribution and performance during the past year. Mr Djuangga Mangasi Mangunsong, Mr Lew Syn Pau and Mr Fuganto Widjaja will retire from office by rotation at the forthcoming AGM under Regulation 107 of the Constitution, and, being eligible, have offered themselves for re-election. The NC has recommended their re-election at the forthcoming AGM. Key information regarding these Directors are set out in pages 41 to 43 of this Annual Report.

The Board is of the view that setting a maximum number of listed company board representations would not be meaningful as the contributions of the Directors would depend on many factors such as whether they were in full time employment and their other responsibilities. The NC monitors and assesses each Director relative to his abilities and known commitments and responsibilities, are able to give sufficient time and attention to the affairs of the Company and diligently discharge his duties.

The Board has not engaged any external facilitator to conduct the assessment of the performance of the Board and each individual Director.

There are no alternate Directors appointed to the Board and the Board does not encourage the appointment of alternate Directors to the Board.

The dates of initial appointment and last re-election of each Director are set out as follows:

Name of Director	Appointment	Date of initial appointment	Date of last re-election
Lay Krisnan Cahya	Non-Executive Chairman	20 April 2015	30 April 2018
Fuganto Widjaja	Executive Director and Group CEO	20 April 2015	28 April 2017
Dwi Prasetyo Suseno	Executive Director and Deputy Group CEO	26 October 2015	30 April 2018
Mochtar Suhadi	Executive Director	20 April 2015	29 April 2019
Lim Yu Neng Paul(1)	Lead Independent Director	3 August 2007	29 April 2019
Irwandy Arif	Independent Director	20 April 2015	29 April 2019
Lew Syn Pau	Independent Director	20 April 2015	28 April 2017
Djuangga Mangasi Mangunsong	Independent Director	18 January 2018	30 April 2018

(1) Mr Lim was re-designated as an Independent Director on 26 February 2009.

All Directors have declared their board representations and principal commitments including their directorships in other listed companies both current and those held over in the preceding three (3) years from 1 January 2017 to 31 December 2019 are as follows:

Mr Lay Krisnan Cahya	Mr Fuganto Widjaja
Current Directorships in other Listed Companies/ Principal Commitments – PT Dian Swastatika Sentosa Tbk – PT Golden Energy Mines Tbk – PT DSSE Energi Mas Utama – PT DSSP Power Mas Utama – PT Eka Mas Republik – PT Innovate Mas Indonesia – PT Rolimex Kimia Nusamas – PT DSSA Mas Infrastruktur – PT Dian Semesta Sentosa	**Current Directorships in other Listed Companies/ Principal Commitments** – PT Golden Energy Mines Tbk – PT Sinar Mas Multiartha Tbk – PT Super Wahana Tehno – PT Roundhill Capital Indonesia – PT Borneo Indobara
Past Directorships in other Listed Companies/ Principal Commitments – PT DSSP Power Sumsel – PT DSSP Power Kendari – PT SKS Listrik Kalimantan	**Past Directorships in other Listed Companies/ Principal Commitments** – PT DSSP Power Sumsel – PT Bumi Anugerah Semesta
Mr Dwi Prasetyo Suseno	**Mr Mochtar Suhadi**
Current Directorships in other Listed Companies/ Principal Commitments – GEAR Trading Enterprise Pte Ltd – GEAR Renewables Pte Ltd	**Current Directorships in other Listed Companies/ Principal Commitments** – PT Pelayaran Sanditia Perkasa Maritim
Past Directorships in other Listed Companies/ Principal Commitments – PT Golden Energy Mines Tbk	**Past Directorships in other Listed Companies/ Principal Commitments** – PT Mutiara Tanjung Lestari – PT Golden Energy Mines Tbk – PT Trisula Kencana Sakti – PT Roundhill Capital Indonesia – PT GEMS Energy Indonesia – PT Karya Mining Solutions – PT Era Mitras Selaras – PT Wahana Rimba Lestari – PT Berkat Satria Abadi – PT JGC Coal Fuel
Mr Lim Yu Neng Paul	**Mr Lew Syn Pau**
Current Directorships in other Listed Companies/ Principal Commitments – China Everbright Water Limited – Nippecraft Limited – SBI Ven Capital Pte Ltd	**Current Directorships in other Listed Companies/ Principal Commitments** – Sinarmas Land Limited – SUTL Enterprise Ltd – Food Empire Holdings Ltd – Golden-Agri Resources Ltd – Broadway Industrial Group Ltd
Past Directorships in other Listed Companies/ Principal Commitments – Nil	**Past Directorships in other Listed Companies/ Principal Commitments** – Poh Tiong Choon Logistics Limited

Mr Irwandy Arif	Mr Djuangga Mangasi Mangunsong
Current Directorships in other Listed Companies/ Principal Commitments – PT Golden Energy Mines Tbk – PT Indexim Coalindo – Bandung Institute of Technology	**Current Directorships in other Listed Companies/ Principal Commitments** – Nil
Past Directorships in other Listed Companies/ Principal Commitments – PT Tobabara Sejahtera Tbk – PT Adaro Energy Tbk – PT Vale Indonesia Tbk	**Past Directorships in other Listed Companies/ Principal Commitments** – Nil

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC has established a formal assessment process to assess the effectiveness of the Board as a whole and the Board Committees where a performance evaluation questionnaire will be circulated and completed by each Director. The performance criteria for Board evaluation are based on financial and non-financial indicators such as an evaluation of the size and composition of the Board, the Board's access to information, Board processes, strategy and planning, risk management, accountability, Board's performance in relation to discharging its principal functions, communication with Senior Management and standards of conduct of the Directors. The performance criteria do not change from year to year, unless the NC is of the view that it is necessary to change the performance criteria, for example, in order to align with any changes to the Code. The Company has also established a set of qualitative criteria to evaluate the contribution of each individual Director to the effectiveness of the Board.

The objective of such evaluation is to ensure that the Board, the Chairman of the Company and the individual Directors continue to act effectively in fulfilling the duties and responsibilities expected of them. The NC has reviewed and is satisfied that the Board, the Chairman of the Company and the individual Directors have met its performance objectives. A summary report will be compiled by the Chairman of NC and submitted to the Chairman of the Board for analysis and discussion with a view to implement certain recommendations to further enhance the effectiveness of the Board. The Board has strived to ensure that Directors appointed to the Board possess the experience, knowledge and skills critical to the Group's business to enable the Board to make sound and well-considered decisions.

The Chairman, in consultation with the NC, will, if necessary, propose new members to be appointed to the Board or seek the resignation of Directors.

The Board has not engaged any external facilitator to conduct the assessment of the performance of the Board and each individual Director.

B. REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC comprises the following three Directors, two of whom including the RC Chairman are Independent Directors:

Mr Lew Syn Pau	(RC Chairman)
Mr Lim Yu Neng Paul	(Member)
Mr Fuganto Widjaja	(Member)

The RC has written terms of reference that describe the responsibilities of its members. The Board recognises that the composition of the RC is not in accordance with the Code that the RC should be made up entirely of Non-Executive Directors. However, the Board is of the view that the composition of the RC is adequate as a majority of its members are independent and the Chairman is non-executive and independent. The Board is also of the view that the composition of the RC is able to provide the necessary objective inputs to the various decisions made by the Board. In addition, Mr Fuganto Widjaja has a better understanding of the Group's operations and therefore, is in an appropriate position to advise and recommend on the remuneration packages that would commensurate with the level of responsibilities of each key executive. Mr Widjaja, a member of the RC and Executive Director and Group CEO, shall abstain from all discussions, deliberations and decision of his own remuneration.

The RC's roles and responsibilities are described in the terms of reference.

The duties of the RC including reviewing and recommending to the Board, the following:

1. general framework of remuneration for the Board and key management personnel;

2. the specific remuneration package for each Executive Director and key management personnel, taking into account factors including remuneration packages of Executive Directors and/or key management personnel in comparable industries as well as the performance of the Company and that of the Executive Directors and/or key management personnel;

3. the fees of Independent Directors;

4. the remuneration policies and framework of the Group to support its objectives and strategies; and

5. the Company's obligations arising in the event of termination of Executive Directors' and key management personnel's contracts of service, to ensure such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The RC may, during its annual review of remuneration of Directors and key management personnel, seek advice from external professional consultants as and when it deems necessary.

None of the members of the RC is involved in deliberations in respect of any remuneration, compensation, incentive or any form of benefits to be granted to him.

Principle 7: Level and Mix of Remuneration

The level of structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company,

In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate.

The remuneration structure for Executive Directors and key management personnel consists of (a) fixed remuneration, (b) variable bonus and/or (c) other benefits.

The use and application of clawback provisions in remuneration contracts of Executive Directors and key management personnel is subject to further consideration by the Company.

The Non-Executive Director does not receive director's fees or any form of compensation from the Company. Independent Directors receive Directors' fees, which are subject to shareholders' approval at AGMs.

Principle 8: Disclosure on Remuneration

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Directors' remuneration for the year ended 31 December 2019 ("**FY2019**") is set out in the table below:

Name of Directors	Fixed Salary	Variable Bonus	Allowance	Directors' Fees	Total
S$750,001 to below S$1,000,000					
Fuganto Widjaja	53%	47%	–	–	100%
S$250,001 to below S$500,000					
Dwi Prasetyo Suseno	41%	59%	–	–	100%
Mochtar Suhadi	31%	56%	13%	–	100%
Below S$250,000					
Lay Krisnan Cahya*	–	–	–	–	–
Irwandy Arif	–	–	–	100%	100%
Lew Syn Pau	–	–	–	100%	100%
Lim Yu Neng Paul	–	–	–	100%	100%
Djuangga Mangasi Mangungsong	–	–	–	100%	100%

* Received remuneration from related companies outside of the Group.

Variable bonus is based on Company and individual performance.

The Company believes that the current format of disclosure is sufficient indication, for the time being, of each Director's remuneration package, given that remuneration continues to be a sensitive subject.

The top 5 key management personnel who are not Directors or the CEO of the Company ("**KMP**") for FY2019 and their remuneration falling in bands of S$250,000, are as follows:

Bonifasius
Kumar Krishnan
Retno Nartani
Mark Zhou You Chuan
Pauline Lee

KMP's Remuneration Band	Number of KMP
S$1,000,001 to S$1,250,000	2
S$500,001 to S$750,000	2
S$250,000 to S$500,000	1

The total remuneration paid to the top 5 KMPs for FY2019 amounted to US$2,762,842.00.

The Company believes that it is not in the Group's interest to disclose the remuneration of the KMPs to the full extent recommended, due to continuing confidentiality and sensitivity of executives' remuneration and, moreover, such disclosure may hamper its ability to retain the Group's talent pool in a competitive environment.

Save as disclosed, there are no employees within the Group who are immediate family members of a Director and/or CEO and/or a substantial shareholder and whose remuneration exceeds S$100,000 during FY2019.

Currently, the Company does not have any employee share option scheme in place.

C. ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board and the AC are responsible for the governance of risk by ensuring that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets. They also determine the nature and extent of the significant risks which the Board is willing to take in achieving strategic objectives.

Management is responsible for designing, implementing and monitoring the risk management and internal control systems of the Group. The Board with the assistance of the AC, annually, review the adequacy and effectiveness of the Group's risk management and internal control systems addressing financial, operational, compliance and information technology controls. The review and assessment considered the Group's business and operational environment in order to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, various Board Committees and the Board, the Board (with concurrence of the AC) is of the opinion that the Group's internal controls including financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective as at 31 December 2019.

The system of internal controls and risk management established by the Company provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

The Board has received assurance from the Group CEO and the CFO or its equivalent:

(a) that the financial records have been properly maintained and the financial statements FY2019 give a true and fair view of the Group's operations and finances; and

(b) the Company's risk management and internal control systems are adequate and effective for FY2019.

In addition, the Board has also received assurance from key management personnel who are responsible for the Group's risk management and internal control systems are adequate and effective.

Principle 10: Audit Committee

The Board has an Audit Committee ("AC") which discharges its duties objectively.

The AC comprises the following three Directors, two of whom including the AC Chairman are independent and one Non-Executive Director:

Mr Lim Yu Neng Paul	(AC Chairman)
Mr Lay Krisnan Cahya	(Member)
Mr Lew Syn Pau	(Member)

The Board considers that the members of the AC are appropriately qualified to discharge the responsibilities of the AC, having relevant accounting and related financial management expertise and experience.

The AC has explicit authority to investigate any matter within its terms of reference. In addition, the AC has full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings. Reasonable resources are made available to enable the AC to discharge its function properly.

In addition to the statutory functions, the AC considers and reviews any other matters as may be agreed to by the AC and the Board. In particular, the duties of the AC as set out in its terms of reference include:

a. reviewing significant financial reporting issues and judgement to ensure the integrity of the financial statements and any formal announcements relating to financial performance;

b. reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's systems of risk management and internal controls (including financial, operational, compliance and information technology controls);

c. reviewing the assurance from the CEO and the CFO or its equivalent on the financial records and financial statements;

d. reviewing the adequacy and effectiveness of the Company's internal audit function;

e. recommending to the Board the appointment/re-appointment of the external auditors including their remuneration and terms of engagement;

f. reviewing the scope and results of the external audit including the examination of the financial statements and evaluation of the system of financial controls of the Company; and the independence and objectivity of the external auditors;

g. reviewing with the internal auditors their audit plans, the adequacy of the internal audit procedures and their evaluation of the effectiveness of the overall internal control systems including financial, operational and compliance control as well as risk management of the Group;

h. reviewing the quarterly and full year results announcements and annual financial statements and the auditor's report on the annual financial statements of the Company before submission to the Board for approval;

i. reviewing any significant audit findings and recommendations of the internal and external auditors together with Management's responses thereto so as to ensure the integrity of the financial statements and any formal announcements relating to financial performance;

j. reviewing interested party transactions as defined in the Listing Manual;

k. reviewing the Company's accounting policies and reporting requirements in consultation with the external auditor and assess the adequacy of management reporting;

l. undertaking such other reviews and projects as may be requested by the Board, and to report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

m. generally undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

The AC meets with the external auditors and the internal auditors, at least annually without the presence of Management.

The AC has conducted an annual review of all non-audit services provided by the external auditors to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

The AC is satisfied with the independence and objectivity of the external auditors and recommends to the Board the nomination of the external auditors for re-appointment. The AC has conducted an annual review of all non-audit services provided by the independent auditors and is satisfied that the nature and extent of such services do not affect the independence of the independent auditors.

After taking into consideration the adequacy of the resources and experience of Ernst & Young LLP (including the audit partner in charge of auditing the Company), the other audit engagements of Ernst & Young LLP, the number and experience of supervisory and professional staff assigned to review the Group as well as the Group's size and structure, the AC and the Board are of the view that Ernst & Young LLP has been able to assist the Company in meeting its audit obligations and the Company is in compliance with Rule 712 of the Listing Manual.

The Group engages Ernst & Young LLP to audit its Singapore-incorporated subsidiaries and member firms of Ernst & Young Global in the respective countries for its significant foreign-incorporated subsidiaries. Accordingly, the Company is in compliance with Rule 715 (when read with Rule 716) and Rule 717 of the Listing Manual.

In accordance with Rule 1207(6) of the Listing Manual, the fees paid to Ernst & Young LLP for their audit and non-audit services for the financial year under review are found in Note 7 "Profit before tax" to the Consolidated Financial Statements of this Report. Ernst & Young LLP is an audit firm registered with the Singapore Accounting and Corporate Regulatory Authority and its appointment as the Company's external auditors have been approved by the Company's shareholders.

PT Golden Energy Mines Tbk ("**GEMS**"), a 66.9998% subsidiary of the Company, has an in-house internal audit department. The Company also has a Head of Internal Audit to oversee the work of GEMS in-house internal audit department. The role of the internal auditors is to assist the AC of GEMS and AC of the Company to ensure that the subsidiaries maintain a sound system of internal controls.

The Head of Internal Audit Work Unit of GEMS ("**HIAWU**"), reports to AC of GEMS and Head of Internal Audit Function ("**HIAF**") of the Company. The HIAF reports to the AC of the Company. On administrative matters, the HIAWU reports to the President Director of GEMS and HIAF to the CEO of GEAR. The Internal Audit Work Units of both GEMS and GEAR ("**IAWU**") are staffed with persons with the relevant qualifications and experience. The IAWU carries out its function according to the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The IAWU has unfettered access to the Group's documents, records, properties and personnel, including access to the AC.

Every quarter, the AC and Management review and discuss GEMS internal audit findings, recommendations and status of remediation, at AC meetings. The HIAWU and HIAF, in the course of its audit, review the adequacy and effectiveness of Group's material internal controls, including financial, operational, compliance and information technology controls system, and risk management. Material non-compliance, internal control weaknesses and key business risks noted during its audit and alignment plans to address these risks and weaknesses are communicated to Management accordingly and tabled for discussion at AC meetings with updates by Management on the status of these action plans. The AC has reviewed and is satisfied that the internal audit functions are independent and are adequately resourced and have appropriate standing within the Group to perform its functions properly and effectively.

The Company has in place a whistle-blowing framework where staff of the Company and another person can raise concerns about improprieties in matters of financial reporting or other matters to the AC. The objective for such arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. The AC is responsible for the review of the whistle-blowing policy and any concern raised through the whistle-blowing arrangements. All whistle-blower complaints, if any, will be reviewed by the AC at its quarterly meetings. Details of the policy have been made available to all employees and public via the Company's website, who may raise concerns, if any directly to the Chairman of the AC.

The AC has reviewed with Management, and where relevant, the auditors, the quarterly and full year results announcements, annual report and financial statements as well as the auditor's report thereon, interested person transactions and corporate governance report, before submission to the Board for approval and adoption.

The following significant matters impacting the financial statements were discussed with Management and the external auditors and were reviewed by the AC.

Significant matters	How the AC reviewed these matters and what decisions were made
Impairment assessment of assets from coal mining and coal trading segments	The AC considered the approach and methodology applied to the valuation model in the impairment assessments. The AC reviewed the reasonableness of cash flow forecasts, key assumptions and discount rate used in the valuation models. The impairment review was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 December 2019. Please refer to The Independent Auditor's Report contained in this Report.
Impairment assessment of goodwill, intangible assets and an investment in a subsidiary other than coal mining and coal trading segments	The AC considered the approach and methodology applied to the valuation model in the impairment assessments. The AC reviewed the reasonableness of the cash flow forecasts, key assumptions and discount rate used in the valuation models. The impairment review was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 December 2019. Please refer to The Independent Auditor's Report contained in this Report.

Following the review and discussions, the AC recommended to the Board to approve the full year financial statements.

In performing its functions, the AC met with the internal and external auditors, and reviewed the audit plans and overall scope of both internal and external audits, and the co-operation and assistance given by Management.

The AC takes measures to keep abreast of the changes to accounting standards and issues which have direct impact on financial statements with updates from the external auditors on a regular basis.

None of the members nor the Chairman of the AC is a former partner or director of the Group's auditing firm.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meeting

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company strives for timeliness and consistency in its disclosure to shareholders. It is the Company's policy to keep all shareholders informed of developments or changes that will have a material impact on the Company's share price through announcements via SGXNet. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not practicable.

Shareholders are informed of general meetings through notices sent to all shareholders or at the shareholders election, made available electronically. Shareholders may download the reports, notices, circulars and any documents related to general meeting at the Company website. The foregoing documents would also be released to the public via SGXNet. The Company encourages shareholders' participation during the general meetings. Resolutions are passed through a process of voting and shareholders are also informed of voting procedures governing general meetings.

All shareholders of the Company receive the notices, proxy forms and request forms of the general meetings. The notices will also be advertised in a local newspaper and be made available on SGXNet. The Company encourages shareholders' participation at general meetings, and all shareholders are given the opportunity to voice their views and to direct queries regarding the Group to Directors, including the chairperson of each of the Board Committees. The Company's external auditors are also present to assist the Board in addressing any relevant queries from shareholders. The Company also ensures that there are separate resolutions at general meetings on each distinct issue. Minutes of general meetings, including relevant substantial comments or queries from shareholders relating to the agenda of the meeting and responses from the Board or the Management, are available to shareholders upon their request. The Company currently does not publish minutes of general meetings on its corporate website but will review the feasibility of having such arrangements when appropriate.

The Board supports the Code's principle of encouraging shareholder participation. Shareholders are given opportunities to vote at general meetings. As the authentication of shareholder identity and other related integrity issues remain a concern, the Company will not implement voting in absentia by mail or electronic means for the time being. The Company has implemented electronic poll voting for all resolutions passed at general meetings for greater transparency in the voting process. Before commencement of the proceedings at the general meetings, the independent scrutineer appointed by the Company will disclose the voting and vote tabulation procedures. Votes cast for, or votes cast against, or abstain from voting each resolution will be tallied and displayed live-on-screen to shareholders at the meeting. The total numbers and percentage of votes cast for or votes cast against or abstain from voting the resolutions are announced at the meetings. The same information is also included in the announcement on SGXNet after the conclusion of the general meeting. Barring further changes to be made in respect of the conduct of the AGM, GEAR will continue to use the electronic poll voting system at the forthcoming AGM.

The Constitution of the Company allows a member of the Company to appoint up to two proxies to attend and vote at general meetings. A shareholder who is a relevant intermediary (as defined in the Companies Act) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder.

The covenants under the Company's bond regulate the dividend amount that the Company can declare to its shareholders. The amount and frequency of dividends will depend on, inter alia, meeting the covenants under the bond, the Group's financial performance and financial position, its expansion plans and working capital needs, and other factors as the Board may deem appropriate.

Principle 12: Engagement with Shareholders

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Company recognises that effective communication leads to transparency and enhances accountability. The Company regularly conveys pertinent information, gathers views or input, and addresses shareholders' concerns. In this regard, the Company provides timely information to its shareholders via SGXNet announcements and news releases and ensures that price-sensitive information is announced within the mandatory period. The Company does not provide selective disclosure. The views of shareholders are gathered at shareholder meetings where shareholders are permitted to ask questions and seek a better understanding of the Group's business operations, performance, strategies and outlook going forward.

The Company has put in place an investor relations policy to ensure effective communications with shareholders. Updates and amendments (as appropriate) will be made to reflect best practices in our communication with shareholders and the investment community. The Company also has a dedicated investor relations team which focuses on facilitating communications with shareholders and analysts on a regular basis and attending to their queries or concerns in a timely basis.

The Company's outreach includes briefings conducted by Senior Management in connection with the release of financial results, as well as one-on-one investor meetings and/or seminars, and participation at investment conferences and non-deal roadshows. This is in addition to the Company providing timely information to stakeholders via SGXNet announcements, comprising news releases and presentations, among others.

Following the amendments to the Listing Manual to allow listed companies to send documents to shareholders, including circulars and annual reports, using electronic communications, the Company also makes available a digital format of the Annual Report for FY2019 ("**Annual Report**"). The Annual Report, as well as the Company's Summary Independent Qualified Person's Reports ("**Summary IQP Reports**') and the Appendix to the Proposed Renewal of Sinar Mas IPT Mandate ("**Appendix for IPT Mandate**"), are published on the Company corporate website at http://investor.gear.com.sg/ar.html. All shareholders of the Company will receive the request form to request for hard copies of the Annual Report and/or Summary IQP Reports and/or Appendix for IPT Mandate.

E. MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: Engaging with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company recognises the vitality on stakeholders' engagement for the Company's long-term sustainability. The Company engages with key stakeholders such as shareholders, employees and workers, customers, local communities, regulatory authorities, contractors and suppliers, to align the Company's sustainable approach with their expectations. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its materials stakeholders. Further information on how the Company engages the stakeholders and approach to materials topics will be detailed in the sustainability report 2019 which will be published in May 2020.

INTERESTED PERSON TRANSACTIONS

The Company monitors all its interested person transactions closely and all interested person transactions are subject to review by the AC.

The aggregate value of interested person transactions entered into during the financial year under review which fall under Chapter 9 of the Listing Manual are as follows:

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (US$'000)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) (US$'000)
Sales:			
PT Indah Kiat Pulp & Paper Tbk	*	–	65,584
PT Sinar Mas Agro Resources and Technology Tbk	^	–	7,596
PT Pabrik Kertas Tjiwi Kimia Tbk	*	–	5,554
PT SOCI Mas	^	–	5,111
Hainan Jinhai Trading (Hong Kong) Co,. Ltd	*	–	14,694
PT Ivo Mas Tunggal	^	–	2,218
PT Energi Sejahtera Mas	^	–	866
PT Pindo Deli Pulp and Paper Mills	*	–	4,316
Gold Hong Ye Trading (Hong Kong) Company Limited	*	–	(24)
PT DSSP Power Kendari	#	–	9,804
PT Lontar Papyrus Pulp & Paper Industry	*	–	23,047
PT Sinarmas Bio Energy	^	–	2,659
Interest income:			
PT Bank Sinarmas Tbk	^	–	4
Dividend income:			
PT DSSP Power Sumsel	#	–	20
Purchases:			
PT Rolimex Kimia Nusamas	^	–	145

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (US$'000)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) (US$'000)
Rental expenses:			
PT Royal Oriental	^	–	587
Freight & Demurrage:			
PT Wirakarya Sakti	^	–	1,030
Office Consumption:			
PT Sinarmas Distribusi Nusantara	^	–	10
Telecommunication:			
PT Smartfren Telecom Tbk	^	–	10
Insurance expenses:			
PT Asuransi Sinar Mas	^	–	5,993

Notes:

^ An associate of each of the Ultimate Controlling Shareholders[1]

* An associate of a sibling of each of the Ultimate Controlling Shareholders[1]

An associate of each of the Ultimate Controlling Shareholders[1] and DSS[2]

[1] Ultimate Controlling Shareholders mean 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 the Company. DSS directly owns more than 30% controlling interest in these companies

DEALINGS IN SECURITIES

The Company has adopted an internal policy ("**Policy**") with regard to dealings in securities to provide guidance for its Directors and employees in compliance with Rule 1207(19) of the Listing Manual of the SGX-ST.

The Policy provides that Directors and employees are prohibited from dealing in the securities of the Company whenever they are in possession of unpublished price-sensitive information on the Group and during the period commencing two weeks before the announcement of the Company's financial results for the first three quarters and one month before the announcement of the Company's full year results and ending on the date of the announcements of the relevant results.

Directors and employees are also required to observe insider trading laws at all times even when dealing in securities within the permitted trading period. In addition, the Directors and employees are expected not to deal in the Company's securities for short-term considerations.

MATERIAL CONTRACTS

There were no material contracts of the Group involving the interests of the Non-executive Chairman, CEO, each Director or controlling shareholders, either still subsisting at the end of FY2019 or, if not then subsisting, entered into since the end of the previous financial year except for Directors' remuneration as disclosed in the Notes to the Consolidated Financial Statements in this Annual Report.

USE OF PROCEEDS

There have been no proceeds raised in FY2019, being the financial year under review and no outstanding proceeds from the Group's previous fund raising.

MAJOR PROPERTIES

Held by	Effective Group Interest	Location	Description & Approximate Land Area	Tenure	Usage
PT Borneo Indobara	65.7235%	Bunati Village, Angsana District, Tanah Bumbu Regency, South Kalimantan Province	49,234 m^2	30 years (until 21 January 2039)	Docks, stock pile and mining facilities
PT Borneo Indobara	65.7235%	Angsana Village, Angsana District, Tanah Bambu Regency, South Kalimantan Province	49,991 m^2	30 years (until 28 October 2039)	Base camp for exploitation of coal and its infrastructure
PT Borneo Indobara	65.7235%	Karang Indah Village, Angsana District, Tanah Bumbu Regency, South Kalimantan Province	15,350 m^2	25 years (until 24 January 2033)	For exploitation of coal and its infrastructure
PT Borneo Indobara	65.7235%	Karang Indah Village, Angsana District, Tanah Bumbu Regency, South Kalimantan Province	6,859 m^2	30 years (until 23 July 2039)	For exploitation of coal and its infrastructure
PT Borneo Indobara	65.7235%	Karang Indah Village, Angsana District, Tanah Bumbu Regency, South Kalimantan Province	3,027 m^2	30 years (until 31 July 2039)	For exploitation of coal and its infrastructure
PT Tanjung Belit Bara Utama	66.9997%	Suak Samin Village, Pengabuan District, Tanjung Jabung Barat, Jambi, Indonesia	54,460 m^2	20 years (until 14 July 2034)	For Port infrastructure
PT Tanjung Belit Bara Utama	66.9997%	Suak Samin Village, Pengabuan District, Tanjung Jabung Barat, Jambi, Indonesia	13,240 m^2	19 years (until 1 April 2034)	For Port infrastructure
PT Tanjung Belit Bara Utama	66.9997%	Suak Samin Village, Pengabuan District, Tanjung Jabung Barat, Jambi, Indonesia	46,620 m^2	20 years (until 1 July 2035)	For Port infrastructure

DIRECTORS' STATEMENT

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Golden Energy and Resources Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet of the Company for the financial year ended 31 December 2019.

1. Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date; and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The Directors of the Company in office at the date of this statement or during the year are:

Lay Krisnan Cahya
Fuganto Widjaja
Dwi Prasetyo Suseno
Mochtar Suhadi
Lim Yu Neng Paul
Lew Syn Pau
Irwandy Arif
Djuangga Mangasi Mangunsong

In accordance with Regulation 107 of the Company's Constitution, Messrs Fuganto Widjaja, Lew Syn Pau and Djuangga Mangasi Mangunsong will retire and being eligible, offer themselves for re-election.

3. Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

4. Directors' interest in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50 (the "Act"), an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of Director	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Fuganto Widjaja *	–	–	–	–
Lim Yu Neng Paul **	–	–	320,000	320,000

* Mr Fuganto Widjaja is the son of Mr Indra Widjaja and the nephew of Messrs Franky Oesman Widjaja and Muktar Widjaja.

** The 320,000 ordinary shares of the Company are held in the name of a nominee account.

Messrs Indra Widjaja, Franky Oesman Widjaja and Muktar Widjaja, by virtue that each of them has a direct interest in more than 20% of the voting shares in PT Sinarindo Gerbangmas, are deemed to be interested in the shares held by PT Dian Swastatika Sentosa Tbk, the immediate holding company of the Company pursuant to Section 7 of the Act.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2020.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in any shares, share options, warrants or debentures of the Company, or of any related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

5. Options

There are no options granted by the Company and its subsidiaries to take up unissued shares in the Company and its related corporations.

6. Audit committee

The Audit Committee ("AC") carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, Chapter 50, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;
- Reviewed the quarterly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the Board of Directors;
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;

6. Audit committee (cont'd)

- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- Reviewed the nature and extent of non-audit services provided by the external auditor;
- Recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;
- Reported actions and minutes of the AC to the Board of Directors with such recommendations as the AC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of interested person transactions.

The AC convened four meetings during the year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Corporate Governance Report.

7. Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Fuganto Widjaja
Director

Dwi Prasetyo Suseno
Director

Singapore
30 March 2020

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Golden Energy and Resources Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flow of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters (cont'd)

1. **Impairment assessment of assets from coal mining and coal trading segments**

   The Group performed impairment assessments for the mining properties and property, plant and equipment held by loss making subsidiaries. The Group also performed an impairment assessment on its investment in PT Golden Energy Mines Tbk, its Indonesian listed subsidiary, as the carrying value of investment is higher than its share of net assets. Discounted cash flows analysis was prepared by the Group, to determine the recoverable amount of these assets using the value-in-use ("VIU") method. We have determined this to be a key audit matter because the assessment process involves management exercising significant judgment and making assumptions of future market and economic conditions.

   We have obtained the projected discounted cashflows prepared by management and, together with our internal valuation specialists, we reviewed them for appropriateness of the methodology used and reasonableness of the key assumptions used, including the discount rates, selling prices, production costs and growth rate. We agreed the coal reserves estimates to the independent qualified person's report and obtained an understanding on the reasons for change in estimates as compared to last year. We evaluated the robustness of management's forecasting process by comparing previous forecasts to actual results.

   We also considered the adequacy of the disclosures made on the impairment test.

2. **Impairment assessment of goodwill, intangible assets and an investment in a subsidiary other than coal mining and coal trading segments**

   The Group performed impairment assessments for the goodwill and intangible assets attributable to the forestry and pulp cash-generating unit ("CGU"). The Group also performed impairment assessment on the carrying amount of investment in Anrof Singapore Limited, which carrying value of investment is higher than its net assets. Discounted cash flows analysis was prepared by the Group, to determine the recoverable amount of these assets using the value-in-use ("VIU") method. We have determined this to be a key audit matter because the assessment process involves management exercising significant judgment and making assumptions of future market and economic conditions.

   We have obtained the projected discounted cashflows prepared by management and, together with our internal valuation specialists, we reviewed them for appropriateness of the methodology used and reasonableness of the key assumptions used, including the discount rates, selling price, production costs, planting areas and yield of trees. We evaluated the robustness of management's forecasting process by comparing previous forecasts to actual results.

   We also considered the adequacy of the disclosures made on the impairment test.

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Consolidated Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Vincent Toong Weng Sum.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
30 March 2020

CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME
For the financial year ended 31 December 2019

(In United States Dollars)

	Note	2019 US$'000	2018 US$'000
Revenue	4	**1,121,208**	1,048,478
Cost of sales		**(751,324)**	(686,690)
Gross profit		**369,884**	361,788
Other income	5	**11,354**	13,780
Selling and distribution expenses		**(185,416)**	(151,304)
Administrative expenses		**(74,981)**	(76,934)
Fair value gain on biological assets	10	**2,543**	2,547
Finance costs	6	**(33,658)**	(24,111)
Other operating expenses		**(19,409)**	(10,573)
Profit before tax	7	**70,317**	115,193
Income tax expense	8	**(37,429)**	(41,513)
Profit for the year		**32,888**	73,680
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Net actuarial (loss)/gain on post-employment benefits	26	**(339)**	163
Net gain/(loss) on equity instruments fair value through other comprehensive income		**35,837**	(27,724)
		35,498	(27,561)
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		**(1,103)**	(2,551)
Other comprehensive income for the year, net of tax		**34,395**	(30,112)
Total comprehensive income for the year		**67,283**	43,568
Profit for the year attributable to:			
Owners of the Company		**9,947**	39,318
Non-controlling interests		**22,941**	34,362
		32,888	73,680
Total comprehensive income for the year attributable to:			
Owners of the Company		**44,750**	9,232
Non-controlling interests		**22,533**	34,336
		67,283	43,568
Earnings per share attributable to owners of the Company (cents per share)			
Basic and diluted	9	**0.42**	1.67

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 December 2019

(In United States Dollars)

	Note	Group 2019 US$'000	Group 2018 US$'000	Company 2019 US$'000	Company 2018 US$'000
Non-current assets					
Biological assets	10	**6,059**	3,381	**–**	–
Property, plant and equipment	11	**92,114**	80,375	**153**	225
Mining properties	12	**231,908**	227,658	**–**	–
Intangible assets	13	**10,689**	11,194	**–**	–
Right-of-use assets	14	**3,285**	–	**52**	–
Goodwill	15	**106,751**	113,739	**–**	–
Investment in subsidiaries	16	**–**	–	**1,382,271**	1,319,404
Deferred tax assets	17	**7,133**	6,023	**–**	–
Other receivables	18	**8,975**	16,745	**5,583**	4,083
Restricted funds	19	**18,585**	14,800	**8,599**	6,827
Other non-current assets	20	**56,599**	46,274	**3,465**	3,784
Investment securities	22	**115,109**	57,703	**57,757**	57,673
		657,207	577,892	**1,457,880**	1,391,996
Current assets					
Trade and other receivables	18	**136,103**	108,309	**11,229**	10,645
Other current assets	20	**115,147**	139,875	**32,473**	34,032
Inventories	21	**23,279**	19,645	**–**	–
Investment securities	22	**–**	2,000	**–**	2,000
Cash and cash equivalents	23	**177,757**	113,113	**40,194**	26,325
		452,286	382,942	**83,896**	73,002
Current liabilities					
Trade and other payables	24	**237,629**	203,234	**7,272**	7,506
Loans and borrowings	25	**62,743**	46,167	**10,556**	–
Provision for taxation		**3,008**	1,747	**74**	315
		303,380	251,148	**17,902**	7,821
Net current assets		**148,906**	131,794	**65,994**	65,181

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

(In United States Dollars)

	Note	Group 2019 US$'000	Group 2018 US$'000	Company 2019 US$'000	Company 2018 US$'000
Non-current liabilities					
Deferred tax liabilities	17	**31,354**	29,541	**102**	100
Other payables	24	**25,707**	34,035	**–**	–
Loans and borrowings	25	**260,415**	222,860	**173,165**	148,199
Post-employment benefits	26	**4,437**	2,979	**–**	–
Provision for mine closure	27	**5,079**	1,996	**–**	–
		326,992	291,411	**173,267**	148,299
Net assets		**479,121**	418,275	**1,350,607**	1,308,878
Equity attributable to equity holders of the Company					
Share capital	28	**305,528**	305,528	**1,230,107**	1,230,107
Reserves		**53,807**	7,727	**120,500**	78,771
		359,335	313,255	**1,350,607**	1,308,878
Non-controlling interests		**119,786**	105,020	**–**	–
Total equity		**479,121**	418,275	**1,350,607**	1,308,878

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

For the financial year ended 31 December 2019

(In United States Dollars)

Group 2019	Share capital (Note 28) US$'000	Foreign currency translation reserves [1] US$'000	Other reserves [2] US$'000	Retained earnings US$'000	Total reserves US$'000	Non-controlling interests US$'000	Total equity US$'000
	Attributable to owners of the Company						
At 1 January 2019	305,528	(48,429)	(27,135)	83,291	7,727	105,020	418,275
Profit for the year	–	–	–	9,947	9,947	22,941	32,888
Other comprehensive income							
Net gain on equity instruments fair value through other comprehensive income	–	–	35,837	–	35,837	–	35,837
Net actuarial loss on post-employment benefits	–	–	(229)	–	(229)	(110)	(339)
Foreign currency translation	–	(805)	–	–	(805)	(298)	(1,103)
Other comprehensive income for the year	–	(805)	35,608	–	34,803	(408)	34,395
Total comprehensive income for the year	–	(805)	35,608	9,947	44,750	22,533	67,283
Deemed capital contribution from non-controlling interest of a subsidiary	–	–	6,332	–	6,332	–	6,332
Dividends paid to non-controlling interests by subsidiaries	–	–	–	–	–	(7,767)	(7,767)
Dividend paid (Note 35)	–	–	–	(5,002)	(5,002)	–	(5,002)
At 31 December 2019	305,528	(49,234)	14,805	88,236	53,807	119,786	479,121

(1) Foreign currency translation reserves are used to record exchange differences arising from the translation of the financial statements of the Group's foreign operations whose functional currencies are different from that of the Group's presentation currency.

(2) Other reserves pertains to reserves that arose from movements in non-controlling interest ("NCI") of certain subsidiaries, net actuarial gain/(loss) in post-employment benefits and net gain/(loss) on equity instruments fair value through other comprehensive income.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

(In United States Dollars)

Group 2018	Share capital (Note 28) US$'000	Foreign currency translation reserves (1) US$'000	Other reserves (2) US$'000	Retained earnings US$'000	Total reserves US$'000	Non-controlling interests US$'000	Total equity US$'000
	Attributable to owners of the Company						
At 1 January 2018	305,528	(45,958)	480	85,679	40,201	97,326	443,055
Profit for the year	–	–	–	39,318	39,318	34,362	73,680
Other comprehensive income							
Net actuarial gain on post-employment benefits	–	–	109	–	109	54	163
Net loss on equity instruments fair value through other comprehensive income	–	–	(27,724)	–	(27,724)	–	(27,724)
Foreign currency translation	–	(2,471)	–	–	(2,471)	(80)	(2,551)
Other comprehensive income for the year	–	(2,471)	(27,615)	–	(30,086)	(26)	(30,112)
Total comprehensive income for the year	–	(2,471)	(27,615)	39,318	9,232	34,336	43,568
Dividends paid to non-controlling interests by subsidiaries	–	–	–	–	–	(26,642)	(26,642)
Dividend paid (Note 35)	–	–	–	(41,706)	(41,706)	–	(41,706)
At 31 December 2018	305,528	(48,429)	(27,135)	83,291	7,727	105,020	418,275

(1) Foreign currency translation reserves are used to record exchange differences arising from the translation of the financial statements of the Group's foreign operations whose functional currencies are different from that of the Group's presentation currency.

(2) Other reserves pertains to reserves that arose from movements in non-controlling interest ("NCI") of certain subsidiaries, net actuarial gain/(loss) in post-employment benefits and net gain/(loss) on equity instruments fair value through other comprehensive income.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED
CASH FLOW STATEMENT

For the financial year ended 31 December 2019

(In United States Dollars)

	2019 US$'000	2018 US$'000
Cash flows from operating activities		
Profit before tax	**70,317**	115,193
Adjustments for:		
Provision for mine closure	**3,083**	275
Depreciation of property, plant and equipment	**8,307**	7,212
Amortisation of right-of-use assets	**2,531**	–
Property, plant and equipment written off	**–**	5
Gain on disposal of short term investment	**–**	(13)
Defined post-employment benefit expense	**915**	529
Fair value gain on biological assets	**(2,543)**	(2,547)
Impairment loss on goodwill	**6,988**	6,505
Impairment loss on property, plant and equipment	**965**	–
Amortisation of mining properties	**4,888**	1,517
Amortisation of land exploitation	**501**	1,303
Amortisation of intangible assets	**505**	505
Amortisation of software	**89**	293
Amortisation of loans and borrowings	**441**	405
Interest expense	**31,785**	22,215
Interest income	**(9,775)**	(10,805)
Dividend income from investment securities	**(5,413)**	–
Net exchange differences	**(543)**	(275)
Operating cash flows before changes in working capital	**113,041**	142,317
Changes in working capital:		
Increase in inventories	**(3,634)**	(3,510)
Decrease/(increase) in trade, other receivables and prepayments	**12,337**	(68,029)
Increase in trade and other payables	**28,305**	28,400
Cash flows generated from operations	**150,049**	99,178
Interest expense paid	**(29,321)**	(9,648)
Interest income received	**9,011**	12,730
Income taxes paid	**(44,214)**	(77,973)
Net cash flows generated from operating activities	**85,525**	24,287

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

(In United States Dollars)

	2019 US$'000	2018 US$'000
Cash flows from investing activities		
Proceeds from disposal of other investment	**2,000**	1,031
Net cash outflows on acquisition of subsidiaries	**–**	(64,864)
Additions to biological assets	**(135)**	(518)
Purchase of investment securities	**(20,207)**	(65,443)
Dividend received from investment securities	**4,070**	–
Proceeds from disposal of property, plant and equipment	**–**	179
Purchase of property, plant and equipment	**(20,974)**	(18,003)
Additions to mining properties	**(8,906)**	(836)
Payment for mines under construction	**(8)**	(78)
Increase in other non-current assets	**(2,043)**	(8,564)
Changes in restricted fund	**(3,902)**	(10,037)
Net cash flows used in investing activities	**(50,105)**	(167,133)
Cash flows from financing activities		
Payment of dividend	**(5,002)**	(41,706)
Payment of dividend to NCI of subsidiaries	**(12,717)**	(39,937)
Proceeds from issuance of bond, net of expenses	**–**	149,695
Proceeds from loans and borrowings	**185,539**	105,516
Repayment of loans and borrowings	**(134,613)**	(110,803)
Principal payment of lease liability	**(2,249)**	–
Net cash flows generated from financing activities	**30,958**	62,765
Net increase/(decrease) in cash and cash equivalents	**66,378**	(80,081)
Effect of exchange rate changes on cash and cash equivalents	**(1,734)**	4,493
Cash and cash equivalents at 1 January	**113,113**	188,701
Cash and cash equivalents at 31 December (Note 23)	**177,757**	113,113

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. General information

1.1 Corporate information

Golden Energy and Resources Limited ("GEAR" or the "Company") is a limited liability company, incorporated and domiciled in Singapore and it is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The immediate holding company of the Company is PT Dian Swastatika Sentosa Tbk ("DSS"), incorporated in Republic of Indonesia, and its ultimate holding company is PT Sinarindo Gerbangmas.

The registered office of the Company is located at 20 Cecil Street, #05-05 PLUS, Singapore 049705.

The principal activities of the Company are those of an investment holding company and provision of management services to unrelated entities and entities within the Group. The principal activities of the subsidiaries are set out in Note 16.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars ("USD" or "US$") and all values in the tables are rounded to the nearest thousand (US$'000), except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 January 2019. Except for the adoption of SFRS(I) 16 Leases described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

SFRS(I) 16 *Leases*

SFRS(I) 16 supersedes SFRS(I) 1-17 Leases, SFRS(I) INT 4 Determining whether an Arrangement contains a Lease, SFRS(I) INT 1-15 Operating Leases-Incentives and SFRS(I) INT 1-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under SFRS(I) 16 is substantially unchanged from SFRS(I) 1-17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in SFRS(I) 1-17. Therefore, SFRS(I) 16 did not have an impact for leases where the Group is the lessor.

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

SFRS(I) 16 *Leases* (cont'd)

The Group adopted SFRS(I) 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying SFRS(I) 1-17 and SFRS(I) INT 4 at the date of initial application.

The effect of adopting SFRS(I) 16 as at 1 January 2019, as follows:

Impact on balance sheets - increase/(decrease):

	1 January 2019	
	Group	**Company**
	US$'000	**US$'000**
Assets		
Right-of-use assets	2,060	220
Total assets	2,060	220
Liabilities		
Loan and borrowings	2,060	220
Total liabilities	2,060	220

The Group has lease contracts for various items of property and equipment. Before the adoption of SFRS(I) 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of SFRS(I) 16, the Group applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. Refer to Note 2.20 for the accounting policies beginning 1 January 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

- Leases previously accounted for as operating leases

  The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

SFRS(I) 16 *Leases* (cont'd)

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The following reconciliation to the opening balance for the lease liabilities as at 1 January 2019 is based upon the operating lease obligations as at 31 December 2018:

	US$'000
Operating lease commitments disclosed as at 31 December 2018	3,882
Less: short-term leases recognised on a straight-line basis as an expenses	(1,202)
	2,680
Discounted using the group's incremental borrowing rates	(620)
Lease liabilities recognised as at 1 January 2019	2,060

The lease liabilities were measured at present value of remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to lease liabilities on 1 January 2019 was 5.25% - 9.59% per annum.

IFRIC Interpretation 23 *Uncertainty over Income Tax Treatment*

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

IFRIC Interpretation 23 *Uncertainty over Income Tax Treatment (cont'd)*

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its consolidated financial statements.

Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Interpretation did not have an impact on the consolidated financial statements of the Group.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
Amendments to References to the Conceptual Framework in FRS standards	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 Definition of Material	1 January 2020
Amendments to SFRS(I) 3 Definition of a Business	1 January 2020
Amendments to SFRS(I) 9 and SFRS(I) 7 Interest Rate Benchmark Return	1 January 2020
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associates or Joint Venture	Date to be determined

The directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combination

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combination (cont'd)

(b) Business combinations and goodwill (cont'd)

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.5 Transactions with non-controlling interests

Non-controlling interests represent the equity in a subsidiary not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the Company.

2.6 Foreign currency

The financial statements are presented in United States Dollar ("USD"). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The Company's functional currency is Singapore Dollar ("SGD"), which reflects the economic substance of the underlying events and circumstances of the Company.

2. Summary of significant accounting policies (cont'd)

2.6 Foreign currency (cont'd)

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of local and foreign operations are translated into USD at the rate of exchange ruling at the end of the reporting date and their profit and loss are translated at the average exchange rate for the year. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a local and foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.7 Biological assets

Biological assets mainly include trees in a timber plantation.

Trees in a timber plantation comprise Acacia, Jabon and Sengon trees, which are stated at fair value less estimated point-of-sale costs at harvest, with any resultant gain or loss recognised in the profit or loss. The valuation of the biological assets is calculated by the independent professional valuer based on the discounted cash flow model whereby the fair value is calculated using cash flows from continuous operations, assuming sustainable forest management plans, taking into account the growth potential from their forest plantations. The yearly harvest made from the forecasted tree growth is multiplied by the actual wood pines and the cost of fertilizer, before the deduction of harvesting. The fair value is measured as the present value of the harvest from one growth cycle based on the productive forest lands.

2. Summary of significant accounting policies (cont'd)

2.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful lives as follows:

Infrastructure and buildings	3 to 20 years
Plant and machinery	4 to 16 years
Motor vehicles	4 to 8 years
Computers and office equipment	3 to 8 years
Furniture and fittings	3 to 8 years
Bearer plants	25 years

Infrastructure and buildings include buildings, forestry and fire protection infrastructures. Plant and machinery includes field equipment. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Bearer plants comprise rubber trees and are classified as immature and mature. Immature bearer plants are stated at cost, which consist mainly of the accumulated cost of land clearing, planting, fertilizing and up-keeping/maintaining the plantations and allocations of indirect overhead costs up to the time the trees become mature and available for harvest. Mature bearer plants are stated at cost, and are amortised using the straight-line method over their estimated useful lives.

Constructions in-progress are stated at cost, including capitalised borrowing costs and other charges incurred in connection with the financing of the said asset constructions. The accumulated costs will be reclassified to the appropriate "Property and Equipment" account when the construction is completed. Assets under construction are not depreciated as these are not yet available for use.

The residual value, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the assets is included in profit or loss in the year the asset is derecognised.

2. Summary of significant accounting policies (cont'd)

2.9 *Mining properties*

Pre-license Costs

Pre-license costs relate to costs incurred before the Group has obtained legal rights to explore in a specific area. Such costs are expensed in the period in which they are incurred.

Exploration and Evaluation Expenditures

Exploration and evaluation expenditures are capitalised and recognised as "exploration and evaluation assets" for each area of interest when mining rights are obtained and still valid and;

(i) the costs are expected to be recouped through successful development and exploitation of the area of interest; or

(ii) where activities in the area of interest have not reached the stage that allow a reasonable assessment of the existence of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing. These expenditures include materials and fuel used, surveying costs, drilling and stripping costs before the commencement of production stage and payments made to contractors.

Exploration and evaluation assets are subsequently measured using cost model and classified as tangible assets, unless they are qualified to be recognised as intangibles.

The ultimate recoupment of deferred exploration expenditure is dependent upon successful development and commercial exploitation of the related area of interest. Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. In such case, an entity shall measure, present and disclose any resulting impairment loss in profit or loss.

Exploration and evaluation assets are transferred to "Mines under construction" in the "Mining properties" account after the mines are determined to be economically viable to be developed.

Expenditures for Mines under Construction

Expenditures for mines under construction and incorporated costs in developing an area of interest subsequent to the transfer from exploration and evaluation assets but prior to the commencement of production stage in the respective area are capitalised to "Mines under construction" as long as they meet the capitalisation criteria.

Producing Mines

Upon completion of mine construction and the production stage is commenced, the "Mines under construction" are transferred into "Producing mines" in the "Mining properties" account, which are stated at cost, less depletion and accumulated impairment losses.

Depletion of producing mines are based on using unit-of-production method from the date of commercial production of the respective area of interest over the lesser of the life of the mine and the remaining terms of the mining licenses.

2. Summary of significant accounting policies (cont'd)

2.9 Mining properties (cont'd)

Stripping Activity

Stripping activity relates to the costs of removing overburden from a mine. Stripping costs incurred in the development of a mine before production commences are capitalised as part of the cost of developing the mine, and are subsequently depreciated or amortised using a unit-of-production method on the basis of proven and probable reserves, once production starts.

Stripping activity conducted during the production phase may provide two benefits:

(i) Ore that is processed into inventory in the current period and

(ii) Improved access to the ore body in future periods.

To the extent that benefit from the stripping activity is realised in the form of inventory produced, the Group accounts for the costs of that stripping activity to Inventories. To the extent the benefit is improved access to ore, the Group recognises these costs as a stripping activity asset in the "Mining properties" account, if and only if, all the following criteria are met:

- it is probable that the future economic benefits (improved access to the ore body) associated with the stripping activity will flow to the entity;
- the entity can identify the component of the ore body for which access has been improved; and
- the costs relating to the stripping activity associated with that component can be measure reliably.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore body, plus an allocation of directly attributable overhead costs. If incidental operations are occurring at the same time as the production stripping activity, but are not necessary for the production stripping activity to continue as planned, the costs associated with these incidental operations are not included in the costs of the stripping activity asset.

When the costs of the stripping activity asset and the inventory produced are not separately identifiable, the Group allocates the production stripping asset by using an allocation basis that is based on a relevant production measure. This production measure is calculated for the identified component of the ore body, and is used as a benchmark to identify the extent to which the additional activity of creating a future benefit has taken place. The Group uses the actual versus expected volume of waste extracted.

Subsequently, the stripping activity asset is carried at cost less amortisation and any impairment losses, if any. The stripping activity asset is depreciated or amortised using the units of production method over the expected useful life of the identified component if the ore body that becomes more accessible as a result of the stripping activity unless another method is appropriate.

2. Summary of significant accounting policies (cont'd)

2.10 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

<u>Forest concession license</u>

The forest concession license was acquired as a result of the Reverse Acquisition. The forest concession license has a finite useful life and is amortised on a straight line basis over the concession period until 2041.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value-in-use ("VIU") and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit ("CGU") exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the VIU, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

2. Summary of significant accounting policies (cont'd)

2.11 Impairment of non-financial assets (cont'd)

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGU's to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in consolidated statement of comprehensive income.

Except for goodwill, an assessment on the asset is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.12 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.13 Financial Instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

2. Summary of significant accounting policies (cont'd)

2.13 Financial Instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) Fair value through profit or loss ("FVPL")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income ("OCI"). Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.13 Financial Instruments (cont'd)

(a) Financial assets (cont'd)

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.14 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a "12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a "lifetime ECL").

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when the contractual payments are more than 365 days past due.

The Group considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks and demand deposits that are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value.

2. Summary of significant accounting policies (cont'd)

2.16 Inventories

The inventories comprise coal and logs.

(a) Coal inventories

Coal inventories are stated at the lower of cost and net realisable value. The cost of inventories is determined using the moving average method. Cost of mining inventories consists of material, labour, depreciation and overhead cost related to mining activities. Allowances for inventory obsolescence and decline in values of inventories are provided to reduce the carrying values of inventories to their net realisable values.

(b) Logs and plywood inventories

Logs and plywood inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present locations and conditions are accounted for as follows:

- Raw materials refer to purchase cost

- Agricultural produce comprises logs. Agricultural produce at the point of harvest is measured on initial recognition at its fair value less estimated point-of-sale costs. Thereafter, the inventory is carried at the lower of cost and net realisable value. Cost is determined using weighted average method.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.18 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they incur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. Summary of significant accounting policies (cont'd)

2.19 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Post-employment benefits

The post-employment pension benefit obligation is the present value of the defined benefit obligation at end of the reporting period less the fair value of plan assets, together with the adjustments for unrecognised past service costs. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are directly recognised in other comprehensive income and reported in other reserves.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the yield at the end of the reporting period of long term government bonds denominated in Indonesian Rupiah in which the benefits will be paid and that have terms to maturity similar to the related pension obligation.

2.20 Leases – as lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all lease, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (ie. the date the underlying assets is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the following:

- the amount of the initial measurement of lease liability variable lease payment that are based on an index or a rate
- any lease payments made at or before the commencement date less any lease incentives
- any initial direct costs, and
- restoration costs

2. Summary of significant accounting policies (cont'd)

2.20 Leases – as lessee (cont'd)

(a) Right-of-use assets (cont'd)

The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Properties	3 years
Vehicle	3 years
Other Equipment	5 years

If the ownership of the leased assets transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.11.

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at net present value of the lease payments to be made over the lease term. The lease payments includes the following:

- fixed payments (including-in-substance fixed payments), less any lease incentives receivables
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payment of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2. Summary of significant accounting policies (cont'd)

2.21 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sales of coal

Revenue is recognised when the customer obtains control of the good and all criteria for acceptance have been satisfied. Sales of coal are usually made on a "Free on Board" ("FOB") basis. Under FOB, the customer obtains control of the goods once the goods have been passed over the ship rail. The amount of revenue recognised is based on the selling price agreed and stated in the agreement.

(b) Sales of plywood and logs

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

(c) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(d) Management fee income

Revenue from consulting services is recognised in the accounting period in which the services are rendered.

(e) Interest income

Interest income is accrued on a time proportion basis using the effective interest method.

2.22 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Summary of significant accounting policies (cont'd)

2.22 Taxes (cont'd)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2. Summary of significant accounting policies (cont'd)

2.22 Taxes (cont'd)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

(i) Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheets.

2.23 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.24 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheets of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management is of the opinion that the instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimates.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of goodwill and intangible assets

The recoverable amounts of the CGUs to which goodwill and intangible assets have been allocated to are determined based on VIU calculations. The VIU calculations are based on a discounted cash flow models. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the VIU including a sensitivity analysis, are disclosed and further explained in the financial statement.

(b) Impairment of investment in subsidiaries

The Company assesses at each reporting date whether there is an indication that the investment in subsidiaries may be impaired. This requires an estimation of the VIU of the CGU. Estimating the VIU requires the Company to make an estimate of the expected future cash flows from the cash generating units and also to choose a suitable discount rates in order to calculate the present value of those cash flows. The recoverable amount of the investment in subsidiaries is sensitive to the valuation inputs such as log price, coal price and discount rate. The key assumptions applied in the determination of the VIU including a sensitivity analysis, are disclosed and further explained in the financial statement.

(c) Impairment of mining properties and property, plant and equipment

The Group assesses at the end of each reporting period whether there is any objective evidence that non-financial assets are impaired. Impairment review is performed when certain impairment indicators are present. Determining the fair value of assets requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. Any significant changes in the assumptions used in determining the fair value may materially affect the assessment of recoverable values and any resulting impairment loss could have a material impact on results of operations.

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(d) Coal reserves and resources estimates

Coal reserves and resources estimates are estimates of the amount of coal that can be economically and legally extracted from the Group's mining properties. Such reserves and resources estimates and changes to these may impact the Group's reported financial position and results, in the following way:

- The carrying value of mining properties, property, plant and equipment, and goodwill may be affected due to changes in estimated future cash flows

- Amortisation charges in the statement of comprehensive income may change where such charges are determined using the Unit of Production ("UOP") method

- Capitalised stripping costs recognised in the balance sheets as either part of mine properties or inventory or charged to profit or loss may change due to changes in stripping ratios

The Group estimates its coal reserves and resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the coal body and suitable production techniques and recovery rates. Such an analysis requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the coal body.

The Group determines and reports its coal reserves under the principles incorporated in the Code for Reporting of Mineral Resources and Ore Reserves of the Joint Ore Reserves Committee (the "JORC Code"), which is sponsored by the Australian mining industry and its professional organisations.

Consequently, management will form a view of forecast sales prices based on current and long-term historical average price trends. For example, if current prices remain above long-term historical averages for an extended period of time, management may assume that lower prices will prevail in the future. As a result, those lower prices would be used to estimate coal reserves and resources under the JORC Code. Lower price assumptions generally result in lower estimates of reserves.

The coal reserves and resources estimate may change as a result of changes in the economic assumptions used and as additional geological information is produced during the mining operations.

4. Revenue

	Group 2019 US$'000	Group 2018 US$'000
Coal Mining	**1,050,959**	943,203
Coal Trading	**63,325**	103,620
Non-coal business	**1,511**	1,655
Timing of transfer of goods or services		
At a point in time	**1,115,795**	1,048,478
Dividend income	**5,413**	–
	1,121,208	1,048,478

5. Other income

	Group 2019 US$'000	Group 2018 US$'000
Interest income	**9,775**	10,805
Compensation income	**13**	–
Others	**1,566**	2,975
	11,354	13,780

6. Finance costs

	Group 2019 US$'000	Group 2018 US$'000
Interest expense on bank loans and trade financing	**31,360**	22,215
Interest expense on lease liabilities	**425**	–
Amortisation of discounted loans and borrowings	**441**	405
Others	**1,432**	1,491
	33,658	24,111

7. Profit before tax

Profit before tax is derived after charging/(crediting) the following:

	Group	
	2019	2018
	US$'000	US$'000
Mining services and overheads	**445,351**	407,548
Freight and stockpile	**264,817**	204,689
Inventories recognised as an expense in cost of sales	**45,003**	96,024
Royalty fees	**145,903**	107,113
Legal and professional fees	**12,428**	13,422
Land exploitation expenses	**8,707**	5,265
Provision for mine closure	**3,083**	275
Depreciation of property, plant and equipment	**8,307**	7,212
Amortisation of right-of-use assets	**2,531**	–
Amortisation of:		
- mining properties	**4,888**	1,517
- land exploitation	**501**	1,303
- intangible assets	**505**	505
- software	**89**	293
Audit fees:		
- Auditors of the Company	**134**	148
- Other auditors	**316**	291
Non-audit fees:		
- Auditors of the Company	**11**	8
Directors' fees	**241**	241
Staff costs:		
- Salaries, wages, bonuses and other costs	**26,444**	24,124
- Contributions to defined contribution plans	**992**	400
Gain on disposal of short term investment	**–**	(13)
Fair value gain on biological assets	**(2,543)**	(2,547)
Impairment loss on goodwill	**6,988**	6,505
Impairment loss on property, plant and equipment	**965**	–
Foreign exchange loss, net	**2,311**	2,123

8. Income tax expense

Major components of income tax expense

The major components of income tax expense for the financial years ended 31 December are:

	Group	
	2019	**2018**
	US$'000	**US$'000**
Consolidated statement of comprehensive income		
Current income tax		
- Current year's income tax	**(29,727)**	(36,987)
- (Under)/over provision in respect of previous years	**(4,600)**	9
Deferred income tax (Note 17)		
- Current year	**(965)**	1,122
Withholding tax expense	**(2,137)**	(5,657)
Income tax expense	**(37,429)**	(41,513)
Other comprehensive income		
Deferred tax relate to other comprehensive income:		
- Net actuarial loss/(gain) on post-employment benefits	**113**	(54)

Relationship between tax expense and accounting profit

A reconciliation between the income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 December is as follows:

Profit before tax	**70,317**	115,193
Tax expenses at the domestic rates applicable in the countries where the Group operates	**(20,274)**	(31,372)
Adjustments:		
Income not subject to tax	**1,385**	1,410
Expenses not deductible for tax purposes	**(8,931)**	(3,816)
Deferred tax assets not recognised	**(1,612)**	(2,116)
(Under)/over provision in respect of previous years	**(4,600)**	9
Deferred tax on undistributed profits of foreign subsidiaries	**(1,773)**	–
Withholding tax expense	**(2,137)**	(5,657)
Others	**513**	29
Income tax expense	**(37,429)**	(41,513)

The corporate income tax rate applicable to the entities in Singapore is 17% (2018: 17%). The corporate income tax rate applicable to the subsidiaries in Indonesia is 25% (2018: 25%).

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

9. Earnings per share

Basic and diluted earnings per share are calculated by dividing the profit for the financial year, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The following reflects the earnings and share data used in the computation of basic and diluted earnings per share for the financial years ended 31 December:

	Group	
	2019	**2018**
	US$'000	**US$'000**
Profit for the year attributable to owners of the Company	**9,947**	39,318
Weighted average number of ordinary shares for basic and diluted earnings per share ('000)	**2,353,100**	2,353,100
Basic and diluted earnings per share attributable to owners of the Company (cents per share)	**0.42**	1.67

10. Biological assets

	Group	
	2019	**2018**
	US$'000	**US$'000**
Movement in biological assets:		
At 1 January	**3,381**	316
Costs incurred during the year	**135**	518
	3,516	834
Net change in fair value less estimated costs to sell	**2,543**	2,547
At 31 December	**6,059**	3,381

	Group			
	2019		**2018**	
	Hectares	**US$'000**	**Hectares**	**US$'000**
Existing Plantation Forest	**7,721**	**5,646**	5,010	3,250
Utilisable Natural Forest	**2,313**	**413**	1,173	131
	10,034	**6,059**	6,183	3,381

10. Biological assets (cont'd)

Biological assets relate to timber plantation, majority of which are Acacia Mangium and Sengon trees, which when mature will be harvested for timber and further processed into products such as sawn logs and pulpwood. The trees have an average lifespan of up to 15 years, and take up to 6 to 7 years to reach the maturity for harvesting. During the financial year, the Group harvested approximately 13,064 m^3 (2018: 8,237 m^3) of logs.

Fair value measurements

The fair value of biological assets is estimated with reference to an independent professional valuation using discounted cash flows of biological assets. The expected cash flows from the biological assets are determined using the market price and the estimated yield of the trees, net of maintenance and harvesting costs, and any costs required to bring the plantations to maturity. The estimated yield of the trees is dependent on the age of the trees, the location of the plantations and infrastructure. The market price of the produce is largely dependent on the prevailing market price. Point-of-sale costs include all costs that would be necessary to sell the assets.

The following table shows the key unobservable inputs used in the valuation models:

Key unobservable inputs	Range of unobservable inputs (weighted average)	Inter-relationship between key unobservable inputs and fair value measurement
Discount rate per annum	10% (2018: 10%)	The higher the discount rate, the lower the fair value
Average plantations yield, in metric tonne (m^3/ha)	16.8 m^3/ha to 175.5 m^3/ha (2018: 19.2 m^3/ha to 175.5 m^3/ha)	The higher the plantation yields, the higher the fair value
Selling price of: - Sawn logs	US$39.3/$m^3$ to US$55.3/$m^3$ (2018: US$38.7/$m^3$ to US$54.5/$m^3$)	The higher the selling price, the higher the fair value
- Pulpwood	US$51.0/$m^3$ (2018: US$52.8/$m^3$)	

Financial risk management strategies related to agricultural activities

The Group is exposed to financial risk in respect of its agricultural activities, which primarily arises due to length of time between expending cash planting trees, through the maintenance of the trees until maturity, harvesting of the trees, and ultimately receiving cash from the sale of the product. The Group plans for cash flow requirements for such activities and manage its debts actively.

11. Property, plant and equipment

Group	Infrastructure and buildings US$'000	Plant and machinery US$'000	Motor vehicles US$'000	Computers, office equipment, furniture and fittings US$'000	Bearer Plants US$'000	Construction in progress US$'000	Total US$'000
Cost							
At 1 January 2018	46,046	25,605	2,206	4,584	2,640	10,576	91,657
Reclassification	2,535	2,972	16	136	–	(5,659)	–
Additions	32	473	245	886	204	16,163	18,003
Acquisition of subsidiaries	4,492	82	2	63	–	713	5,352
Disposals	(407)	(88)	(287)	(337)	–	–	(1,119)
Written off	–	–	–	(176)	–	–	(176)
Exchange differences	(68)	(1)	–	(2)	–	–	(71)
At 31 December 2018 and 1 January 2019	52,630	29,043	2,182	5,154	2,844	21,793	113,646
Reclassification	2,606	17,621	612	744	–	(21,583)	–
Additions	352	113	367	1,673	87	18,382	20,974
Written off	–	–	–	(6)	–	–	(6)
Exchange differences	62	1	–	19	–	1	83
At 31 December 2019	55,650	46,778	3,161	7,584	2,931	18,593	134,697
Accumulated depreciation							
At 1 January 2018	14,519	8,164	1,427	3,112	–	–	27,222
Charge for the year	3,450	2,153	321	1,288	–	–	7,212
Disposals	(366)	(88)	(153)	(333)	–	–	(940)
Written off	–	–	–	(171)	–	–	(171)
Exchange differences	(22)	(1)	1	(30)	–	–	(52)
At 31 December 2018 and 1 January 2019	17,581	10,228	1,596	3,866	–	–	33,271
Charge for the year	3,942	2,321	277	1,767	–	–	8,307
Impairment loss	–	965	–	–	–	–	965
Written off	–	–	–	(6)	–	–	(6)
Exchange differences	37	1	–	8	–	–	46
At 31 December 2019	21,560	13,515	1,873	5,635	–	–	42,583
Net carrying amount							
At 31 December 2018	35,049	18,815	586	1,288	2,844	21,793	80,375
At 31 December 2019	34,090	33,263	1,288	1,949	2,931	18,593	92,114

Included in property, plant and equipment is a wood chip mill valued at scrap value of US$2,579,000 (31 December 2018: US$3,566,000) as at 31 December 2019.

11. Property, plant and equipment (cont'd)

Bearer plants comprise of immature rubber plantations. The rubber plantation presently consists of trees aged between 3 to 6 years as at 31 December 2019, the Group's total plantation area is approximately 925 (2018: 930) hectares.

(a) Assets pledged as security

Certain property and equipment of the Group with carrying value of US$10,791,000 (2018: US$11,545,000) as at 31 December 2019 have been pledged as collateral for bank borrowings (Note 25).

(b) Depreciation charge

Details of the depreciation charge for the financial year ended are as follows:

	Group	
	2019	**2018**
Charged to profit or loss	**US$'000**	**US$'000**
- cost of sales	**3,348**	2,609
- selling and distribution expenses	**1,363**	1,241
- administrative expenses	**2,668**	2,620
- other operating expenses	**928**	742
Depreciation for the financial year ended	**8,307**	7,212

	Computers, office equipment, furniture and fittings	
	2019	**2018**
Company	**US$'000**	**US$'000**
Cost		
At 1 January	**381**	472
Additions	**4**	94
Written off	**(1)**	(176)
Net exchange differences	**5**	(9)
At 31 December	**389**	381
Accumulated depreciation		
At 1 January	**156**	276
Charge for the financial year	**78**	55
Written off	**(1)**	(171)
Net exchange differences	**3**	(4)
At 31 December	**236**	156
Net carrying amount		
At 31 December	**153**	225

12. Mining properties

	Mines under construction US$'000	Producing mines US$'000	Stripping activity US$'000	Total US$'000
Cost				
At 1 January 2018	46,306	41,633	90,282	178,221
Additions	78	10	826	914
Acquisition of subsidiaries	–	142,229	728	142,957
Reclassification	(36,997)	36,997	–	–
Transfer to producing mines	(209)	209	–	–
Net exchange differences	(148)	(190)	(2)	(340)
At 31 December 2018 and 1 January 2019	9,030	220,888	91,834	321,752
Additions	8	–	8,906	8,914
Net exchange differences	102	125	7	234
At 31 December 2019	9,140	221,013	100,747	330,900
Accumulated amortisation				
At 1 January 2018	–	35,085	57,288	92,373
Charge for the year	–	559	958	1,517
Acquisition of subsidiaries	–	207	5	212
Net exchange differences	–	(5)	(3)	(8)
At 31 December 2018 and 1 January 2019	–	35,846	58,248	94,094
Charge for the year	–	677	4,211	4,888
Net exchange differences	–	5	5	10
At 31 December 2019	–	36,528	62,464	98,992
Net carrying amount				
At 31 December 2018	9,030	185,042	33,586	227,658
At 31 December 2019	9,140	184,485	38,283	231,908

Details of the amortisation expenses for the financial year ended are as follows:

	Group 2019 US$'000	Group 2018 US$'000
Charged to profit or loss		
- cost of sales	**4,522**	1,409
- other operating expenses	**366**	108
Amortisation expenses for the year	**4,888**	1,517

13. Intangible assets

Group	Forest concession license 2019 US$'000	2018 US$'000
Cost:		
At 1 January and 31 December	**13,046**	13,046
Accumulated amortisation:		
At 1 January	**1,852**	1,347
Amortisation	**505**	505
At 31 December	**2,357**	1,852
Net carrying amount		
At 31 December	**10,689**	11,194

Forest concession license

Forest concession license was acquired as a result of the Reverse Acquisition. Forest concession license has remaining period of 22 (2018: 23) years.

The Group owns forestry concession rights of 265,095 hectares, which includes 14,227 hectares of land rent-use rights.

Land rent-use rights represent the areas of overlapping mining permits with third parties, who have encroached onto the Group's forestry concession land to carry out mining activities. Based on the regulation issued by Indonesia Ministry of Forestry, the Group is allowed to be compensated for the estimated loss of existing plantations, infrastructure, increase in operational costs and loss of income from plantations over the remaining concession license period (opportunity costs) due to overlapping mining permits on the same forestry concession plantable area.

The Group has entered into an agreement with third parties, to compensate the Group based on their future mining production. As at balance sheet date, the compensation income was recognised as part of other income in the statement of comprehensive income.

14. Leases – as lessee

The Group has lease contracts for various items of properties, vehicles and other equipment used in its operations. Leases of properties, vehicles and other equipment generally have lease terms between 3 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios.

The Group also has certain leases of other equipment with low value. The Group applies the 'lease of low-value assets' recognition exemptions for these leases.

14. Leases – as lessee (cont'd)

Set out below are the carrying amount of right-of-use assets recognised and the movement during the year:

Group	Properties US$'000	Vehicles US$'000	Other equipment US$'000	Total US$'000
Cost				
Upon adoption of SFRS(I) 16, under modified retrospective approach	394	1,666	–	2,060
Additions	2,204	1,537	15	3,756
At 31 December 2019	2,598	3,203	15	5,816
Accumulated depreciation				
At 1 January 2019	–	–	–	–
Charge for the year	(1,222)	(1,306)	(3)	(2,531)
At 31 December 2019	(1,222)	(1,306)	(3)	(2,531)
Net carrying amount				
At 31 December 2019	1,376	1,897	12	3,285
Company				
Cost				
Upon adoption of SFRS(I) 16, under modified retrospective approach	220	–	–	220
Additions	–	–	9	9
At 31 December 2019	220	–	9	229
Accumulated depreciation				
At 1 January 2019	–	–	–	–
Charge for the year	(175)	–	(2)	(177)
At 31 December 2019	(175)	–	(2)	(177)
Net carrying amount				
At 31 December 2019	45	–	7	52

Set out below are the carrying amount of lease liabilities (included under loans and borrowings) and movement during the year:

	2019 Group US$'000	2019 Company US$'000
Upon adoption of SFRS(I) 16, under modified retrospective approach	**2,060**	**220**
Additions	**3,542**	**9**
Accretion of interest	**425**	**6**
Payments	**(2,674)**	**(183)**
At 31 December 2019	**3,353**	**52**
Current (Note 25)	**2,086**	**47**
Non-current (Note 25)	**1,267**	**5**

14. Leases – as lessee (cont'd)

The followings are the amounts recognised in profit or loss:

	2019 Group US$'000	2019 Company US$'000
Amortisation expense of right-of-use assets (included in other operating expenses)	**2,531**	**177**
Interest expense on lease liabilities (included in finance costs)	**425**	**6**
Expenses relating to lease of low-value assets (included in other operating expenses)	**161**	**23**
Total amount recognised in profit or loss	**3,117**	**206**

The Group's lease contracts on property include extension option for the period of 3 years. Management exercise significant judgement in determining whether this extension option and are reasonably certain to be exercise. The undiscounted potential future rental payments relating to periods following the exercise date of extension option that are not included in the lease term:

	2019 Within 5 years US$000
Extension option expected not to be exercised	**1,089**

15. Goodwill

	2019 US$'000	2018 US$'000
Group		
At 1 January	**113,739**	103,679
Acquisition of subsidiaries	**–**	16,565
Impairment loss	**(6,988)**	(6,505)
At 31 December	**106,751**	113,739

15. Goodwill (cont'd)

Impairment testing of goodwill and forest concession license

Goodwill acquired through business combinations and other intangible assets have been allocated to the following CGUs for impairment testing as follows:

	Forestry and pulp CGU		Coal mining CGUs	
	2019	2018	2019	2018
	US$'000	US$'000	US$'000	US$'000
Goodwill	**84,375**	91,363	**22,376**	22,376
Forest concession license	**10,689**	11,194	**–**	–

The recoverable amount of the forestry and pulp CGU and coal mining CGUs have been determined based on value-in-use ("VIU") calculation using cash flow projections from financial budgets approved by management covering their concession tenure for forestry and coal mining operations.

Key assumptions used in the value-in-use calculations

	Forestry and pulp CGU		Coal mining CGUs	
	2019	2018	2019	2018
Projected logs / coal prices	**US$43 – US$98/ m^3**	US$38 – US$96/ m^3	**US$12 – US$74/ tonne**	US$11 – US$63/ tonne
Discount rate	**13.3%**	15.0%	**9.0%**	12.0%

Sensitivity to changes in assumptions

Projected logs/coal prices – prices are based on industry research and the Group's historical data.

A reduction by 0.5% in the logs prices in forestry and pulp CGU would results in further impairment. A reduction by 0.5% in the coal prices in coal mining CGUs would not result in impairment.

Discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating CGU and is derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investor. The cost of debt is based on the interest-bearing borrowings the Group obliged to service. CGU's specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

A rise in pre-tax discount rate to 13.8% (i.e, +0.5%) in forestry and pulp CGU would result in a further impairment. A rise in pre-tax discount rate to 9.5% (i.e, +0.5%) in coal mining CGUs would not result in impairment.

16. Investment in subsidiaries

Company	2019 US$'000	2018 US$'000
Shares, at cost	**1,448,226**	1,384,450
Impairment loss	**(65,955)**	(65,046)
	1,382,271	1,319,404

As at 31 December 2019, certain investment in subsidiaries were tested for impairment as the subsidiaries were making losses or the carrying amount of the investment in subsidiaries exceeds the carrying amounts of the investee's net assets. An impairment loss is the amount by which the carrying amount of an asset or a CGU exceeds its recoverable amounts. The recoverable amounts of the subsidiaries have been determined based on a value-in-use calculation using cash flow projections based on a financial budget approved by management covering up to the end of the mining concession licenses or forest concession tenure. The VIU is measured by management and no impairment loss is required to be recognised during the year (2018: Nil).

(a) Composition of the Group

Details of the subsidiaries are as follows:

Name	Country of incorporation	Principal business activities	Proportion (%) of ownership interest 2019	2018
Held by the Company				
Anrof Singapore Limited[2]	Mauritius	Investment holding	**100.0000**	100.0000
Poh Lian (Cambodia), Ltd[3]	Cambodia	Dormant	**100.0000**	100.0000
Able Advance Limited[3]	British Virgin Islands	Dormant	**100.0000**	100.0000
PT Golden Energy Mines Tbk[2][6]	Indonesia	Investment holding	**66.9998**	66.9998
GEAR Trading Enterprise Pte Ltd[1]	Singapore	General commodities trading	**100.0000**	100.0000
GEAR Innovation Network Pte Ltd[1]	Singapore	R&D on engineering, software & programming for coal mining industry	**100.0000**	100.0000
Golden Investments (Australia) Pte Ltd[1]	Singapore	Investment holding	**99.9999**	51.0000
GEAR Renewables Pte Ltd[1]	Singapore	Generation of electricity by other sources	**100.0000**	–
PT Marga Buana Bumi Mulia[5]	Indonesia	Dormant	**100.0000**	100.0000

16. Investments in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

Name	Country of incorporation	Principal business activities	Proportion (%) of ownership interest 2019	Proportion (%) of ownership interest 2018
Held through Anrof Singapore Ltd				
PT Hutan Rindang Banua(2)	Indonesia	Forestry operation	**100.0000**	100.0000
PT Mangium Anugerah Lestari(5)	Indonesia	Dormant	**99.9976**	99.9976
Pacificwood Investment Ltd(2)	Mauritius	Investment holding and trading	**100.0000**	100.0000
Shinning Spring Resources Limited(3)	British Virgin Islands	Investment holding	**100.0000**	100.0000
Held through PT Golden Energy Mines Tbk				
PT Roundhill Capital Indonesia(2)	Indonesia	Holding company and trading	**99.0158**	99.0158
PT Kuansing Inti Makmur(2)	Indonesia	Coal mining	**99.9998**	99.9998
PT Trisula Kencana Sakti(2)	Indonesia	Coal mining	**70.0000**	70.0000
GEMS Trading Resources Pte Ltd(1)	Singapore	Trading	**100.0000**	100.0000
PT Karya Mining Solution(3)	Indonesia	Trading	**99.9999**	99.9999
PT Borneo Indobara(2)	Indonesia	Coal mining	**98.0951**	98.0951
PT Karya Cemerlang Persada(2)	Indonesia	Coal mining	**99.9998**	99.9998
PT Bungo Bara Utama(2)	Indonesia	Coal mining	**99.9998**	99.9998
PT Bara Harmonis Batang Asam(2)	Indonesia	Coal mining	**99.9998**	99.9998
PT Berkat Nusantara Permai(2)	Indonesia	Coal mining	**99.9998**	99.9998
PT Tanjung Belit Bara Utama(2)	Indonesia	Coal mining	**99.9998**	99.9998
PT GEMS Energy Indonesia(4)	Indonesia	Trading	**99.9902**	99.9902
PT Era Mitra Selaras(2)	Indonesia	Holding company	**100.0000**	100.0000
PT Wahana Rimba Lestari(2)	Indonesia	Coal mining	**100.0000**	100.0000
PT Berkat Satria Abadi(2)	Indonesia	Coal mining	**100.0000**	100.0000
PT Kuansing Inti Sejahtera(4)	Indonesia	Coal mining	**100.0000**	100.0000
PT Bungo Bara Makmur(4)	Indonesia	Coal mining	**100.0000**	100.0000

16. Investments in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

Name	Country of incorporation	Principal business activities	Proportion (%) of ownership interest 2019	2018
Held through PT Golden Energy Mines Tbk (cont'd)				
PT Dwikarya Sejati Utama(2)	Indonesia	Management consulting	**100.0000**	100.0000
PT Duta Sarana Internusa(2)	Indonesia	Management consulting	**100.0000**	100.0000
PT Barasentosa Lestari(2)	Indonesia	Coal mining & trading	**100.0000**	100.0000
PT Unsoco(2)	Indonesia	Management consulting	**100.0000**	100.0000

(1) Audited by Ernst & Young LLP, Singapore.
(2) Audited by member firms of Ernst & Young Global in the respective countries.
(3) Exempted/not required to be audited by the law of its country of incorporation.
(4) Not audited since its incorporation as deemed not material to the Group.
(5) Audited by KAP Kosasih, Nurdiyaman, Mulyadi, Tjahjo & Rekan
(6) The shares were pledged to secure bank borrowings (Note 25)

(b) Interest in subsidiaries with material non-controlling interests ("NCI")

The Group has the following subsidiary that has NCI that are material to the Group:

Name	Principal place of business	Proportion (%) of ownership interest held by NCI	Profit allocated to NCI during the reporting period US$'000	Accumulated NCI at the end of reporting period US$'000	Dividends paid to NCI US$'000
2019					
PT Golden Energy Mines Tbk	Indonesia	33.0002%	22,942	119,796	12,717

16. Investment in subsidiaries (cont'd)

(c) Summarised financial information about subsidiaries with material NCI

Summarised financial information including consolidation adjustments but before company eliminations of subsidiaries are as follows:

Summarised balance sheets

	2019 US$'000	2018 US$'000
Current		
Assets	**367,569**	310,997
Liabilities	**(279,999)**	(248,222)
Net current assets	**87,570**	62,775
Non-current		
Assets	**416,054**	390,049
Liabilities	**(145,638)**	(137,011)
Net non-current assets	**270,416**	253,038
Net assets	**357,986**	315,813

Summarised statement of comprehensive income

	2019 US$'000	2018 US$'000
Revenue	**1,107,464**	1,045,058
Profit before tax	**93,727**	135,531
Income tax expense	**(33,574)**	(34,982)
Profit after tax	**60,153**	100,549
Other comprehensive income	**(1,134)**	(61)
Total comprehensive income	**59,019**	100,488

Other summarised information

Cash flows generated from operating activities	**105,413**	79,635
Acquisition of significant property, plant and equipment	**(20,517)**	(17,638)

17. Deferred tax

The deferred tax as at 31 December relates to the following:

	Group				Company	
	Consolidated balance sheets		Consolidated comprehensive income		Balance sheets	
	2019	2018	2019	2018	2019	2018
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Deferred tax assets:						
Unutilised tax losses	**4,362**	3,917	**311**	1,296	**–**	–
Stripping activity asset	**733**	769	**(44)**	–	**–**	–
Post-employment benefits liability	**1,033**	690	**199**	143	**–**	–
Provision for mine closure	**805**	527	**275**	97	**–**	–
Others	**200**	120	**98**	111	**–**	–
	7,133	6,023			**–**	–
Deferred tax liabilities:						
Mining properties from business combinations	**(26,740)**	(26,822)	**91**	26	**–**	–
Biological assets	**371**	12	**359**	–	**–**	–
Fair value adjustments	**(3,090)**	(2,540)	**(550)**	(551)	**–**	–
Undistributed profit of foreign subsidiaries	**(1,773)**	–	**(1,773)**	–	**–**	–
Others	**(122)**	(191)	**69**	–	**(102)**	(100)
	(31,354)	(29,541)			**(102)**	(100)
			(965)	1,122		

Unutilised tax losses

At the end of reporting year, the Group has tax losses of approximately US$1,690,000 (2018: Nil) for which no deferred tax asset is recognised due to uncertainty of its recoverability. These tax losses are available to offset future taxable income generated by the Group's subsidiaries over a maximum 5 year period allowed under Indonesian tax regulation and subject to the approval by the Indonesia tax authorities.

Unrecognised temporary differences relating to investment in subsidiaries

At the end of the reporting year, the Group recognised deferred tax liability of US$1,773,000 (31 December 2018: Nil) for taxes that would potentially be payable on the undistributed earnings of the certain Group's subsidiaries if these are to be distributed in the future. Temporary differences for which no deferred tax liability had been recognised was US$73,330,000 (2018: US$63,319,000) and the deferred tax liability was estimated to be US$7,333,000 (2018: US$6,332,000). The management is of the view that no deferred tax liabilities should be recognised as the Group has no intention to distribute these earnings as dividend to the Company in the foreseeable future.

18. Trade and other receivables

	Group		Company	
	2019	2018	2019	2018
	US$'000	US$'000	US$'000	US$'000
Current				
Trade receivables				
- Related parties	**10,818**	17,886	**–**	–
- Third parties	**107,742**	87,073	**184**	–
Amount due from subsidiaries	**–**	–	**10,272**	397
Other receivables	**17,543**	3,350	**773**	10,248
	136,103	108,309	**11,229**	10,645
Non-current				
Other receivables				
- Related parties	**–**	100	**–**	–
- Third parties	**8,975**	16,645	**–**	–
Amount due from subsidiaries	**–**	–	**5,583**	4,083
	8,975	16,745	**5,583**	4,083
Total trade and other receivables	**145,078**	125,054	**16,812**	14,728
Add:				
Cash and cash equivalents (Note 23)	**177,757**	113,113	**40,194**	26,325
Deposits (Note 20)	**425**	1,404	**70**	64
Total financial assets carried at amortised cost	**323,260**	239,571	**57,076**	41,117

Trade and other receivables denominated in foreign currencies as at year end are as follows:

	Group		Company	
	2019	2018	2019	2018
	US$'000	US$'000	US$'000	US$'000
IDR	**76,051**	64,546	**3,568**	2,566
USD	**–**	–	**8,199**	10,900
AUD	**–**	–	**3,313**	–
GBP	**–**	–	**184**	–

Trade receivables are non-interest bearing and are generally on 30 to 60 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The trade receivables of certain subsidiaries are used as fiduciary collateral to guarantee the payment of Omnibus Trade Non Cash Backed loan facility from PT Bank Danamon Indonesia Tbk and collateral as loan from PT Bank Mandiri (Persero) Tbk and ICICI Bank Limited (Note 25).

18. Trade and other receivables (cont'd)

Amount due from subsidiaries (current) are non-trade related, unsecured, non-interest bearing, repayable upon demand and are to be settled in cash.

Amount due from subsidiaries (non-current) are non-trade related, unsecured and not expected to be repaid within the next twelve months. Included in the amount due from a subsidiary amounting to US$5,314,000 (2018: US$3,831,000), bear interest ranging from 5.28% to 10.00% (2018: 4.50% to 10.00%). At the end of the reporting period, amount denominated in Indonesian Rupiah, Singapore dollars and United States dollars are US$3,563,000 (2018: US$2,566,000), US$1,311,000 (2018: US$972,000) and US$440,000 (2018: US$293,000) respectively.

Included in other receivables is a US$16,580,000 (2018: US$16,580,000) loan granted to Asia Coal Energy Ventures Limited ("ACEV") by the Group. The loan bears interest 7.5% + LIBOR per annum and to be settled in four half-yearly instalments from 16 February 2020. The loan is secured by a share charge over 10.0% of the entire issued shares in ACEV. On 17 February 2020, ACEV repaid US$4,956,000.

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	2019 US$'000	2018 US$'000
Movement in allowance accounts:		
At 1 January	**88**	98
Written off	**–**	(10)
At 31 December	**88**	88

19. Restricted funds

Restricted funds pertains to the collateral for river rehabilitation, landfill, transportation and reclamation guarantee, and an interest reserve account held in a bank for the Group's Senior Secured bonds (Note 25).

Restricted funds denominated in foreign currencies as at year end are as follows:

	Group	
	2019 US$'000	2018 US$'000
IDR	**7,390**	5,658
AUD	**1,573**	–

20. Other current and non-current assets

	Group		Company	
	2019	2018	2019	2018
	US$'000	US$'000	US$'000	US$'000
Current				
Advances[1]	**103,800**	138,718	**31,955**	33,915
Prepayments	**11,234**	980	**448**	53
Deposits	**113**	177	**70**	64
	115,147	139,875	**32,473**	34,032
Non-current				
Land exploitation[2]	**30,990**	29,195	**–**	–
Estimated tax refund	**11,448**	2,128	**–**	–
Deposits [3]	**8,557**	8,879	**–**	–
Prepayment	**703**	743	**–**	–
Advances	**653**	667	**–**	–
Software	**69**	105	**–**	–
Others[4]	**4,179**	4,557	**3,465**	3,784
	56,599	46,274	**3,465**	3,784

(1) Advances mainly consist of advance paid to suppliers for the purchase of coal.

(2) Land exploitation mainly consist of payment to third parties for the clearance of the mine concession areas.

(3) Deposits mainly consist deposits paid to third parties to secure reclamation guarantee and mining services in connection with the Group's mining activities. A portion of the deposits of US$312,000 (2018: US$1,227,000) are refundable as at 31 December 2019.

(4) Others mainly consist of deferred expenses.

The movement in the software and land exploitation are as follows:

	Software		Land exploitation	
Group	2019	2018	2019	2018
	US$'000	US$'000	US$'000	US$'000
Cost:				
At beginning of the year	**2,370**	2,169	**40,843**	26,036
Addition	**55**	196	**2,386**	4,327
Acquisition of subsidiaries	**–**	5	**–**	10,498
Exchange difference	**–**	–	**(123)**	(18)
At end of the year	**2,425**	2,370	**43,106**	40,843
Accumulated amortisation:				
At beginning of the year	**2,265**	1,972	**11,648**	11,049
Amortisation	**89**	293	**501**	1,303
Exchange difference	**2**	–	**(33)**	(704)
At end of the year	**2,356**	2,265	**12,116**	11,648
Net carrying amount				
At 31 December	**69**	105	**30,990**	29,195

20. Other current and non-current assets (cont'd)

Other current and non-current assets denominated in foreign currencies as at year end are as follows:

	Group	
	2019 US$'000	2018 US$'000
IDR	**41,627**	65,139

21. Inventories

	Group	
	2019 US$'000	2018 US$'000
Balance sheets:		
Coal	**22,373**	18,701
Coal in transit	**78**	10
Spare parts	**101**	225
Others	**727**	709
Total inventories at lower of cost and net realisable value	**23,279**	19,645
Consolidated Statement of Comprehensive Income:		
Inventories recognised as an expense in cost of sales	**45,003**	96,024

Coal inventories owned by the Group was used as fiduciary collateral to guarantee the payment of Omnibus Trade Non Cash Backed loan facility obtained by the Group from a bank (Note 25).

As at 31 December 2019, the coal inventory at our Group's port and concession mine are insured by a related party, PT Asuransi Sinarmas and third parties insurance companies, for a total of US$26,498,000 (2018: US$16,655,000). Management believes that the inventory is adequately insured to cover the risk of loss and damage.

22. Investment securities

	Group		Company	
	2019	**2018**	**2019**	**2018**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Current				
At fair value through profit or loss				
- Other securities	**–**	2,000	**–**	2,000
Non-current				
At fair value through other comprehensive income				
- Equity securities (quoted)	**111,305**	57,673	**57,757**	57,673
- Equity securities (unquoted)	**3,804**	30	**–**	–
	115,109	57,703	**57,757**	57,673

The Group has elected to measure these equity instruments at FVOCI due to the Group's intention to hold these equity instruments for long-term strategic purpose.

23. Cash and cash equivalents

	Group		Company	
	2019	**2018**	**2019**	**2018**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Cash on hand	**154**	133	**1**	2
Cash at banks	**157,631**	76,997	**26,273**	3,862
Short-term deposits	**19,972**	35,983	**13,920**	22,461
	177,757	113,113	**40,194**	26,325

Cash and cash equivalents denominated in foreign currencies as at year ended are as follows:

IDR	**9,947**	7,451	**17**	13
AUD	**4,334**	553	**4,334**	553

Short term deposits are made for varying periods of between one and six months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The effective interest rates, per annum, as at 31 December for the Group are as follows:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	%	**%**	**%**	**%**
USD	**1.00% to 10.87%**	1.00% to 2.86%	**1.53% to 10.87%**	1.25% to 2.86%
AUD	**0.80% to 10.16%**	–	**0.80% to 10.16%**	–

24. Trade and other payables

	Group		Company	
	2019	2018	2019	2018
	US$'000	US$'000	US$'000	US$'000
Current				
Trade payables: (1)				
- Related parties	**965**	854	**–**	–
- Third parties	**169,972**	148,358	**–**	–
Other payables:				
- Dividend payable (2)	**–**	4,418	**–**	–
- Related parties	**4,466**	405	**–**	–
- Subsidiaries (3)	**–**	–	**986**	1,041
- Third parties (4)	**1,455**	9,339	**29**	307
Accrued expenses (5)	**49,755**	32,771	**5,847**	5,352
Non-trade payables (4)	**2,624**	4,925	**404**	800
Advances received (6)	**8,317**	2,041	**–**	–
Others	**75**	123	**6**	6
	237,629	203,234	**7,272**	7,506
Non-current				
Guarantee deposits	**108**	214	**–**	–
Other payables - related parties (7)	**25,599**	33,821	**–**	–
	25,707	34,035	**–**	–
Total trade and other payables	**263,336**	237,269	**7,272**	7,506
Less: Advances received	**(8,317)**	(2,041)	**–**	–
Add: Loans and borrowings (Note 25)	**323,158**	269,027	**183,721**	148,199
Total financial liabilities carried at amortised costs	**578,177**	504,255	**190,993**	155,705

(1) Trade payables are non-interest bearing and normally settled on 30 to 120 days' terms.

(2) Dividend payable to non-controlling interests

(3) Other payables to subsidiaries are unsecured, non-interest bearing and repayable on demand.

(4) Other payables and non-trade payables to third parties are generally non-interest bearing and repayable on demand.

(5) Accrued expenses from third parties relate to bond and loan interest, professional fees, rental and royalty.

(6) Advances received from third parties relate to plywood, logs and coal sales.

(7) Other payables to related parties are non-interest bearing and repayable on the agreed term for working capital purpose.

Trade and other payables denominated in foreign currencies as at year ended are as follows:

IDR	**165,837**	133,064	**12**	13
AUD	**301**	273	**301**	273

25. Loans and borrowings

	Maturity	Group 2019 US$'000	Group 2018 US$'000	Company 2019 US$'000	Company 2018 US$'000
Current:					
Lease liabilities					
5.25% - 9.59% p.a Lease liabilities (Note 14)	2020	**2,086**	–	**47**	–
Bank borrowings					
5.5% p.a fixed rate USD loan (2018: 5.5%)	2020	**1,531**	1,983	**–**	–
6.5% p.a fixed rate USD loan (2018: 6.0%)	2020	**35,000**	35,000	**–**	–
1.3% p.a + LIBOR USD loan	2020	**1,500**	–	**–**	–
6.25% - 7.0% p.a fixed rate USD loan (2018: 6.5%)	2020	**8,117**	5,184	**–**	–
4.25% p.a + 3 months LIBOR USD loan	2020	**4,000**	–	**–**	–
2.11% p.a + 7.0% margin AUD loan	2020	**10,509**	–	**10,509**	–
6.07% p.a + 6 months LIBOR USD loan	2019	**–**	4,000	**–**	–
Total bank borrowings (current)		**60,657**	46,167	**10,509**	–
Total loans and borrowings (current)		**62,743**	46,167	**10,556**	–
Non-Current:					
Lease liabilities					
5.25% - 9.59% p.a Lease liabilities (Note 14)	2021 - 2024	**1,267**	–	**5**	–
Bank borrowings					
6.25% - 7.0% p.a fixed rate USD loan (2018: 6.5%)	2021 - 2024	**58,488**	46,661	**–**	–
4.25% p.a + 3 months LIBOR USD loan	2021 - 2024	**27,500**	–	**–**	–
2.11% p.a + 7.0% margin AUD loan	2022	**24,521**	–	**24,521**	–
6.07% p.a + 6 months LIBOR USD loan	2019 - 2023	**–**	28,000	**–**	–
9.0% p.a Senior Secured Notes (2018: 9.0%)	2023	**148,639**	148,199	**148,639**	148,199
Total bank borrowings (non-current)		**259,148**	222,860	**173,160**	148,199
Total loans and borrowings (non-current)		**260,415**	222,860	**173,165**	148,199
Total loans and borrowings		**323,158**	269,027	**183,721**	148,199

25. Loans and borrowings (cont'd)

5.5% p.a fixed rate USD loan

This loan has been drawn down under Omnibus Trade Non Cash Backed loan facility which is used as Open Account Financing ("OAF"). The repayment period for this facility is maximum 90 days.

This loan facility is secured by trade receivables and/or inventories for a minimum amount of US$11,000,000 and margin deposit of US$1,750,000. The loan includes financial covenants which requires GEMS Group to maintain a minimum debt service coverage ratio of 1.2x, and a minimum interest coverage ratio of 2x.

6.5% p.a fixed rate USD loan

This loan is secured by trade receivables, property and equipment of GEMS Group and pledge of a subsidiary's shares. GEMS Group is required to comply with certain covenants relating to its Articles of Association, the nature of the business, dividends, corporate actions, financing activities and other matters, and need to maintain a debt to equity ratio not exceeding 150%, and a minimum debt service coverage ratio of 150%.

1.3% p.a + LIBOR USD loan

This loan has been drawn down under Short Term facility.

6.25% - 7.0% p.a fixed rate USD loan

This loan is secured by trade receivables, property and equipment of GEMS Group and pledge of a subsidiary's shares and is repayable on quarterly instalments due on 23 December 2024. The loan includes financial covenants which requires GEMS Group to maintain a debt to equity ratio not exceeding 150%, and a minimum current ratio of 150%.

4.25% p.a + 3 months LIBOR USD loan

This loan facility has cross collateral and cross default with the loan facility of 6.5% p.a fixed rate USD loan and 6.25% - 7.0% p.a fixed rate USD loan.

2.11% p.a + 7.0% margin AUD loan

This loan secured by pledge of a subsidiary's shares and an interest reserve account. This loan includes financial covenants that restricts the Group amongst other things to incur additional indebtedness and declare dividends subject to certain conditions and financial ratios. Subsequent to the end of the reporting period, the Group had repaid A$5,000,000.

6.07% p.a + 6 months LIBOR USD loan

During the financial year, the loan had been fully repaid.

9.0% p.a Senior Secured Notes

The Notes are secured by pledge of a subsidiary's shares and an interest reserve account. The Notes include financial covenants that restricts the Group amongst other things to incur additional indebtedness and declare dividends subject to certain conditions and financial ratios.

25. Loans and borrowings (cont'd)

A reconciliation of liabilities arising from financing activities is as follows:

2019	At beginning of the year US$'000	Cash Inflows US$'000	Cash outflows US$'000	Non-cash changes Others* US$'000	At end of the year US$'000
Bank borrowings					
- current	46,167	97,795	(96,815)	3,001	50,148
- non-current	222,860	87,744	(37,798)	(3,149)	269,657
	269,027	185,539	(134,613)	(148)	319,805
2018					
Bank borrowings					
- current	25,209	74,231	(57,670)	4,397	46,167
- non-current	69,774	180,980	(53,133)	25,239	222,860
	94,983	255,211	(110,803)	29,636	269,027

* Others pertains to reclassification of non-current portion of bank borrowings, foreign exchange from translation, and amortisation of transaction costs.

26. Post-employment benefits

The Group recognised liabilities for post-employment benefits based on the actuarial calculation by an independent actuary. The post-employment benefits arise from subsidiaries domiciled in Indonesia.

The present value of the defined post-employment benefit obligations, and the related current service cost and past service cost, were measured using the projected unit credit method. No funding has been made to this defined benefit scheme.

The principal assumptions used in determining post-employment benefits as at reporting date were as follows:

	Group 2019	Group 2018
Normal retirement age	**55 years**	55 years
Salary increment rate per annum	**7.00%**	7.00%
Discount rate per annum	**7.50%**	8.25%
Mortality rate *	**TMI 2011**	TMI 2011
Disability level	**10.0% of TMI 2011**	10.0% of TMI 2011
Resignation level per annum	**10.0% up to age 25 reducing linearly to 1.0% at age 45 and thereafter**	10.0% up to age 25 reducing linearly to 1.0% at age 45 and thereafter

* Standard Ordinary Mortality table in Indonesia ("TMI").

26. Post-employment benefits (cont'd)

The amount recognised in the balance sheets is determined as follows:

	Group	
	2019	**2018**
	US$'000	**US$'000**
Present value of defined benefit obligations and total post-employment benefits	**4,437**	2,979

Movements in the account are as follows:

	Group	
	2019	**2018**
	US$'000	**US$'000**
At 1 January	**2,979**	2,837
Remeasurement recognised in other comprehensive income	**452**	(217)
Post-employment benefits expenses recognised in profit or loss	**915**	529
Benefits paid during the year	**(129)**	–
Transferred liability for transferred employees	**(13)**	262
Exchange difference	**233**	(432)
At 31 December	**4,437**	2,979

The components of post-employment benefits expenses recognised in profit or loss:

	Group	
	2019	**2018**
	US$'000	**US$'000**
Current service cost	**644**	481
Interest cost on defined benefit obligations	**264**	176
Employment benefit directly paid during the year	**(3)**	(128)
Transferred liability for transferred employees	**10**	–
Post-employment benefits expenses	**915**	529

Post-employment benefits expenses is recognised in the "Administrative expenses" line item in the consolidated statement of comprehensive income.

The following table summarises the components of post-employment benefits expenses recognised in other comprehensive income:

	Group	
	2019	**2018**
	US$'000	**US$'000**
Before tax	**(452)**	217
Tax charge	**113**	(54)
After tax	**(339)**	163

26. Post-employment benefits (cont'd)

The sensitivity analysis below has been determined based on reasonably possible changes of significant assumption on the post-employment benefits as of the end of the reporting period, assuming if all other assumptions were held constant.

	Increase/(decrease)	
	2019	**2018**
	US$'000	**US$'000**
Increase by 100 basis points	**(389)**	(263)
Decrease by 100 basis points	**435**	312

27. Provision for mine closure

Provision for mining closure is for restoration and rehabilitation of mining areas.

	Group	
	2019	**2018**
	US$'000	**US$'000**
At 1 January	**1,996**	1,721
Charged to profit or loss	**3,083**	275
At 31 December	**5,079**	1,996

28. Share capital

	Group		Company	
	Number of shares '000	**US$'000**	**Number of shares '000**	**US$'000**
Issued and fully paid:				
At 31 December 2018 and 31 December 2019	2,353,100	305,528	2,353,100	1,230,107

The ordinary shares of the Company have no par value. The holders are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. All issued ordinary shares are fully paid.

29. Commitments and contingent liabilities

Commitments

The Group is committed to invest up to a maximum of US$7,400,000 into unquoted equity instruments of an investee company. During the reporting year, an investment of US$4,000,000 was made, leaving a balance of US$3,400,000 to be invested subsequent to the year end.

Financial support

The Company has agreed to provide financial support to subsidiaries having current liabilities in excess of its current assets by US$18,016,000 (2018: US$27,247,000).

30. Related party disclosures

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2019	**2018**
	US$'000	**US$'000**
Sales to related parties	**141,425**	255,687
Interest income from related parties	**4**	7
Purchases paid to related parties	**(145)**	(386)
Rental expenses paid to related parties	**(587)**	(756)
Repair & maintenance paid to related parties	**–**	(1,030)
Insurance expenses paid to related parties	**(5,993)**	(5,090)
Telecommunication expenses paid to related parties	**(10)**	(27)
Office expenses paid to related parties	**(10)**	–
Freight & Demurrage paid to related parties	**(1,030)**	–
Dividend income from related parties	**20**	–

Related parties are subsidiaries and associated companies of Sinarmas Group and other related parties, excluding entities within the Group.

(b) Compensation of key management personnel

Short-term employee benefits	**6,134**	6,487
Central Provident Fund contributions	**50**	97
Other short-term benefits	**601**	241
	6,785	6,825
Comprises amounts paid and payable to:		
- directors of the Company	**4,022**	4,091
- other key management personnel	**2,763**	2,734
	6,785	6,825

Included in the compensation paid or payable to key management personnel are contributions to defined contribution plan amounted to US$50,000 (2018: US$97,000).

31. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and

- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Fair value measurement that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities carried at fair value at the end of the reporting period:

	Group			
	Fair value measurements at the end of the reporting period using			
2019	**Quoted prices in active markets for identical instruments (Level 1) US$'000**	**Significant observable inputs other than quoted prices (Level 2) US$'000**	**Significant unobservable inputs (Level 3) US$'000**	**Total US$'000**
Assets				
Non-financial assets				
Biological assets (Note 10)	–	–	6,059	6,059
Financial assets				
Equity securities at FVOCI				
Equity securities				
– Quoted (Note 22)	111,305	–	–	111,305
– Unquoted (Note 22)	–	–	3,804	3,804

31. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value (cont'd)

	Group			
	Fair value measurements at the end of the reporting period using			
2018	Quoted prices in active markets for identical instruments (Level 1) US$'000	Significant observable inputs other than quoted prices (Level 2) US$'000	Significant unobservable inputs (Level 3) US$'000	Total US$'000
Assets				
Non-financial assets				
Biological assets (Note 10)	–	–	3,381	3,381
Financial assets				
Equity securities at fair value through profit or loss				
Other securities (Note 22)	–	2,000	–	2,000
Equity securities at FVOCI				
Equity securities				
– Quoted (Note 22)	57,673	–	–	57,673
– Unquoted (Note 22)	–	–	30	30

There has been no transfer from Level 1 and Level 2 and Level 3 for the financial years ended 31 December 2019 and 2018 respectively.

Methods and assumption used to determine fair value

Fair value of biological assets has been determined based on valuations by an independent professional valuer using discounted cash flows of the underlying biological assets.

Valuation policies and procedures

The Group's Head of Finance and Reporting who reports to the Group's Audit Committee oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 fair value measurement guidance to perform the valuation.

31. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value (cont'd)

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations. These are reviewed by the Audit Committee for submission to the Board of Directors for approval. Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Trade and other receivables (Note 18), excluding the amount disclosed in Note 31(d), cash and cash equivalents (Note 23), trade and other payables (Note 24), and loans and borrowings (Note 25).

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

(d) Level 3 fair value measurements

The fair value of financial assets by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follow. These financial assets are categorised within Level 3 of the fair value hierarchy.

	2019		2018	
	Carrying amount US$'000	**Fair value US$'000**	**Carrying amount US$'000**	**Fair value US$'000**
Financial assets:				
<u>Equity securities at FVOCI</u>				
Unquoted equity securities (Note 22)	**3,804**	**3,804***	30	*

<u>Determination of fair value</u>

* Other investments include investments in an unquoted ordinary shares of US$30,000 representing equity ownership interest of below 20% are carried at cost as their fair values cannot be reliably measured and redeemable preference shares of US$3,774,000 which was valued using significant unobservable inputs, where the Group used net assets value report obtained from external party which is reviewed and approved by the Board of Directors. Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate. The Group does not intend to dispose these investments in the foreseeable future.

32. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, liquidity risk, credit risk, foreign currency risk and commodity price risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process. The Group does not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks except as described below.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from its floating interest rate loans and borrowings.

Currently the Group does not have an interest rate policy. At the balance sheet date, the Group and the Company has loans and borrowings of which majority of the loans carried fixed interest rate except for one loan that is subject to floating interest rate. The floating interest rate does not vary significantly with the movements in the market interest rates.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if the interest rates had been 75 (2018: 75) basis points lower/higher with all other variables held constant, the Group's profit after tax would have been approximately US$3,304,000 (2018: US$1,126,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility in prior years.

Information relating to the Group's interest rate exposure is also disclosed in various notes to the financial statements.

(b) Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the Group and the Company will encounter difficulty in meeting financial obligation due to shortage of funds. The Group and the Company is exposed to liquidity risk in respect of its cash flow management to fund its ongoing operations as well as settlement of its short-term loans and borrowings and all of its current liabilities. The Group's and the Company's objective is to maintain an appropriate level of liquid assets to meet its liquidity requirements in the short term.

The Group and the Company manage its liquidity needs by monitoring its forecasted cash inflows and outflows from its day to day operations. Liquidity needs are then monitored in various time bands such as daily, weekly as well as on a rolling of 30 days rolling projection. Net cash requirements are then compared to available cash and cash equivalents in order to determine the cash shortfalls.

32. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	Group			
2019	**1 year or less US$'000**	**2 to 5 years US$'000**	**More than 5 years US$'000**	**Total US$'000**
Financial assets:				
Trade and other receivables	136,103	8,975	–	145,078
Cash and cash equivalent	177,757	–	–	177,757
Other current assets	113	–	–	113
Other non-current assets	–	312	–	312
Total undiscounted financial assets	313,973	9,287	–	323,260
Financial liabilities:				
Trade and other payables	229,312	108	–	229,420
Lease Liabilities	2,086	1,267	–	3,353
Bank borrowings	84,138	311,765	–	395,903
Total undiscounted financial liabilities	315,536	313,140	–	628,676
Total net undiscounted financial liabilities	(1,563)	(303,853)	–	(305,416)
2018				
Financial assets:				
Trade and other receivables	108,309	16,745	–	125,054
Cash and cash equivalent	113,113	–	–	113,113
Other current assets	177	–	–	177
Other non-current assets	–	1,227	–	1,227
Total undiscounted financial assets	221,599	17,972	–	239,571
Financial liabilities:				
Trade and other payables	201,193	214	–	201,407
Bank borrowings	63,560	279,437	7,523	350,520
Total undiscounted financial liabilities	264,753	279,651	7,523	551,927
Total net undiscounted financial liabilities	(43,154)	(261,679)	(7,523)	(312,356)

32. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

	Company		
2019	**1 year or less US$'000**	**2 to 5 years US$'000**	**Total US$'000**
Financial assets:			
Trade and other receivables	11,229	–	11,229
Cash and cash equivalent	40,194	–	40,194
Other current assets	70	–	70
Amounts due from subsidiaries	–	5,583	5,583
Total undiscounted financial assets	51,493	5,583	57,076
Financial liabilities:			
Lease Liabilities	47	5	52
Trade and other payables	7,272	–	7,272
Bank borrowings	26,721	204,829	231,550
Total undiscounted financial liabilities	34,040	204,834	238,874
Total net undiscounted financial assets/(liabilities)	17,453	(199,251)	(181,798)
2018			
Financial assets:			
Trade and other receivables	10,645	–	10,645
Cash and cash equivalent	26,325	–	26,325
Other current assets	–	64	64
Amounts due from subsidiaries	–	4,083	4,083
Total undiscounted financial assets	36,970	4,147	41,117
Financial liabilities:			
Trade and other payables	7,506	–	7,506
Bank borrowings	13,687	192,750	206,437
Total undiscounted financial liabilities	21,193	192,750	213,943
Total net undiscounted financial assets/(liabilities)	15,777	(188,603)	(172,826)

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables and compensation income expected to be receivable from mining licensees.

Credit risk is limited to the risk arising from the inability of a debtor to make payments when due. It is the Group's policy to provide credit terms to creditworthy customers. These debts are continually monitored and therefore, the Group does not expect to incur material credit losses.

32. Financial risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

The Group's objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties and are generally backed by Letter of credit ("LC"), with a reputable local and international financial institution with high credit ratings.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments when they fall due which are derived based on the Group's historical information.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the counterparty
- A breach of contract, such as a default or past due event
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on best available facts and circumstances, including but not limited to, the length of its relationship with the customer and the customer's current credit status based on third party credit reports and known market factors. The loss allowance provision as at 31 December 2019 is determined as follows, the expected credit losses below also incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

32. Financial risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

Trade receivables (cont'd)

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix:

2019	Current US$'000	More than 30 days past due US$'000	More than 60 days past due US$'000	More than 90 days past due US$'000	Total US$'000
Gross carrying amount	118,194	6	173	275	118,648
Loss allowance provision	–	–	–	(88)	(88)
2018					
Gross carrying amount	104,768	68	–	211	105,047
Loss allowance provision	–	–	–	(88)	(88)

Exposure to credit risk

The carrying amount of trade and other receivables and cash and bank balances represent the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade and other receivables and deposits on an on-going basis. The credit risk concentration profile of the Group's trade and other receivables and deposits at the balance sheet date is as follows:

	2019		2018	
	US$'000	% of total	US$'000	% of total
By country				
Singapore	**23,751**	**14%**	10,248	6%
Indonesia	**149,969**	**86%**	157,847	94%
Total	**173,720**		168,095	
By industry sector				
Coal	**149,680**	**86%**	157,572	94%
Non-coal business	**24,040**	**14%**	10,523	6%
Total	**173,720**		168,095	

As at 31 December 2019 and 31 December 2018, there were no significant concentrate of credit risk with any single customer.

32. Financial risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

Cash and cash equivalents that are neither past due nor impaired are placed with reputable local or international banks with high credit ratings.

Other receivables are due from creditworthy counterparty, which are reviewed annually, and may be updated throughout the year subject to approval of the Group's finance committee.

The Group's maximum exposure to credit risk for the components of the balance sheets at 31 December 2019 and 2018 is the carrying amounts presented in Note 18.

(d) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily IDR. Approximately 31% (2018: 32%) of the Group's sales are denominated in foreign currency. The Group hold cash and cash equivalents primarily denominated in foreign currencies for working capital purposes (Note 23). The Group's trade receivable and payable balances at the reporting date have similar exposure. The foreign currency in which these transactions are denominated is mainly in IDR. Currently, there is no policy to reduce currency exposure through forward currency contracts, derivatives transactions or other arrangements. However, the Group relies on its operational cash flow to hedge against the foreign currency exposure.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations in countries such as Indonesia and Singapore. The Group does not hedge this currency exposure.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the IDR and AUD against USD, with all other variables held constant.

		Group	
		Profit net of tax	
		2019	**2018**
		US$'000	**US$'000**
IDR/USD	- strengthened 7% (2018: 7%)	**2,526**	223
	- weakened 7% (2018: 7%)	**(2,906)**	(256)
AUD/USD	- strengthened 7% (2018: 7%)	**1,875**	36
	- weakened 7% (2018: 7%)	**(2,157)**	(42)

32. Financial risk management objectives and policies (cont'd)

(e) Commodity price risk

The Group is exposed to the risk of fluctuations in prevailing market commodity prices arising from changes in market value of coal.

The Group has mitigating controls in place to monitor the trend of coal price, mine plan and performance of coal production in addition to strategic direction and implementation plans.

Sensitivity analysis for commodity price risk

At the balance sheet date, if the coal price had been 5% (2018: 5%) higher/lower with all other variables held constant, the Group's profit before tax would have been US$55,714,000 (2018: US$52,341,000) lower/higher.

33. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. The Group is required to comply with financial covenants, if any, imposed by financial institutions. No changes were made in the objectives, policies or processes between the years ended 31 December 2019 and 2018 respectively.

The Group monitors its capital using gearing ratios.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as loans and borrowings, trade and other payables, less cash and cash equivalents. Total capital includes equity attributable to the equity holders of the parent, capital reserves and other reserves plus net debt.

	2019 **US$'000**	**2018** **US$'000**
Loans and borrowings	**323,158**	269,027
Trade and other payables	**255,019**	235,228
Less: Cash and cash equivalents	**(177,757)**	(113,113)
Net debts	**400,420**	391,142
Equity attributable to equity holders of the Company	**359,335**	313,255
Capital and net debts	**759,755**	704,397
Gearing ratio	**52.70%**	55.53%

34. Segment information

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are disclosed below including the factors used to identify the reportable segments and the measurement basis of segment information.

The Group is organised into three reportable operating segments as follows:

- Coal Mining is engaged in exploration, mining, processing and marketing of thermal coal from its coal mining concession areas.

- Coal Trading is engaged in procuring sales orders from customers and sourcing for domestic suppliers.

- Non-coal Business segment comprises forestry, investment holding company and provision of management services.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

34. Segment information (cont'd)

	Coal Mining		Coal Trading		Non-coal Business		Adjustments and Eliminations		Note	Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018		2019	2018
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000		US$'000	US$'000
Revenue:											
Revenue from external customers	**1,050,959**	943,203	**63,325**	103,620	**6,924**	1,655	**–**	–		**1,121,208**	1,048,478
Inter segment revenue	**4,214**	622	**–**	–	–	5	**(4,214)**	(627)	A	**–**	–
	1,055,173	943,825	**63,325**	103,620	**6,924**	1,660	**(4,214)**	(627)		**1,121,208**	1,048,478
Results:											
Segment results	**104,059**	148,872	**4,902**	191,912	**11,405**	96,309	**(26,166)**	(308,594)	B,C	**94,200**	128,499
Interest income	**8,785**	1,655	**1,513**	12,919	**12,662**	3,529	**(13,185)**	(7,298)	C	**9,775**	10,805
Finance costs	**(18,188)**	(10,290)	**(3,762)**	(7,320)	**(19,495)**	(14,441)	**7,787**	7,940	C	**(33,658)**	(24,111)
Profit before tax										**70,317**	115,193
Income tax expense										**(37,429)**	(41,513)
Profit for the year										**32,888**	73,680
Compensation income	**–**	–	**–**	–	**580**	1,909	**(567)**	(1,909)	C	**13**	–
Depreciation expenses	**(7,166)**	(6,142)	**(218)**	(328)	**(923)**	(742)	–	–		**(8,307)**	(7,212)
Amortisation expenses	**(7,045)**	(2,846)	**(145)**	(267)	**(1,765)**	(505)	–	–		**(8,955)**	(3,618)
Fair value gain on biological assets	**–**	–	**–**	–	**2,543**	2,547	**–**	–		**2,543**	2,547
Assets and Liabilities:											
Segment assets	**586,133**	469,830	**83,242**	453,669	**705,053**	296,682	**(264,935)**	(259,347)		**1,109,493**	960,834
Addition to non-current assets	**20,488**	17,604	**286**	308	**264**	365	**–**	–	D	**21,038**	18,277
Segment liabilities	**451,644**	385,357	**46,909**	121,546	**220,488**	153,827	**(88,669)**	(118,171)		**630,372**	542,559

34. Segment information (cont'd)

A Inter-segment revenues are eliminated on consolidation.

B The following items are added to/(deducted from) segment results net of intra-segment elimination to arrive at "Profit before tax" present in the consolidated statement of comprehensive income:

	Coal Mining US$'000	Coal Trading US$'000	Non-coal Business US$'000	Total US$'000
2019				
Other income	9,588	1,513	253	11,354
Selling and distribution expenses	(181,506)	(2,945)	(965)	(185,416)
Administrative expenses	(57,090)	(1,164)	(16,727)	(74,981)
Other operating (expenses)/ income	(12,336)	(356)	(6,717)	(19,409)
2018				
Other income	4,130	5,540	4,110	13,780
Selling and distribution expenses	(149,458)	(1,149)	(697)	(151,304)
Administrative expenses	(56,805)	(9,346)	(10,783)	(76,934)
Other operating (expenses)/ income	114	(5,915)	(4,772)	(10,573)

C Elimination is relating to intra-group transactions which are eliminated on consolidation.

D Additions to non-current assets consist of additions to property, plant and equipment, deferred exploration and development costs and software.

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2019 US$'000	2018 US$'000	2019 US$'000	2018 US$'000
Indonesia	**353,624**	340,074	**519,971**	501,016
China	**436,606**	418,961	**–**	–
India	**250,554**	196,118	**–**	–
South Korea	**29,522**	51,290	**–**	–
Philippines	**13,380**	–	**–**	–
Cambodia	**12,207**	3,201	**–**	–
Spain	**–**	29,061	**–**	–
Others	**25,315**	9,773	**14,993**	13,150
	1,121,208	1,048,478	**534,964**	514,166

34. Segment information (cont'd)

Non-current assets information presented above consists of biological assets, property, plant and equipment and mining properties.

Major customer information

The Group's revenue derived from customers who individually account for 10% (2018: 10%) or more of the Group's revenue is detailed below:

	Coal Mining		Coal Trading	
	2019	2018	2019	2018
	US$'000	US$'000	US$'000	US$'000
Customer				
Top 1st	193,691	143,035	–	–
Top 2nd	116,074	–	–	–

35. Dividends

	Group and Company	
	2019	2018
	US$'000	US$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- 1st interim dividend for 2019 of S$0.0029 per share	**5,002**	–
- 1st interim dividend for 2018 of S$0.0139 per share	**–**	24,255
- Final dividend for 2017 of S$0.0100 per share	**–**	17,451
	5,002	41,706

36. Events occurring after the reporting period

On 14 January 2020, the Group entered into a joint venture agreement with a third party, Raven Gold Nominee Pty Ltd to establish a joint venture company, Mining Gold Group Pty Ltd, to acquire the Ravenswood gold mine from Carpentaria Gold Pty Ltd and its parent company, Resolute Mining Limited.

On 27 February 2020, the Group disposed of 7,000,000 ordinary shares in Westgold Resources Limited, reducing its shareholding from 10.09% to 7.25%.

On 17 March 2020, the Group purchased 7,500,000 ordinary shares in Stanmore Coal Limited, increasing its shareholding by 2.93% from 28.42% to 31.35%.

36. Events occurring after the reporting period (cont'd)

The outbreak of COVID-19 since early 2020 has brought about uncertainties to the Group's operating environment. The Group will continually assess the situation and the potential impact to its business. A Business Continuity Plan has been put in place to minimise the impact to our business and to protect our key stakeholders. However, the uncertainties may potentially result in the Group being not able to meet its future plans for its operations and hence affect financial performance and/or position of the Group. As the situation is still evolving and uncertain, the financial impact is not able to be reliably estimated or determined as at the date of this report.

37. Reclassification of accounts

Certain accounts in the consolidated balance sheets as of 31 December 2018 have been reclassified to conform with the 31 December 2019 consolidated balance sheets presentation. A summary of such accounts follows:

Group	Before Reclassification US$'000	After Reclassification US$'000
Current asset:		
Trade and other receivables	124,889	108,309
Non-current asset:		
Trade and other receivables	165	16,745

38. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Directors dated on 30 March 2020.

STATISTICS OF **SHAREHOLDINGS**

As at 26 March 2020

SHARE CAPITAL

Number of issued shares*	2,353,100,380*
Class of shares	Ordinary
Voting Rights	1 vote per ordinary share

* The Company does not hold any treasury shares and there are no subsidiary holdings as at 26 March 2020.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	2,633	25.86	95,781	0.00
100 - 1,000	3,873	38.03	1,734,765	0.07
1,001 - 10,000	2,675	26.27	10,451,811	0.45
10,001 - 1,000,000	978	9.60	54,495,868	2.32
1,000,001 and above	24	0.24	2,286,322,155	97.16
TOTAL	**10,183**	**100.00**	**2,353,100,380**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	2,072,473,329	88.07
2	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	77,799,300	3.31
3	RHB SECURITIES SINGAPORE PTE. LTD.	41,007,400	1.74
4	PHILLIP SECURITIES PTE LTD	25,936,690	1.10
5	DBS NOMINEES (PRIVATE) LIMITED	11,135,053	0.47
6	HSBC (SINGAPORE) NOMINEES PTE LTD	6,614,449	0.28
7	MS FIRST CAPITAL INSURANCE LIMITED - INSURANCE FUND A/C	6,181,381	0.26
8	SEAH SEOW CHER	5,817,700	0.25
9	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	4,946,229	0.21
10	OCBC SECURITIES PRIVATE LIMITED	4,760,405	0.20
11	NG WEE HAN	4,550,000	0.19
12	RAFFLES NOMINEES (PTE.) LIMITED	3,918,921	0.17
13	UOB KAY HIAN PRIVATE LIMITED	3,822,505	0.16
14	RHB BANK NOMINEES PTE LTD	3,389,616	0.14
15	TAY CHEW LAN	2,238,000	0.10
16	MAYBANK KIM ENG SECURITIES PTE. LTD.	1,836,389	0.08
17	KGI SECURITIES (SINGAPORE) PTE. LTD.	1,527,300	0.06
18	TAN WAI SEE	1,434,000	0.06
19	ASIAPAC COMMISSIONING SERVICES PTE LTD	1,330,100	0.06
20	GOH JUI HOO	1,198,300	0.05
	TOTAL	**2,281,917,067**	**96.96**

STATISTICS OF **SHAREHOLDINGS**

As at 26 March 2020

SUBSTANTIAL SHAREHOLDERS

(as shown in the Company's Register of Substantial Shareholders as at 26 March 2020)

	Direct Interest		Deemed Interest	
Substantial Shareholders	**No. of Shares**	**%***	**No. of Shares**	**%***
PT Dian Swastatika Sentosa Tbk (1)	2,044,145,469	86.87%	–	–
PT Sinar Mas Tunggal (2)	–	–	2,044,145,469	86.87%
PT Sinar Mas (2)	–	–	2,044,145,469	86.87%
PT Sinar Mas Cakrawala (2)	–	–	2,044,145,469	86.87%
PT Sinarindo Gerbangmas (2)	–	–	2,044,145,469	86.87%
Franky Oesman Widjaja (3)	–	–	2,044,145,469	86.87%
Muktar Widjaja (3)	–	–	2,044,145,469	86.87%
Indra Widjaja (3)	–	–	2,044,145,469	86.87%

Notes:

* The percentage of shareholding above is computed based on the total number of issued voting shares of 2,353,100,380.

(1) The 2,044,145,469 shares are held by Citibank Nominees Singapore Pte Ltd on behalf of PT Dian Swastatika Sentosa Tbk ("DSS") as bare trustee.

(2) PT Sinar Mas Tunggal is deemed interested in 2,044,145,469 shares held by DSS by virtue of its shareholding of no less than 20% of the issued share capital of DSS. PT Sinar Mas is deemed interested in 2,044,145,469 shares held by DSS by virtue of its shareholding of no less than 20% of the issued share capital of PT Sinar Mas Tunggal. PT Sinar Mas Cakrawala is deemed interested in 2,044,145,469 shares held by DSS by virtue of its shareholding of no less than 20% of the issued share capital of PT Sinar Mas. PT Sinarindo Gerbangmas is deemed interested in 2,044,145,469 shares held by DSS by virtue of its shareholding of no less than 20% of the issued share capital of PT Sinar Mas Cakrawala.

(3) Mr Franky Oesman Widjaja, Mr Muktar Widjaja and Mr Indra Widjaja are deemed interested in 2,044,145,469 shares held by DSS by virtue of their individual shareholdings of no less than 20% of the voting shares in PT Sinarindo Gerbangmas.

PUBLIC FLOAT

Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") requires that at least 10% of the total number of issued shares excluding treasury shares (excluding preference shares and convertible equity securities) of a listed company in a class that is listed is at all times held by the public. The Company has complied with this requirement. As at 26 March 2020, approximately 13.11% of its shares listed on the SGX-ST were held in the hands of the public.

golden energy and resources

GOLDEN ENERGY AND RESOURCES LIMITED

Incorporated in the Republic of Singapore
Company Registration No: 199508589E
20 Cecil Street
#05-05 PLUS
Singapore 049705
(65) 6838 7500
(65) 6284 0074
www.gear.com.sg

cre8
Tel: (65) 63278398