

GOLDEN ENERGY AND RESOURCES LIMITED

(Incorporated in the Republic of Singapore)
(Registration no. 199508589E)

Unaudited Financial Statements for the Period Ended 31 March 2017
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		
		3 Months Ended		
		31.3.2017	Restated ⁽¹⁾ 31.3.2016	+ / (-) %
		US\$'000		
Revenue	1	143,186	96,840	47.9
Cost of sales		(71,052)	(71,305)	(0.4)
Gross profit		72,134	25,535	182.5
Other income	2	3,404	4,786	(28.9)
Selling and distribution expenses		(20,461)	(13,371)	53.0
Administrative expenses		(9,767)	(7,040)	38.7
Other operating expenses		(2,610)	(564)	362.8
Finance costs	3	(2,221)	(4,453)	(50.1)
Profit before tax	4	40,479	4,893	727.3
Income tax expense	5	(10,892)	(2,703)	303.0
Profit for the period		29,587	2,190	1251.0
<i>Other comprehensive income to be reclassified to profit or loss:</i>				
Foreign currency translation		1,956	(990)	297.6
Total comprehensive income for the period		31,543	1,200	2528.6
Profit for the period attributable to:				
Owners of the Company		19,040	1,682	1032.0
Non-controlling interests		10,547	508	1976.2
		29,587	2,190	1251.0
Total comprehensive income for the period attributable to:				
Owners of the Company		20,893	763	2638.3
Non-controlling interests		10,650	437	2337.1
		31,543	1,200	2528.6

Note (1): On 18 April 2016, the Purchase Price Allocation in connection with the reverse take-over ("RTO") has been finalised and the financial statements have been adjusted accordingly on a retrospective basis.

Notes to the Statement of Comprehensive Income

		Group		
		3 Months Ended		
		31.3.2017	Restated⁽¹⁾ 31.3.2016	+ / (-) %
		US\$'000		
1	Revenue			
	Coal Mining	129,368	63,758	102.9
	Coal Trading	12,611	30,407	(58.5)
	Forestry	836	2,141	(61.0)
	Others	371	534	(30.5)
		143,186	96,840	47.9
2	Other Income			
	Foreign exchange (loss)/gain, net	-	1,784	(100.0)
	Interest income	1,422	1,129	26.0
	Compensation income	189	-	n.m.
	Miscellaneous income	215	9	2288.9
	Others	1,578	1,864	(15.3)
		3,404	4,786	(28.9)
3	Finance costs			
	Interest expenses	1,207	3,392	(64.4)
	Trade financing charges	959	826	16.1
	Amortisation of discounted loans and borrowings	-	105	(100.0)
	Others	55	130	(57.7)
		2,221	4,453	(50.1)
4	Profit before tax is arrived after charging the following:			
	Freight and stockpile	24,333	15,759	54.4
	Royalty fees	11,987	6,617	81.2
	Mining services and overheads	35,117	29,210	20.2
	Depreciation of property, plant and equipment	1,453	1,232	17.9
	Amortisation expenses	1,909	5,172	(63.1)
	Foreign exchange loss/(gain), net	1,585	(1,784)	(188.8)
	Inventories written down/(reversal)	355	(648)	(154.8)
	Inventories recognised as an expenses in cost of sales	14,461	29,726	(51.4)
5	Income tax expenses can be analysed as follows:			
	Current Income Tax	10,622	1,392	663.1
	Deferred Income Tax Expense	191	1,443	(86.8)
		10,813	2,835	281.4
	Under/(Over)provision in respect of previous years			
	Income Tax	79	-	n.m.
	Deferred Income Tax	-	(132)	(100.0)
		10,892	2,703	303.0

n.m. : denotes not meaningful

Note (1): On 18 April 2016, the Purchase Price Allocation in connection with the RTO has been finalised and the financial statements have been adjusted accordingly on a retrospective basis.

(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 31.3.2017	As at 31.12.2016	As at 31.3.2017	As at 31.12.2016
	US\$'000		US\$'000	
Non-Current Assets				
Biological assets	-	-	-	-
Property, plant and equipment	59,181	58,940	8	9
Mining properties	87,069	84,123	-	-
Intangible assets	12,078	12,204	-	-
Goodwill on consolidation ⁽ⁱ⁾	105,722	105,722	-	-
Amounts due from subsidiaries	-	-	1,321	217
Investment in subsidiaries	-	-	1,243,879	1,203,073
Other investments	35	14	-	-
Deferred tax assets	6,952	7,006	-	-
Trade and other receivables	216	258	-	-
Restricted funds	1,255	639	-	-
Other non-current assets	24,197	23,567	-	-
	296,705	292,473	1,245,208	1,203,299
Current Assets				
Inventories	7,266	8,637	-	-
Amounts due from subsidiaries	-	-	637	1,510
Trade and other receivables	100,671	79,046	136	204
Advances to supplier	67,943	58,403	-	-
Other current assets	2,504	1,551	107	91
Cash and cash equivalents	103,802	79,076	19,510	20,354
	282,186	226,713	20,390	22,159
Current Liabilities				
Trade and other payables	74,260	61,985	8,098	9,372
Amounts due to subsidiaries	-	-	1,803	1,798
Provision for taxation	19,197	8,808	107	52
Loans and borrowings	7,882	2,270	-	-
	101,339	73,063	10,008	11,222
Net Current Assets	180,847	153,650	10,382	10,937
Non-Current Liabilities				
Trade and other payables	113	112	-	-
Loans and borrowings	47,150	47,388	-	-
Deferred tax liabilities	9,875	9,820	98	95
Post-employment benefits	2,395	2,338	-	-
Provision for mine closure	1,687	1,676	-	-
	61,220	61,334	98	95
Net Assets	416,332	384,789	1,255,492	1,214,141
Represented by:				
Equity attributable to equity holders of the Company				
Share capital	316,253	316,253	1,631,352	1,631,352
Reserves	1,699	(19,194)	(375,860)	(417,211)
	317,952	297,059	1,255,492	1,214,141
Non-controlling interests	98,380	87,730	-	-
Total Equity	416,332	384,789	1,255,492	1,214,141

Note (i) Goodwill on consolidation comprises:

	As at 31.3.2017 US\$'000
Goodwill from GEMS Group #	7,855
Goodwill arising from completion of acquisition	97,867
Total	<u>105,722</u>

Includes a provisional goodwill of US\$7.2 million arising from acquisition of PT EMS Group.

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 31.3.2017		As at 31.12.2016		As at 31.3.2017		As at 31.12.2016	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
US\$'000		US\$'000		US\$'000		US\$'000	
7,882	-	2,270	-	47,150	-	47,388	-

⁽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 :

- (a) Pledge on the trade receivables and/or inventories for a minimum amount and a fixed margin deposit of a subsidiary; and
(b) The collaterals include certain property, plant and equipment, pledge of shares of a subsidiary and related company; and corporate guarantee from related company.

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	
	3 Months Ended	
	31.3.2017	Restated ⁽¹⁾ 31.3.2016
	US\$'000	
Cash flows from operating activities:		
Profit before tax	40,479	4,893
Adjustments for:		
Provision for mine closure	11	10
Depreciation of property, plant and equipment	1,453	1,232
Defined post-employment benefit expense	34	122
Amortisation of mining properties	1,341	4,528
Amortisation of software	36	64
Amortisation of land exploitation	405	453
Amortisation of intangible assets	126	126
Amortisation of discounted loans and borrowings	-	105
Inventories written down/(reversal)	355	(648)
Interest and other financial charges	1,011	4,218
Interest income	(1,422)	(1,129)
Net exchange differences	928	(2,005)
Operating cash inflows before changes in working capital	44,757	11,969
Decrease in inventories	1,015	5,513
Increase in trade and other receivables, advances and other current assets	(31,918)	(11,664)
Increase/(Decrease) in trade and other payables	12,690	(2,345)
Cash flows generated from operations	26,544	3,473
Interest and other financial charges paid	(2,166)	(2,098)
Interest income received	1,927	713
Income taxes paid	(261)	(879)
Net cash flows generated from operating activities	26,044	1,209
Cash flows from investing activities		
Additions to biological assets	-	(228)
Additions to mining properties	(4,177)	(1,311)
Proceeds from disposal of property, plant and equipment	12	-
Purchase of property, plant and equipment	(1,700)	(385)
Payments for loan to third parties	-	(27)
Increase in other non-current assets	(1,178)	(585)
Changes in restricted funds	(616)	103
Net cash flows used in investing activities	(7,659)	(2,433)
Cash flows from financing activities		
Proceeds from loans and borrowings	6,945	2,574
Repayment of loans and borrowings	(1,577)	(3,619)
Net cash flows generated from/(used in) financing activities	5,368	(1,045)
Net increase/(decrease) in cash and cash equivalents	23,753	(2,269)
Effect of exchange rate changes on cash and cash equivalents	973	1,393
Cash and cash equivalents at beginning of the period	79,076	44,487
Cash and cash equivalents at end of the period	103,802	43,611

Note (1): On 18 April 2016, the Purchase Price Allocation in connection with the RTO has been finalised and the financial statements have been adjusted accordingly on a retrospective basis.

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 3 months ended 31 March 2017 and 31 March 2016

	Group		Company	
	3 Months Ended		3 Months Ended	
	31.3.2017	Restated ⁽¹⁾ 31.3.2016	31.3.2017	31.3.2016
	US\$'000		US\$'000	
Profit for the period	29,587	2,190	167	1,522
Other comprehensive income to be reclassified to profit & loss:				
Foreign currency translation	1,956	(990)	41,184	54,343
Total comprehensive income for the period	31,543	1,200	41,351	55,865
Total comprehensive income attributable to:				
Owners of the Company	20,893	763	41,351	55,865
Non-controlling interests	10,650	437	-	-
	31,543	1,200	41,351	55,865

(ii) Consolidated statement of changes in equity for the 3 months ended 31 March 2017 and 31 March 2016

	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 2017	316,253	(50,256)	1,281	29,781	(19,194)	87,730	384,789
Profit for the period	-	-	-	19,040	19,040	10,547	29,587
<u>Other comprehensive income</u>							
Net actuarial loss on post employment benefits	-	-	86	-	86	(86)	-
Foreign currency translation	-	1,767	-	-	1,767	189	1,956
Other comprehensive income for the period	-	1,767	86	-	1,853	103	1,956
Total comprehensive income for the period	-	1,767	86	19,040	20,893	10,650	31,543
Balance as at 31 March 2017	316,253	(48,489)	1,367	48,821	1,699	98,380	416,332
Balance as at 1 January 2016, restated ⁽¹⁾	232,076	(50,046)	1,270	7,775	(41,001)	82,085	273,160
Profit for the period	-	-	-	1,682	1,682	508	2,190
<u>Other comprehensive income, restated</u>							
Foreign currency translation, restated	-	(919)	-	-	(919)	(71)	(990)
Other comprehensive income for the period	-	(919)	-	-	(919)	(71)	(990)
Total comprehensive income for the period	-	(919)	-	1,682	763	437	1,200
Balance as at 31 March 2016	232,076	(50,965)	1,270	9,457	(40,238)	82,522	274,360

Note (1): On 18 April 2016, the Purchase Price Allocation in connection with the RTO has been finalised and the financial statements have been adjusted accordingly on a retrospective basis.

(iii) Statement of changes in equity of the Company for the 3 months ended 31 March 2017 and 31 March 2016

	Attributable to owners of the Company					Total Reserves	Total Equity
	Share Capital	Foreign Currency Translation	Other Reserves	Share Based Reserves	Accumulated Losses		
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
COMPANY							
Balance as at 1 January 2017	1,631,352	(33,615)	5,826	-	(389,422)	(417,211)	1,214,141
Profit for the period	-	-	-	-	167	167	167
<u>Other comprehensive income</u>							
Foreign currency translation	-	41,184	-	-	-	41,184	41,184
Total comprehensive income for the period	-	41,184	-	-	167	41,351	41,351
Balance as at 31 March 2017	1,631,352	7,569	5,826	-	(389,255)	(375,860)	1,255,492
Balance as at 1 January 2016	1,546,171	(8,029)	5,826	1,003	(401,247)	(402,447)	1,143,724
Profit for the period	-	-	-	-	1,522	1,522	1,522
<u>Other comprehensive income</u>							
Foreign currency translation	-	54,343	-	-	-	54,343	54,343
Total comprehensive income for the period	-	54,343	-	-	1,522	55,865	55,865
Total transactions with owners in their capacity as owners	-	-	-	-	-	-	-
Balance as at 31 March 2016	1,546,171	46,314	5,826	1,003	(399,725)	(346,582)	1,199,589

(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 and the number of subsidiary holdings, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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.

Nil

(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 31.3.2017	As at 31.12.2016
Total number of issued shares	2,353,100,380	2,353,100,380

(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.

(d)(v) A statement showing all the sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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 2016. A number of new accounting standards are effective for the financial year beginning 1 January 2017. The adoption of these standards has no material impact on the financial statements.

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.

Refer to paragraph 4 above.

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.

Profit net of tax for the period attributable to owners of the Company used in the computation of basic and diluted earnings per share:

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

Group	
3 Months Ended	
31.3.2017	Restated 31.3.2016
0.35	0.03
5,373,548	5,143,806
0.35	0.03
5,373,548	5,143,806

* The weighted average number of ordinary shares is calculated based on:

(a) the number of ordinary shares outstanding from the beginning of the prior period, up to the completion of the RTO ("RTO Completion Date") is computed based on the weighted average number of ordinary shares of the GEMS Group outstanding before the RTO Completion Date multiplied by the exchange ratio established in the share purchase agreement of the RTO; and

(b) the number of ordinary shares outstanding from the RTO Completion Date up to 31 March is the actual number of ordinary shares of the Company outstanding.

** Applying the weighted average number of shares in issue of GEAR at 2,353,100,380 ordinary shares (31 March 2017) and 2,170,120,082 ordinary shares (31 March 2016), the basic and diluted earnings per share for the 3 months ended 31 March 2017 and 31 March 2016 are 0.81 US cents and 0.08 US cents respectively.

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.

Net asset value per share (US cents)
Number of shares ('000)

Group		Company	
31.3.2017	31.12.2016	31.3.2017	31.12.2016
13.51	12.62	53.35	51.60
2,353,100	2,353,100	2,353,100	2,353,100

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**

Revenue

The Group's revenue comprises revenue generated from Coal Mining, Coal Trading and Forestry Divisions. Revenue from the Group increased from US\$96.84 million in 1Q16 to US\$143.19 million in 1Q17. The increase was mainly due to increase in revenue from the Group's Coal Mining Division, partially offset by decrease in the Group's Coal Trading and Forestry Divisions.

Coal Mining Division

The Group's Coal Mining Division reported an increase in revenue from US\$63.76 million in 1Q16 to US\$129.37 million in 1Q17. The increase was mainly due to higher sales volume and higher average selling price achieved as compared to the corresponding reporting period. Average realised selling price increased from US\$31.53 per metric ton in 1Q16 to US\$40.86 per metric ton in 1Q17. The average Indonesia Coal Index 4 ("ICI4") in 1Q17, a better proxy for the majority of the Group's coal quality, was US\$42.74 per metric ton.

Coal Trading Division

Revenue generated by the Group's Coal Trading Division decreased from US\$30.41 million in 1Q16 to US\$12.61 million in 1Q17. The decrease was mainly due to lower sales volume, offset by higher average sales realisation price as compared to the corresponding reporting period.

Forestry Division

Revenue generated by the Group's Forestry Division decreased from US\$2.14 million in 1Q16 to US\$0.84 million in 1Q17 due to lower sales volume partially offset by higher average realised selling price.

Cost of Sales

The Group reported a decrease in cost of sales from US\$71.31 million in 1Q16 to US\$71.05 million in 1Q17. This was mainly due to the decrease in coal purchases, lower amortisation of exploration and stripping cost offset by an increase in mining production.

Gross Profit

The Group's gross profit increased from US\$25.54 million in 1Q16 to US\$72.13 million in 1Q17. The increase in gross profit was mainly due to the above factors.

Other income

The Group's other income decreased from US\$4.79 million in 1Q16 to US\$3.4 million in 1Q17, mainly due to the absence of foreign exchange gain of US\$1.78 million in 1Q16 offset by an increase of (1) interest income of US\$0.29 million; and (2) compensation income of US\$0.19 million.

Expenses

Selling and distribution expenses

The Group's selling and distribution expenses increased from US\$13.37 million in 1Q16 to US\$20.46 million in 1Q17 mainly due to increase in freight expenses as a result of higher sales volume.

Administrative expenses

The Group's administrative expenses increased from US\$7.04 million in 1Q16 to US\$9.77 million in 1Q17 mainly due to an increase in repair & maintenance expenses and manpower costs as a result of higher coal mining production and higher sales volume.

Other operating expenses

The Group's other operating expenses increased from US\$0.56 million in 1Q16 to US\$2.61 million in 1Q17 mainly due to foreign exchange loss in 1Q17.

Finance costs

The Group's finance costs decreased from US\$4.45 million in 1Q16 to US\$2.22 million in 1Q17 as a result of loans settlements in December 2016.

Income tax expenses

Income tax expenses increased from US\$2.7 million in 1Q16 to US\$10.89 million in 1Q17 as a result of higher taxable profits in 1Q17.

Profit after tax

Due to the factors above, the Group recorded a net profit of US\$29.59 million in 1Q17 as compared to US\$2.19 million in 1Q16, and a profit attributable to owners of the Company of US\$19.04 million in 1Q2017 as compared to US\$1.68 million in 1Q2016.

(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

Non-current assets

- The decrease in trade and other receivables of US\$0.04 million was due to increased receivables collection.
- The increase in restricted fund of US\$0.62 million was due to reclamation guarantee placed with a bank.

Current assets

- The decrease in inventories of US\$1.37 million was due to a lower coal purchases from third parties as well as an increase in sales volume in 1Q17.
- The increase in trade and other receivables of US\$21.63 million was mainly due to higher sales in March 2017.
- The increase in advances and other current assets of US\$10.49 million was mainly due to an increase of advance payment of US\$9.1 million to coal suppliers for advances paid for coal purchases and goods not received during the period under review.

Current liabilities

- Trade and other payables increased by US\$12.28 million, mainly due to increased activities in 1Q17 and higher royalty costs due to higher sales volume.
- Provision for taxation increased by US\$10.39 million as a result of the increase in taxable profit during the period under review.
- Loans and borrowings increased by US\$5.61 million as a result of withdrawal of demand loan facility during the period under review.

As at 31 March 2017, the Group has net current assets of US\$180.85 million and the Company has net current assets of US\$10.38 million. The Group has loans and borrowings totalling US\$55.03 million out of which US\$7.88 million are due within the next 12 months.

Review of Statement of Cash Flows

For 1Q17, the Group had net cash inflows of US\$23.75 million mainly due to the following:

Net cash generated from operating activities of US\$26.04 million which comprised operating cash inflow before working capital changes of US\$44.76 million, net working capital outflow of US\$18.21 million, income tax paid as well as interest and other financial charges paid amounted to US\$0.26 million and US\$2.17 million respectively. The Group also recorded interest income received of US\$1.93 million.

The net working capital outflow of US\$18.21 million was mainly due to an increase in trade and other receivables, advances and other current assets of US\$31.92 million, partially offset by an increase in trade and other payables of US\$12.69 million and a decrease in inventories of US\$1.02 million.

Net cash flows used in investing activities of US\$7.66 million was mainly due to (1) additions to mining properties of US\$4.18 million; (2) purchase of property, plant and equipment of US\$1.7 million; (3) changes in restricted fund of US\$0.62 million; and (4) an increase in other non-current assets of US\$1.18 million.

Net cash flows generated from financing activities of US\$5.37 million was due to proceeds from loans and borrowings of US\$6.95 million offset with repayment of loans and borrowings of US\$1.58 million.

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.

The outlook of the coal industry globally is expected to remain positive for the next 12 months as stronger power demand and slower-than-expected supply additions lend support to thermal coal prices this year.

Correspondingly, GEAR continues to see robust thermal coal demand among its key export markets, particularly China and India, where the reliance on coal-fired power remains elevated as the domestic energy demands of both countries continue to be on an uptrend. China's coal-fired power generation had stayed at a raised level after reaching a high of 423.6 billion kWh in December 2016¹, while India's power generation is expected to increase to around 1,750 terawatts hour ("TWh") by 2020², with coal accounting for more than 1,230 TWh.

Domestically, Indonesia's own power consumption is expected to reach 334 TWh in 2020, up from about 174 TWh in 2012, which is likely to drive demand for coal in the coming decades³.

Looking ahead, GEAR intends to continue ramping up its coal production capacity, amid the firm demand and pricing for thermal coal.

Extracted from:-

1. <http://blogs.platts.com/2017/05/02/china-coal-fired-power-generation-surprises-naysayers/>

2. www.argusmedia.com

3. *Coalasia Vol 77, March 25 – April 25, 2017*

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 March 2017.

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)
	3 Months Ended	3 Months Ended
	31.3.2017 US\$'000	31.3.2017 US\$'000
Sales :		
PT Indah Kiat Pulp & Paper Tbk	-	20,514
PT Lontar Papyrus Pulp and Paper Industry	-	4,884
PT Sinar Mas Agro Resources & Technology Tbk	-	1,345
PT Pabrik Kertas Tjiwi Kimia Tbk	-	1,588
PT SOCI Mas	-	44
PT Ivo Mas Tunggal	719	-
PT Energi Sejahtera Mas	200	-
PT Pindo Deli Pulp and Paper Mills	-	4,059
Interest income :		
PT Bank Sinarmas Tbk	-	6
Purchases :		
PT Rolimex Kimia Nusamas	-	11
Rental expenses :		
PT Royal Oriental	-	702
Repair and maintenance:		
PT Wirakarya Sakti	-	234
Insurance expenses :		
PT Asuransi Sinar Mas	-	741

14 Negative confirmation by the Board pursuant to Rule 705(5)

The Board of Directors hereby confirm that, to their best of their knowledge, nothing has come to their attention which may render for financial results for the period ended 31 March 2017 to be false or misleading in any material aspect.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out Appendix 7.7) under Rule 720(1)

The Company has procured undertakings from all its directors and executive officers.

16 Use of placement proceeds

Referring to the placement of 181,000,000 new ordinary shares at S\$0.67 each in the issued and paid-up share capital of the Company on 9 December 2016, pursuant to which gross proceeds of S\$121,270,000 (or net proceeds of S\$120,093,000) was raised.

As at the balance sheet date, the Company has utilised the net proceeds as follows:

	Amount Allotted S\$'000	Utilised S\$'000	%
Net proceeds	120,093		
Utilisation			
Repayment of loans owing to creditors	100,000	(92,538)	92.54%
General working capital purposes	16,493	(681)	4.13%
- Payment to vendors for goods and services and not limited to legal and professional fees		(681)	
Professional fees relating to RTO	3,600	(1,991)	55.30%
Total amount	<u>120,093</u>	<u>(95,210)</u>	<u>79.28%</u>
Unutilised net proceeds		<u>24,883</u>	<u>20.72%</u>

The use of proceeds as stated above is in accordance with the intended use as stated in the Company's placement announcements dated 28 November 2016 and 7 December 2016.

The Company will make periodic announcements on the further utilisation of the remaining net proceeds as and when it is materially disbursed, and will provide a status report on the use of the Placement in its annual reports as may be required under the SGX-ST Listing Rules.

BY ORDER OF THE BOARD
Fuganto Widjaja
Executive Director, Chief Executive Officer
15 May 2017

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.