

GOLDEN ENERGY AND RESOURCES LIMITED

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

Unaudited Financial Statements for the Period Ended 30 June 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			Group			
	3 Months Ended			6 Months Ended			
	30.6.2017	30.6.2016	+ / (-) %	30.6.2017	30.6.2016	+ / (-) %	
	US\$'000			US\$'000			
Revenue	1	139,640	90,137	54.9	282,826	186,977	51.3
Cost of sales		(74,403)	(61,625)	20.7	(145,455)	(132,930)	9.4
Gross profit		65,237	28,512	128.8	137,371	54,047	154.2
Other income	2	2,163	1,611	34.3	5,567	6,397	(13.0)
Selling and distribution expenses		(18,811)	(13,785)	36.5	(39,272)	(27,156)	44.6
Administrative expenses		(16,512)	(9,915)	66.5	(26,279)	(16,955)	55.0
Other operating expenses		(2,228)	(764)	191.6	(4,838)	(1,328)	264.3
Finance costs	3	(2,943)	(5,058)	(41.8)	(5,164)	(9,511)	(45.7)
Profit before tax	4	26,906	601	4376.9	67,385	5,494	1126.5
Income tax expense	5	(7,803)	(1,060)	636.1	(18,695)	(3,763)	396.8
Profit for the period		19,103	(459)	4261.9	48,690	1,731	2712.8
Other comprehensive income not to be reclassified to profit or loss :							
Net actuarial gain on post employment benefits		129	-	n.m.	129	-	n.m.
Other comprehensive income to be reclassified to profit or loss:							
Foreign currency translation		1,347	(62)	2272.6	3,303	(1,052)	414.0
Total comprehensive income for the period		20,579	(521)	4049.9	52,122	679	7576.3
Profit for the period attributable to:							
Owners of the Company		11,763	(1,170)	1105.4	30,803	512	5916.2
Non-controlling interests		7,340	711	932.3	17,887	1,219	1367.4
		19,103	(459)	4261.9	48,690	1,731	2712.8
Total comprehensive income for the period attributable to:							
Owners of the Company		13,044	(1,216)	1172.7	33,937	(453)	7591.6
Non-controlling interests		7,535	695	984.2	18,185	1,132	1506.4
		20,579	(521)	4049.9	52,122	679	7576.3

Notes to the Statement of Comprehensive Income

	Group			Group		
	3 Months Ended			6 Months Ended		
	30.6.2017	30.6.2016	+ /(-) %	30.6.2017	30.6.2016	+ /(-) %
US\$'000			US\$'000			
1 Revenue						
Coal Mining	124,397	78,949	57.6	253,765	142,707	77.8
Coal Trading	13,504	9,404	43.6	26,115	39,811	(34.4)
Forestry	1,734	1,285	34.9	2,570	3,426	(25.0)
Others	5	499	(99.0)	376	1,033	(63.6)
	139,640	90,137	54.9	282,826	186,977	51.3
2 Other Income						
Foreign exchange gain	-	445	(100.0)	-	2,229	(100.0)
Interest income	1,812	1,169	55.0	3,234	2,298	40.7
Compensation income	91	-	n.m.	280	-	n.m.
Miscellaneous income	260	10	2500.0	475	19	2400.0
Others	-	(13)	(100.0)	1,578	1,851	(14.7)
	2,163	1,611	34.3	5,567	6,397	(13.0)
3 Finance costs						
Interest expenses	1,396	3,831	(63.6)	2,603	7,223	(64.0)
Trade financing charges	993	1,082	(8.2)	1,952	1,908	2.3
Amortisation of discounted loans and borrowings	-	84	(100.0)	-	189	(100.0)
Others	554	61	808.2	609	191	218.8
	2,943	5,058	(41.8)	5,164	9,511	(45.7)
4 Profit before tax is arrived after charging the following:						
Freight and stockpile	23,418	8,882	163.7	47,751	24,641	93.8
Royalty fees	13,338	6,962	91.6	25,325	13,579	86.5
Mining services and overheads	42,025	33,491	25.5	77,142	62,701	23.0
Depreciation of property, plant and equipment	1,056	1,207	(12.5)	2,509	2,439	2.9
Amortisation expenses	2,233	7,397	(69.8)	4,142	12,674	(67.3)
Foreign exchange loss	497	-	n.m.	2,082	-	n.m.
Inventories (reversal)/written down	(67)	24	(379.2)	288	(624)	(146.2)
Inventories recognised as an expenses in cost of sales	9,122	14,132	(35.5)	23,583	43,858	(46.2)
5 Income tax expenses can be analysed as follows:						
Current Income Tax	8,260	962	758.6	18,882	2,354	702.1
Deferred Income Tax Expense	(458)	98	(567.3)	(267)	1,541	(117.3)
	7,802	1,060	636.0	18,615	3,895	377.9
Under/(Over)provision in respect of previous years						
Income Tax	1	-	n.m.	80	-	n.m.
Deferred Income Tax	-	-	n.m.	-	(132)	(100.0)
	7,803	1,060	636.1	18,695	3,763	396.8

n.m. : denotes not meaningful

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

	Group		Company	
	As at 30.6.2017	As at 31.12.2016	As at 30.6.2017	As at 31.12.2016
	US\$'000		US\$'000	
Non-Current Assets				
Property, plant and equipment	59,230	58,940	244	9
Mining properties	86,793	84,123	-	-
Intangible assets	11,952	12,204	-	-
Goodwill on consolidation ⁽ⁱ⁾	105,963	105,722	-	-
Amounts due from subsidiaries	-	-	1,323	217
Investment in subsidiaries	-	-	1,251,718	1,203,073
Other investments	30	14	-	-
Deferred tax assets	7,287	7,006	-	-
Trade and other receivables	212	258	-	-
Restricted funds	1,255	639	-	-
Other non-current assets	22,964	23,567	-	-
	295,686	292,473	1,253,285	1,203,299
Current Assets				
Inventories	8,862	8,637	-	-
Amounts due from subsidiaries	-	-	1,013	1,510
Trade and other receivables	103,717	79,046	35	204
Advances to suppliers	85,319	58,403	-	-
Other current assets	1,512	1,551	86	91
Cash and cash equivalents	122,099	79,076	21,914	20,354
	321,509	226,713	23,048	22,159
Current Liabilities				
Trade and other payables	66,688	61,985	2,299	9,372
Amounts due to subsidiaries	-	-	1,803	1,798
Provision for taxation	16,626	8,808	67	52
Loans and borrowings	40,808	2,270	-	-
	124,122	73,063	4,169	11,222
Net Current Assets	197,387	153,650	18,879	10,937
Non-Current Liabilities				
Trade and other payables	129	112	-	-
Loans and borrowings	46,913	47,388	-	-
Deferred tax liabilities	9,993	9,820	99	95
Post-employment benefits	2,516	2,338	-	-
Provision for mine closure	1,698	1,676	-	-
	61,249	61,334	99	95
Net Assets	431,824	384,789	1,272,065	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	14,742	(19,194)	(359,287)	(417,211)
	330,995	297,059	1,272,065	1,214,141
Non-controlling interests	100,829	87,730	-	-
Total Equity	431,824	384,789	1,272,065	1,214,141

Note (i) Goodwill on consolidation comprises:

	As at 30.6.2017 US\$'000
Goodwill from GEMS Group #	8,096
Goodwill arising from completion of Company's reverse take-over in April 2015	97,867
Total	105,963

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 30.6.2017		As at 31.12.2016		As at 30.6.2017		As at 31.12.2016	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
US\$'000		US\$'000		US\$'000		US\$'000	
40,808	-	2,270	-	46,913	-	47,388	-

⁽¹⁾ These represent aggregate balances of loans and borrowings due within the next 12 months.

⁽²⁾ These represent aggregate balances of loans and borrowings due after one year.

Details of any collateral

The following sets out the details of the collaterals 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) Pledge of certain property, plant and equipment and shares of a subsidiary and a related company; and corporate guarantee from a 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		Group	
	3 Months Ended		6 Months Ended	
	30.6.2017	30.6.2016	30.6.2017	30.6.2016
	US\$'000		US\$'000	
Cash flows from operating activities:				
Profit before tax	26,906	601	67,385	5,494
Adjustments for:				
Provision for mine closure	11	10	22	20
Depreciation of property, plant and equipment	1,056	1,207	2,509	2,439
Defined post-employment benefit expense	121	120	155	242
Amortisation of mining properties	1,405	6,601	2,746	11,129
Amortisation of software	37	65	73	129
Amortisation of land exploitation	666	520	1,071	973
Amortisation of intangible assets	127	127	253	253
Amortisation of discounted loans and borrowings	-	84	-	189
Inventories (reversal)/written down	(67)	24	288	(624)
Interest and other financial charges	1,160	4,913	2,171	9,131
Interest income	(1,812)	(1,169)	(3,234)	(2,298)
Net exchange differences	1,054	(387)	1,982	(2,392)
Operating cash inflows before changes in working capital	30,664	12,716	75,421	24,685
(Increase)/decrease in inventories	(1,528)	5,497	(513)	11,010
(Increase)/decrease in trade and other receivables, advances and other current assets	(19,794)	794	(51,712)	(10,870)
(Decrease)/increase in trade and other payables	(5,592)	(12,870)	7,098	(15,215)
Cash flows generated from operations	3,750	6,137	30,294	9,610
Interest and other financial charges paid	(2,389)	(2,909)	(4,555)	(5,007)
Interest income received	1,875	1,138	3,802	1,851
Income taxes paid	(8,313)	(788)	(8,574)	(1,667)
Net cash flows (used in)/generated from operating activities	(5,077)	3,578	20,967	4,787
Cash flows from investing activities				
Additions to biological assets	(378)	(322)	(378)	(550)
Additions to mining properties	(1,221)	(1,914)	(5,398)	(3,225)
Proceeds from disposal of property, plant and equipment	8	-	20	-
Purchase of property, plant and equipment	(1,112)	(550)	(2,812)	(935)
Payment for mines under construction	(21)	(7)	(21)	(7)
Receipts from loan to third parties	-	28	-	1
(Increase)/decrease in other non-current assets	(1,649)	443	(2,827)	(142)
Changes in restricted funds	-	100	(616)	203
Net cash flows used in investing activities	(4,373)	(2,222)	(12,032)	(4,655)
Cash flows from financing activities				
Payment of dividend to NCI of subsidiaries	(5,086)	-	(5,086)	-
Proceeds from loans and borrowings	40,623	12,385	47,568	14,959
Repayment of loans and borrowings	(8,307)	(2,903)	(9,884)	(6,522)
Net cash flows generated from financing activities	27,230	9,482	32,598	8,437
Net increase in cash and cash equivalents	17,780	10,838	41,533	8,569
Effect of exchange rate changes on cash and cash equivalents	517	(538)	1,490	856
Cash and cash equivalents at beginning of the period	103,802	43,612	79,076	44,487
Cash and cash equivalents at end of the period	122,099	53,912	122,099	53,912

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 6 months ended 30 June 2017 and 30 June 2016

	Group		Company	
	6 Months Ended		6 Months Ended	
	30.6.2017	30.6.2016	30.6.2017	30.6.2016
	US\$'000		US\$'000	
Profit for the period	48,690	1,731	8,724	(363)
Other comprehensive income not to be reclassified to profit & loss:				
Net actuarial gain on post employment benefits	129	-	-	-
Other comprehensive income to be reclassified to profit & loss:				
Foreign currency translation	3,303	(1,052)	49,200	55,781
Total comprehensive income for the period	52,122	679	57,924	55,418
Total comprehensive income attributable to:				
Owners of the Company	33,937	(453)	57,924	55,418
Non-controlling interests	18,185	1,132	-	-
	52,122	679	57,924	55,418

(ii) Consolidated statement of changes in equity for the 6 months ended 30 June 2017 and 30 June 2016

	Attributable to owners of the Company						Non-controlling Interests	Total Equity
	Share Capital	Foreign Currency Translation	Other Reserves	Retained earnings	Total Reserves			
GROUP	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	
Balance as at 1 January 2017	316,253	(50,256)	1,281	29,781	(19,194)	87,730	384,789	
Profit for the period	-	-	-	30,803	30,803	17,887	48,690	
<u>Other comprehensive income</u>								
Net actuarial gain on post employment benefits	-	-	87	-	87	42	129	
Foreign currency translation	-	3,047	-	-	3,047	256	3,303	
Other comprehensive income for the period	-	3,047	87	-	3,134	298	3,432	
Total comprehensive income for the period	-	3,047	87	30,803	33,937	18,185	52,122	
<u>Contributions by and distributions to owners</u>								
Dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	(5,087)	(5,087)	
Total contributions by and distributions to owners	-	-	-	-	-	(5,087)	(5,087)	
Balance as at 30 June 2017	316,253	(47,209)	1,368	60,584	14,743	100,828	431,824	
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	-	-	-	512	512	1,219	1,731	
<u>Other comprehensive income, restated</u>								
Foreign currency translation, restated	-	(965)	-	-	(965)	(87)	(1,052)	
Other comprehensive income for the period	-	(965)	-	-	(965)	(87)	(1,052)	
Total comprehensive income for the period	-	(965)	-	512	(453)	1,132	679	
Balance as at 30 June 2016	232,076	(51,011)	1,270	8,287	(41,454)	83,217	273,839	

Note (1): On 18 April 2016, the Purchase Price Allocation in connection with the reverse take-over 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 6 months ended 30 June 2017 and 30 June 2016

	Attributable to owners of the Company						Total Equity
	Share Capital	Foreign Currency Translation	Other Reserves	Share Based Reserves	Accumulated Losses	Total Reserves	
COMPANY	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Balance as at 1 January 2017	1,631,352	(33,615)	5,826	-	(389,422)	(417,211)	1,214,141
Profit for the period	-	-	-	-	8,724	8,724	8,724
<u>Other comprehensive income</u>							
Foreign currency translation	-	49,200	-	-	-	49,200	49,200
Total comprehensive income for the period	-	49,200	-	-	8,724	57,924	57,924
Balance as at 30 June 2017	1,631,352	15,585	5,826	-	(380,698)	(359,287)	1,272,065
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	-	-	-	-	(363)	(363)	(363)
<u>Other comprehensive income</u>							
Foreign currency translation	-	55,781	-	-	-	55,781	55,781
Total comprehensive income for the period	-	55,781	-	-	(363)	55,418	55,418
Balance as at 30 June 2016	1,546,171	47,752	5,826	1,003	(401,610)	(347,029)	1,199,142

- (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 30.6.2017	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		Group 6 Months Ended	
30.6.2017	Restated ⁽¹⁾ 30.6.2016	30.6.2017	Restated ⁽¹⁾ 30.6.2016
0.50	(0.05)	1.31	0.02
2,353,100	2,170,120	2,353,100	2,170,120
0.50	(0.05)	1.31	0.02
2,353,100	2,170,120	2,353,100	2,170,120

Note (1): The comparative for Basic and Diluted EPS have been restated based on the revised weighted average number of ordinary shares post reverse takeover.

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	
30.6.2017	31.12.2016	30.6.2017	31.12.2016
14.07	12.62	54.06	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\$90.14 million in 2Q16 to US\$139.64 million in 2Q17. The increase was mainly due to an increase in revenue from the Group's Coal Mining, Coal Trading and Forestry Divisions.

Coal Mining Division

The Group's Coal Mining Division reported an increase in revenue from US\$78.95 million in 2Q16 to US\$124.4 million in 2Q17. 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\$31.56 per metric ton in 2Q16 to US\$42.58 per metric ton in 2Q17. The average Indonesia Coal Index 4 ("ICI4") in 2Q17, a better proxy for the majority of the Group's coal quality, stood at US\$40.12 per metric ton.

Coal Trading Division

Revenue generated by the Group's Coal Trading Division increased from US\$9.4 million in 2Q16 to US\$13.5 million in 2Q17. The increase was mainly due to higher average sales realisation price and an increase in sales volume as compared to the corresponding reporting period.

Forestry Division

Revenue generated by the Group's Forestry Division increased from US\$1.29 million in 2Q16 to US\$1.73 million in 2Q17 due to higher average realised selling price partially offset by lower sales volume.

Cost of Sales

The Group reported an increase in cost of sales from US\$61.63 million in 2Q16 to US\$74.4 million in 2Q17. This was mainly due to an increase in mining production and coal purchases offset by lower amortisation of exploration and stripping cost.

Gross Profit

The Group's gross profit increased from US\$28.51 million in 2Q16 to US\$65.24 million in 2Q17. The increase in gross profit was mainly due to the above factors.

Other income

The Group's other income increased from US\$1.61 million in 2Q16 to US\$2.16 million in 2Q17, mainly due to an increase in interest income of US\$0.64 million, an increase in miscellaneous income of US\$0.25 million and an increase in compensation income of US\$0.09 million offset by a decrease in foreign exchange gain of US\$0.45 million.

Expenses

Selling and distribution expenses

The Group's selling and distribution expenses increased from US\$13.79 million in 2Q16 to US\$18.81 million in 2Q17 mainly due to increase in freight expenses as a result of higher sales volume.

Administrative expenses

The Group's administrative expenses increased from US\$9.92 million in 2Q16 to US\$16.51 million in 2Q17 mainly due to an increase in repair & maintenance expenses, manpower costs and mining operational expenses as a result of higher coal mining production and higher sales activities.

Other operating expenses

The Group's other operating expenses increased from US\$0.76 million in 2Q16 to US\$2.23 million in 2Q17 mainly due to foreign exchange loss and withholding tax offset by a decrease in depreciation and amortisation.

Finance costs

The Group's finance costs decreased from US\$5.06 million in 2Q16 to US\$2.94 million in 2Q17 due mainly to the settlement of certain loans in December 2016.

Income tax expenses

Income tax expenses increased from US\$1.06 million in 2Q16 to US\$7.8 million in 2Q17 as a result of higher taxable profits in 2Q17.

Profit for the period

Due to the factors above, the Group recorded a net profit of US\$19.1 million in 2Q17 as compared to net loss of US\$0.46 million in 2Q16, and a profit attributable to owners of the Company of US\$11.76 million in 2Q17 as compared to a loss attributable to owners of US\$1.17 million in 2Q16.

(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\$0.05 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 increase in trade and other receivables of US\$24.67 million was mainly due to higher sales in 2Q17.
- The increase in advances to suppliers and other current assets was mainly due to an increase of advance payment of US\$18.5 million to coal suppliers for advances paid for coal purchases and an advance payment of US\$8.0 million relating to the proposed acquisition of interest in coal concession held by BSL respectively.

Current liabilities

- Provision for taxation increased by US\$7.82 million as a result of the increase in taxable profit during the period under review.
- Loans and borrowings increased by US\$38.54 million as a result of drawdown of a working capital loan facility during the period under review.

As at 30 June 2017, the Group has net current assets of US\$197.39 million and the Company has net current assets of US\$18.88 million. The Group has loans and borrowings totalling US\$87.72 million out of which US\$40.81 million are due within the next 12 months.

Review of Statement of Cash Flows

For 2Q17, the Group had net cash inflows of US\$17.78 million mainly due to the following:

Net cash used in operating activities of US\$5.08 million comprised operating cash inflow before working capital changes of US\$30.66 million, net working capital outflow of US\$26.91 million, income tax paid as well as interest and other financial charges paid amounting to US\$8.31 million and US\$2.39 million respectively and interest income received of US\$1.88 million.

The net working capital outflow of US\$26.91 million was mainly due to an increase in trade and other receivables, advances and other current assets of US\$19.79 million, a decrease in trade and other payables of US\$5.59 million and an increase in inventories of US\$1.53 million.

Net cash flows used in investing activities of US\$4.37 million was mainly due to (1) additions to mining properties of US\$1.22 million; (2) purchase of property, plant and equipment of US\$1.11 million; (3) additions to biological assets of US\$0.38 million; and (4) an increase in other non-current assets of US\$1.65 million.

Net cash flows generated from financing activities of US\$27.23 million was due to proceeds from loans and borrowings of US\$40.62 million offset with repayment of loans and borrowings of US\$8.31 million and payment of dividend to non-controlling interest of subsidiaries of US\$5.09 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.

Coal demand in GEAR's key export markets, China and India, remain robust in the first half of 2017. Short-term supply issues in China were exacerbated by weaker-than-expected hydropower brought about by the closure of up to two thirds of hydropower plants capacity to limit damage due to flooding as a result of higher rainfall. This continued to lend support to global import demand for thermal coal in the period under review. Reflecting this, the price of FOB Kalimantan 4,200 kcal/kg GAR coal rose 3.6% to US\$42.50/MT at end July.

The Group continues to maintain a positive outlook for its coal business as the global reliance on coal is set to remain for decades despite the growth in renewable energy sources.

New industry data on the world's biggest developers of coal-fired power plants showed that China's energy companies will make up nearly half of the new coal generation expected to go online in the next decade.

On the domestic front, the Indonesian government's electrification programme to add 35,000 megawatts (MW) in power generation capacity across the country by 2019 continues to be a key driver for demand.

In the current operating landscape, GEAR believes that it is well-positioned to capture opportunities brought about by the increasing coal demand with its raised production capacity and established branding of its BIB 4,000 – 4,200 GAR coal.

11 Dividend

(a) Current Financial Period Reported On

Any ordinary dividend declared for the current financial period reported on?

Yes

Name of Dividend:	Interim
Dividend type:	Cash
Dividend Amount per Share:	0.8 Singapore cents per ordinary share
Tax rate:	Tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Period

None

(c) Date payable.

The interim Dividend will be paid on 4 September 2017.

(d) Book Closure Date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 22 August 2017 at 5.00 p.m. for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 22 August 2017 will be registered to determine shareholders' entitlement to the Interim Dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares at 5.00 p.m. on 22 August 2017 will be entitled to the Interim Dividend.

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

Not applicable

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)
	6 Months Ended	6 Months Ended
	30.6.2017 US\$'000	30.6.2017 US\$'000
Sales :		
PT Indah Kiat Pulp & Paper Tbk	-	39,770
PT Lontar Papyrus Pulp and Paper Industry	-	10,174
PT Sinar Mas Agro Resources & Technology Tbk	-	3,415
PT Pabrik Kertas Tjiwi Kimia Tbk	-	5,558
PT SOCI Mas	-	2,058
PT Ivo Mas Tunggal	1,452	-
PT Energi Sejahtera Mas	538	-
PT Pindo Deli Pulp and Paper Mills	-	7,261
Interest income :		
PT Bank Sinarmas Tbk	-	9
Purchases :		
PT Rolimex Kimia Nusamas	-	50
Rental expenses :		
PT Royal Oriental	-	375
Repair and maintenance:		
PT Wirakarya Sakti	-	515
Insurance expenses :		
PT Asuransi Sinar Mas	-	1,356

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 30 June 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 date of this announcement, the Company has utilised the net proceeds as follows:

	Amount Allotted after the Reallocation	Amount utilised as at the date hereof	Balance after the Reallocation
Intended use of net proceeds	S\$'000	S\$'000	S\$'000
Repayment of loans owing to creditors	92,535	92,535	-
Working Capital (including, inter alia, manpower expenses, office running expenses, payment to tax authorities, professional fees for compliance placement and various corporate exercises, internal and external audit fees, fees for tax agents; share registrar; and corporate secretarial service providers)	23,958	11,821	12,137
Repayment of RTO expenses (including, inter alia, professional fees paid to external auditors; financial advisers and legal counsels)	3,600	2,149	1,451
Total reallocated / utilised / balance after reallocation	120,093	106,505	13,588

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
 14 August 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.