

GOLDEN ENERGY AND RESOURCES LIMITED

(formerly known as United Fiber System Limited)
(Incorporated in the Republic of Singapore)
(Registration no. 199508589E)

Unaudited Financial Statements for the Period Ended 31 December 2015

Introduction

On 20 April 2015, the Company (formerly known as United Fiber System Limited) completed the reverse acquisition ("RTO" or the "Acquisition") of PT Golden Energy Mines Tbk ("GEMS") and its subsidiaries (the "GEMS Group") as set out in the circular to Shareholders dated 30 January 2015 ("Circular"), following which the Company:-

- (a) consolidated every fifty (50) existing shares into one (1) consolidated share;
- (b) allotted and issued (i) 1,978,327,436 new consolidated shares to PT Dian Swastatika Sentosa Tbk ("DSS") to satisfy the consideration for the Acquisition and (ii) 65,818,033 new consolidated compensation shares;
- (c) allotted and issued 48,689,607 MCB conversion shares to the Company's unsecured creditors;
- (d) appointed new directors in the Company;
- (e) changed its name from "United Fiber System Limited" to "Golden Energy and Resources Limited" ("GEAR"); and
- (f) amended the Memorandum and Articles of Association of the Company.

Following the completion of the RTO and the disposal of Poh Lian Construction (Pte.) Ltd. (In Liquidation) on 20 April 2015, the core business of the Company and its subsidiaries is that of the GEMS Group, which is in the business of coal mining and coal trading. The Group's principal activities are principally engaged in coal mining, coal trading and forestry.

Basis of preparation of the financial statements

At Group Level

Subsequent to the completion of the Acquisition, the major shareholder of GEMS became the major shareholder of the Company. As a result, the Acquisition has been accounted for as reverse acquisition in accordance with FRS 103 "Business Combinations" and IFRS 3 "Business Combinations", and the legal subsidiary, GEMS is deemed to be the accounting acquirer for accounting purposes.

Accordingly, the Group's Consolidated Income Statement and Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year ended 31 December 2015 and 31 December 2014 and Consolidated Statement of Financial Position as at 31 December 2015 and 31 December 2014, have been presented as a continuation of GEMS Group's financial results, operations and financial position, in accordance with the following:

- (a) the assets and liabilities of the GEMS Group are recognised and measured at their precombination carrying amounts;
- (b) the assets and liabilities of the legal parent, the Company and its existing subsidiaries, are recognised and measured at the estimated fair values as at acquisition date;
- (c) the retained earnings and other equity balances are those of GEMS Group before the business combination;
- (d) the amount recognised as issued equity interest in the consolidated financial statements of the Group is determined by adding the issued equity interest of GEMS, outstanding immediately before the Acquisition, to the fair value of the share price of GEMS at the acquisition date which amounted to US\$35,039,268. However, the equity structure (i.e. the number and type of equity interests issued of GEAR) reflects the equity structure of GEAR, including the equity interests issued to DSS to effect the Acquisition;

Accordingly, the equity structure of GEMS is restated using the exchange ratio established in the acquisition agreement to reflect the number of shares of GEAR issued in the reverse acquisition.

- (e) earnings per share has been restated and reflects the results of GEMS Group till the date of the Acquisition, and the results of the Group from the date of the Acquisition onwards.

In calculating the weighted average number of ordinary shares outstanding (the denominator of the earnings per share calculation) during the year in which the reverse acquisition occurs:

(1) the number of ordinary shares outstanding from the beginning of that period to the acquisition date shall be computed on the basis of the weighted average number of ordinary shares of GEMS outstanding during the period multiplied by the exchange ratio established in the acquisition agreement; and

(2) the number of ordinary shares outstanding from the acquisition date to the end of that period shall be the actual number of ordinary shares of the Group outstanding during that period;

- (f) the non-controlling interest's proportionate share of GEMS's precombination carrying amounts of retained earnings and other equity interests; and
- (g) the comparative figures presented in these consolidated financial statements are those of the GEMS Group.

At Company Level

Reverse acquisition accounting only applies to the consolidated financial statements at the Group level. At the Company's level, for accounting purposes, the investments in the legal subsidiaries are accounted for at cost.

Notes

- (a) *The Consolidated Income Statement of the Group for the year ended 31 December 2015 includes (i) the results of GEMS Group from 1 January 2015 to 31 December 2015; and (ii) the results of the GEAR Group from 1 May 2015 to 31 December 2015.*
- (b) *The Consolidated Income Statement of the Group for the year ended 31 December 2014 refers to the results of GEMS Group from 1 January 2014 to 31 December 2014.*
- (c) *The Consolidated Statement of Financial Position of the Group as at 31 December 2015 includes the assets and liabilities of (i) the GEMS Group; and (ii) the GEAR Group, as at 31 December 2015.*
- (d) *The Consolidated Statement of Financial Position of the Group as at 31 December 2014 refers to the Statement of Financial Position of the GEMS Group as at 31 December 2014.*
- (e) *The Consolidated Statement of Cash Flows of the Group for the year ended 31 December 2015 includes the cash flows of (i) the GEMS Group for the period from 1 January 2015 to 31 December 2015; and (ii) the GEAR Group for the period from 1 May 2015 to 31 December 2015.*
- (f) *The Consolidated Statement of Cash Flows of the Group for the year ended 31 December 2014 refers to the cash flows of the GEMS Group.*
- (g) *The Statement of Financial Position of the Company as at 31 December 2015 refers to that of Golden Energy and Resources Limited.*

Part 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, & Q3), HALF YEAR AND FULL YEAR RESULTS

(1)(a) An Income Statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Notes	Group		
		12 Months Ended		
		2015	2014	+ / (-) %
		US\$'000		
Revenue	1	359,771	435,953	(17.5)
Cost of sales		(248,042)	(289,170)	(14.2)
Gross profit		111,729	146,783	(23.9)
Other income	2	5,185	7,579	(31.6)
Selling and distribution expenses		(67,335)	(94,675)	(28.9)
Administrative expenses		(36,395)	(37,541)	(3.1)
Other operating expenses		(7,958)	(1,038)	666.7
Fair value loss on forestry assets		(2,726)	-	n.m.
Finance costs	3	(11,662)	(5,913)	97.2
(Loss)/profit before tax	4	(9,162)	15,195	(160.3)
Income tax benefit/(expense)	5	1,011	(4,376)	(123.1)
(Loss)/profit for the year		(8,151)	10,819	(175.3)
<i>Other comprehensive income not to be reclassified profit or loss :</i>				
Net actuarial gain/(loss) on post employment benefits		235	(157)	(249.7)
<i>Other comprehensive income to be reclassified profit or loss :</i>				
Foreign currency translation		568	(4,597)	(112.4)
Total comprehensive (loss)/income for the year		(7,348)	6,065	(221.2)
<u>(Loss)/profit attributable to:</u>				
Owners of the Company		(8,889)	10,791	(182.4)
Non-controlling interests		738	28	2,535.7
		(8,151)	10,819	(175.3)
Total comprehensive (loss)/income attributable to:				
Owners of the Company		(8,028)	6,041	(232.9)
Non-controlling interests		680	24	2,733.3
		(7,348)	6,065	(221.2)

n.m. : denotes not meaningful

Notes to the Statement of Comprehensive Income

Group			
12 Months Ended			
	2015	2014	+ / (-) %
	US\$'000		
1 Revenue			
Coal Mining	300,414	275,704	9.0
Coal Trading	52,772	159,206	(66.9)
Forestry	6,433	-	n.m.
Others	152	1,043	(85.4)
	359,771	435,953	(17.5)
2 Other Income			
Foreign exchange gain, net	-	1,786	(100.0)
Interest income	4,044	4,129	(2.1)
Compensation income	188	-	n.m.
Port income	157	852	(81.6)
Miscellaneous income	796	812	(2.0)
	5,185	7,579	(31.6)
3 Finance costs			
Interest expenses	7,122	209	3,307.7
Trade financing charges	3,965	5,295	(25.1)
Others	575	409	40.6
	11,662	5,913	97.2
4 (Loss)/profit before tax is arrived after charging the following:			
Freight and stockpile	61,094	87,543	(30.2)
Depreciation of property, plant and equipment	4,713	4,605	2.3
Amortisation expenses	30,046	17,932	67.6
Foreign exchange loss/(gain), net	5,246	(1,786)	(393.7)
Expenses in connection with DSS acquisition	138	-	n.m.
Inventories written down to net realisable value	233	-	n.m.
Inventories written off	16	305	(94.8)
5 Income tax expenses/(benefit) can be analysed as follows:			
Current Income Tax	2,873	3,006	(4.4)
Deferred Income Tax/(Benefit)	(3,869)	608	(736.3)
	(996)	3,614	(127.6)
Under provision in respect of previous years			
Current Income Tax	-	762	(100.0)
Deferred Income Tax	(15)	-	n.m.
	(1,011)	4,376	(123.1)

n.m. : denotes not meaningful

(1)(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 31.12.2015	As at 31.12.2014	As at 31.12.2015	As at 31.12.2014
	US\$'000		US\$'000	
Non-Current Assets				
Property, plant and equipment	59,727	54,951	5	6
Forestry concession	3,766	-	-	-
Mining properties	63,524	87,005	-	-
Goodwill on consolidation ⁽ⁱ⁾	109,879	701	-	-
Restricted funds	299	1,425	-	-
Trade and other receivables	710	878	-	-
Investment in subsidiaries	-	-	1,199,439	31,387
Deferred tax assets	8,538	5,705	-	-
Other investments	14	14	-	-
Other non-current assets	47,369	23,658	-	-
	293,826	174,337	1,199,444	31,393
Current Assets				
Inventories	16,543	9,837	-	-
Amounts due from subsidiaries	-	-	239	224
Trade and other receivables	137,246	68,247	197	260
Cash and cash equivalents	44,487	63,218	183	383
	198,276	141,302	619	867
Current Liabilities				
Trade and other payables	113,261	58,099	36,447	69,603
Amount due to holding company	875	-	875	-
Amounts due to subsidiaries	-	-	1,787	1,855
Provision for taxation	589	935	-	-
Loans and borrowings	50,816	5,019	46,546	49,000
	165,541	64,053	85,655	120,458
Net Current Assets (Liabilities)	32,735	77,249	(85,036)	(119,591)
Non-Current Liabilities				
Trade and other payables	109	1,106	-	-
Deferred tax liabilities	1,153	505	-	-
Employment benefits reserve obligations	1,907	1,917	-	-
Loans and borrowings	48,338	-	-	-
Provisions	1,396	-	-	-
	52,903	3,528	-	-
Net Assets (Liabilities)	273,658	248,058	1,114,408	(88,198)
Represented by:				
Equity attributable to equity holders of the Company				
Share capital	232,076	294,085	1,546,171	257,956
Reserves	(40,496)	(46,743)	(431,763)	(346,154)
	191,580	247,342	1,114,408	(88,198)
Non-controlling interests	82,078	716	-	-
Total Equity	273,658	248,058	1,114,408	(88,198)

Note (i)

Goodwill arising from consolidating GEMS Group	694
Provisional goodwill arising from completion of acquisition	109,185
Total	<u>109,879</u>

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debts securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

Amount repayable in one year or less, or on demand ⁽¹⁾				Amount repayable after one year ⁽²⁾			
As at 31.12.2015		As at 31.12.2014		As at 31.12.2015		As at 31.12.2014	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
US\$'000		US\$'000		US\$'000		US\$'000	
46,816	4,000	5,019	-	48,338	-	-	-

⁽¹⁾ These represent aggregate balances of short term loans and borrowings.

⁽²⁾ These represent aggregate balances of long term loans and borrowings.

Details of any collateral

The following sets out the details of the collateral for the Group's borrowings :

- Charge on the woodchip mill of a subsidiary; and
- Pledge on the entire issued and paid-up share capital of certain subsidiaries; and
- Pledge on the trade receivables and/or inventories for a minimum amount and a fixed margin deposit of a subsidiary; and
- The collaterals include certain property and equipment, and pledge of shares and corporate guarantee from certain subsidiaries.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	12 Months Ended	
	2015	2014
	US\$'000	
Cash flows from operating activities:		
(Loss)/profit before tax	(9,162)	15,195
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	4,713	4,605
Defined post-employment benefit expense	352	348
Amortisation of mining properties & non-current assets	30,046	17,932
Provision of mine closure	410	72
Fair value loss on forestry assets	2,726	-
Allowance for decline in value of coal inventory	-	(29)
Inventories written down to net realisable value	233	-
Inventories written off	16	305
Interest and other financial charges	11,086	5,504
Interest income	(4,044)	(4,129)
Expenses in connection with DSS acquisition	138	-
(Gain)/Loss on disposal of property, plant and equipment	(10)	303
Net exchange differences	7,699	(1,705)
Operating cash inflows before changes in working capital	44,203	38,401
Changes in mining properties	(4,378)	(27,232)
(Increase)/Decrease in inventories	(5,247)	2,065
(Increase)/Decrease in trade and other receivables	(39,612)	11,212
Increase/(Decrease) in trade and other payables	7,176	(19,502)
Cash flows generated from operations	2,142	4,944
Income taxes paid	(5,982)	(5,378)
Income taxes refunded	-	3,607
Interest and other financial charges paid	(6,966)	(5,498)
Interest income received	2,644	4,398
Net cash flows (used in)/generated from operating activities	(8,162)	2,073
Cash flows from investing activities		
Net cash inflows on completion of the Acquisition	1,451	-
Change in restricted funds	1,115	(643)
Additions to forestry assets	(1,238)	-
Proceeds from disposal of property, plant and equipment	32	425
Purchase of property, plant and equipment	(2,599)	(3,497)
Payment of mines under construction	(93)	(2,427)
Payments for loan to third parties	(29,952)	168
Increase in other non-current assets	(23,973)	(1,997)
Net cash flows used in investing activities	(55,257)	(7,971)
Cash flows from financing activities		
Payment of dividend	(2,024)	-
Payment of dividend to NCI of subsidiaries	(52)	-
Sales of interest in a subsidiary to non-controlling interest	-	195
Proceeds from loans and borrowings	58,445	15,833
Repayment of loans and borrowings	(10,355)	(15,584)
Payment of expenses for DSS acquisition	(100)	-
Net cash flows from financing activities	45,914	444
Net decrease in cash and cash equivalents	(17,505)	(5,454)
Effect of exchange rate changes on cash and cash equivalents	(1,226)	4,598
Cash and cash equivalents at beginning of the year	63,218	64,074
Cash and cash equivalents at end of the year	44,487	63,218

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

(i) Statement of Comprehensive Income for the 12 months ended 31 December 2015 and 31 December 2014

	Group		Company	
	12 Months Ended		12 Months Ended	
	2015	2014	2015	2014
	US\$'000		US\$'000	
(Loss) Profit for the year	(8,151)	10,819	(32,835)	(40,527)
Other comprehensive income/(loss) not to be reclassified to profit & loss:				
Net actuarial gain/(loss) on post employment benefits	235	(157)	-	-
Other comprehensive income/(loss) to be reclassified to profit & loss:				
Foreign currency translation	568	(4,597)	(53,777)	3,776
Total comprehensive (loss)/income for the year	(7,348)	6,065	(86,612)	(36,751)
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(8,028)	6,041	(86,612)	(36,751)
Non-controlling interests	680	24	-	-
	(7,348)	6,065	(86,612)	(36,751)

(ii) Consolidated statement of changes in equity for the 12 months ended 31 December 2015 and 31 December 2014

	Attributable to owners of the Company						Non-controlling Interests	Total Equity
	Share Capital	Foreign Currency Translation	Other Reserves	Retained Earnings	Total Reserves			
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	
GROUP								
Balance as at 1 January 2015	294,085	(75,826)	1,927	27,156	(46,743)	716	248,058	
Loss for the year	-	-	-	(8,889)	(8,889)	738	(8,151)	
<u>Other comprehensive income</u>								
Net actuarial gain on post employment benefits	-	-	104	-	104	131	235	
Foreign currency translation	-	757	-	-	757	(189)	568	
Other comprehensive income for the year	-	757	104	-	861	(58)	803	
Total comprehensive income/(loss) for the year	-	757	104	(8,889)	(8,028)	680	(7,348)	
Difference arising from transaction with non-controlling interests	-	-	(145)	-	(145)	145	-	
Effects of Reverse Acquisition in accordance with FRS 103	(62,009)	25,021	(615)	(7,962)	16,444	80,596	35,031	
Dividends paid	-	-	-	(2,024)	(2,024)	(59)	(2,083)	
Balance as at 31 December 2015	232,076	(50,048)	1,271	8,281	(40,496)	82,078	273,658	
Balance as at 1 January 2014	294,085	(71,232)	2,050	16,365	(52,817)	530	241,798	
Profit for the year	-	-	-	10,791	10,791	28	10,819	
<u>Other comprehensive income</u>								
Net actuarial loss on post employment benefits	-	-	(156)	-	(156)	(1)	(157)	
Foreign currency translation	-	(4,594)	-	-	(4,594)	(3)	(4,597)	
Other comprehensive income for the year	-	(4,594)	(156)	-	(4,750)	(4)	(4,754)	
Total comprehensive income/(loss) for the year	-	(4,594)	(156)	10,791	6,041	24	6,065	
Difference arising from disposal of subsidiary	-	-	33	-	33	(33)	-	
Disposal of subsidiary	-	-	-	-	-	195	195	
Balance as at 31 December 2014	294,085	(75,826)	1,927	27,156	(46,743)	716	248,058	

(iii) Statement of changes in equity of the Company for the 12 months ended 31 December 2015 and 31 December 2014

	Attributable to owners of the Company						Total Equity
	Share Capital	Foreign Currency Translation	Other Reserves	Share Based Reserves	Accumulated Losses	Total Reserves	
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
COMPANY							
Balance as at 1 January 2015	257,956	46,631	5,826	-	(398,611)	(346,154)	(88,198)
Loss for the year	-	-	-	-	(32,835)	(32,835)	(32,835)
<u>Other comprehensive income</u>							
Foreign currency translation	-	(53,777)	-	-	-	(53,777)	(53,777)
Total comprehensive income/(loss) for the year	-	(53,777)	-	-	(32,835)	(86,612)	(86,612)
Issuance of ordinary shares	1,288,387	-	-	-	-	-	1,288,387
Share issuance expenses	(172)	-	-	-	-	-	(172)
Reserve for share based payment	-	-	-	1,003	-	1,003	1,003
Total transactions with owners in their capacity as owners	1,288,215	-	-	1,003	-	1,003	1,289,218
Balance as at 31 December 2015	1,546,171	(7,146)	5,826	1,003	(431,446)	(431,763)	1,114,408
Balance as at 1 January 2014	257,956	42,855	5,826	-	(358,084)	(309,403)	(51,447)
Loss for the year	-	-	-	-	(40,527)	(40,527)	(40,527)
<u>Other comprehensive income</u>							
Foreign currency translation	-	3,776	-	-	-	3,776	3,776
Total comprehensive income/(loss) for the year	-	3,776	-	-	(40,527)	(36,751)	(36,751)
Issuance of ordinary shares	-	-	-	-	-	-	-
Balance as at 31 December 2014	257,956	46,631	5,826	-	(398,611)	(346,154)	(88,198)

- (d)(ii) 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. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in the Company's share capital

On 17 April 2015, every fifty (50) Existing Shares registered in the name of each Shareholder were consolidated into one (1) Consolidated Share, and the issued share capital of the Company now comprises 77,285,006 Consolidated Shares, after disregarding any fractions of Consolidation Shares arising from the Share Consolidation.

On 20 April 2015, the following events took place:

- (a) The Company allotted and issued to DSS an aggregate of (i) 1,978,327,436 Consolidated DSS Consideration Shares at an issue price of S\$0.95 per Consolidated DSS Consideration Share; and (ii) 65,818,033 Consolidated DSS Compensation Shares at an issue price of S\$0.95 per Consolidated DSS Compensation Share;
- (b) The Company allotted and issued an aggregate of 48,689,607 MCB Conversion Shares upon the mandatory and automatic conversion of the MCB pursuant to the MCB Subscription Agreement ("MCB Conversion Shares Issue");

Due to the above, total number of issued and paid-up shares in the share capital of the Company has increased from 77,285,006 to 2,170,120,082.

	No. of shares
At 31 December 2014	<u>3,864,251,008</u>
At 20 April 2015	<u>3,864,251,008</u>
Shares consolidation (every 50 shares into 1 consolidated share)	77,285,006
Issuance of shares pursuant to the RTO completion	2,044,145,469
Conversion of Mandatory Convertible Bonds to shares	48,689,607
As at 31 December 2015	<u>2,170,120,082</u>

- (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31.12.2015 (after share consolidation)	As at 31.12.2014 (before share consolidation)
Total number of issued shares	<u>2,170,120,082</u>	<u>3,864,251,008</u>

- (d)(iv) A statement showing all the sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1 (e) Goodwill on consolidation upon completion of DSS transactions

Background

On 20 April 2015, the Company (formerly known as United Fiber System Ltd) completed the reverse acquisition ("RTO") of PT Golden Energy Mines Tbk and their subsidiaries ("GEMS" Group) as set out in the circular to the shareholders dated 30 January 2015 ("Circular").

Upon completion of the RTO, a positive goodwill amounting to approximately US\$109.18 million was recognised in the financial statements and accounted for in accordance with the accounting policies of the Group. The goodwill represents an excess on the cost of the reverse-take-over over the fair value of the net identifiable assets of the Group.

The Group is currently performing a review of the purchase price allocation including the positive goodwill of approximately US\$109.18 million. The Group has recognised a provisional goodwill amount of approximately US\$109.18 million which is pending finalisation. The positive goodwill of approximately US\$109.18 million may vary from the amount currently recorded.

1 (e)(i) Provisional goodwill computation after completion of the DSS transactions on 20 April 2015

Golden Energy and Resources Limited	
US\$'000	US\$'000
Total assets:	19,407
<u>Non-Current Assets</u>	
Forestry assets	6,512
Property, plant and equipment	7,009
Deferred tax assets	179
<u>Current Assets</u>	
Inventories	722
Trade receivables- third parties	712
Other receivables-third parties	2,822
Cash and cash equivalents	1,451
Total liabilities:	(93,560)
<u>Current Liabilities</u>	
Trade payables- third parties	(644)
Other payables- third parties	(42,325)
Due to holding company	(852)
Short term loans	(49,000)
<u>Non-Current Liabilities</u>	
Deferred tax liabilities	(649)
Employment benefits reserve obligations	(90)
Total identifiable net assets at fair value	(74,153)
Non-controlling interest	7
Goodwill arising after RTO	109,185
Total Consideration Price*	35,039
	35,039

* Consideration transferred for the RTO

Equity instruments issued (242,882,384 of PT GEMS shares @IDR1,860)

35,039

2 Whether the figures have been audited, or reviewed and in accordance with which standard or practice.

The figures have not been audited nor reviewed by the Company's auditor.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation are consistent with those applied by the Group and the Company and as adopted in the financial statements for the year ended 31 December 2014.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Nil.

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

Loss net of tax for the year attributable to owners of the Company used in the computation of basic and diluted loss per share:

- (i) Basic (loss) earnings per share (US cents) :-
- Weighted average number of ordinary shares ('000)
- (ii) Diluted (loss) earnings per share (US cents) :-
- Adjusted weighted average number of ordinary shares ('000)

Group	
12 Months Ended	
2015	2014
(0.20)	0.35
4,518,823	3,050,971
(0.20)	0.35
4,518,823	3,050,971

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

	Group		Company	
	31.12.2015	31.12.2014*	31.12.2015	31.12.2014*
Net assets (liabilities) value per share (US cents)	12.61	6.42	51.35	(2.28)
Number of shares ('000)	2,170,120	3,864,251	2,170,120	3,864,251

* On 17 April 2015, every fifty (50) Existing Shares registered in the name of each Shareholder were consolidated into one (1) Consolidated Share, and the issued share capital of the Company now comprises 77,285,006 Consolidated Shares, after disregarding any fractions of Consolidation Shares arising from the Share Consolidation.

8 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 the following:

(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

Introduction

As set out on page 1 of this announcement, the Acquisition is being accounted for as a reverse acquisition under the FRS 103 (equivalent to IFRS 3) where GEMS (the legal subsidiary) is deemed as the acquirer for accounting purposes.

Accordingly, the Group's consolidated financial statements for the financial year ended 31 December 2015 were prepared as a continuation of the GEMS Group's financial statements and that the GEMS is deemed to have acquired the Company with effect from 20 April 2015.

Revenue

The Group's revenue comprises revenue generated from Coal Mining, Coal Trading and Forestry Divisions.

Revenue from the Group decreased by approximately US\$76.18 million to US\$359.77 million in FY15 from US\$435.95 million in the corresponding reporting year. The decline was mainly due to the reduction in average sales realisation price as a result of continuous pressure in coal prices in Coal Mining and Coal Trading Divisions. The decrease was offset by net increase in coal sales volume.

Coal Mining Division

The Group's Coal Mining Division reported an increase in revenue of approximately US\$24.71 million from approximately US\$275.70 million in FY14 to approximately US\$300.41 million in FY15. The increase was contributed by an increase in sales volume, offset by decrease in average sales realisation price as a result of continuous pressure in coal price during the year.

Coal Trading Division

Revenue generated by the Group's Coal Trading Division decreased by approximately US\$106.44 million from approximately US\$159.21 million in FY14 to approximately US\$52.77 million in FY15 mainly due to reduction in sales volume from lower demand and lower average sales realisation price as a result of continuous pressure in coal price during the year.

Forestry Division

The Group's Forestry Division reported revenue of approximately US\$6.43 million in FY15 from US\$Nil in FY14, due to the completion of the Acquisition in April 2015.

Cost of Sales

The Group reported a lower cost of sales from approximately US\$289.17 million in FY14 to approximately US\$248.04 million in FY15. The decrease was in line with lower activities from the Group's Coal Trading Division, offset by higher activities in the Group's Coal Mining Division and Forestry Division.

Gross margin

The Group's gross profit decreased from US\$146.78 million in FY14 to US\$111.73 million in FY15. The reduction in gross profit margin is attributed to the continuous pressure in coal price.

Other income

The Group's other income decreased from approximately US\$7.58 million in FY14 to approximately US\$5.18 million in FY15 mainly due to the absence of foreign exchange gain and lower port income recorded in FY15, offset by compensation income recognised in the period under review.

Expenses

Selling and distribution expenses

The Group's selling and distribution expenses decreased from approximately US\$94.67 million in FY14 to approximately US\$67.33 million in FY15, mainly due to decrease in freight and stockpile expenses which was in line with lower activities and the change of certain sales terms of the Coal Trading Division.

Administrative expenses

The Group's administrative expenses remained relatively stable.

Other operating expenses

The Group's other operating expenses increased from approximately US\$1.04 million in FY14 to approximately US\$7.96 million in FY15 mainly due to (1) approximately US\$5.24 million of net exchange loss due to weaker IDR against USD and SGD, and SGD against USD in FY15; and (2) an increase of approximately US\$1.58 million of depreciation charge and taxes arising from the completion of Acquisition in April 2015.

Fair value loss on forestry asset

The Group recognised a fair value loss on forestry asset of approximately US\$2.73 million, as a result of the completion of the Acquisition in April 2015. The fair value loss on forestry asset was attributable to the decrease in forestry concession's fair carrying value of approximately US\$2.47 million from approximately US\$6.24 million on the date of completion of acquisition to approximately US\$3.77 million at 31 December 2015. The decrease was a result of weakening of Rupiah against USD; and reduction in (1) the assumed rubber price which impacts the value of the Group's rubber plantations; (2) plantation area due to on going harvesting operations and land clearing activities; and (3) predicted yield from residual plantation areas.

Finance costs

The Group's finance costs increased from approximately US\$5.91 million in FY14 to approximately US\$11.66 million in FY15, mainly due to (1) drawdown of a facility during the financial year; and (2) finance costs payable to the Company's secured and unsecured lenders since the completion of the Acquisition.

Income tax expenses

Income tax expenses decreased by approximately US\$5.39 million from approximately US\$4.38 million in FY14 to net tax benefit of approximately US\$1.01 million in FY15 due to lower taxable profit and increase in tax benefit arising from tax loss carry forward.

Profit after tax

Due to the factors above, the Group reported a net loss of approximately US\$8.15 million in FY15 as compared to a net profit of approximately US\$10.82 million in FY14.

- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of Statement of Financial Position

Assets and liabilities

Total assets increased by approximately US\$176.46 million from approximately US\$315.64 million at 31 December 2014 to approximately US\$492.10 million at 31 December 2015. The increase in total assets were mainly due to the following factors:

Non-current assets

- The addition in forestry concession of approximately US\$3.77 million due to the completion of the Acquisition in April 2015.
- The increase in property, plant and equipment of approximately US\$4.78 million was mainly due to (1) approximately US\$7.01 million as a result of the Acquisition; and (2) additions to property, plant and equipment of approximately US\$2.60 million from the mining activities, offset by the depreciation charged for the year.
- The increase in goodwill arising from consolidation of approximately US\$109.18 million resulting from the completion of the Acquisition in April 2015, pending finalisation of goodwill computation from the purchase price allocation exercise as required by the relevant accounting standards.
- The increase in other non-current assets of approximately US\$23.71 million was mainly due to higher mining activities: (1) payment of guarantee deposits of approximately US\$19.50 million to third party for mining and reclamation activities; and (2) increase in prepaid land exploitation expenses of approximately US\$1.61 million.

Current assets

- The increase in trade and other receivables of approximately US\$69.00 million was mainly due to (1) higher domestic sales in December 2015 as compared to December 2014; (2) higher advances to suppliers of approximately US\$22.09 million; (3) US\$30.00 million loan to third party, offset by lower advances to mining service contractors of approximately US\$2.66 million.
- The decrease in cash and cash equivalents of approximately US\$18.73 million was mainly due to payment to suppliers, additions to property, plant and equipment, payment of dividend and repayment of short term loans, offset by utilisation of term loan facility.
- The increase in inventories of approximately US\$6.71 million was mainly due to higher inventory volume as at 31 December 2015 of 705,000 tonnes, as compared to 451,000 tonnes as at 31 December 2014.

Total liabilities increased by approximately US\$150.86 million from approximately US\$67.58 million at 31 December 2014 to approximately US\$218.44 million at 31 December 2015. The increase in total liabilities was mainly due to the following factors:

Non-current liabilities

- Loans and borrowings increased by approximately US\$48.34 million mainly due to utilisation of term loan.

Current liabilities

- As a result of the completion of the Acquisition in April 2015, the trade and other payables increased by approximately US\$55.16 million mainly due to (1) interest expenses of approximately US\$26.60 million from loans granted by the Group's secured and unsecured lenders; (2) withholding tax expenses of approximately US\$11.69 million; (3) approximately US\$2.81 million of professional fees in connection with the Acquisition; (4) approximately US\$4.26 million in connection with forestry activities; and (5) approximately US\$7.12 million as a result of higher mining activities.
- Provision for taxation decreased by approximately US\$346,000 mainly due to lower provision arising from lower taxable profits during the current reporting year, offset by repayment of taxes.
- Loans and borrowings increased by approximately US\$45.80 million mainly due to (1) loans arising from the completion of the Acquisition of approximately US\$49.00 million; and (2) drawdown of a term loan facility, offset by lower outstanding Omnibus Trade Non Cash Backed loan facility resulting from lower trading activities during the period under review.

As at 31 December 2015, the Group has net current assets of approximately US\$32.73 million and the Company has net current liabilities position of approximately US\$85.04 million. The Group has loans and borrowings totalling approximately US\$99.15 million out of which approximately US\$50.82 million are due within the next 12 months.

Review of Statement of Cash Flows

For FY15, the Group had net cash outflows of US\$17.50 million mainly due to the following:

Net cash used in operating activities of approximately US\$8.16 million which comprised operating cash inflow before working capital changes of approximately US\$44.20 million, net working capital outflow of approximately US\$42.06 million and income tax paid and interest and other financial charges paid of approximately US\$5.98 million and approximately US\$6.97 million respectively.

The net working capital outflow of approximately US\$42.06 million was mainly due to:

- a) an increase in trade and other receivables of approximately US\$39.61 million mainly due to higher mining and forestry activities in FY15 and payment of advance to suppliers during the year.
 - b) an increase in inventories of approximately US\$5.25 million mainly due to higher inventory level as of 31 December 2015.
- and offset by
- i) an increase in trade and other payables of approximately US\$7.18 million mainly due to trade payables arising from coal trading activities in late FY15.

Net cash flows used in investing activities of approximately US\$55.26 million was mainly due to (1) the acquisition of property and equipment of approximately US\$2.60 million in connection with the infrastructures and building construction; 2) US\$30.00 million loan to third party; and (3) payment of guarantee deposits of approximately US\$19.50 million to third party for mining and reclamation activities.

Net cash flows generated from financing activities of approximately US\$45.91 million was due to proceeds of bank loans of US\$58.44 million, offset with payments of bank loans of US\$10.35 million during the reporting year.

Statutory compliance placement to comply with the shareholding spread and distribution requirements under the Listing Rules of SGX-ST

On 4 March 2015 extraordinary general meeting, the Shareholders of the Company approved the allotment and issuance of up to 226,500,000 new placement shares.

On 14 May 2015, the Company announced that it has lodged the Offer Information Statement with the Monetary Authority of Singapore. On the same day, the Company further announced that it and RHB Securities Singapore Pte Ltd ("RHB" or "Placement Agent") had entered into a placement agreement dated 14 May 2015, pursuant to which the Company has agreed to allot and issue up to 226,500,000 new placement shares at an issue price to be determined but in any event not less than S\$0.50 per placement share, and RHB has agreed to place, on a commercially reasonable efforts basis, to subscribe the placement share at the placement price, subject to the terms and conditions of the placement agreement.

As further disclosed, the Company intends to utilise the proceeds for, *inter alia*, repayment of loans and obligations owing to certain creditors of the Company.

On 22 May 2015, the Company applied to the SGX-ST for an extension of the placement period for another month to 22 June 2015 as the Company requires more time to complete the book building process in order to comply with the shareholding spread and distribution requirements under the Listing Rules of SGX-ST.

On 23 June 2015, the Company announced that due to challenging market condition, the Company has applied to the SGX-ST for a further extension of the placement period till 24 August 2015 as the Company requires more time to complete the book building process.

On 27 August 2015, the Company announced that due to market condition, the Company has applied to SGX-ST for a further extension of the placement period as the Company requires more time to complete the book building process.

The Company will update the Shareholders the development of the extension application.

GEMS US\$30.00 million loan to ACEV

Further to the Company's announcement of 6 July 2015, the Group, Asia Coal Energy Ventures Limited ("ACEV") and ASM Administration Limited had agreed to extend the US\$30.00 million loan facility to 4 April 2016.

Memorandum of Understanding with ASM Administration Limited

As announced on 15 April 2015 and 29 July 2015, the Company entered into a memorandum of understanding ("MOU") with ASM Administration Limited ("ASM"), pursuant to which the Company has been granted exclusivity by ASM for the Company to invest in PT Berau Coal Energy Tbk ("BCE") or one or more of its related corporations, subject to the execution of definitive agreements.

The MOU has lapsed. However, the Company remains interested, and intends to explore all opportunities to invest, in the BCE and its subsidiaries (the "BCE Group"). Any investment by the Company in the BCE Group is subject to the Company being satisfied with its due diligence into the financial, legal, tax and business of the BCE Group, and the outcome of the restructuring of the indebtedness of the BCE Group.

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

Not applicable.

10 A commentary at the date of the announcement of the significant trends and 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.

Coal Mining and Coal Trading Divisions

The oversupply situation and softening demand continued to depress the coal price during 2015.

The Newcastle Index has dropped 21% from US\$63.68 in December 2014 to US\$50.49 in December 2015. ICI4 index was down around 26% from US\$35.94 in December 2014 to US\$26.77 in December 2015.

China's coal imports slumped 30% to 204.1 million tonnes in 2015, hit by a slowdown in domestic demand and a collapse in the price of locally produced coal. It is expected that the imports will fall further this year mainly due to the decline in overall demand caused by China's economic slowdown and the fall in domestic prices which has undermined the price advantage enjoyed by imported coal.

India's coal imports also dropped by 15% during April to December 2015 compared to 2014. The coal imports during April to December 2015 were 132.3 million tonnes as compared to 155.4 million tonnes during April to December 2014.

According to The Energy and Mineral Resources Department, Indonesian coal output decreased by 14% from 458 million tonnes in 2014 to 392 million tonnes in 2015 which is line with the government's plans to secure reserves and resources for the future use. Export dropped by 23% from 381.97 million tonnes in 2014 to 295.45 million tonnes in 2015.

In response to this challenging climate, the Group continues to focus on cost rationalisation, improving work processes, and conserving cash. In addition, to counter the declining demand from India and China, the Group has been actively exploring emerging opportunities in new markets such as Vietnam and Philippines.

Forestry Division

Currently the Group's log sales are relatively stable due to contracts signed with buyers. However, our customer demand has slowdown, which might impact future sales.

11 If a decision regarding dividend has been made:-

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

None.

(b) (i) Amount per share..... cents.

None.

(b) (ii) Previous corresponding period cents

None.

(c) Whether the dividend is before tax, net of tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the financial period ended 31 December 2015.

13 If the Group has obtained a general mandate from shareholders for IPTs, 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.

Rule 920(1)(a)(ii) - An issuer must announce the aggregate value of transactions conducted pursuant to the general mandate (if any) for interested person transactions for the financial periods which it is required to report on pursuant to Rule 705 within the time required for the announcement of such report. The disclosure must be in the form set out in Rule 907.

Name of Interested Person	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)	Aggregate value of all interested person transactions conducted during the financial year under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	12 Months Ended	12 Months Ended
	2015 US\$'000	2015 US\$'000
Sales :		
PT Indah Kiat Pulp & Paper Tbk*	19,332	62,972
PT Lontar Papyrus Pulp and Paper Industry*	6,803	18,886
GMR Coal Resources Pte Ltd*	3,750	3,550
PT Pabrik Kertas Tjiwi Kimia Tbk*	2,029	5,739
PT Pindo Deli Pulp and Paper Mills*	1,357	3,164
PT Sinar Mas Agro Resources & Technology Tbk*	1,005	2,760
PT Ekamas Fortuna*	498	1,543
PT Ivo Mas Tunggal	401	-
Hainan Jinhai Trading (Hong Kong) Co., Ltd	20,232	-
Interest income* :		
PT Bank Sinarmas Tbk	49	87
Purchases :		
PT Rolimex Kimia Nusamas*	-	30
PT Berau Coal Energy Tbk	17,856	-
Rental expenses* :		
PT Citra Alam Indah	126	15
PT Royal Oriental	174	599
Freight* :		
PT Wirakarya Sakti	244	788
Professional fees* :		
PT Arthamas Solusindo	53	118
GMR Coal Resources Pte Ltd	2,475	715
Insurance expenses* :		
PT Kalibesar Raya Utama	30	49
PT Asuransi Sinar Mas	360	822
Interest expenses* :		
PT Dian Swastatika Sentosa Tbk	-	35
Asia Star Fund Ltd [®]	3,897	-
Interest expenses :		
Loan granted by, facility fee payable to and interest expense paid or payable to a Fund in which Mr. Chan Kin , the non-executive chairman and director of the Company, has beneficial interest.		
ASM Asia Recovery Fund ("ASMARF") [#]	153	-

* The Shareholders Mandate ("Mandate") was approved at the Company's Extraordinary General Meeting held on 4 March 2015. The Mandate became effective on 20 April 2015 upon the completion of the Acquisition. As such, these transactions were conducted between 1 January 2015 to 19 April 2015.

Mr. Chan Kin was the non-executive chairman and director of GEAR and has resigned on 20 April 2015. He is the beneficial holder of more than 20% of the issued share capital of Argyle Street Management Holdings Limited ("ASMHL"). ASMHL is the beneficial holder of more than 50% of the voting shares of Argyle Street Management Limited ("ASML"). ASML is the beneficial holder of more than 20% of the voting shares of ASM Asia Recovery Fund ("ASMARF"). The interest expenses recorded was for the period 1 January 2015 to 20 April 2015.

[®] US\$35.00 million loan facility granted by Asia Star Fund Ltd on 12 January 2011 and utilised in FY2011.

14 NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)

Not applicable for financial year end.

15 **Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

(a) **Operating Segment**

	2015					
	Coal Mining	Coal Trading	Forestry & Pulp	Others	Elimination	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Segment revenue						
Revenue from external customers	300,414	52,772	6,433	152	-	359,771
Inter segment revenue	-	7,843	41	-	(7,884)	-
Total revenue	300,414	60,615	6,474	152	(7,884)	359,771
Segment results	23,768	(12,604)	952	(4,172)	(9,488)	(1,544)
Interest income						4,044
Finance costs						(11,662)
Loss before tax						(9,162)
Income tax benefit						1,011
Loss after tax						(8,151)
Segment assets	235,678	357,876	15,070	31,516	(257,223)	382,917
Unallocated assets						109,185
Total assets						492,102
Segment liabilities	(170,109)	(101,013)	(165,117)	(11,757)	312,585	(135,411)
Unallocated liabilities						(83,033)
Total liabilities						(218,444)
Other segment information						
Depreciation of property, plant and equipment	4,189	143	378	3	-	4,713
Amortisation expenses	29,697	349	-	-	-	30,046
Fair value loss on forestry assets	-	-	2,726	-	-	2,726
Compensation income	-	-	(188)	-	-	(188)
Inventories written down to net realisable value	-	-	233	-	-	233
Inventories written off	-	16	-	-	-	16

	2014					
	Coal Mining	Coal Trading	Forestry & Pulp	Others	Elimination	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Segment revenue						
Revenue from external customers	275,704	159,206	-	1,043	-	435,953
Inter segment revenue	-	663	-	-	(663)	-
Total revenue	275,704	159,869	-	1,043	(663)	435,953
Segment results	21,730	(1,947)	-	2,626	(5,430)	16,979
Interest income						4,129
Finance costs						(5,913)
Profit before tax						15,195
Income tax expense						(4,376)
Profit after tax						10,819
Segment assets	223,881	276,185	-	30,704	(215,131)	315,639
Total assets						315,639
Segment liabilities	(199,186)	(20,711)	-	-	152,316	(67,581)
Unallocated liabilities						-
Total liabilities						(67,581)
Other segment information						
Depreciation of property, plant and equipment	4,428	177	-	-	-	4,605
Amortisation expenses	17,521	411	-	-	-	17,932
Inventories written off	37	268	-	-	-	305

(b) Geographical Segment

	Segment revenue		Other segment information	
	Sales to external customers		Non-current assets	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Singapore	-	-	5	-
Indonesia	195,927	204,416	293,821	174,337
Asia Pacific	163,692	231,537	-	-
Europe	152	-	-	-
Consolidated	359,771	435,953	293,826	174,337

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

Coal Mining Division

The Group's Coal Mining Division reported an increase in revenue of approximately US\$24.71 million from approximately US\$275.70 million in FY14 to approximately US\$300.41 million in FY15. The increase was contributed by an increase in sales volume, offset by decrease in average sales realisation price as a result of continuous pressure in coal price during the year.

Coal Trading Division

Revenue generated by the Group's Coal Trading Division decreased by approximately US\$106.44 million from approximately US\$159.21 million in FY14 to approximately US\$52.77 million in FY15 mainly due to reduction in sales volume from lower demand and lower average sales realisation price as a result of continuous pressure in coal price during the year.

Forestry Division

The Group's Forestry Division reported revenue of approximately US\$6.43 million in FY15 from US\$Nil in FY14, due to the completion of the Acquisition in April 2015.

17 A breakdown of sales

	Group (US\$'000)		
	2015	2014	+/- %
Sales reported for first half year	168,255	222,006	(24)
Operating profit after tax before deducting non-controlling interests reported for first half year	3,012	4,691	(36)
Sales reported for second half year	191,516	213,947	(10)
Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	(11,163)	6,128	(282)
Total sales for the year	359,771	435,953	(17)
Total operating (loss)/profit after tax before deducting non-controlling interests reported for the year	(8,151)	10,819	(175)

18 Additional disclosure required for Mineral, Oil and Gas companies

(a) Rule 705 (7)(a) - Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Company and a summary of the expenditure incurred in those activities, including explanation for any material variances with previous projections, for the period under review. if there has been no exploration, development and/or production activity respectively, that fact must be stated.

PT Golden Energy Mines Tbk is a 66.9998% subsidiary of Golden Energy And Resources Limited, and has two principal assets - the producing Block Borneo Mines and Block KIM Mines (collective, "Mines").

The Group has conducted infill exploration, including geographical surveys, during the financial year in Block Borneo Mines. The Group has not carried out any exploration activities in Block KIM Mines. The purpose of the exploration was to identify subsurface geological conditions related to coal materialisation in detail to improve production planning.

The Group has not performed mining development for the Mine in the period under review

The Mine has processed an aggregate of 8,696,938 metric tonnes of Sub-bituminous B coal for the financial year ended 31 December 2015. A total of US\$1.8 million of mines under construction have been transferred to producing mines during the period under review.

The Group has capitalised approximately US\$20.6 million in exploration activities, and expensed US\$0.1 million in the ordinary course of regional exploration and US\$162.9 million in production activities.

(b) Rule 705 (7)(b) - An update on its reserves and resources, where applicable, in accordance with the requirements as set out in Practice Note 6.3, including a summary of reserves and resources as set out in Appendix 7.5.

Name of Asset / Country: Block Borneo Mines / Indonesia

Category	Gross Attributable to Licence (1)			Net Attributable to the Company		
	Mineral Type	Tonnes (Millions)(4)	Grade	Tonnes (Millions)	Grade	Change from previous update (%) (2)
Reserves						
Proved	Coal	436.50	Sub-bituminous B	286.90	Sub-bituminous B	-6.3%
Probable	Coal	128.30	Sub-bituminous B	84.30	Sub-bituminous B	43.0%
Total		564.80		371.20		1.7%
Resources						
Measured	Coal	869	Sub-bituminous B	571	Sub-bituminous B	1.4%
Indicated	Coal	334	Sub-bituminous B	220	Sub-bituminous B	-5.4%
Inferred	Coal	580	Sub-bituminous B	381	Sub-bituminous B	9.4%
Total		1,782		1,172		

Notes :

- (1) CCOW Licence issued by the Ministry of Energy and Mineral Resources.
- (2) Previous coal resources and coal reserves estimates were reported as at 27 November 2014 and 31 July 2014.
- (3) Resources are inclusive of Reserves.
- (4) Individual totals may differ due to rounding.

The increase in reserves and resource mainly due to the additional exploration offset by production during the period under review.

The movement in the reserves was a result of changes in coal prices; operating cost parameters and the completion of the acquisition of PT Golden Energy Mines Tbk by GEAR.

Name of Asset / Country: Block KIM Mines / Indonesia

Category	Gross Attributable to Licence (1)			Net Attributable to the Company		
	Mineral Type	Tonnes (Millions)(4)	Grade	Tonnes (Millions)	Grade	Change from previous update (%) (2)
Reserves						
Proved	Coal	46.90	Sub-bituminous B	31.40	Sub-bituminous B	32.9%
Probable	Coal	8.40	Sub-bituminous B	5.60	Sub-bituminous B	-34.9%
Total		55.20		37.00		1.7%
Resources						
Measured	Coal	112	Sub-bituminous B	75	Sub-bituminous B	-2.6%
Indicated	Coal	60	Sub-bituminous B	40	Sub-bituminous B	0.0%
Inferred	Coal	85	Sub-bituminous B	57	Sub-bituminous B	0.0%
Total		256		172		

- (1) IUP License issued by the Keputusan Bupati Bungo.
- (2) Previous coal resources and coal reserve estimates were reported as at 31 July 2014 and 30 September 2014 respectively.
- (3) Resources inclusive of Reserves.
- (4) Individual totals may differ due to rounding.

The decrease in total resources was a result of production during the period under review.

The movement in total reserves was a result of changes in operating cost parameters and the completion of the acquisition of PT Energy Mines Tbk by GEAR.

19 A breakdown of the total annual dividend (in US\$ value) for the issuer's latest full year and its previous full year

Not applicable.

20 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such person, the issuer must make an appropriate negative Statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Fuganto Widjaja	34	Fuganto Widjaja, Executive Director and Group Chief Executive Officer of the Company, is the son of Mr. Indra Widjaja and the nephew of Mr. Franky Oesman Widjaja and Mr. Muktar Widjaja. Mr. Indra Widjaja, Mr. Franky Oesman Widjaja and Mr. Muktar Widjaja are ultimate controlling shareholders of the Company.	<p>Executive Director and Group Chief Executive Officer of the Company First held: FY 2015</p> <p>President Director of PT Golden Energy Mines Tbk, a subsidiary of the Company First held: FY 2012</p> <p>President Commissioner of PT Borneo Indobara, a subsidiary of the Group First held: FY 2011</p> <p>President Commissioner of PT Roundhill Capital Indonesia, a subsidiary of the Group First held: FY 2011</p> <p>President Commissioner of PT Bumi Anugerah Semesta, a subsidiary of the Group First held: FY 2013</p>	The appointment in the Company was approved by the shareholders of the Company at the Company's EGM held on 4 March 2015.

BY ORDER OF THE BOARD

Fuganto Widjaja

Executive Director, Chief Executive Officer

29 February 2016

RHB Securities Singapore Pte. Ltd. (formerly known as DMG & Partners Securities Pte Ltd) was the financial adviser to the Company for the acquisition of 66.9998% of the issued and paid-up share capital of PT Golden Energy Mines Tbk (the "Financial Adviser"). The Financial Adviser has not reviewed this announcement and assumes no responsibility for the contents of this announcement.