GOLDEN ENERGY AND RESOURCES LIMITED
(Incorporated in the Republic of Singapore)
(Registration no. 199508589E)

Unaudited Financial Statements for the Period Ended 30 September 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 30.9.2017	Group 3 Months Ended Restated 30.9.2016	+/(-) %	Group 9 Months Ended 30.9.2017	Group 9 Months Ended Restated 30.9.2016	+/(-) %
		US$'000	US$'000		US$'000	US$'000	
Revenue	1	**179,316**	97,631	83.7	**462,142**	284,608	62.4
Cost of sales		**(105,564)**	(58,193)	81.4	**(251,019)**	(191,123)	31.3
Gross profit		**73,752**	39,438	87.0	**211,123**	93,485	125.8
Other income	2	**6,513**	3,700	76.0	**12,080**	10,097	19.6
Selling and distribution expenses		**(24,202)**	(13,808)	75.3	**(63,474)**	(40,964)	55.0
Administrative expenses		**(13,830)**	(7,010)	97.3	**(40,109)**	(23,965)	67.4
Other operating expenses		**(4,008)**	(1,073)	273.5	**(8,846)**	(2,401)	268.4
Finance costs	3	**(2,584)**	(4,549)	(43.2)	**(7,748)**	(14,060)	(44.9)
Profit before tax	4	**35,641**	16,698	113.4	**103,026**	22,192	364.2
Income tax expense	5	**(16,883)**	(5,078)	232.5	**(35,578)**	(8,841)	302.4
Profit for the period		**18,758**	11,620	61.4	**67,448**	13,351	405.2
Other comprehensive income not to be reclassified to profit or loss :							
Net actuarial (loss)/gain on post employment benefits		**-**	-	n.m.	**129**	-	n.m.
Other comprehensive income to be reclassified to profit or loss:							
Foreign currency translation		**683**	(21)	3352.4	**3,986**	(1,073)	471.5
Total comprehensive income for the period		**19,441**	11,599	67.6	**71,563**	12,278	482.9
Profit for the period attributable to:							
Owners of the Company		**9,916**	6,766	46.6	**40,719**	7,278	459.5
Non-controlling interests		**8,842**	4,854	82.2	**26,729**	6,073	340.1
		18,758	11,620	61.4	**67,448**	13,351	405.2
Total comprehensive income for the period attributable to:							
Owners of the Company		**10,842**	6,717	61.4	**44,779**	6,264	614.9
Non-controlling interests		**8,599**	4,882	76.1	**26,784**	6,014	345.4
		19,441	11,599	67.6	**71,563**	12,278	482.9

Notes to the Statement of Comprehensive Income

		Group 3 Months Ended			Group 9 Months Ended		
		30.9.2017	Restated 30.9.2016	+/(-) %	30.9.2017	Restated 30.9.2016	+/(-) %
		US$'000			US$'000		
1	**Revenue**						
	Coal Mining	**154,828**	87,111	77.7	**408,593**	229,818	77.8
	Coal Trading	**23,614**	8,218	187.3	**49,729**	48,029	3.5
	Others	**874**	2,302	(62.0)	**3,820**	6,761	(43.5)
		179,316	97,631	83.7	**462,142**	284,608	62.4
2	**Other Income**						
	Foreign exchange gain, net	**-**	446	(100.0)	**-**	2,675	(100.0)
	Interest income	**1,566**	1,637	(4.3)	**4,800**	3,935	22.0
	Compensation income	**106**	501	(78.8)	**386**	501	(23.0)
	Reversal of prior year withholding tax provision	**4,591**	-	n.m.	**4,591**	1,851	148.0
	Miscellaneous income	**250**	1,116	(77.6)	**2,303**	1,135	102.9
		6,513	3,700	76.0	**12,080**	10,097	19.6
3	**Finance costs**						
	Interest expenses	**1,383**	3,450	(59.9)	**3,986**	10,673	(62.7)
	Trade financing charges	**935**	1,028	(9.0)	**2,887**	2,936	(1.7)
	Amortisation of discounted loans and borrowings	**-**	32	(100.0)	**-**	221	(100.0)
	Others	**266**	39	582.1	**875**	230	280.4
		2,584	4,549	(43.2)	**7,748**	14,060	(44.9)
4	**Profit before tax is arrived after charging the following:**						
	Freight and stockpile	**31,473**	12,398	153.9	**79,224**	37,039	113.9
	Royalty fees	**16,703**	8,191	103.9	**42,028**	21,770	93.1
	Mining services and overheads	**57,021**	20,924	172.5	**134,163**	83,625	60.4
	Depreciation of property, plant and equipment	**1,318**	1,259	4.7	**3,827**	3,698	3.5
	Amortisation expenses	**3,800**	7,258	(47.6)	**7,942**	19,742	(59.8)
	Foreign exchange loss	**2,297**	**-**	n.m.	**4,379**	**-**	n.m.
	Inventories (reversal)/written down	**(94)**	(172)	(45.3)	**194**	(796)	(124.4)
	Inventories recognised as an expenses in cost of sales	**17,156**	7,282	135.6	**40,739**	51,140	(20.3)
5	**Income tax expenses can be analysed as follows:**						
	Current Income Tax	**9,122**	5,271	73.1	**28,004**	7,625	267.3
	Deferred Income Tax Expense	**7,760**	(193)	(4120.7)	**7,493**	1,348	455.9
		16,882	5,078	232.5	**35,497**	8,973	295.6
	Under/(Over)provision in respect of previous years						
	Income Tax	1	-	n.m.	**81**	-	n.m.
	Deferred Income Tax	-	-	n.m.	**-**	(132)	(100.0)
		16,883	5,078	232.5	**35,578**	8,841	302.4

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	
		Restated		
	As at 30.9.2017	As at 31.12.2016	As at 30.9.2017	As at 31.12.2016
	US$'000		US$'000	
Non-Current Assets				
Property, plant and equipment	**61,300**	58,940	**206**	9
Mining properties	**89,489**	88,836	**-**	-
Intangible assets	**11,826**	12,204	**-**	-
Goodwill on consolidation	**103,679**	103,707	**-**	-
Amounts due from subsidiaries	**-**	-	**2,060**	217
Investment in subsidiaries	**-**	-	**1,278,884**	1,203,073
Other investments	**30**	14	**-**	-
Deferred tax assets	**7,305**	7,006	**-**	-
Trade and other receivables	**209**	258	**-**	-
Restricted funds	**2,772**	639	**-**	-
Other non-current assets	**22,718**	23,548	**-**	-
	299,328	295,152	**1,281,150**	1,203,299
Current Assets				
Inventories	**14,767**	8,637	**-**	-
Amounts due from subsidiaries	**-**	-	**650**	1,510
Trade and other receivables	**136,096**	79,046	**22**	204
Advances to supplier	**91,813**	58,403	**-**	-
Other current assets	**2,162**	1,551	**1,142**	91
Cash and cash equivalents	**98,089**	79,076	**15,122**	20,354
	342,927	226,713	**16,936**	22,159
Current Liabilities				
Trade and other payables	**107,756**	61,985	**1,943**	9,372
Amounts due to subsidiaries	**-**	-	**1,793**	1,798
Provision for taxation	**23,087**	8,808	**27**	52
Loans and borrowings	**13,626**	2,270	**-**	-
	144,469	73,063	**3,763**	11,222
Net Current Assets	**198,458**	153,650	**13,173**	10,937
Non-Current Liabilities				
Trade and other payables	**135**	112	**-**	-
Loans and borrowings	**40,949**	47,388	**-**	-
Deferred tax liabilities	**20,846**	13,084	**101**	95
Post-employment benefits	**2,605**	2,338	**-**	-
Provision for mine closure	**1,710**	1,676	**-**	-
	66,245	64,598	**101**	95
Net Assets	**431,541**	384,204	**1,294,222**	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	**11,937**	(19,779)	**(337,130)**	(417,211)
	328,190	296,474	**1,294,222**	1,214,141
Non-controlling interests	**103,351**	87,730	**-**	-
Total Equity	**431,541**	384,204	**1,294,222**	1,214,141

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 30.9.2017		As at 31.12.2016		As at 30.9.2017		As at 31.12.2016	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
US$'000		US$'000		US$'000		US$'000	
13,626	**-**	2,270	-	**40,949**	**-**	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, and 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		Group	
	3 Months Ended		9 Months Ended	
	30.9.2017	Restated 30.9.2016	30.9.2017	Restated 30.9.2016
	US$'000		US$'000	
Cash flows from operating activities:				
Profit before tax	**35,641**	16,698	**103,026**	22,192
Adjustments for:				
Provision for mine closure	**12**	10	**34**	30
Depreciation of property, plant and equipment	**1,318**	1,259	**3,827**	3,698
Defined post-employment benefit expense	**120**	121	**275**	363
Amortisation of mining properties	**2,564**	6,017	**5,310**	17,146
Amortisation of software	**37**	65	**110**	194
Amortisation of land exploitation	**1,072**	1,050	**2,143**	2,023
Amortisation of intangible assets	**127**	126	**379**	379
Amortisation of discounted loans and borrowings	**-**	32	**-**	221
Gain on disposal of other investment	**(230)**	-	**(230)**	-
Inventories (reversal)/written down	**(94)**	(172)	**194**	(796)
Interest and other financial charges	**4,702**	4,478	**6,873**	13,609
Interest income	**(1,566)**	(1,637)	**(4,800)**	(3,935)
Net exchange differences	**1,667**	(636)	**3,271**	(3,028)
Operating cash inflows before changes in working capital	**45,370**	27,411	**120,412**	52,096
(Increase)/Decrease in inventories	**(5,811)**	(1,599)	**(6,324)**	9,411
(Increase)/Decrease in trade and other receivables, advances and other current assets	**(24,463)**	(2,322)	**(76,175)**	(13,192)
Increase/(Decrease) in trade and other payables	**31,385**	241	**38,483**	(14,974)
Cash flows generated from operations	**46,481**	23,731	**76,396**	33,341
Interest and other financial charges paid	**(2,318)**	(2,286)	**(6,873)**	(7,293)
Interest income received	**1,638**	1,696	**5,440**	3,547
Income taxes paid	**(2,872)**	(1,234)	**(11,446)**	(2,901)
Net cash flows generated from operating activities	**42,929**	21,907	**63,517**	26,694
Cash flows from investing activities				
Net cash outflows on acquisition of subsidiaries	**-**	(36,440)	**-**	(36,440)
Net cash inflow from disposal of other investment	**1,018**	-	**1,018**	-
Purchase of asset available for sale	**(1,002)**	-	**(1,002)**	-
Additions to biological assets	**(205)**	(157)	**(583)**	(707)
Additions to mining properties	**(579)**	1,297	**(5,977)**	(1,928)
Additions to other investment	**(22)**	-	**(22)**	-
Advance payment for proposed acquisition of subsidiaries	**(8,000)**	-	**(8,000)**	-
Proceeds from disposal of property, plant and equipment	**14**	-	**34**	-
Purchase of property, plant and equipment	**(3,410)**	(287)	**(6,222)**	(1,222)
Payment for mines under construction	**-**	-	**-**	(7)
Receipt from loan to third parties	**-**	4	**-**	5
(Increase)/Decrease in other non-current assets	**(617)**	13,647	**(3,465)**	13,505
Changes in restricted funds	**(1,517)**	-	**(2,133)**	203
Net cash flows used in investing activities	**(14,320)**	(21,936)	**(26,352)**	(26,591)
Cash flows from financing activities				
Payment of dividend	**(13,852)**	-	**(13,852)**	-
Payment of dividend to NCI of subsidiaries	**(6,077)**	(1,201)	**(11,163)**	(1,201)
Proceeds from loans and borrowings	**16,100**	1,565	**63,668**	16,523
Repayment of loans and borrowings	**(48,414)**	(12,729)	**(58,298)**	(19,251)
Net cash flows used in financing activities	**(52,243)**	(12,365)	**(19,645)**	(3,929)
Net (decrease)/increase in cash and cash equivalents	**(23,634)**	(12,394)	**17,520**	(3,825)
Effect of exchange rate changes on cash and cash equivalents	**3**	315	**1,493**	1,171
Cash and cash equivalents at beginning of the period	**121,720**	53,912	**79,076**	44,487
Cash and cash equivalents at end of the period	**98,089**	41,833	**98,089**	41,833

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 9 months ended 30 September 2017 and 30 September 2016

	Group		Company	
	9 Months Ended		9 Months Ended	
	30.9.2017	Restated 30.9.2016	30.9.2017	30.9.2016
	US$'000		US$'000	
Profit for the period	**67,448**	13,351	**17,028**	(363)
Other comprehensive income not to be reclassified to profit & loss:				
Net actuarial (loss)/gain on post employment benefits	**129**	-	**-**	-
Other comprehensive income to be reclassified to profit & loss:				
Foreign currency translation	**3,986**	(1,073)	**76,905**	55,781
Total comprehensive income for the period	**71,563**	12,278	**93,933**	55,418
Total comprehensive income attributable to:				
Owners of the Company	**44,779**	6,264	**93,933**	55,418
Non-controlling interests	**26,784**	6,014	**-**	-
	71,563	12,278	**93,933**	55,418

(ii) Consolidated statement of changes in equity for the 9 months ended 30 September 2017 and 30 September 2016

	<--------------- Attributable to owners of the Company --------------->						
	Share Capital	**Foreign Currency Translation**	**Other Reserves**	**Retained earnings**	**Total Reserves**	**Non-controlling Interests**	**Total Equity**
GROUP	**US$ '000**	**US$ '000**	**US$ '000**	**US$ '000**	**US$ '000**	**US$ '000**	**US$ '000**
Balance as at 1 January 2017,restated(1)	**316,253**	**(50,841)**	**1,281**	**29,781**	**(19,779)**	**87,730**	**384,204**
Profit for the period	**-**	**-**	**-**	**40,719**	**40,719**	**26,729**	**67,448**
Other comprehensive income							
Net actuarial loss on post employment benefits	**-**	**-**	**87**	**-**	**87**	**42**	**129**
Foreign currency translation	**-**	**3,973**	**-**	**-**	**3,973**	**13**	**3,986**
Other comprehensive income for the period	**-**	**3,973**	**87**	**-**	**4,060**	**55**	**4,115**
Total comprehensive income for the period	**-**	**3,973**	**87**	**40,719**	**44,779**	**26,784**	**71,563**
Contributions by and distributions to owners							
Difference arising from additional investments in a subsidiary	**-**	**-**	**789**	**-**	**789**	**-**	**789**
Dividends paid on ordinary shares	**-**	**-**	**-**	**(13,852)**	**(13,852)**	**-**	**(13,852)**
Dividends paid to non-controlling interests by subsidiaries	**-**	**-**	**-**	**-**	**-**	**(11,163)**	**(11,163)**
Total contributions by and distributions to owners	**-**	**-**	**789**	**(13,852)**	**(13,063)**	**(11,163)**	**(24,226)**
Balance as at 30 September 2017	**316,253**	**(46,868)**	**2,157**	**56,648**	**11,937**	**103,351**	**431,541**
Balance as at 1 January 2016, restated	**232,076**	**(50,046)**	**1,270**	**7,775**	**(41,001)**	**82,085**	**273,160**
Profit for the period	**-**	**-**	**-**	**7,278**	**7,278**	**6,073**	**13,351**
Other comprehensive income, restated							
Foreign currency translation, restated	**-**	**(1,014)**	**-**	**-**	**(1,014)**	**(59)**	**(1,073)**
Other comprehensive income for the period	**-**	**(1,014)**	**-**	**-**	**(1,014)**	**(59)**	**(1,073)**
Total comprehensive income for the period	**-**	**(1,014)**	**-**	**7,278**	**6,264**	**6,014**	**12,278**
Contributions by and distributions to owners							
Dividends paid to non-controlling interests by subsidiaries	**-**	**-**	**-**	**-**	**-**	**(1,201)**	**(1,201)**
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**-**	**(1,201)**	**(1,201)**
Balance as at 30 September 2016, restated(1)	**232,076**	**(51,060)**	**1,270**	**15,053**	**(34,737)**	**86,898**	**284,237**

Note:
(1): On 18 September 2017, the Purchase Price Allocation in connection with the acquisition of EMS and its subsidiaries 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 9 months ended 30 September 2017 and 30 September 2016

	<--------------- Attributable to owners of the Company --------------->						
	Share Capital	**Foreign Currency Translation**	**Other Reserves**	**Share Based Reserves**	**Accumulated Losses**	**Total Reserves**	**Total Equity**
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	**-**	**-**	**-**	**-**	**17,028**	**17,028**	**17,028**
Other comprehensive income							
Foreign currency translation	-	**76,905**	**-**	**-**	**-**	**76,905**	**76,905**
Total comprehensive income for the period	**-**	**76,905**	**-**	**-**	**17,028**	**93,933**	**93,933**
Dividends paid	**-**	**-**	**-**	**-**	**(13,852)**	**(13,852)**	**(13,852)**
Total transactions with owners in their capacity as owners	**-**	**-**	**-**	**-**	**(13,852)**	**(13,852)**	**(13,852)**
Balance as at 30 September 2017	**1,631,352**	**43,290**	**5,826**	**-**	**(386,246)**	**(337,130)**	**1,294,222**
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	-	-	-	-	(2,035)	(2,035)	(2,035)
Other comprehensive income							
Foreign currency translation	-	41,545	-	-	-	41,545	41,545
Total comprehensive income for the period	-	41,545	-	-	(2,035)	39,510	39,510
Balance as at 30 September 2016	1,546,171	33,516	5,826	1,003	(403,282)	(362,937)	1,183,234

(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 30.9.2017	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.

1 (e) **Acquisition of subsidiaries**

On 20 September 2016, the Group's subsidiary company, GEMS and KIM acquired 100% share ownership in PT Era Mitra Selaras("EMS") and its subsidiaries("EMS group"). On the date of acquisition, EMS group has not started their operation.

Upon completion of the acquisition, the Group recognised a preliminary positive goodwill amounting to US$7.16 million in the financial statements based on the estimated fair value of the assets and liabilities on the acquisition date and accounted for in accordance with the accounting policies of the Group. The goodwill represents an excess on the fair value of purchase consideration over the fair value of the net identifiable assets of the net identifiable assets of EMS and its subsidiaries.

On 18 September 2017, the Purchase Price Allocation has been finalised with a positive goodwill of US$5.14 million. As a result, the prior period's comparatives in the current period's financial statements have been restated to reflect the above.

1 (e)(i) **The fair value of the identifiable assets and liabilities of GEAR as at acquisition date were:**

	Golden Energy and Resources	
	Estimated fair value recognised on acquisition	**Restated based on PPA report dated 18 September 2017**
	US$'000	
Mining properties	37,405	42,118
Other non-current assets	123	104
Cash and cash equivalents	744	744
Other payables and accruals	(503)	(503)
Deferred tax liabilities	(7,159)	(10,423)
Total identifiable net assets at estimate fair value	30,610	32,040
Fair value of purchase consideration	(37,769)	(37,184)
Goodwill arising from acquisition	(7,159)	(5,144)

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.**

	Group 3 Months Ended		Group 9 Months Ended	
	30.9.2017	**30.9.2016**	**30.9.2017**	**30.9.2016**
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) :-	**0.42**	0.31	**1.73**	0.34
- Weighted average number of ordinary shares ('000) *	**2,353,100**	2,170,120	**2,353,100**	2,170,120
(ii) Diluted earnings per share (US cents) :-	**0.42**	0.31	**1.73**	0.34
- Adjusted weighted average number of ordinary shares ('000) *	**2,353,100**	2,170,120	**2,353,100**	2,170,120

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

	Group		Company	
	30.9.2017	**Restated 31.12.2016**	**30.9.2017**	**31.12.2016**
Net asset value per share (US cents)	13.95	12.60	55.00	51.60
Number of shares ('000)	**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 and Coal Trading Divisions as well as Others. Revenue from the Group increased from US$97.63 million in 3Q16 to US$179.32 million in 3Q17. The increase was mainly due to an increase in revenue from the Group's Coal Mining and Coal Trading Divisions, partially offset by a decrease in revenue from Others.

Coal Mining Division

The Group's Coal Mining Division reported an increase in revenue from US$87.11 million in 3Q16 to US$154.83 million in 3Q17. The increase was mainly due to higher sales volume and higher weighted average selling price achieved as compared to the corresponding reporting period. Weighted average selling price increased from US$33.08 per metric ton in 3Q16 to US$41.41 per metric ton in 3Q17.The average Indonesia Coal Index 4 ("ICI4") in 3Q17, a better proxy for the majority of the Group's coal quality, was US$43.08 per metric ton.

Coal Trading Division

Revenue generated by the Group's Coal Trading Division increased from US$8.22 million in 3Q16 to US$23.61 million in 3Q17. The increase was mainly due to higher sales volume and higher weighted average selling price as compared to the corresponding reporting period.

Others

Revenue comprises revenue generated from log sales from our Forestry Division as well as management fee income. Revenue decreased from US$2.3 million in 3Q16 to US$0.87 million in 3Q17 due to lower forestry income arising from lower log sales volume and decrease in management fee income received as compared to the corresponding period.

Cost of Sales

The Group reported an increase in cost of sales from US$58.19 million in 3Q16 to US$105.56 million in 3Q17. This was mainly due to (i) an increase in mining services, coal freight, mining overhead and royalty as a result of an increase in coal production and sales activities; and (ii) an increase in coal purchases from Coal Trading Division.

Gross Profit

The Group's gross profit increased from US$39.44 million in 3Q16 to US$73.75 million in 3Q17. The increase in gross profit was mainly due to the above factors.

Other income

The Group's other income increased from US$3.7 million in 3Q16 to US$6.51 million in 3Q17, mainly due to reversal of withholding tax provision of US$4.59 million as a results of tax amnesty partially offset by the absence of foreign exchange gain of US$0.45 million and decrease in (i) miscellaneous income of US$0.87 million; and (ii) compensation income of US$0.4 million from the Forestry Division.

Expenses

Selling and distribution expenses

The Group's selling and distribution expenses increased from US$13.81 million in 3Q16 to US$24.2 million in 3Q17 mainly due to increase in freight expenses as a result of higher sales volume from Coal Mining Division.

Administrative expenses

The Group's administrative expenses increased from US$7.01 million in 3Q16 to US$13.83 million in 3Q17 mainly due to an increase in repair and maintenance expenses and mining operational expenses as a result of higher coal production activities and head counts.

Other operating expenses

The Group's other operating expenses increased from US$1.07 million in 3Q16 to US$4.01 million in 3Q17 mainly due to an increase in foreign exchange loss in 3Q17, withholding tax, exploration and depreciation expenses respectively.

Finance costs

The Group's finance costs decreased from US$4.55 million in 3Q16 to US$2.58 million in 3Q17 due mainly to the settlements of certain loans in December 2016.

Income tax expenses

Income tax expenses increased from US$5.08 million in 3Q16 to US$16.88 million in 3Q17 as a result of higher taxable profits in 3Q17.

Profit after tax

Due to the factors above, the Group recorded a net profit of US$18.76 million in 3Q17 as compared to US$11.62 million in 3Q16, and a profit attributable to owners of the Company of US$9.92 million in 3Q2017 as compared to US$6.77 million in 3Q2016.

(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$2.13 million was due to an increase of reclamation guarantee placed with banks.

Current assets

- The increase in inventories of US$6.13 million was due to an increase in coal production.

- The increase in trade and other receivables of US$57.05 million was mainly due to higher sales in 3Q2017.

- The increase in advances to suppliers of US$33.41 million was mainly due to an increase of advance payment of US$24.6 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.

- The increase in other current assets of US$0.61 million was mainly due to an addition of asset available for sale partially offset by a decrease in deposit.

Current liabilities

- Trade and other payables increased by US$45.77 million, mainly due to increased activities in 3Q17 and higher royalty costs due to higher sales volume.

- Provision for taxation increased by US$14.28 million as a result of the increase in taxable income during the period under review.

- Loans and borrowings increased by US$11.36 million as a result of drawdown of working capital loan facility during the period under review.

Non-current liabilities

- The increase in trade and other payables of US$0.02 million was due to an increase in deposit received from a customer.

- Post-employment benefits increased by US$0.27 million mainly due to higher employees benefit liability during the current reporting period.

- Loans and borrowings decreased by US$6.44 million mainly due to redemption of existing loan facility to secure new loan facilities with a lower interest rate.

- Deferred tax liabilities increased by US$7.76 million as a result of tax amnesty program of a subsidiary company.

As at 30 September 2017, the Group has net current assets of US$198.46 million and the Company has net current assets of US$13.17 million. The Group has loans and borrowings totalling US$54.58 million out of which US$13.63 million are due within the next 12 months.

Review of Statement of Cash Flows

For 3Q17, the Group had net cash outflows of US$23.63 million mainly due to the following:

Net cash generated from operating activities of US$42.93 million which comprised operating cash inflow before working capital changes of US$45.37 million, net working capital inflow of US$1.11 million, income tax paid as well as interest and other financial charges paid amounted to US$2.87 million and US$2.32 million respectively. The Group also recorded interest income received of US$1.64 million.

The net working capital inflow of US$1.11 million was mainly due to an increase in trade and other payables of US$31.39 million partially offset by an increase in trade and other receivables, advances and other current assets of US$24.46 million and an increase in inventories of US$5.81 million.

Net cash flows used in investing activities of US$14.32 million was mainly due to (i) advance payment for acquisition of subsidiaries of US$8 million; (ii) purchase of property, plant and equipment additions to mining properties of US$3.41 million; (iii) changes in restricted fund of US$1.52 million; (iv) purchase of available for sale asset of US$1 million; and (v) an increase in other non-current assets of US$0.62 million partially offset by net cash inflow from disposal of other investment of US$1.02 million.

Net cash flows used in financing activities of US$52.24 million was mainly due to (i) repayment of loans and borrowings of US$48.41 million; (ii) payment of dividend of US$13.85 million; and (iii) payment of dividend to non-controlling interest of subsidiaries of US$6.08 million partially offset by proceeds from loans and borrowings of US$16.1 million.

Proposed Capital Reduction to Reduce the Share Capital of the Company

On 15 September 2017, the Company announced its intention to undertake a capital reduction exercise pursuant to Section 78A read with Section 78C of the Companies Act (Chapter 50) of Singapore ("Companies Act") by reducing and cancelling the share capital of the Company, which is unrepresented by available assets to the extent of US$401,245,503 ("Proposed Capital Reduction"). The Proposed Capital Reduction is to write off accumulated losses of the Company up to 31 December 2015 of US$401,245,503. The paid-up share capital of the Company will reduce from US$1.63 billion to US$1.23 billion immediately after the implementation of the Proposed Capital Reduction exercise. The Proposed Capital Reduction exercise will also not involve the payment to any Shareholder of any paid-up share capital of the Company and there will be no change in the total number of issued ordinary shares in the Company held by the Shareholders of the Company immediately after the Proposed Capital Reduction exercise.

On 31 October 2017, GEAR's Shareholders unanimously approved the resolution for the Proposed Capital Reduction. The Company has filed the relevant publicity requirements as prescribed in the Companies Act, and will lodge the relevant documents with the Registrar of Companies after the end of six(6) weeks from 31 October 2017, should there being no application having been made for the cancellation of the Capital Reduction Resolution by any creditor of the Company within the timeframe prescribed in the Companies Act.

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.

GEAR continues to witness strong demand for coal both domestically and in its key export markets, China and India, which both recorded healthy gains in coal exports. Total coal imports in China rose 11% year-on-year to reach 27.08 MT in September 2017. In the same period, India's total coal imports recorded a 9.5% increase to 18.33 MT driven in part by power plant fuel shortages.

This persisting buoyancy of the coal market has supported coal prices. FOB Kalimantan 4,200kcal/kg GAR thermal coal averaged US$45.00 per metric ton as at 30 September 2017, an increase of 7% month on month.

Looking ahead, the long-term outlook of the coal industry remains bright as the need for cheap electricity in Southeast Asia is expected to drive global demand for coal for power generation through 2040.

According to an October 2017 report by Wood Mackenzie, thermal coal imports by Southeast Asia will more than double to 226 MT by 2035, up from 85 MT in 2017 The report also notes that imports into Pakistan, Bangladesh, India, and other parts of South Asia are expected to jump to 284 MT during that period, a 72% increase from 2017's levels.

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

In the shorter term, GEAR holds an optimistic outlook for thermal coal demand in Asia, in light of the upcoming peak-demand heating season as utilities start stocking up on the commodity. Whilst coal is currently enjoying a good run in terms of pricing and demand, GEAR is also looking out for value accretive acquisitions, including interest in counter cyclical precious metals operations to diversify its coal centric business.

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:	0.21 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 30 November 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 21 November 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

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$100,000)
	9 Months Ended	3 Months Ended
	30.9.2017 US$'000	30.9.2017 US$'000
Sales :		
PT Indah Kiat Pulp & Paper Tbk	-	59,282
PT Lontar Papyrus Pulp and Paper Industry	-	19,808
PT Sinar Mas Agro Resources & Technology Tbk	-	4,707
PT Pabrik Kertas Tjiwi Kimia Tbk	-	7,198
PT SOCI Mas	-	3,621
PT Ivo Mas Tunggal	1,446**	-
PT Energi Sejahtera Mas	1,203**	-
PT Pindo Deli Pulp and Paper Mills	-	7,914
Interest income :		
PT Bank Sinarmas Tbk	-	10
Purchases :		
PT Rolimex Kimia Nusamas	-	55
Rental expenses :		
PT Royal Oriental	-	574
Repair and maintenance:		
PT Wirakarya Sakti	-	764
Insurance expenses :		
PT Kalibesar Raya Utama	-	7
PT Asuransi Sinar Mas	-	2,157

** Coal sale contracts entered into with PT Energi Sejahtera Mas and PT Ivo Mas Tunggal prior to 28 April 2017 and delivered during the Period under Review. On 28 April 2017, the Shareholders of the Company approved to include PT Energi Sejahtera Mas and PT Ivo Mas Tunggal under the Sinar Mas IPT Mandate. GEAR Audit Committee has reviewed the Coal Sale contracts in the relevant period under review.

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 the financial results for the financial period ended 30 September 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:

Intended use of net proceeds	**Amount Allotted after the Reallocation**	**Amount utilised as at the date hereof**	**Balance after the Reallocation**
	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	13,455	10,503
Repayment of RTO expenses (including, inter alia, professional fees paid to external auditors; financial advisers and legal counsels)	3,600	2,549	1,051
Total reallocated / utilised / balance after reallocation	120,093	108,539	11,554

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
13 November 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.