

Company Registration No. 199508589E

**Golden Energy and Resources Limited
and its Subsidiaries**

**Condensed Interim Consolidated Financial Statements
For the six months ended 30 June 2021**

Golden Energy and Resources Limited and its Subsidiaries

General information

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Golden Energy and Resources Limited and its Subsidiaries

**Condensed interim consolidated statement of comprehensive income
For the six months ended 30 June 2021**

(In United States Dollars)

		Group	
		6 months ended	
	Note	30 June 2021	30 June 2020
		US\$'000	US\$'000
Revenue	4	806,713	591,957
Cost of sales		(473,017)	(376,559)
Gross profit		333,696	215,398
Other income	5	5,686	5,924
Selling and distribution expenses		(108,458)	(104,687)
Administrative expenses		(52,228)	(37,841)
Fair value gains		1,883	1,913
Finance costs	6	(32,146)	(17,856)
Other operating expenses		(10,555)	(6,940)
Share of loss of a joint venture (net of tax)		(6,508)	(3,864)
Profit before tax	7	131,370	52,047
Income tax expense	8	(51,138)	(17,022)
Profit for the period		80,232	35,025
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Net gain/(loss) on equity instruments fair value through other comprehensive income		6,348	(7,635)
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(1,180)	13,708
Other comprehensive income for the period, net of tax		5,168	6,073
Total comprehensive income for the period		85,400	41,098
Profit for the period attributable to:			
Owners of the Company		29,089	16,496
Non-controlling interests		51,143	18,529
		80,232	35,025
Total comprehensive income for the period attributable to:			
Owners of the Company		34,590	21,290
Non-controlling interests		50,810	19,808
		85,400	41,098
Earnings per share attributable to owners of the Company (cents per share)			
Basic and diluted		1.24	0.70

Golden Energy and Resources Limited and its Subsidiaries

Condensed interim statements of financial position As at 30 June 2021

(In United States Dollars)

		Group		Company	
	Note	30 June 2021 US\$'000	31 December 2020 US\$'000	30 June 2021 US\$'000	31 December 2020 US\$'000
Non-current assets					
Biological assets	9	6,720	6,587	—	—
Property, plant and equipment	10	135,439	140,677	55	85
Mining properties	11	416,604	402,845	—	—
Intangible assets	12	11,639	12,108	—	—
Right-of-use assets		1,849	2,763	388	505
Goodwill	13	92,198	98,198	—	—
Investment in subsidiaries	14	—	—	1,358,799	1,462,696
Investment in a joint venture	15	87,478	48,012	—	—
Deferred tax assets		6,477	6,867	—	—
Other receivables		3,508	2,072	297	290
Restricted funds		25,475	19,255	12,668	10,679
Other non-current assets		68,308	73,923	—	—
Investment securities	16	37,719	4,643	32,933	—
		893,414	817,950	1,405,140	1,474,255
Current assets					
Trade and other receivables		194,506	139,636	193,577	97,953
Other current assets		108,270	100,989	24,653	33,081
Inventories		68,284	71,186	—	—
Investment securities		1,491	1,925	1,491	1,925
Cash and cash equivalents		248,284	262,799	102,491	53,543
		620,835	576,535	322,212	186,502
Current liabilities					
Trade and other payables		270,190	278,227	14,058	19,263
Derivative financial instruments		85	—	85	—
Loans and borrowings	17	58,448	113,515	9,216	34,229
Provision for taxation		39,090	10,697	73	38
Provisions	19	941	1,896	—	—
		368,754	404,335	23,432	53,530
Net current assets		252,081	172,200	298,780	132,972

Golden Energy and Resources Limited and its Subsidiaries

Condensed interim statements of financial position (cont'd)
As at 30 June 2021

(In United States Dollars)

		Group		Company	
	Note	30 June 2021 US\$'000	31 December 2020 US\$'000	30 June 2021 US\$'000	31 December 2020 US\$'000
Non-current liabilities					
Deferred tax liabilities		73,443	80,400	—	—
Other payables		33,607	32,561	—	—
Loans and borrowings	17	350,290	268,477	281,091	187,821
Post-employment benefits	18	5,360	5,029	—	—
Provisions	19	30,073	26,154	23	24
		492,773	412,621	281,114	187,845
Net assets					
		652,722	577,529	1,422,806	1,419,382
Equity attributable to equity holders of the Company					
Share capital	20	292,295	305,528	1,230,107	1,230,107
Reserves		161,075	79,344	192,699	189,275
		453,370	384,872	1,422,806	1,419,382
Non-controlling interests		199,352	192,657	—	—
Total equity					
		652,722	577,529	1,422,806	1,419,382

Golden Energy and Resources Limited and its Subsidiaries

**Condensed interim statements of changes in equity
For the six months ended 30 June 2021**

(In United States Dollars)

(in United States Dollars)

	Attributable to owners of the Company						
Group 2021	Share capital (Note 20) US\$'000	Foreign currency translation reserves ⁽¹⁾ US\$'000	Other reserves ⁽²⁾ US\$'000	Retained earnings US\$'000	Total reserves US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
At 1 January 2021	305,528	(28,470)	7,265	100,549	79,344	192,657	577,529
Profit for the period	—	—	—	29,089	29,089	51,143	80,232
<u>Other comprehensive income</u>							
Net gain on equity instruments fair value through other comprehensive income	—	—	6,348	—	6,348	—	6,348
Foreign currency translation	—	(847)	—	—	(847)	(333)	(1,180)
Other comprehensive income for the period	—	(847)	6,348	—	5,501	(333)	5,168
Total comprehensive income for the period	—	(847)	6,348	29,089	34,590	50,810	85,400
Disposal of ownership interest in a subsidiary without a change in control	(13,233)	3,550	(91)	43,677	47,136	15,596	49,499
Dividends paid to non-controlling interests by subsidiaries	—	—	—	—	—	(59,711)	(59,711)
Share-based payment transactions	—	—	5	—	5	—	5
At 30 June 2021	292,295	(25,767)	13,527	173,315	161,075	199,352	652,722

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

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

Golden Energy and Resources Limited and its Subsidiaries

**Condensed interim statements of changes in equity (cont'd)
For the six months ended 30 June 2021**

(In United States Dollars)

(in United States Dollars)

Group 2020	Attributable to owners of the Company						
	Share capital (Note 20) US\$'000	Foreign currency translation reserves ⁽¹⁾ US\$'000	Other reserves ⁽²⁾ US\$'000	Retained earnings US\$'000	Total reserves US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
At 1 January 2020	305,528	(49,234)	14,805	88,236	53,807	119,786	479,121
Profit for the period	—	—	—	16,496	16,496	18,529	35,025
<u>Other comprehensive income</u>							
Net loss on equity instruments fair value through other comprehensive income	—	—	(7,635)	—	(7,635)	—	(7,635)
Foreign currency translation	—	12,429	—	—	12,429	1,279	13,708
Other comprehensive income for the period	—	12,429	(7,635)	—	4,794	1,279	6,073
Total comprehensive income for the period	—	12,429	(7,635)	16,496	21,290	19,808	41,098
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	—	—	(2,507)	2,507	—	—	—
Capital contribution from non-controlling interest of a subsidiary	—	—	—	—	—	27,467	27,467
Acquisition of subsidiaries with non-controlling interests	—	—	—	—	—	45,888	45,888
Dividends paid to non-controlling interests by subsidiaries	—	—	—	—	—	(1,470)	(1,470)
Share-based payment transactions	—	—	4	—	4	1	5
At 30 June 2020	305,528	(36,805)	4,667	107,239	75,101	211,480	592,109

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

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

Golden Energy and Resources Limited and its Subsidiaries

**Condensed interim statements of changes in equity (cont'd)
For the six months ended 30 June 2021**

(In United States Dollars)

Company 2021	Share capital (Note 20) US\$'000	Foreign currency translation reserves ⁽¹⁾ US\$'000	Other reserves ⁽²⁾ US\$'000	Retained earnings US\$'000	Total reserves US\$'000	Total equity US\$'000
At 1 January 2021	1,230,107	80,877	5,826	102,572	189,275	1,419,382
Profit for the period	—	—	—	17,634	17,634	17,634
<u>Other comprehensive income</u>						
Net gain on equity instruments fair value through other comprehensive income	—	—	6,206	—	6,206	6,206
Foreign currency translation	—	(20,416)	—	—	(20,416)	(20,416)
Other comprehensive loss for the period	—	(20,416)	6,206	—	(14,210)	(14,210)
Total comprehensive income for the period	—	(20,416)	6,206	17,634	3,424	3,424
At 30 June 2021	1,230,107	60,461	12,032	120,206	192,699	1,422,806

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

⁽²⁾ Other reserves pertains to reserves that arose from acquisition of subsidiary in 2002 and net gain/(loss) on equity instruments fair value through other comprehensive income.

Golden Energy and Resources Limited and its Subsidiaries

**Condensed interim statements of changes in equity (cont'd)
For the six months ended 30 June 2021**

(In United States Dollars)

Company 2020	Share capital (Note 20) US\$'000	Foreign currency translation reserves ⁽¹⁾ US\$'000	Other reserves ⁽²⁾ US\$'000	Retained earnings US\$'000	Total reserves US\$'000	Total equity US\$'000
At 1 January 2020	1,230,107	55,975	12,313	52,212	120,500	1,350,607
Loss for the period	—	—	—	(9,616)	(9,616)	(9,616)
<u>Other comprehensive income</u>						
Net loss on equity instruments fair value through other comprehensive income	—	—	(5,934)	—	(5,934)	(5,934)
Foreign currency translation	—	(42,576)	—	—	(42,576)	(42,576)
Other comprehensive loss for the period	—	(42,576)	(5,934)	—	(48,510)	(48,510)
Total comprehensive loss for the period	—	(42,576)	(5,934)	(9,616)	(58,126)	(58,126)
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	—	—	(1,896)	1,896	—	—
At 30 June 2020	1,230,107	13,399	4,483	44,492	62,374	1,292,481

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

⁽²⁾ Other reserves pertains to reserves that arose from acquisition of subsidiary in 2002 and net gain/(loss) on equity instruments fair value through other comprehensive income.

Golden Energy and Resources Limited and its Subsidiaries

**Condensed interim consolidated cash flow statement
For the six months ended 30 June 2021**

(In United States Dollars)

	Group	
	6 months ended	
	30 June	30 June
	2021	2020
	US\$'000	US\$'000
Cash flows from operating activities		
Profit before tax	131,370	52,047
Adjustments for:		
(Reversal of)/provision for mining activities	(1,314)	1,010
Depreciation of property, plant and equipment	9,942	8,922
Depreciation of right-of-use assets	979	1,043
Gain on disposal of short term investment	–	(104)
Defined post-employment benefit expense	457	417
Fair value gain on remeasurement of contingent consideration	(2,380)	(1,889)
Fair value loss on derivatives	85	–
Fair value loss/(gain) on investment securities	412	(24)
Loss on written off of property, plant and equipment	23	–
Impairment loss on goodwill	6,000	–
Impairment loss on property, plant and equipment	797	–
Amortisation of mining properties	6,690	3,433
Amortisation of land exploitation	636	478
Amortisation of intangible assets	447	308
Amortisation of software	24	104
Amortisation of discounted loans and borrowings	287	221
Early redemption of Notes expenses	9,499	–
Notional interest on provisions and contingent consideration	699	644
Interest and other financial charges	21,027	16,466
Interest income	(4,430)	(3,967)
Dividend income from investment securities	–	(1,580)
Equity-settled share-based payment transactions	9	5
Share of loss of a joint venture, net of tax	6,508	3,864
Net exchange differences	2,996	3,423
Operating cash flows before changes in working capital	190,763	84,821
<u>Changes in working capital:</u>		
Decrease/(Increase) in inventories	2,185	(11,082)
(Increase)/Decrease in trade, other receivables and prepayments	(19,514)	35,037
Increase/(Decrease) in trade and other payables	4,892	(45,249)
Decrease in provisions	(1,022)	(452)
Cash flows generated from operations	177,304	63,075
Interest and other financial charges paid	(23,629)	(14,998)
Interest income received	4,383	3,942
Income taxes paid	(18,900)	(11,640)
Net cash flows generated from operating activities	139,158	40,379

Golden Energy and Resources Limited and its Subsidiaries**Condensed interim consolidated cash flow statement (cont'd)
For the six months ended 30 June 2021**

(In United States Dollars)

	Group	
	6 months ended	
	30 June	30 June
	2021	2020
	US\$'000	US\$'000
Cash flows from investing activities		
Proceeds from disposal of investment securities	–	36,600
Net cash outflows on acquisition of subsidiaries	–	(53,795)
Investment in a joint venture	(47,574)	(31,403)
Additions to biological assets	(133)	–
Purchase of investment securities	(26,727)	(1,000)
Purchase of property, plant and equipment	(6,275)	(6,500)
Additions to mining properties	(17,979)	(1,350)
Increase in other non-current assets	(2,467)	(940)
Changes in restricted fund	(3,856)	(675)
Net cash flows used in investing activities	(105,011)	(59,063)
Cash flows from financing activities		
Payment of dividend to NCI of subsidiaries	(69,611)	(1,470)
Capital contribution from NCI of a subsidiary	–	27,467
Early redemption of Notes	(156,750)	–
Proceeds from issuance of Notes, net of transaction costs	275,881	–
Proceeds from loans and borrowings	20,866	72,772
Repayment of loans and borrowings	(122,828)	(43,234)
Principal payment of lease liability	(645)	(700)
Disposal of NCI without a change in control	5,820	–
Net cash flows (used in)/generated from financing activities	(47,267)	54,835
Net (decrease)/increase in cash and cash equivalents	(13,120)	36,151
Effect of exchange rate changes on cash and cash equivalents	(1,395)	6,103
Cash and cash equivalents at beginning of the period	262,799	177,757
Cash and cash equivalents at end of the period	248,284	220,011

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2021

1. General

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

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

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

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Company are those of an investment holding company and provision of management services to unrelated entities and entities within the Group. The principal activities of the subsidiaries are coal mining, coal trading, investment holding company and forestry.

2. Basis of preparation

The condensed interim consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore.

The condensed interim consolidated 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 2020.

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

The Company's functional currency is Singapore Dollar ("SGD"), which reflects the economic substance of the underlying events and circumstances of the Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

2.1 New standards, Interpretations and amendment adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial period, the Group has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates

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

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

The 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 2020.

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.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following note:

- Impairment of goodwill and intangible assets: key assumptions underlying recoverable amounts (Note 13)
- Impairment of investment in subsidiaries: indication of impairment assessment and key assumptions underlying recoverable amounts (Note 14)
- Impairment of mining properties and property, plant and equipment: indication of impairment assessment and determination of fair value of assets (Note 10, Note 11)

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

Golden Energy and Resources Limited and its Subsidiaries**Notes to the condensed interim consolidated financial statements
For the six months ended 30 June 2021****4. Revenue**

	Group 6 months ended 30 June	
	2021 US\$'000	2020 US\$'000
Energy Coal	733,593	574,535
Metallurgical Coal	72,249	16,785
Non-coal business	871	637
	806,713	591,957

5. Other income

	Group 6 months ended 30 June	
	2021 US\$'000	2020 US\$'000
Interest income	4,430	3,967
Dividend income	—	1,580
Others	1,256	377
	5,686	5,924

6. Finance costs

	Group 6 months ended 30 June	
	2021 US\$'000	2020 US\$'000
Interest expense on bank loans and trade financing (including amortisation of transactions costs)	20,933	16,401
Interest expense on lease liabilities	94	65
Amortisation of discounted loans and borrowings	287	221
Notional interest on provisions (Note 19) and contingent consideration (Note 22d)	699	644
Early redemption of Notes expenses	9,499	—
Others	634	525
	32,146	17,856

Golden Energy and Resources Limited and its Subsidiaries**Notes to the condensed interim consolidated financial statements
For the six months ended 30 June 2021**

7. Profit before tax

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

	Group 6 months ended 30 June	
	2021 US\$'000	2020 US\$'000
Mining services and overheads	294,491	233,213
Freight and stockpile	149,251	143,539
Inventories recognised as an expense in cost of sales	13,978	3,487
Royalty fees	97,949	70,821
Land exploitation expenses	4,262	6,877
(Reversal of)/provision for mining activities	(1,314)	1,010
Depreciation of property, plant and equipment	9,942	8,922
Depreciation of right-of-use assets	979	1,043
Amortisation of:		
- mining properties	6,690	3,433
- land exploitation	636	478
- intangible assets	447	308
- software	24	104
Post-employment benefits expenses	457	417
Gain on disposal of investment securities	–	(104)
Fair value gain on remeasurement of contingent consideration	(2,380)	(1,889)
Fair value loss/(gain) on investment securities	412	(24)
Loss on written off of property, plant and equipment	23	–
Impairment loss on goodwill	6,000	–
Impairment loss on property, plant and equipment	797	–
Foreign exchange loss, net	3,735	5,168

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2021

8. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group 6 months ended 30 June	
	2021 US\$'000	2020 US\$'000
Consolidated statement of comprehensive income		
Current income tax		
- Current income tax	45,673	17,014
- Under provision in respect of previous years	1,073	–
Deferred income tax benefit	(5,249)	(88)
Withholding tax expense	9,641	96
	<u>51,138</u>	<u>17,022</u>

9. Biological assets

	Group US\$'000
At 31 December 2020	6,587
Costs incurred during the period	133
	<u>6,720</u>
At 30 June 2021	<u>6,720</u>

Biological assets relate to timber plantation, majority of which are Acacia Mangium and Sengon trees, which when mature will be harvested for timber and further processed into products such as sawn logs and pulpwood. The trees have an average lifespan of up to 15 years, and take up to 6 to 7 years to reach the maturity for harvesting. During the financial period, the Group harvested approximately 3,526 m³ (31 December 2020: 7,372 m³) of logs.

The fair value of biological assets that were valued by management using discounted cash flows used similar key unobservable inputs as compared to last reporting period. No significant changes in the fair value of the biological assets since the last reporting period.

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2021

10. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to US\$6,275,000 (30 June 2020: US\$6,500,000).

Included in property, plant and equipment is a wood chip mill valued at scrap value of US\$1,765,000 (31 December 2020: US\$2,579,000) as at 30 June 2021.

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

	Group 6 months ended 30 June	
	2021 US\$'000	2020 US\$'000
Charged to profit or loss		
- cost of sales	6,540	5,295
- selling and distribution expenses	1,553	1,199
- administrative expenses	1,643	2,006
- other operating expenses	206	422
Depreciation for the financial period	9,942	8,922

At the reporting date, the Group assessed whether there were any impairment indicators in relation to property, plant and equipment assets. As a result of this impairment assessment, impairment loss on property, plant and equipment has been charged to profit or loss of US\$797,000 (30 June 2020: Nil).

11. Mining properties

During the six months ended 30 June 2021, the Group acquired mine properties amounting to US\$23,401,000 (30 June 2020: US\$1,350,000).

Included in the acquired mine properties is the capitalised amount of provision relating to rehabilitation of areas caused by mining disturbance (Note 19a) amounting to US\$5,422,000 (30 June 2020: Nil).

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

	Group 6 months ended 30 June	
	2021 US\$'000	2020 US\$'000
Charged to profit or loss		
- cost of sales	6,438	3,199
- other operating expenses	252	234
Amortisation expenses for the financial period	6,690	3,433

At the reporting date, the Group assessed whether there were any impairment indicators in relation to mining properties assets. As a result of this impairment assessment, no impairment indicators were noted.

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2021

12. Intangible assets

	Forest concession license US\$'000	Group Rail loop benefit US\$'000	Total US\$'000
Cost			
At 31 December 2020	13,046	2,166	15,212
Net exchange difference	–	(30)	(30)
At 30 June 2021	13,046	2,136	15,182
Accumulated amortisation			
At 31 December 2020	2,862	242	3,104
Amortisation charge	253	194	447
Net exchange difference	–	(8)	(8)
At 30 June 2021	3,115	428	3,543
Net carrying amount			
At 31 December 2020	10,184	1,924	12,108
At 30 June 2021	9,931	1,708	11,639

(a) Forest concession license

Forest concession license was acquired as a result of the Reverse Acquisition. Forest concession license has remaining period of 20.5 (31 December 2020: 21) years.

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

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

(b) Rail loop benefit

The rail loop benefit relates to future rebates on the cost of coal railings based on an agreement with the below rail infrastructure owner. Receipts of coal railing rebates are recognised in profit or loss as a credit against the cost incurred. The estimated useful life of the asset is aligned with the term of the contractual agreement and is amortised on a straight-line basis over the life in accordance with the anticipated profile of benefits received. The rail loop benefit has remaining period of 4.5 (31 December 2020: 5) years.

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2021

13. Goodwill

	Group US\$'000
At 31 December 2020	98,198
Impairment loss	(6,000)
At 30 June 2021	<u>92,198</u>

Impairment testing of goodwill and forest concession license

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

	Forestry and pulp CGU		Coal mining CGUs	
	30 June 2021 US\$'000	31 December 2020 US\$'000	30 June 2021 US\$'000	31 December 2020 US\$'000
Goodwill	69,822	75,822	22,376	22,376
Forest concession license	9,931	10,184	–	–

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

Key assumptions used in the value-in-use calculations

	Forestry and pulp CGU		Coal mining CGUs	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Projected logs / coal prices	US\$50 – US\$85/m ³	US\$44 – US\$90/m ³	US\$11 – US\$80/tonne	US\$11 – US\$62/tonne
Discount rates	14.2%	13.2%	12.0%	11.1%

13. Goodwill (cont'd)

Sensitivity to changes in assumptions

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

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

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

A rise in pre-tax discount rate to 14.7% (i.e., +0.5%) in forestry and pulp CGU would result in a further impairment. A rise in pre-tax discount rate to 12.5% (i.e., +0.5%) in coal mining CGUs would not result in impairment.

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Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2021

14. Investment in subsidiaries

Company	30 June 2021 US\$'000	31 December 2020 US\$'000
Shares, at cost	1,424,869	1,529,733
Impairment loss	(66,070)	(67,037)
	<u>1,358,799</u>	<u>1,462,696</u>

As at 30 June 2021, certain investment in subsidiaries were tested for impairment as the subsidiaries were making losses or the carrying amount of the investment in subsidiaries exceeds the carrying amounts of the investee's net assets. An impairment loss is the amount by which the carrying amount of an asset or a CGU exceeds its recoverable amounts. The recoverable amounts of the subsidiaries have been determined based on a value-in-use calculation using cash flow projections based on a financial budget approved by management covering up to the end of the mining concession licenses or forest concession tenure. The VIU is measured by management using key assumptions which are similar to those disclosed in Note 13, and no impairment loss is required to be recognised during the interim period (30 June 2020: Nil).

Disposal of ownership interest in a subsidiary without loss of control

On 30 March 2021, the Company completed the sale of 264,705,885 shares representing approximately 4.5% interest in PT Golden Energy Mines Tbk ("GEMS"), a direct subsidiary of the Company, for a consideration of US\$50,000,000 to Ascend Global Investment Fund SPC – ADSP ("Ascend Global").

Ascend Global shall fully settled the consideration within one year from the completion date. As at reporting date, the Company had received US\$5,820,000 from Ascend Global.

With the completion of the sale of 4.5% interest in GEMS on 30 March 2021, the Company holds 62.4998% equity stake in GEMS, thus do not result in losing control and GEMS remains to be a subsidiary of the Company. The transaction has been accounted for as an equity transaction (Note 20).

Golden Energy and Resources Limited and its Subsidiaries

**Notes to the condensed interim consolidated financial statements
For the six months ended 30 June 2021**

15. Investment in a joint venture

		Group	
		30 June 2021 US\$'000	31 December 2020 US\$'000
Redeemable Preference Shares in a joint venture		32,245	17,430
Interest in a joint venture		55,233	30,582
		87,478	48,012

<u>Name of entity</u>	<u>Place of business/country of incorporation</u>	<u>Proportion (%) of ownership interest</u>	
		30 June 2021	31 December 2020
<u>Held through Golden Investments (Australia) II Pte Ltd</u>			
Ravenswood Gold Group Pty Ltd	Australia	50	50
<u>Held through Golden Investments (Australia) Pte Ltd</u>			
MetRes Pty Ltd	Australia	50	—

During the six months ended 30 June 2021, the Group additional investment in a joint venture amounting to US\$47,574,000 (30 June 2020: US\$31,403,000).

Included in the additional investment in a joint venture are Redeemable Preference Shares in a joint venture amounting to US\$15,419,000 (30 June 2020: US\$15,701,000) and Interest in a joint venture amounting to US\$32,155,000 (30 June 2020: US\$15,702,000).

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2021

16. Investment securities

	Group		Company	
	30 June 2021 US\$'000	31 December 2020 US\$'000	30 June 2021 US\$'000	31 December 2020 US\$'000
Current				
At fair value through profit or loss				
- Equity securities (quoted)	1,491	1,925	1,491	1,925
Non-current				
At fair value through other comprehensive income				
- Equity securities (quoted)	17,933	—	17,933	—
- Equity securities (unquoted)	1,030	1,030	—	—
- Redeemable Preference Shares	18,756	3,613	15,000	—
	37,719	4,643	32,933	—

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

The Group has elected to measure current equity instruments at FVTPL due to the Group's intention to hold for trading purpose.

Investment securities at fair value through other comprehensive income

During the six months ended 30 June 2021, the Group had invested in equity securities amounting to US\$26,727,000 (30 June 2020: US\$1,000,000).

During the six months ended 30 June 2020, the Group disposed of certain investments which had a fair value of US\$36,493,000 at the date of disposal, with cumulative gain on disposal of US\$1,896,000 reclassified from other reserves to retained earnings.

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2021

17. Loans and borrowings

	Group		Company	
	30 June 2021 US\$'000	31 December 2020 US\$'000	30 June 2021 US\$'000	31 December 2020 US\$'000
Amount repayable within one year (current)				
Lease liabilities	1,013	1,600	216	214
Secured bank borrowings	57,549	112,836	9,000	34,822
Unamortised transaction costs	(114)	(921)	–	(807)
Total bank borrowings (current)	57,435	111,915	9,000	34,015
Total loans and borrowings (current)	58,448	113,515	9,216	34,229
Amount repayable after one year (non-current)				
Lease liabilities	959	1,227	171	284
Secured bank borrowings (includes Senior Secured Notes)	359,699	270,837	291,002	190,780
Unamortised transaction costs	(6,330)	(2,668)	(6,044)	(2,324)
Unamortised discount on Senior Secured Notes	(4,038)	(919)	(4,038)	(919)
Total bank borrowings (non-current)	349,331	267,250	280,920	187,537
Total loans and borrowings (non-current)	350,290	268,477	281,091	187,821
Total loans and borrowings	408,738	381,992	290,307	222,050

During the six months ended 30 June 2021, the Group issued senior secured notes amounting to US\$285,000,000 which carried fixed interest of 8.5% per annum over period of 5 years. The Group had also made early redemption on senior secured notes amounting to US\$150,000,000 which carried fixed interest of 9.0%. Expenses incurred related to early redemption of Notes has been charged to profit or loss of US\$9,499,000 (Note 6).

The secured bank borrowings are secured over certain trade receivable (and/or inventories), property and equipment, margin deposit, pledge of subsidiaries' shares and interest reserve accounts.

Golden Energy and Resources Limited and its Subsidiaries

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18. Post-employment benefits

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

The principal assumptions used in determining post-employment benefits as at reporting date were estimated based on similar assumptions in the last reporting period.

The amount recognised in the statement of financial position is determined as follows:

	Group 30 June 2021 US\$'000
Present value of defined benefit obligations and total post-employment benefits	5,360
Movements in the account are as follows:	
At 31 December 2020	5,029
Post-employment benefits expenses recognised in profit or loss	457
Exchange difference	(126)
At 30 June 2021	5,360

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

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2021

19. Provisions

	Group 30 June 2021 US\$'000	31 December 2020 US\$'000
Provision for mine rehabilitation and closure (Note a)	29,595	25,492
Provision for onerous contracts (Note b)	1,374	2,513
Provision for reinstatement costs (Note c)	45	45
	<u>31,014</u>	<u>28,050</u>

(a) Provision for mine rehabilitation and closure

This includes the net present value of the costs expected to be incurred for restoration and rehabilitation of mining areas. The amount of provision relating to rehabilitation of areas caused by mining disturbance is capitalised against Mine Properties as incurred.

	Group US\$'000
At 31 December 2020	25,492
Additions charged to mine properties (Note 11)	5,422
Additions charged to profit or loss	150
Notional interest	183
Utilisation	(770)
Reversal	(491)
Exchange difference	(391)
At 30 June 2021	<u>29,595</u>
Current	654
Non-current	<u>28,941</u>

(b) Provision for onerous contracts

This represents the net present value relates to the transaction to acquire the Isaac Plains Coal Mine which completed in November 2015 by a subsidiary. The Group acquired various long-term contracts necessary for mining activities at Isaac Plains including rail haulage, port allocations, water supply, electricity supply and accommodation. In the period from acquisition through to 30 June 2021, a number of onerous contracts have been settled through the ordinary course of business.

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2021

19. Provisions (cont'd)

(b) Provision for onerous contracts (cont'd)

	Group US\$'000
At 31 December 2020	2,513
Notional interest	96
Utilisation	(252)
Reversal	(973)
Exchange difference	(10)
At 30 June 2021	1,374
Current	287
Non-current	1,087

(c) Provision for reinstatement costs

This represents net present value of the costs expected to be incurred for reinstating the leased office premises.

	Group US\$'000
At 31 December 2020 and 30 June 2021	45
Current	–
Non-current	45

20. Share capital

	Group		Company	
	Number of shares '000	US\$'000	Number of shares '000	US\$'000
Issued and fully paid:				
At 31 December 2020	2,353,100	305,528	2,353,100	1,230,107
Non-controlling interest pursuant to disposal without loss of control (Note 14)	–	(13,233)	–	–
At 30 June 2021	2,353,100	292,295	2,353,100	1,230,107

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

The Company did not hold any treasury shares as at 30 June 2021 and 31 December 2020.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 31 December 2020.

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2021

20. Share capital (cont'd)

The amount recognised as issued equity interest in the consolidated financial statements were determined by adding the issued equity interest of GEMS, outstanding immediately before reverse acquisition to the fair value of GEAR Group at the completion date of reverse acquisition on 20 April 2015. However, the equity structure appearing in the balance sheets (i.e. the number and type of equity interests issued) shall reflect the equity structure of GEAR, including the equity interests issued to DSS to effect the acquisition in 2015.

In a reverse acquisition, the assets and liabilities of GEMS are measured and recognised in the consolidated financial statements at their pre-combination carrying amounts. Therefore, in a reverse acquisition the non-controlling interest reflects the non-controlling shareholders' proportionate interest in the pre-combination carrying amounts of GEMS net assets.

During the interim period ended 30 June 2021, the Company disposed 264,705,885 shares representing approximately 4.5% interest in GEMS which was accounted for as a reverse acquisition as explained above for a consideration of US\$50,000,000. This disposal did not result in losing control (Note 14) and accounted for as an equity transaction.

Any difference between the consideration and the carrying amount of the non-controlling interests is recognised in equity of the parent in transactions where the non-controlling interests are disposed without loss of control. The Group has elected to recognise this effect in retained earnings.

As a result, Group's share capital of US\$13,233,000 and other reserves of US\$91,000 were decreased, and foreign currency translation reserves of US\$3,550,000 and retained earnings of US\$43,677,000 were increased.

21. Related party disclosures

(a) Sale and purchase of goods and services

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

	Group	
	6 months ended 30 June	
	2021	2020
	US\$'000	US\$'000
Sales to related parties	96,102	84,022
Interest income from related parties	4	2
Purchases paid to related parties	(410)	(153)
Rental expenses paid to related parties	(209)	(279)
Insurance expenses paid to related parties	(115)	(3,463)
Telecommunication expenses paid to related parties	(14)	(3)
Office expenses paid to related parties	—	(9)
Freight & Demurrage paid to related parties	(468)	(523)

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

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2021

21. Related party disclosures (cont'd)

(b) Compensation of key management personnel

	Group	
	6 months ended	
	30 June 2021	30 June 2020
	US\$'000	US\$'000
Short-term employee benefits	8,200	2,901
Defined contributions/benefits	64	21
Other short-term benefits	399	301
	<u>8,663</u>	<u>3,223</u>
Comprises amounts paid and payable to:		
- directors of the Company	6,080	1,962
- other key management personnel	2,583	1,261
	<u>8,663</u>	<u>3,223</u>

22. Fair value of assets and liabilities

(a) Fair value hierarchy

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

Golden Energy and Resources Limited and its Subsidiaries

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

(b) Assets and liabilities measured at fair value

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

	Group			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant observable inputs other than quoted prices (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	Total US\$'000
30 June 2021				
Assets				
<i>Non-financial assets</i>				
Biological assets (Note 9)	—	—	6,720	6,720
<i>Financial assets</i>				
<u>Equity securities at fair value through profit or loss</u>				
Equity securities				
– Quoted (Note 16)	1,491	—	—	1,491
<u>Equity securities at FVOCI</u>				
Equity securities				
– Quoted (Note 16)	17,933	—	—	17,933
– Unquoted (Note 16)	—	—	1,030	1,030
Redeemable Preference Shares at FVOCI (Note 16)	—	—	18,756	18,756
<i>Financial liabilities</i>				
– Contingent consideration – vendor royalties*	—	—	(7,687)	(7,687)

*included in Trade and other payables

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**Notes to the condensed interim consolidated financial statements
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22. Fair value of assets and liabilities (cont'd)

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

	Group			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant observable inputs other than quoted prices (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	Total US\$'000
31 December 2020				
Assets				
<i>Non-financial assets</i>				
Biological assets (Note 9)	–	–	6,587	6,587
<i>Financial assets</i>				
<u>Equity securities at fair value through profit or loss</u>				
Equity securities				
– Quoted (Note 16)	1,925	–	–	1,925
<u>Equity securities at FVOCI</u>				
Equity securities				
– Unquoted (Note 16)	–	–	1,030	1,030
Redeemable Preference Shares at FVOCI (Note 16)	–	–	3,613	3,613
<i>Financial liabilities</i>				
– Contingent consideration – vendor royalties*	–	–	(10,583)	(10,583)

*included in Trade and other payables

There has been no transfer from Level 1 and Level 2 and Level 3 for the financial period ended 30 June 2021 and financial year ended 31 December 2020.

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Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2021

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

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

The carrying amounts of trade and other receivables, cash and cash equivalents, trade and other payables, and loans and borrowings are reasonable approximation of fair values due to their short-term nature.

(d) Level 3 fair value measurements

The following table presents the changes in Level 3 instruments:

	Unquoted equity securities (Note 16) US\$'000	Redeemable preference shares (Note 16) US\$'000	Contingent consideration – vendor royalties* US\$'000
At 31 December 2020	1,030	3,613	(10,583)
Additions	–	15,000	–
Notional interest	–	–	(420)
Utilisation	–	–	852
Fair value (losses)/gains recognised in			
- other comprehensive income	–	143	–
- profit or loss	–	–	2,380
Exchange differences	–	–	84
At 30 June 2021	1,030	18,756	(7,687)

*included in Trade and other payables

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

(d) Level 3 fair value measurements (cont'd)

Determination of fair value

Investments in an unquoted ordinary shares of US\$30,000 (31 December 2020: US\$30,000) representing equity ownership interest of below 20% are carried at cost as their fair values cannot be reliably measured. The Group believes the remaining investments in an unquoted ordinary shares of US\$1,000,000 (31 December 2020: US\$1,000,000) is approximate its fair value.

Investment in redeemable preference shares of US\$3,756,000 (31 December 2020: US\$3,613,000) which were valued using significant unobservable inputs, where the Group used net assets value report obtained from external party which is reviewed and approved by the Board of Directors. While for the additional investment in redeemable preference shares amounting to US\$15,000,000 that was made in June 2021, the Group believes that it reflects the fair value.

Contingent consideration relates to a royalty stream payable to the vendors which arises from business combination of Isaac Plains by Stanmore in 2015. Fair value of the contingent consideration payable has been determined based on valuation which performed using discounted cash flows methodology used similar key unobservable inputs as compared to the last reporting period.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

23. Segment information

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are disclosed below including the factors used to identify the reportable segments and the measurement basis of segment information.

The following summary describes the operations in each of the Group's reportable segments:

- *Energy coal.* Includes exploration, mining, processing and marketing of energy coal from its coal mining concession areas, and procuring sales orders from customers and sourcing for domestic suppliers.
- *Metallurgical coal.* Includes exploration, mining, processing and marketing of metallurgical coal from its coal mining concession areas.
- *Non-coal Business.* Includes forestry, investment holding company, gold mining and provision of management services.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group's income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2021

23. Segment information (cont'd)

	Energy Coal		Metallurgical Coal		Non-coal Business		Adjustments and Eliminations		Note	Consolidated	
	6 months ended 30 June		6 months ended 30 June		6 months ended 30 June		6 months ended 30 June			6 months ended 30 June	
	2021	2020	2021	2020	2021	2020	2021	2020		2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000		US\$'000	US\$'000
Revenue:											
Revenue from external customers	733,593	574,535	72,249	16,785	871	637	–	–		806,713	591,957
Inter segment revenue	–	–	–	–	–	–	–	–		–	–
	733,593	574,535	72,249	16,785	871	637	–	–		806,713	591,957
Results:											
Segment results	209,492	81,492	(16,829)	141	(27,220)	(14,997)	(6,357)	(700)	A,B	159,086	65,936
Interest income	1,694	2,220	513	13	4,215	4,234	(1,992)	(2,500)	B	4,430	3,967
Finance costs	(9,037)	(9,632)	(2,124)	(892)	(23,660)	(10,526)	2,675	3,194	B	(32,146)	(17,856)
Profit before tax										131,370	52,047
Income tax expense										(51,138)	(17,022)
Profit for the period										80,232	35,025
Compensation income	–	–	–	–	2,156	2,515	(2,156)	(2,515)	B	–	–
Depreciation expenses	(4,873)	(5,479)	(5,388)	(3,688)	(660)	(798)	–	–		(10,921)	(9,965)
Amortisation expenses	(2,463)	(2,753)	(5,074)	(1,224)	(260)	(346)	–	–		(7,797)	(4,323)
Share of loss of a joint venture	–	–	–	–	(6,508)	(3,864)	–	–		(6,508)	(3,864)
Fair value (loss)/gain on investment securities	–	–	–	–	(412)	24	–	–		(412)	24
Fair value gain on remeasurement of contingent liability	–	–	2,380	1,889	–	–	–	–		2,380	1,889
Assets and Liabilities:											
Segment assets	674,201	589,587	328,711	202,241	930,756	726,564	(419,419)	(216,688)		1,514,249	1,301,704
Segment assets includes:											
Investment in a joint venture	–	–	1,318	–	86,160	27,350	–	–		87,478	27,350
Addition to non-current assets	4,952	3,848	5,138	2,714	68	100	–	–	C	10,158	6,662
Segment liabilities	504,297	460,367	155,402	84,338	290,232	262,459	(88,404)	(97,569)		861,527	709,595

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Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2021

23. Segment information (cont'd)

- A The following items are added to/(deducted from) segment results net of intra-segment elimination to arrive at "Profit before tax" present in the consolidated statement of comprehensive income:

	Energy Coal US\$'000	Metallurgical Coal US\$'000	Non-coal Business US\$'000	Total US\$'000
1 January 2021 to 30 June 2021				
Other income	2,208	1,275	2,203	5,686
Selling and distribution expenses	(95,443)	(12,723)	(292)	(108,458)
Administrative expenses	(33,247)	(4,679)	(14,302)	(52,228)
Other operating (expenses)/ income	892	2,675	(14,122)	(10,555)
1 January 2020 to 30 June 2020				
Other income	2,279	243	3,402	5,924
Selling and distribution expenses	(102,686)	(1,214)	(787)	(104,687)
Administrative expenses	(27,837)	(1,030)	(8,974)	(37,841)
Other operating (expenses)/ income	2,202	(2,097)	(7,045)	(6,940)

- B Elimination is relating to intra-group transactions which are eliminated on consolidation.
- C Additions to non-current assets consist of additions to property, plant and equipment, deferred exploration and development costs and software.

Geographical information

Revenue information based on the geographical location of customers are as follows:

	Group 6 months ended 30 June	
	2021	2020
	US\$'000	US\$'000
China	288,473	232,776
Indonesia	285,485	233,806
India	143,846	78,995
Japan	37,124	9,911
South Korea	24,135	2,128
Philippines	11,544	11,972
Cambodia	3,648	5,524
Malaysia	3,488	6,295
Others	8,970	10,550
	806,713	591,957

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2021

24. Dividends

No interim dividends were paid by the Company in respect of the six months ended 30 June 2021 and 2020.

25. Net Asset Value

Net asset value per share is calculated based on net asset attributable to owners of the Company divided by the total number of ordinary shares issued at the financial period ended 30 June 2021 and financial year ended 31 December 2020.

The following reflects the net asset and share data used in the computation of net asset value per share:

	Group		Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	US\$'000	US\$'000	US\$'000	US\$'000
Net asset attributable to owners of the Company	453,370	384,872	1,422,806	1,419,382
Number of ordinary shares issued ('000)	2,353,100	2,353,100	2,353,100	2,353,100
Net asset value per ordinary share (cents per share)	19.27	16.36	60.47	60.32

26. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

Golden Energy and Resources Limited and its Subsidiaries**Notes to the condensed interim consolidated financial statements
For the six months ended 30 June 2021**

27. Reclassification of accounts

Certain accounts in the condensed interim consolidated statement of comprehensive income as of 30 June 2020 have been reclassified to conform with the 30 June 2021 condensed interim consolidated statement of comprehensive income presentation. A summary of such accounts as follows:

	Group	
	Before Reclassification US\$'000	After Reclassification US\$'000
Revenue	593,537	591,957
Other income	4,344	5,924
Administrative expenses	(38,306)	(37,841)
Finance costs	(17,391)	(17,856)
Fair value gains	1,113	1,913
Other operating expenses	(6,140)	(6,940)

Golden Energy and Resources Limited and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months ended 30 June 2021

OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Golden Energy and Resources Limited and its subsidiaries as at 30 June 2021 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-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Review of Statement of Comprehensive Income

Revenue

With the completion of the acquisition of Stanmore Resources Limited ("**Stanmore**") (formally known as Stanmore Coal Limited) on 18 May 2020, the Group has embarked into metallurgical coal business and changed its reportable segment into Energy Coal, Metallurgical Coal and Non-Coal Businesses (as compare to Coal Mining, Coal Trading and Non-Coal Businesses in 1H2020, with the combination of Coal Mining and Coal Trading into the Energy Coal segment).

The Group's revenue comprises revenue generated from Energy Coal and Metallurgical Coal segments as well as Non-coal Businesses. Total revenue increased by US\$214.76 million or 36.3% from US\$591.96 million in 1H2020 to US\$806.71 million in 1H2021.

Energy Coal Segment

Revenue from the Group's Energy Coal segment reported an increase in revenue by US\$159.06 million or 27.7% from US\$574.54 million in 1H2020 to US\$733.59 million in 1H2021. This was mainly due to an increase in average selling price ("**ASP**") (energy coal - mining) of 27.5% from US\$33.38 per tonne in 1H2020 to US\$42.56 per tonne in 1H2021, with a slight increase in sales volume from 16.70 million tonnes in 1H2020 to 16.84 million tonnes in 1H2021. The average Indonesia Coal Index 4 ("ICI4") in 1H2021, a better proxy for the majority of the Group's coal quality, was US\$47.89 per tonne. The Group's Energy Coal segment production volume remained relatively stable at 16.58 million tonnes in 1H2021 compared to 16.54 million tonnes in 1H2020.

Metallurgical Coal Segment

Metallurgical Coal segment registered an increase in revenue of US\$55.46 million from US\$16.79 million in 1H2020 to US\$72.25 million in 1H2021 contributed by consolidation of Stanmore's financial results for full 6 months as compared to 1.5 months a year ago (when the Group gained control on 18 May 2020).

Non-coal Businesses

Revenue from non-coal businesses comprises plywood and rubber sales. The increase of US\$0.23 million from US\$0.64 million in 1H2020 to US\$0.87 million in 1H2021 is mainly due to better performance from forestry division during the period under review.

Cost of sales

The Group reported an increase in cost of sales of US\$96.46 million or 25.6% from US\$376.56 million in 1H2020 to US\$473.02 million in 1H2021. This was mainly due to increase in royalty expenses on account of higher ASP from Energy Coal segment and due to the consolidation of Stanmore's financial results for full 6 months compared to 1.5 months in 1H2020. Despite the surge in revenue, cash cost (excluding royalty) from Energy Coal segment (mining) remained at US\$22.53 per tonne for both reporting periods as the Group continued to focus on cost optimisation and strict control.

Golden Energy and Resources Limited and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months ended 30 June 2021

2. Review of performance of the Group (Cont'd)

Review of Statement of Comprehensive Income (Cont'd)

Gross profit

The Group's gross profit increased by US\$118.30 million or 54.9% from US\$215.40 million in 1H2020 to US\$333.70 million in 1H2021 as a result of the above factors.

Expenses

Selling and distribution expenses

The Group's selling and distribution expenses increased by US\$3.77 million or 3.6% from US\$104.69 million in 1H2020 to US\$108.46 million in 1H2021 mainly due to the consolidation of Stanmore's financial results for full 6 months, which has been partially offset by the decrease in bargaining expenses from Energy Coal segment.

Administrative expenses

The Group's administrative expenses increased by US\$14.39 million or 38.0% from US\$37.84 million in 1H2020 to US\$52.23 million in 1H2021 mainly due to higher remuneration in line with better performance and the consolidation of Stanmore's financial results for full 6 months.

Other operating expenses

The Group's other operating expenses increased by US\$3.62 million or 52.1% from US\$6.94 million in 1H2020 to US\$10.56 million in 1H2021 mainly due to the impairment loss of goodwill and property, plant and equipment of US\$6.00 million and US\$0.80 million respectively, and exploration expenses of US\$0.38 million. The increase has been offset by the reversal on provision of mining activities and lower foreign exchange loss.

Finance costs

The Group's finance costs increased by US\$14.29 million or 80.0% from US\$17.86 million in 1H2020 to US\$32.15 million in 1H2021 mainly due to one off expenses aggregating to US\$10.52 million consisting of (i) Noteholder consent fee of US\$0.42 million, (ii) redemption premium of US\$6.75 million, and (iii) non-cash items totalling US\$3.35 million in relation to write-off of unamortised debts issuance cost of US\$2.58 million and unamortised discount on 2023 Notes of US\$0.77 million.

Share of loss of a joint venture (net of tax)

The Group's share of loss of a joint venture (net of tax) increased by US\$2.64 million or 68.4 % from US\$3.86 million in 1H2020 to US\$6.51 million in 1H2021 as Ravenswood Gold's production cost were not fully optimised due to ongoing expansion plan for increase in production capacity. A part of the losses is also contributed from higher interest expense arising on account of draw down and utilisation of project financing facility for the expansion plan.

Income tax expenses

Income tax expenses increased by US\$34.12 million or 200.4% from US\$17.02 million in 1H2020 to US\$51.14 million in 1H2021 mainly due to higher profit generated from Energy Coal segment and the withholding tax expense in relation to dividends received from overseas subsidiary during the period under review.

Profit after tax

Due to the factors above, the Group's net profit increased by US\$45.21 million or 129.1% to US\$80.23 million in 1H2021 as compared to US\$35.03 million in 1H2020, and profit attributable to owners of the Company increased by US\$12.59 million or 76.3% to US\$29.09 million in 1H2021 as compared to US\$16.5 million in 1H2020.

Golden Energy and Resources Limited and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months ended 30 June 2021

2. Review of performance of the Group (Cont'd)

Review of Statement of Comprehensive Income (Cont'd)

Other comprehensive income

The Group's other comprehensive income decreased by US\$0.91 million or 14.9% from a net gain of US\$6.07 million in 1H2020 to a net gain of US\$5.17 million in 1H2021. The net gain arose from the fair value gain from the investment in quoted shares, which was partially offset by the foreign currency translation differences.

Review of Statement of Financial Position

Non-current assets

- Right-of-use-assets ("ROU") decreased by US\$0.91 million at 30 June 2021 as a result of amortisation during the period under review.

- Goodwill on consolidation decreased by US\$6.00 million to US\$92.20 million at 30 June 2021 as a result of impairment loss recorded during the period under review.

- Investment in joint venture increased by US\$39.47 million to US\$87.48 million at 30 June 2021 mainly due to additional investment in Ravenswood Gold project, which is partially offset by share of results during the period under review.

- The increase in investment in securities of US\$33.08 million to US\$37.72 million at 30 June 2021 was due to new investments in quoted shares and redeemable preference shares during the period under review.

- The increase in non-current other receivables of US\$1.44 million to US\$3.51 million was mainly due to the interest receivables from Redeemable Preference Shares.

- The increase in restricted fund of US\$6.22 million to US\$25.48 million at 30 June 2021 was mainly due to an additional fund deposited in the interest reserve account relating to the new issuance of 2026 Notes.

Current assets

- The increase in trade and other receivables of US\$54.87 million to US\$194.51 million at 30 June 2021 was mainly due to higher revenue generated from Energy Coal segment during the period under review.

- The decrease in investment in securities of US\$0.43 million to US\$1.49 million as at 30 June 2021 was due to fair value loss recorded during the period under review.

Current liabilities

- Loans and borrowings decreased by US\$55.07 million to US\$58.45 million at 30 June 2021 mainly due to loan repayment during the period.

- Provision for taxation increased by US\$28.39 million to US\$39.09 million at 30 June 2021 mainly due to higher profits recorded by Indonesia subsidiaries during the period.

- Provision for mining activities decreased by US\$0.96 million to US\$0.94 million at 30 June 2021 as a result of re-measurement on the provision.

2. Review of performance of the Group (Cont'd)

Review of Statement of Financial Position

Non-current liabilities

- Loans and borrowings increased by US\$81.81 million to US\$350.29 million at 30 June 2021 mainly due to the issuance of 2026 Notes amounting to US\$285.00 million which is partially offset by the early settlement on 2023 Notes of US\$150.00 million and certain term loan facility during the period under review.

- Provisions increased by US\$3.92 million to US\$30.07 million at 30 June 2021 as a result of re-measurement of provision for mine rehabilitation and closure, and onerous contracts.

As at 30 June 2021, the Group has net current assets of US\$255.64 million and the Company has net current assets of US\$298.78 million. The Group has loans and borrowings totalling US\$408.74 million of which US\$58.45 million is due within the next 12 months. The Group's cash and cash equivalents stood at US\$248.28 million as at 30 June 2021.

Review of Statement of Cash Flows

The Group had net cash outflows of US\$13.12 million mainly due to the following:

Net cash generated from operating activities of US\$139.16 million comprised of operating cash inflow before working capital changes of US\$190.76 million, net working capital outflow of US\$13.46 million, various taxes paid of US\$18.90 million, and interest and other financial charges paid of US\$23.63 million. The Group also recorded interest income received of US\$4.38 million. The net working capital outflow of US\$13.46 million was mainly due to (i) an increase in trade and other receivables, advances and other current assets totalling US\$19.51 million; and (ii) a decrease in provisions of US\$1.02 million, partially offset by (i) an increase in trade and other payables of US\$4.89 million; and (ii) a decrease in inventories of US\$2.19 million.

Net cash flows used in investing activities of US\$105.01 million mainly due to (i) additional investment in Ravenswood Gold project of US\$47.57 million; (ii) purchase of investment securities of US\$26.73 million; (iii) purchase of property, plant and equipment of US\$6.28 million; (iv) additions to mining properties of US\$17.98 million; (v) increase in other non-current assets of US\$2.47 million; (vi) changes in restricted fund of US\$3.86 million; and (vii) additions to biological assets of US\$0.13 million.

Net cash flows used in financing activities of US\$47.27 million was mainly due to (i) payment of US\$156.75 million for early redemption of Notes; (ii) repayments of loans and borrowings of US\$122.83 million; (iii) payment of dividend to NCI of subsidiaries of US\$69.61 million; and (iv) lease payment of US\$0.65 million, partially offset by (i) proceeds from issuance of Notes, net of transactions cost of US\$275.88 million; (ii) proceeds from loans and borrowings of US\$20.87 million; and (iii) proceeds from disposal of NCI without a change in control of US\$5.82 million.

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

The financial results are in line with the Company's profit guidance announcement dated 25 July 2021.

4. A commentary at the date of the announcement of the significant trends competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

Energy Coal

Coal prices have surged to their highest level in a decade, as rebounding electricity usage and a drought in China lifted demand for energy coal and crimped supplies due to a Chinese ban on Australian coal led to a demand supply imbalance. As a result, Indonesia coal miners have emerged as one of the key beneficiaries. For 1H2021, average prices for ICI4 increased to US\$47.89 per tonne as compared to US\$30.55 per tonne in 1H2020 and US\$28.31 per tonne in 2H2020.

In 1H2021, China's electricity consumption rose 16.2% year-on-year, with benchmark spot energy coal prices soaring as high as about US\$153.89 per tonne in June 2021, before policymakers in China stepped-in in an attempt to steady prices by releasing 10 million tonnes of coal from its state reserves. This could lead to stable or softer prices domestically even as China's industrial production picks up and as it enters the summer and winter months. According to the China National Development and Reform Committee, China has laid out plans to boost capacity to store national coal reserves to around 600 million tonnes or about 15% of its annual coal consumption, a huge step-up from the current capacity of 100 million tonnes and will boost restocking demand.

Ex-China, demand from Asia-Pacific have also remained strong, contributing to upward pressure on coal prices. While Indonesian exports have been soft and slower to respond to high coal prices due to heavy rains, Indonesia has raised its 2021 coal output target to 625 million from 550 million tonnes previously following a review from the Energy and Mineral Resources Ministry. In line with strong demand, GEAR's subsidiary, PT Golden Energy Mines Tbk ("GEMS") has received approval for coal output production quota of 39.6 million tonnes for FY2021, an 18% targeted increase from its production volume of 33.5 million tonnes in FY2020. In 1H2021, GEAR has also reduced its shareholding in GEMS by about 4.5% to approximately 62.5%.

Metallurgical Coal

Following the Group's acquisition of Stanmore Resources Limited ("Stanmore") in FY2020 as part of GEAR's diversification strategy to include Metallurgical Coal, Stanmore has received a mining lease approval for its Isaac Downs Project and announced that its 50/50 joint venture with M Resources has completed the acquisition of Millennium and Mavis Downs Mine from Peabody Energy Australia. Operational expansion of Stanmore will allow the Group to further diversify its production and revenue mix.

India, world's top steel producer after China, produced 57.9 million tonnes of steel in 1H2021, a 31.3% increase from a year ago. According to Argus Seaborne Coal Outlook Report (Issue 21-6 dated 16 June 2021), Indian imports of metallurgical coal have remained at very high levels and continue to grow at a faster pace than iron production, which has slowed in April and May 2021 as a result of Covid-19 related disruptions. This could signal stockpiling which could impact demand in 2H2021. Steel production in ex-China markets also continue to grow strongly against a weak base in 2020 following negative impact from Covid-19 and bodes well for GEAR's Metallurgical Coal segment.

GEAR remains cautiously optimistic on the near to medium term outlook recovery for metallurgical coal demand and prices.

5. Dividend information

No dividend has been declared/recommended in the current financial period and the corresponding period of the immediately preceding financial year.

Golden Energy and Resources Limited and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months ended 30 June 2021

6. Interested person transactions

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	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)
		6M2021	6M2021
		US\$'000	US\$'000
Sales :			
PT Indah Kiat Pulp & Paper Tbk	*	-	52,043
PT Sinar Mas Agro Resources and Technology Tbk	^	-	2,842
PT Pabrik Kertas Tjiwi Kimia Tbk	*	-	9,560
PT SOCI Mas	^	-	1,807
PT Ivo Mas Tunggal	^	-	1,530
PT Energi Sejahtera Mas	^	-	890
PT Pindo Deli Pulp and Paper Mills	*	-	5,356
PT DSSP Power Kendari	#	-	10,409
PT Lontar Papyrus Pulp and Paper Industry	*	-	10,133
PT Sinarmas Bio Energy	^	-	1,532
Interest income:			
PT Bank Sinarmas Tbk	^	-	4
Purchases:			
PT Rolimex Kimia Nusamas	^	-	410
Rental expenses:			
PT Royal Oriental	^	-	209
Freight & Demurrage:			
PT Wirakarya Sakti	^	-	468
Telecommunication:			
PT Smart Telecom	^	-	1
PT Smartfren Telecom Tbk	^	-	13
Insurance expenses:			
PT Asuransi Sinar Mas	^	-	115

^ An associate of the Ultimate Controlling Shareholders¹

* An associate of a sibling of the Ultimate Controlling Shareholders¹

An associate of the Ultimate Controlling Shareholders¹ and DSS²

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

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

7. Confirmation that the Company has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

Golden Energy and Resources Limited and its Subsidiaries

**Other Information Required by Listing Rule Appendix 7.2
For the six months ended 30 June 2021**

Confirmation by the Board

The directors of the Company confirm that to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results for the six-month period ended 30 June 2021 to be false or misleading in any material respect pursuant to Rule 705(5) of the Listing Manual of the SGX-ST.

By Order of the Board

Fuganto Widjaja
Executive Chairman
13 August 2021