



SGX Announcement

Geo Energy Resources Limited Condensed Interim Consolidated Financial Statements

For the Six Months Ended 30 June 2022

FORWARD LOOKING STATEMENTS

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

Results Review and Strategy Update

For the Six Months Ended 30 June 2022



GEO ENERGY ACHIEVES RECORD FIRST HALF REVENUE OF US\$368 MILLION AND NET PROFIT OF US\$106 MILLION DESPITE TEMPORARY COAL EXPORT BAN IN JANUARY AND DECLARES SECOND INTERIM DIVIDEND OF S\$0.02 PER SHARE

Dear Shareholders,

Geo Energy achieved a record first half result for 2022 despite a temporary coal export ban in January 2022 affecting all Indonesian coal miners. 2022 also marks the 10th year anniversary of the Company's listing on the Mainboard of the SGX in 2012.

The Group achieved a first half revenue of US\$368.3 million and net profit of US\$106.0 million, an increase of 67% and 118%, respectively over 1H2021. The increase was due to the higher average selling price ("ASP") of US\$71.12 per tonne in 1H2022 as compared to US\$40.97 per tonne in 1H2021, as the average Indonesian Coal Index price for 4,200 GAR coal ("ICI4") increased to US\$85.89 per tonne in 1H2022 as compared to US\$47.78 per tonne in 1H2021.

The Group delivered 5.2 million tonnes of coal for 1H2022 with over 0.2 million tonnes of our coal sales for June vessels only recognised in July after completion of loading. This was slightly lower than the 5.4 million tonnes of coal in 1H2021, after adjusting our mining plan following the temporary coal export ban in January 2022. The Group achieved production of 5.5 million tonnes in 1H2022. We remain on track for our target of 12 million tonnes coal sales for 2022. Our production volumes are typically higher for the second half of the year due to seasonality.

The Group's Domestic Market Obligations ("DMO") volume was 36% of the total volume sold in 1H2022, higher than the 25% set in the Group's Rencana Kerja Anggaran Biaya ("RKAB") production quota for 2022. Our 1H2022 ASP was lowered by the increased DMO sales, which have a price cap of around US\$38 per tonne for our coal sold to domestic power producers. Nonetheless, by fulfilling a higher DMO volume in early 1H2022 when ICI4 prices were lower, the Group expects to achieve a higher ASP with more export sales in 2H2022.

GOING FORWARD

From 1 July to 10 August 2022, the Group delivered over 1.2 million tonnes of coal sales, with a revenue of close to US\$90 million and achieved an EBITDA of US\$41 million. With Europe's return to coal amid hints that Russia will further reduce gas

shipments to the continent due to tensions from the Ukraine-Russia conflict,¹ thermal coal demand is expected to remain strong on the back of energy shortages. We expect a strong second half of 2022 as we ramp up production while coal prices are high.

Despite cash outflow of over US\$60 million in taxes and US\$70 million in dividends, the Group has strengthened its cash balances to US\$206 million as at 10 August 2022, from its cash balances of US\$191 million as at 31 December 2021, with little debt.

1H2022 HIGHLIGHTS

- The Group achieved half-yearly revenue of US\$368.3 million, an increase of 67% from 1H2021, driven by higher ASP, partially offset by lower sales tonnage. The average ICI4 in 1H2022 was US\$85.89 per tonne, compared to US\$47.78 per tonne in 1H2021.
- The Group delivered coal sales of 5.2 million tonnes in 1H2022, comprising 2.3 million tonnes and 2.8 million tonnes of 4,200 GAR coal from the SDJ and TBR coal mines respectively, and another 0.1 million tonnes of 3,400 GAR coal from the BEK coal mine. This was lower than 5.4 million tonnes in 1H2021 after adjusting our mining plan following the temporary coal export ban in January 2022.
- Cash profit from coal mining for 1H2022 averaged at US\$31.49 per tonne (1H2021: US\$14.92 per tonne), driven by the higher ASP but offset by the higher production cash cost as the Group's cost structure links certain costs to the coal index prices.
- EBITDA for 1H2022 was US\$162.6 million (1H2021: US\$77.5 million) at an EBITDA margin of 44.1%. Net profit was US\$106.0 million (1H2021: US\$48.5 million) at a net profit margin of 28.8%, driven by the high EBITDA and lower finance costs, offset by higher income tax expense.
- The Company is declaring a second interim dividend of S\$0.02 per share. Along with the first interim dividend of S\$0.02 per share paid on 27 May 2022, this represents 39% pay-out ratio on the Group's 1H2022 net earnings.

INTERIM DIVIDEND

We thank our shareholders for their continued support to the Group. In view of the strong financial performance of the Group in 1H2022, the Company is declaring a second interim dividend for 2022 of S\$0.02 per share, as per our dividend policy to deliver returns to our shareholders of at least 30% of our earnings, subject to any capital requirements.

Including the final dividend of S\$0.05 for 2021 paid on 10 May 2022, interim dividend of S\$0.02 paid on 27 May 2022 and the abovementioned second interim dividend of S\$0.02, the dividend yield to date is 21% based on the Company's share price of S\$0.440 as of 10 August 2022.

We continue to identify and evaluate various opportunities to grow our business by way of potential joint ventures, trading, and value accretive acquisitions for the Company. These include strategically reviewing and optimising our assets portfolio, which may include acquisitions to complement our business and divestments to build a sustainable business for the future. We will also continue to develop our people as we make strides towards a more resilient and sustainable business.

Yours sincerely,



Tung Kum Hon
Chief Executive Officer/Director
11 August 2022

¹ McCloskey Market Alert, 19 July 2022

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PART 1 – Unaudited Condensed Interim Consolidated Financial Statements Announcement for the Six Months Ended 30 June 2022

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group		%
		6 months ended 30.6.2022 US\$ (Unaudited)	6 months ended 30.6.2021 US\$ (Unaudited)	
Revenue	4	368,332,329	220,327,893	67
Cost of sales		(216,870,565)	(150,563,909)	44
Gross profit		151,461,764	69,763,984	117
Other income		4,743,658	2,067,051	129
General and administration expenses		(4,742,741)	(4,661,162)	2
Other expenses		(1,227,730)	(758,107)	62
Finance costs		(25,723)	(2,628,173)	(99)
Profit before income tax	6	150,209,228	63,783,593	135
Income tax expense		(44,249,736)	(15,262,015)	190
Profit for the period		105,959,492	48,521,578	118
Other comprehensive income, net of tax:				
Item that may be subsequently reclassified to profit or loss:				
- Exchange differences on translation of foreign operations		61,684	165,330	(63)
Total comprehensive income		106,021,176	48,686,908	118
Profit attributable to:				
Owners of the Company		104,990,104	48,092,396	118
Non-controlling interests		969,388	429,182	126
		105,959,492	48,521,578	118
Total comprehensive income attributable to:				
Owners of the Company		105,046,616	48,253,363	118
Non-controlling interests		974,560	433,545	125
		106,021,176	48,686,908	118
Earnings per share:				
	8			
Basic (cents)		7.45	3.44	117
Diluted (cents)		7.44	3.38	120

B. Condensed interim statements of financial position

	Note	Group		Company	
		30.6.2022 US\$ (Unaudited)	31.12.2021 US\$ (Audited)	30.6.2022 US\$ (Unaudited)	31.12.2021 US\$ (Audited)
ASSETS					
Current assets					
Cash and bank balances		176,778,799	190,595,157	8,971,880	11,173,163
Trade and other receivables	11	95,429,632	62,403,946	69,655,430	59,979,221
Deposits and prepayments		12,785,523	12,201,135	273,941	209,368
Inventory		27,684,572	24,128,714	-	-
Total current assets		312,678,526	289,328,952	78,901,251	71,361,752
Non-current assets					
Trade and other receivables	11b	6,239,357	6,553,509	-	-
Tax recoverable		12,287,939	7,591,486	-	-
Restricted cash deposits		4,796,642	4,956,322	-	-
Deposits and prepayments		19,043,070	18,960,622	736	8,383
Investment in subsidiaries		-	-	178,745,819	178,745,819
Deferred stripping costs	12	45,542,910	47,782,687	-	-
Property, plant and equipment	13	123,217,463	127,482,815	5,192,619	5,253,232
Right-of-use assets	14	16,170,828	17,733,347	-	-
Deferred tax assets		4,388,626	5,167,415	207,553	230,767
Other non-current asset		153,698	153,698	153,698	153,698
Total non-current assets		231,840,533	236,381,901	184,300,425	184,391,899
Total assets		544,519,059	525,710,853	263,201,676	255,753,651
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables		122,631,349	115,851,006	25,311,319	29,122,937
Current portion of lease liabilities	15	5,578	5,151	-	-
Current portion of bank borrowing	15	358,459	365,052	358,459	365,052
Income tax payable		18,513,641	40,875,944	-	-
Total current liabilities		141,509,027	157,097,153	25,669,778	29,487,989
Non-current liabilities					
Trade and other payables		1,353,756	1,438,167	71,144,443	53,144,443
Lease liabilities	15	9,143	12,467	-	-
Bank borrowing	15	3,108,093	3,355,778	3,108,093	3,355,778
Provisions		2,036,416	1,942,847	-	-
Deferred tax liabilities		13,172,140	12,757,471	-	-
Total non-current liabilities		19,679,548	19,506,730	74,252,536	56,500,221
Capital, reserves and non-controlling interests					
Share capital	16	109,544,661	109,415,916	109,544,661	109,415,916
Treasury shares	17	(2,875,022)	(2,150,021)	(2,875,022)	(2,150,021)
Capital and other reserves		2,767,383	2,756,791	5,021,235	5,010,643
Translation reserve		4,769,955	4,850,836	4,464,245	4,463,927
Retained earnings		266,826,394	232,910,895	47,124,243	53,024,976
Equity attributable to owners of the Company		381,033,371	347,784,417	163,279,362	169,765,441
Non-controlling interests		2,297,113	1,322,553	-	-
Total equity		383,330,484	349,106,970	163,279,362	169,765,441
Total liabilities and equity		544,519,059	525,710,853	263,201,676	255,753,651

C. Condensed interim consolidated statement of cash flows

	Group	
	6 months ended 30.6.2022 US\$ (Unaudited)	6 months ended 30.6.2021 US\$ (Unaudited)
Operating activities		
Profit before income tax	150,209,228	63,783,593
Adjustments for:		
Depreciation of property, plant and equipment	7,879,498	7,817,293
Depreciation of right-of-use assets	1,562,519	540,604
Amortisation of deferred stripping costs	2,753,662	3,173,804
Gain on disposal of property, plant and equipment	(178)	(10,440)
Share-based payment expense	10,592	63,466
Amortisation of deferred gain	(84,411)	(115,171)
Write-back of allowance for inventory written-down	(335,216)	(676,659)
Amortisation of transaction costs of Senior Notes	-	268,220
Interest expense	25,723	2,359,953
Interest income	(2,201,200)	(1,881,520)
Retirement benefit obligations	108,070	200,422
Net foreign exchange losses	1,213,534	676,046
Operating cash flows before movements in working capital	161,141,821	76,199,611
Trade and other receivables	(38,320,129)	(17,852,156)
Deposits and prepayments	(576,695)	(3,785,367)
Inventory	(4,755,338)	(6,480,965)
Trade and other payables	6,788,257	6,620,048
Cash generated from operations	124,277,916	54,701,171
Income tax paid	(62,808,588)	(3,329,125)
Income tax refund	1,429	4,224,717
Retirement benefit obligation paid	(8,238)	(6,232)
Net cash from operating activities	61,462,519	55,590,531
Investing activities		
Interest received	390,909	188,057
Advance payments for purchase of property, plant and equipment	(153,243)	(41,894)
Purchase of property, plant and equipment	(2,708,360)	(868,070)
Proceeds from disposal of property, plant and equipment	812	43,478
Net cash used in investing activities	(2,469,882)	(678,429)
Financing activities		
Increase in restricted cash and pledged deposits	(103,457)	(31,807)
Interest paid for Senior Notes	-	(2,367,480)
Interest paid for lease liabilities	(489)	(7,262)
Interest paid for bank borrowing	(25,723)	-
Dividends paid	(71,211,998)	(13,653,042)
Repayment of obligations under lease liabilities	(2,266)	(7,379,965)
Repayment of bank borrowing	(181,556)	-
Proceeds from issuance of share capital	128,745	-
Repurchases of shares	(725,001)	-
Net cash used in financing activities	(72,121,745)	(23,439,556)
Net (decrease) increase in cash and cash equivalents	(13,129,108)	31,472,546
Cash and cash equivalents at beginning of period	185,594,921	47,662,057
Effects of exchange rate changes on the balances held in foreign currencies	(688,744)	(177,667)
Cash and cash equivalents at end of period	171,777,069	78,956,936

	Group	
	6 months ended 30.6.2022 US\$ (Unaudited)	6 months ended 30.6.2021 US\$ (Unaudited)
Note A		
Cash on hand and at banks	129,753,665	78,956,936
Deposits	47,025,134	5,000,108
Cash and bank balances	176,778,799	83,957,044
Restricted cash deposits (non-current)	4,796,642	4,865,696
	181,575,441	88,822,740
Less: Deposits pledged	(5,001,730)	(5,000,108)
Less: Restricted cash deposits (non-current)	(4,796,642)	(4,865,696)
Cash and cash equivalents	171,777,069	78,956,936

D. Condensed interim statements of changes in equity

Group	Share capital US\$	Treasury shares US\$	Capital and other reserves US\$	Translation reserve US\$	Retained earnings US\$	Equity attributable to owners of the Company	Non- controlling interests US\$	Total US\$
At 1.1.2022 (audited)	109,415,916	(2,150,021)	2,756,791	4,850,836	232,910,895	347,784,417	1,322,553	349,106,970
Profit for the period	-	-	-	-	104,990,104	104,990,104	969,388	105,959,492
Other comprehensive income for the period	-	-	-	(80,881)	137,393	56,512	5,172	61,684
Transactions with owners, recognised directly in equity:								
Issue of share capital	128,745	-	-	-	-	128,745	-	128,745
Repurchases of shares	-	(725,001)	-	-	-	(725,001)	-	(725,001)
Deemed capital contribution*	-	-	10,592	-	-	10,592	-	10,592
Dividend paid	-	-	-	-	(71,211,998)	(71,211,998)	-	(71,211,998)
At 30.6.2022 (unaudited)	109,544,661	(2,875,022)	2,767,383	4,769,955	266,826,394	381,033,371	2,297,113	383,330,484
At 1.1.2021 (audited)	106,513,187	-	3,081,094	5,000,555	103,867,477	218,462,313	183,655	218,645,968
Profit for the period	-	-	-	-	48,092,396	48,092,396	429,182	48,521,578
Other comprehensive income for the period	-	-	-	160,967	-	160,967	4,363	165,330
Change in a subsidiary's functional currency	-	-	(7,796)	-	-	(7,796)	-	(7,796)
Transactions with owners, recognised directly in equity:								
Deemed capital contribution*	-	-	63,466	-	-	63,466	-	63,466
Dividend paid	-	-	-	-	(13,653,042)	(13,653,042)	-	(13,653,042)
At 30.6.2021 (unaudited)	106,513,187	-	3,136,764	5,161,522	138,306,831	253,118,304	617,200	253,735,504

Company	Share capital US\$	Treasury shares US\$	Capital and other reserves US\$	Translation reserve US\$	Retained earnings US\$	Total US\$
At 1.1.2022 (audited)	109,415,916	(2,150,021)	5,010,643	4,463,927	53,024,976	169,765,441
Profit for the period	-	-	-	-	65,311,265	65,311,265
Other comprehensive income for the period	-	-	-	318	-	318
Transactions with owners, recognised directly in equity:						
Issue of share capital	128,745	-	-	-	-	128,745
Repurchases of shares	-	(725,001)	-	-	-	(725,001)
Deemed capital contribution*	-	-	10,592	-	-	10,592
Dividend paid	-	-	-	-	(71,211,998)	(71,211,998)
At 30.6.2022 (unaudited)	109,544,661	(2,875,022)	5,021,235	4,464,245	47,124,243	163,279,362
At 1.1.2021 (audited)	106,513,187	-	5,327,150	4,464,506	54,936,849	171,241,692
Profit for the period	-	-	-	-	7,883,840	7,883,840
Transactions with owners, recognised directly in equity:						
Deemed capital contribution*	-	-	63,466	-	-	63,466
Dividend paid	-	-	-	-	(13,653,042)	(13,653,042)
At 30.6.2021 (unaudited)	106,513,187	-	5,390,616	4,464,506	49,167,647	165,535,956

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

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

The Company (Registration No. 201011034Z) is incorporated in Singapore with its principal place of business and registered office at 7 Temasek Boulevard #39-02, Suntec Tower One, Singapore 038987. The Company is listed on the Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the "Group"). The principal activity of the Company is that of investment holding and provision of management support services. The principal activities of the Group are coal mining, coal trading and mining services.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 and International Financial Reporting Standards ("IFRS") 34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore and International Accounting Standards Board, respectively. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

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

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

2.1 Use of judgments and estimates

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

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

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

- Note 7 – Income tax expense
- Note 12 – Deferred stripping costs and impairment review of deferred stripping costs
- Note 13 – Useful lives, depreciation and impairment review of property, plant and equipment
- Note 11a – Calculation of loss allowance
- Note 11b – Trade and other receivables measured at fair value through profit or loss

3. Seasonal operations

The Group optimised its mining sequence to maximise production in the second half of the year, taking into account the seasonal wet weather conditions in the first half of year, which sometimes affects the rate of coal mining and limits the speed of transportation and transshipments of coal for sale.

4. Segment and revenue information

The Group is organised into the following main business segments:

- Coal sales;
- Coal trading; and
- Mining services

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

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

Group	Revenue		Gross Profit	
	6 months ended 30.6.2022 US\$ (Unaudited)	6 months ended 30.6.2021 US\$ (Unaudited)	6 months ended 30.6.2022 US\$ (Unaudited)	6 months ended 30.6.2021 US\$ (Unaudited)
Coal Mining	368,332,329	220,327,893	151,461,764	69,763,984
Coal trading	-	-	-	-
Mining Services	-	-	-	-
	368,332,329	220,327,893	151,461,764	69,763,984

Group	EBITDA		Profit Before Income Tax	
	6 months ended 30.6.2022 US\$ (Unaudited)	6 months ended 30.6.2021 US\$ (Unaudited)	6 months ended 30.6.2022 US\$ (Unaudited)	6 months ended 30.6.2021 US\$ (Unaudited)
	Coal Mining	163,084,368	80,255,438	151,563,669
Coal trading	-	-	-	-
Mining Services	-	-	-	-
	163,084,368	80,255,438	151,563,669	69,863,699
Unallocated:				
Depreciation of property, plant, and equipment	-	-	(237,862)	(363,588)
Other gains - net	4,026,780	1,519,082	3,414,023	1,209,229
Group administration costs and directors' remuneration	(4,494,287)	(4,234,107)	(4,504,879)	(4,297,574)
Finance costs	-	-	(25,723)	(2,628,173)
	162,616,861	77,540,413	150,209,228	63,783,593

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

Group	Revenue	
	6 months ended 30.6.2022 US\$ (Unaudited)	6 months ended 30.6.2021 US\$ (Unaudited)
	China	172,173,664
Indonesia	83,514,341	60,585,521
India	63,051,250	2,634,885
South Korea	33,898,224	15,490,606
Philippines	8,720,410	7,158,538
Thailand	6,974,440	-
Vietnam	-	5,479,765
Total	368,332,329	220,327,893

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021:

	Group		Company	
	30.6.2022 US\$ (Unaudited)	31.12.2021 US\$ (Audited)	30.6.2022 US\$ (Unaudited)	31.12.2021 US\$ (Audited)
Financial assets:				
At amortised cost (including cash and bank balances)	252,577,057	239,424,839	78,622,254	71,160,767
At fair value through profit or loss	6,239,357	6,553,509	-	-
Financial liabilities:				
At amortised cost	121,940,597	115,950,335	99,922,314	85,821,400
Lease liabilities	14,721	17,618	-	-

6. Profit before income tax

6.1 Significant items

	Group		% Change
	6 months ended 30.6.2022	6 months ended 30.6.2021	
	US\$ (Unaudited)	US\$ (Unaudited)	
Interest income	(2,201,200)	(1,881,520)	17
Gain on disposal of property, plant and equipment (net)	(178)	(10,440)	(98)
Foreign exchange loss (net)	697,347	435,464	60
Interest on Senior Notes	-	2,341,174	(100)
Amortisation of transaction costs of Senior Notes	-	268,220	(100)
Depreciation of property, plant and equipment	7,879,498	7,817,293	1
Depreciation of right-of-use assets	1,562,519	540,604	189
Amortisation of deferred stripping costs	2,753,662	3,173,804	(13)
Share-based payment expense	10,592	63,466	(83)
Reversal of legal claim against a subsidiary	(2,500,000)	-	nm
Amortisation of deferred gain	(84,411)	(115,171)	(27)
Write-back of allowance for inventory written-down	(335,216)	(676,659)	(50)

nm – not meaningful

6.2 Related party transactions

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

7. Income tax expense

The Group calculates the period income tax expense using the rates prevailing in the relevant jurisdictions. The majority of the Company's subsidiaries operate in Indonesia and hence, they are subject to the Indonesian tax law. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

Group	Group	
	6 months ended 30.6.2022 (Unaudited)	6 months ended 30.6.2021 (Unaudited)
Income tax:		
- Current	39,379,429	11,969,192
- Underprovision in prior years	3,685,954	403,476
Deferred tax:		
- Current	1,193,536	2,964,196
- Overprovision in prior years	(9,183)	(74,849)
Total	44,249,736	15,262,015

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

	Group	
	6 months ended 30.6.2022 (Unaudited)	6 months ended 30.6.2021 (Unaudited)
Earnings per share ("EPS")		
Earnings for computing EPS (US\$)	104,990,104	48,092,396
Weighted average number of ordinary shares for the purposes of basic EPS ⁽¹⁾	1,408,777,201	1,399,273,113
Effect of dilutive potential ordinary shares:		
Share options ⁽²⁾	1,500,000	23,100,000
Weighted average number of ordinary shares for the purposes of diluted EPS ⁽¹⁾	1,410,277,201	1,422,373,113
Basic EPS based on weighted average number of ordinary shares (US cent)	7.45	3.44
Basic EPS based on weighted average number of ordinary shares (SG cent) ⁽³⁾	10.36	4.62
Diluted EPS based on weighted average number of ordinary shares (US cent)	7.44	3.38
Diluted EPS based on weighted average number of ordinary shares (SG cent) ⁽³⁾	10.34	4.54

- (1) The calculation for the basic EPS is based on the weighted average number of ordinary shares in issue during the respective financial period. The calculation for the diluted EPS is based on the weighted average number of ordinary shares in issue during the respective financial period, plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.
- (2) The employee stock option issued by the Group has a dilutive effect as the average market price of ordinary shares during the period exceeded the exercise price of the employee stock option.
- (3) Numbers were translated using the 30 June 2022 and 2021 of US\$:S\$ exchange rates of 1.3895 and 1.3445 respectively.

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

	Group		Company	
	30.6.2022 (Unaudited)	31.12.2021 (Audited)	30.6.2022 (Unaudited)	31.12.2021 (Audited)
Net asset value (US\$)	381,033,371	347,784,417	163,279,362	169,765,441
Number of issued shares	1,408,973,113	1,411,053,113	1,408,973,113	1,411,053,113
Net asset value per ordinary share (US cent)	27.04	24.65	11.59	12.03
Net asset value per ordinary share (SG cent) ⁽¹⁾	37.58	33.39	16.10	16.30

- (1) Numbers were translated using the 30 June 2022 and 31 December 2021 of US\$:S\$ exchange rates of 1.3895 and 1.3546 respectively.

10. Dividends

	Group	
	6 months ended 30.6.2022 US\$ (unaudited)	6 months ended 30.6.2021 US\$ (unaudited)
Ordinary dividends paid:		
Final exempt 2021 dividend of SG 5.0 cents per share (2020: 0.8 cents per share)	(50,646,050)	(8,383,901)
Interim exempt 2022 dividend of SG 2.0 cents per share (2021: 0.5 cents per share)	(20,565,948)	(5,269,141)
	(71,211,998)	(13,653,042)
Dividend per share (net of tax)	0.051	0.010

11. Trade and other receivables

	Group		Company	
	30.6.2022 (Unaudited)	31.12.2021 (Audited)	30.6.2022 (Unaudited)	31.12.2021 (Audited)
Current asset:				
At amortised cost:				
Trade receivables from third parties	44,161,687	19,520,328	-	-
Less: Allowance for expected credit loss	(926,889)	(942,808)	-	-
	43,234,798	18,577,520	-	-
Other receivables from:				
- subsidiaries	-	-	69,638,446	59,977,364
- third parties	39,205,819	36,833,423	6,412	31
Less: Allowance for expected credit loss ^a	(21,028,786)	(21,043,822)	-	-
	18,177,033	15,789,601	69,644,858	59,977,395
Goods and services tax receivables	11,495	174,834	5,792	-
Value-added tax ("VAT") receivables	33,976,169	25,347,342	-	-
Prepaid income tax	20,578	2,494,424	-	-
Interest receivables	9,559	20,225	4,780	1,826
Total	95,429,632	62,403,946	69,655,430	59,979,221
Non-current asset:				
At amortised cost:				
Tax recoverable	12,287,939	7,591,486	-	-
At fair value through profit or loss ^b :				
Trade and other receivables under Cooperation Agreement	20,880,428	21,199,909	3,131,331	3,136,660
Less: Cumulative changes in fair value	(14,641,071)	(14,646,400)	(3,131,331)	(3,136,660)
	6,239,357	6,553,509	-	-
Total	18,527,296	14,144,995	-	-

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

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

The total receivables and interest accrued outstanding as at 30 June 2022 was US\$33,921,295 (31 December 2021: US\$32,265,394). Expected credit loss ("ECL") was measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

In determining the ECL, management has considered the following:

- the forward-looking economic scenarios used in the ECL model and the related probability of occurrence under the different economic scenarios;
- the basis and assumptions applied in the ECL calculation, including the expected net future cash flows, expected recovery time and discount rate used.

There has been no change in the estimation techniques or significant assumptions made during the period in assessing the allowance on the receivables arising from advance payments for coal purchase. Based on the assessment performed, management determined that no further allowance is required.

b. Financial assets at fair value through profit or loss

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

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

12. Deferred stripping costs

In 1H2022, the Group did not have any addition nor disposal of deferred stripping costs and charged amortisation expense of US\$2,753,662 to profit or loss (1H2021: US\$3,173,804).

13. Property, plant and equipment

In 1H2022, the Group acquired assets amounting to US\$2,700,446 (1H2021: US\$918,481) mainly for a new office premise in Jakarta, and disposed of assets amounting to US\$633 (1H2021: US\$33,038). In 1H2022, the Group charged depreciation expense of US\$7,879,498 to profit or loss (1H2021: US\$7,817,293).

14. Right-of-use assets

In 1H2022, there were no additions to right-of-use assets (1H2021: addition of US\$8,943,906 relating to overburden disposal areas for the Group's mines). In 1H2022, the Group charged depreciation expense of US\$1,562,519 to profit or loss (1H2021: US\$540,604).

15. Borrowings

	Group		Group	
	30.6.2022 US\$ Secured (Unaudited)	30.6.2022 US\$ Unsecured (Unaudited)	31.12.2021 US\$ Secured (Audited)	31.12.2021 US\$ Unsecured (Audited)
Amount repayable in one year or less, or on demand	364,037	-	370,203	-
Amount repayable after one year	3,117,236	-	3,368,245	-
	3,481,273	-	3,738,448	-

Details of any collateral and security:

As at 30 June 2022, the Group's lease liabilities are secured by leased assets — motor vehicles, while the Group and Company's bank borrowing is secured by its office premise located at 7 Temasek Boulevard, #39-02 Suntec Tower One, Singapore 038987.

16. Share capital

	Group and Company			
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	(Unaudited)	(Audited)	US\$ (Unaudited)	US\$ (Audited)
	Number of issued ordinary shares			
At beginning of the year	1,419,953,113	1,399,273,113	109,415,916	106,513,187
Exercise of share options	920,000	20,680,000	128,745	2,902,729
At end of the year	1,420,873,113	1,419,953,113	109,544,661	109,415,916

There were no outstanding convertibles as at 30 June 2022 and 31 December 2021. The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 31 December 2021.

As at 30 June 2022, the Company's share capital, excluding treasury shares of 11,900,000 shares (Note 17), comprised 1,408,973,113 shares (31 December 2021: 1,411,053,113 shares).

17. Treasury shares

	Group and Company			
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	(Unaudited)	(Audited)	US\$ (Unaudited)	US\$ (Audited)
	Number of ordinary shares			
At beginning of the year	8,900,000	-	2,150,021	-
Repurchased during the year	3,000,000	8,900,000	725,001	2,150,021
At end of the year	11,900,000	8,900,000	2,875,022	2,150,021

The Company acquired 3,000,000 of its own shares through purchases on the Singapore Exchange during the period. The total amount paid to acquire the shares was US\$725,001 and has been deducted from shareholders' equity. The shares are held as treasury shares. There were no treasury shares as at 30 June 2021.

PART 2 – Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 30 June 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months then ended and certain explanatory notes have not been audited or reviewed.

2 Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

As at 30 June 2022, the Company's share capital, excluding treasury shares, comprised 1,408,973,113 shares (31 December 2021: 1,411,053,113 shares; 30 June 2021: 1,399,273,113 shares). There were no outstanding convertibles as at 30 June 2022 and 30 June 2021.

On 11 January 2019, the Group announced the grant of share options pursuant to the Geo Energy share option scheme. A total of 24,850,000 options was granted at the exercise price of S\$0.19 per share. The exercise period of the options commences after the first anniversary from the date of the grant. In 2019, 1,750,000 share options granted were forfeited as the option holders ceased to be full-time employees of the Company. In 2021 and 1H2022, 20,680,000 share options and 920,000 share options have been exercised, respectively. 1,500,000 share options remain outstanding as at 30 June 2022.

The Company acquired 3,000,000 of its own shares through purchases on the Singapore Exchange during 1H2022. The total amount paid to acquire the shares was US\$725,001 and has been deducted from shareholders' equity. The shares are held as treasury shares.

Please refer to relevant announcements.

3. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

3.1 Income Statement

	Group	
	6 months ended 30.6.2022 (Unaudited)	6 months ended 30.6.2021 (Unaudited)
Revenue – Coal mining		
Sales Volume (million tonnes)	5.2	5.4
- SDJ	2.3	1.9
- TBR	2.8	3.4
- BEK	0.1	0.1
Average Indonesian Coal Index Price (US\$/tonne)	85.89	47.78
Average Selling Price (US\$/tonne)	71.12	40.97
Production		
Production Volume – Finished Goods (million tonnes)	5.5	5.3
- SDJ	2.3	1.9
- TBR	3.1	3.3
- BEK	0.1	0.1
Strip Ratio (times)		
- SDJ	2.9	2.8
- TBR	2.8	2.3

Production Cash Cost (US\$/tonne)	39.63	26.05
Cash Profit (US\$/tonne)	31.49	14.92

Financial performance (1H2022 vs. 1H2021)

Revenue increased by US\$148.0 million to US\$368.3 million driven by higher ASP, partially offset by lower sales tonnage. The average ICI4 in 1H2022 was US\$85.89 per tonne, compared to US\$47.78 per tonne in 1H2021. Index prices continued to strengthen in 1H2022, peaking at US\$120.86 per tonne on 11 March 2022, amidst rising demand and tight supply. Prices have since decreased and remained stable at around US\$85 to US\$87 per tonne as demands from China tapered amidst economic downturn and strong controls on domestic coal prices.² In addition, some Chinese power plants have been going after comparatively cheaper Russian coals, following Western-led sanctions on Russia in the aftermath of the Ukraine invasion.³

During the period, the Group sold 2.3 million tonnes and 2.8 million tonnes of 4,200 GAR coal from the SDJ and TBR coal mines respectively, and another 0.1 million tonnes of 3,400 GAR coal from the BEK coal mine, totalling 5.2 million tonnes of coal sold. The Group recorded **cash profit from coal mining segment** of US\$163.1 million, averaging US\$31.49 per tonne, as compared to the US\$14.92 per tonne in 1H2021. The increase in the cash profit was driven by the higher ASP, offset by the higher production cash cost on certain costs linked to the coal index prices.

Group (All figures in US\$'000 except as indicated)	Coal mining	Coal trading	Total
6 months ended 30.6.2022 (unaudited)			
Volume (tonnes)	5,179,153	-	5,179,153
Revenue	368,332	-	368,332
Cost of sales	(216,871)	-	(216,871)
Gross profit	151,461	-	151,461
<u>Non-cash items:</u>			
Write-back of allowance for inventory written-down	(335)	-	(335)
Depreciation & amortisation	11,958	-	11,958
Cash profit	163,084	-	163,084
6 months ended 30.6.2021 (unaudited)			
Volume (tonnes)	5,378,389	-	5,378,389
Revenue	220,328	-	220,328
Cost of sales	(150,564)	-	(150,564)
Gross profit	69,764	-	69,764
<u>Non-cash items:</u>			
Write-back of allowance for inventory written-down	(677)	-	(677)
Depreciation & amortisation	11,168	-	11,168
Cash profit	80,255	-	80,255

Profit before income tax of US\$150.2 million in 1H2022 includes:

- Other income of US\$4.7 million. The increase of US\$2.7 million was mainly due to the reversal of provision of US\$2.5 million recorded in 2H2021, arising from a judgment by the Indonesian District Court in favour of a supplier of one of the Company's subsidiaries. The Group has since entered into a settlement agreement with the supplier in which both parties agree to terminate their legal proceedings with prior court judgments set aside. Hence, any prior court judgments no longer have legal enforcements to be executed and the Group accordingly reversed said provision;
- General and administrative expenses are comparable with 1H2021 at US\$4.7 million;
- Other expenses of US\$1.2 million. The increase of US\$0.5 million from 1H2021 was mainly due to higher forex losses and other non-operating expenses incurred on mining;
- Finance costs of US\$25,723. The decrease of US\$2.6 million from 1H2021 was mainly due to the full redemption of the Group's Senior Notes in October 2021; and

² McCloskey Coal Report, Issue 537, 10 June 2022

³ McCloskey Coal Report, Issue 536, 27 May 2022

- Depreciation and amortisation of US\$12.2 million. The increase of US\$0.7 million from 1H2021 was mainly due to the additions to right-of-use assets in 2H2021 relating to overburden disposal areas for the Group's mines.

Income tax expense amounted to US\$44.2 million with effective tax rate of 29%. This is an increase from 24% in 1H2021 due to (i) withholding tax on the dividend from the Company's Indonesian subsidiaries and (ii) the write-off of a tax recoverable amount of US\$3.7 million, which was recognised in prior years in respect of a subsidiary's capitalisation of intercompany loan as equity, as assessed by the Indonesian Tax Office in 2016. In May 2022, based on the information published in the Supreme Court Case Investigation Information System website, the Supreme Court has rejected the subsidiary's Judicial Review. Hence, the amount was written off in this period.

Overall, the Group recorded a net profit of US\$106.0 million for the period, driven by higher ASP and lower finance costs, offset by higher income tax expense.

3.2 Financial Position

Group

Current Assets

Current assets increased by US\$23.3 million to US\$312.7 million as at 30 June 2022.

Cash and bank balances decreased by US\$13.8 million to US\$176.8 million as at 30 June 2022, mainly due to dividends and income tax paid totalling US\$134.0 million, offset by cash generated from operations driven by the higher selling prices. Cash and bank balances as at 10 August 2022 was US\$206 million.

Trade and other receivables of US\$95.4 million as at 30 June 2022 comprised trade receivables of US\$43.2 million and non-trade receivables of US\$52.2 million. The increase of US\$33.0 million from US\$62.4 million as of 31 December 2021 was mainly due to increases in trade receivables by US\$24.7 million, mainly due to higher value of sales receivable arising from increased coal prices, and VAT receivables by US\$8.5 million.

Deposits and prepayments increased by US\$0.6 million to US\$12.8 million as at 30 June 2022 mainly due to US\$1.8 million deposit paid to a third party to engage its services in developing markets for the Group's coal, offset by the utilisations of amounts prepaid for integrated mine support and infrastructure services.

Inventory increased by US\$3.6 million to US\$27.7 million as at 30 June 2022 mainly due to the higher coal prices which translates to higher value recorded for the coal produced in 1H2022.

Non-current Assets

Non-current assets decreased by US\$4.5 million to US\$231.8 million as at 30 June 2022, mainly due to decreases in (i) Deferred stripping costs, PPE and ROU by \$8.1 million due to amortisation and depreciation, offset by purchase of new office premise; (ii) DTA by US\$0.8 million and (iii) trade and other receivables by US\$0.3 million following receipt from customer. These are partially offset by the increase in tax recoverable by US\$4.7 million pending resolution of tax matters with the tax authorities.

Current Liabilities

Current liabilities decreased by US\$15.6 million to US\$141.5 million as at 30 June 2022 due to the decrease in income tax payable by US\$22.4 million following payments during the period, partially offset by increase in trade and other payables by US\$6.8 million.

Non-current Liabilities

Non-current liabilities increased by US\$0.2 million to US\$19.7 million as at 30 June 2022, mainly due to the increase in deferred tax liabilities, partially offset by repayment of bank borrowing relating to a commercial property loan used in acquiring an office premise in Singapore.

Contingent Liability

The Group had announced its entering into conditional share purchase agreement with PT Titan Infra Energy ("TIE"), PT Jaya Utama Indonesia ("JUI") and some of its affiliates in 2019 on the Proposed Acquisition of one of its affiliates which own coal mining assets in South Sumatra, and signed coal purchase agreements and prepayment supplement for the purchase and sale of coal in the Group's ordinary course of business. The prepayments for the coal purchase, of which US\$24.35 million were outstanding as at 30 June 2022, are guaranteed by one of the directors of TIE.

A direct shareholder of TIE and a direct shareholder of JUI (the "Claimants") have filed lawsuits in the Central Jakarta District Court in June 2020 against TIE and JUI, some of their affiliates, one of the directors of TIE, Geo Ventures Global Pte. Ltd. ("GVG") and Geo Coal International Pte. Ltd. ("GCI") (both subsidiaries of the Company) (collectively as "Defendants"), alleging that the conditional share purchase agreement dated 20 September 2019 in relation to the Proposed Acquisition and the coal purchase agreements and prepayment supplement entered into between GCI and TIE have prejudiced their interests and are null and void, and are claiming for damages of approximately US\$33,600,000 (IDR500 billion), excluding penalty and interest, against the Defendants (the "Claims"). In 2021, the Central Jakarta District Court dismissed the case in favour of the Defendants. The Claimants subsequently filed an appeal which has since been dismissed.

Taking reference from legal advice, the Group holds the view that the legal claim and appeal has neither merit nor strong legal basis. No provision has been recognised on the claim for damages by the Claimants as the management does not consider that there is any probable loss.

Company

Current Assets

Current assets increased by US\$7.5 million to US\$78.9 million as at 30 June 2022, mainly due to increase in intercompany receivables. Current assets as at 30 June 2022 mainly comprised cash and bank balances of US\$9.0 million, intercompany receivables of US\$69.6 million and deposits and prepayments of US\$0.3 million.

Non-current Assets

Non-current assets mainly comprised investment in subsidiaries of US\$178.7 million, PPE of US\$5.2 million and deferred tax assets of US\$0.2 million. The decrease of US\$0.1 million was mainly due to the depreciation of PPE.

Current Liabilities

Current liabilities decreased by US\$3.8 million to US\$25.7 million as at 30 June 2022, mainly due to payment of FY2021 accrued bonus to staff.

Non-current Liabilities

Non-current liabilities as at 30 June 2022 comprised intercompany loans and bank borrowing. The increase of US\$17.8 million to US\$74.3 million was due to the additional loan given by a subsidiary during the period of US\$18.0 million, partially offset by repayment of bank borrowing.

3.3 Cash Flow

Group

Cash Flow (1H2022 vs. 1H2021)

Net cash from operating activities was US\$61.5 million. Operating cash flows before movements in working capital was an inflow of US\$161.1 million. The Group made income tax payments of US\$62.8 million during the period.

Working Capital

Working capital movement was negative US\$36.8 million in 1H2022, due mainly to the increase in trade and other receivables arising from higher value of sales receivable due to increased coal prices as at the end of period and the tax recoverable pending resolution of tax matters with the Indonesian tax authorities.

Net cash used in investing activities of US\$2.5 million was mainly due to purchase of a new office premise of US\$2.7 million and advances paid for purchase of PPE, offset by interest received of US\$0.4 million.

Net cash used in financing activities of US\$72.1 million was mainly due to dividends paid of US\$71.2 million, repurchases of shares of US\$0.7 million and repayment of bank borrowing of US\$0.2 million.

Overall, total cash and cash equivalent as of 30 June 2022 was US\$171.8 million, excluding the pledged deposits of US\$5.0 million. Cash and bank balances as at 10 August 2022 was US\$206 million.

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

The Group remains on track for 12 million tonnes of coal sales for 2022.

1H2022 revenue and EBITDA of US\$368.3 million and US\$162.6 million were slightly lower than the previously targeted revenue of US\$400 million and EBITDA of close to US\$200 million. The target was based on the M42 Futures Index price as at 10 May 2022 of above US\$90 per tonne. In comparison, 1H2022 actual average ICI4 was US\$85.89 per tonne. Furthermore, around 0.2 million tonnes of our June coal production were only recognised in early July as the vessels only completed loading then. If not, these would have contributed a further US\$18 million in revenue and EBITDA of around US\$10 million to our 1H2022 results.

5. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

More activity was seen in Asian thermal markets, at least for Indonesian material. There were signs of an improvement of Chinese domestic coal prices. July loading were offered at \$85.50-\$89.00 per tonne FOB. Though rainy weather is no longer affecting mining activity, Indonesian producers are mindful of offering too many spot cargoes into the market and are being selective. Spot prices for China's domestic thermal coal started to gain some support on seasonal demand. Coal consumption in the power sector improving as the rainy season in north China regions is forecast to end soon.⁴

The ICI price was US\$77.83 per tonne as at 10 August 2022, with the SGX M42 Futures Index⁵ indicating an average price of around US\$76 per tonne for the remaining of 2022.

The global coal supply investment is expected to grow by another 10 per cent in 2022 as tight supply continues to attract new projects. At over US\$80 billion, China and India are anticipated to make up the bulk of global coal investment in 2022, said International Energy Agency ("IEA"). India, the world's second-largest consumer and coal producer, is seeking to increase coal production as its energy needs grow, and the government looks to decrease imports due to a supply squeeze in 2022 which increased the use of more expensive imported coal.⁶

According to Argus Media's seaborne coal outlook, in the near-term outlook, price differentials are become larger between different grade of coal given the cross currents of energy shortages. The thermal coal outlook for 4,200 GAR coal is forecasted to be at US\$81.70 per tonne in 2022. Indonesian supply has been stronger, but there has been a sizeable pivot in destinations. Argus forecasted Indonesian export supply to be at 440 million tonnes in 2022 and 460 million tonnes in 2023 and 2024. A much larger swing has taken place between China and India, where exports to the latter have been at a record. India coal burn remains well above level and power plant stocks have not improved dramatically. At a much higher levels of shipments to India, a sizeable portion of Indonesian coal must remain competitive into China markets.⁷

In response to Russian gas cuts following the invasion of Ukraine, Germany and several of its Europe neighbours are returning to coal-fired power plants to conserve reserves of natural gas.⁸ The IEA recommended European countries to minimise gas use in the power sector by increasing coal generation as part of a series of coordinated action to preserve gas supplies, as Russia looks unlikely to resume gas shipments.⁹ With the growing uncertainty over future Russian gas shipments, the European Commission proposed a new regulation setting a target for all member states to reduce gas demand by 15% between 1 August 2022 and 31 March 2023. The IEA forecast coal-fire power generation in 2022 to increase 8% year-on-year.¹⁰

Coal continues to be the largest source of energy for power generation, accounting for more than 30% of global power generation.¹¹ However, longer term concerns remain for a reduced role for coal, with an increasing number

⁴ McCloskey, Marketing Alert - Asian thermal coal daily round-up, 29 June 2022

⁵ Extracted from SGX on 8 August 2022

⁶ "[The Business Line Investment in global coal supply chain to hit \\$115 bn in 2022, led by China and India](#)", The Hindu BusinessLine, 23 June 2022

⁷ Argus Media Seaborne Coal Outlook Report, 15 July 2022

⁸ [Europe's turn back to coal a 'temporary' measure in response to Russian gas cuts | CBC News](#), CBC News, 25 June 2022

⁹ McCloskey Market Alert, 19 July 2022

¹⁰ McCloskey Market Alert, 20 July 2022

¹¹ McKinsey: Global Energy Perspective 2022

of countries announcing net-zero carbon emissions targets. Australia, Japan and South Korea aim to get there by 2050, India aims for 2070, and China and Indonesia for 2060, though the latter has indicated that this could be moved forward with foreign aid.¹²

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

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

The directors are declaring second interim dividend in respect of the financial year ending 31 December 2022.

(b)(i) Amount per share

Name of dividend:	Interim
Dividend type:	Cash
Dividend rate:	S\$0.02 per ordinary share

(b)(ii) Previous corresponding period

Name of dividend:	Interim
Dividend type:	Cash
Dividend rate:	S\$0.005 per ordinary share

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

Dividend declared is tax exempt (one-tier).

(d) The date the dividend is payable

To be announced at a later date.

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

To be announced at a later date.

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

Not applicable.

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

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

9. Negative confirmation pursuant to Rule 705(5)

We, Charles Antonny Melati and Tung Kum Hon, being Directors of the Company, do hereby confirm, on behalf of the Board of Directors of the Company (the "Board") that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the six months ended 30 June 2022 to be false or misleading in any material aspect.

¹² "The short-lived comeback of coal", East Asia Forum, 28 June 2022

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

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

On behalf of the Board of Directors

Charles Antony Melati
Executive Chairman

11 August 2022