

Unaudited Financial Statements for the Period Ended 31 March 2018

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		+/(-) %
		31.3.2018	31.3.2017	
		US\$'000		
Revenue	1	272,999	143,186	90.66
Cost of sales		(157,071)	(71,052)	121.06
Gross profit		115,928	72,134	60.71
Other income	2	3,079	3,404	(9.55)
Selling and distribution expenses		(34,234)	(20,461)	67.31
Administrative expenses		(16,739)	(9,767)	71.38
Other operating expenses		(3,212)	(2,503)	28.33
Finance costs	3	(4,958)	(2,221)	123.23
Profit before tax	4	59,864	40,586	47.50
Income tax expense	5	(16,335)	(10,999)	48.51
Profit for the period		43,529	29,587	47.12
<i>Other comprehensive income not to be reclassified to profit or loss :</i>				
Net actuarial gain/(loss) on post employment benefits		(248)	-	n.m.
<i>Other comprehensive income to be reclassified to profit or loss:</i>				
Net fair value loss on available for sale financial asset		(11,522)	-	n.m.
Foreign currency translation		2,191	1,956	12.01
Total comprehensive income for the period		33,950	31,543	7.63
Profit for the period attributable to:				
Owners of the Company		26,784	19,040	40.67
Non-controlling interests		16,745	10,547	58.77
		43,529	29,587	47.12
Total comprehensive income for the period attributable to:				
Owners of the Company		17,169	20,893	(17.82)
Non-controlling interests		16,781	10,650	57.57
		33,950	31,543	7.63

n.m. : denotes not meaningful

Notes to the Statement of Comprehensive Income

		Group		
		3 Months Ended		
		31.3.2018	31.3.2017	+ / (-) %
		US\$'000		
1	Revenue			
	Coal Mining	237,288	129,368	83.42
	Coal Trading	35,321	12,611	180.08
	Non-coal Business	390	1,207	(67.69)
		272,999	143,186	90.66
2	Other Income			
	Interest income	1,873	1,422	31.72
	Compensation income	1,090	189	476.72
	Miscellaneous income	116	1,793	(93.53)
		3,079	3,404	(9.55)
3	Finance costs			
	Interest expenses	3,302	1,207	173.61
	Trade financing charges	1,129	959	17.73
	Amortisation of discounted loans and borrowings	73	-	n.m.
	Others	454	55	724.58
		4,958	2,221	123.23
4	Profit before tax is arrived after charging the following:			
	Freight and stockpile	48,426	24,333	99.01
	Royalty fees	26,388	11,987	120.14
	Mining services and overheads	71,847	35,117	104.59
	Depreciation of property, plant and equipment	1,566	1,453	7.78
	Amortisation expenses	1,243	1,908	(34.85)
	Foreign exchange loss	2,416	1,585	52.45
	Inventories (reversal)/written down	(14)	355	(103.94)
	Inventories recognised as an expenses in cost of sales	39,345	14,461	172.08
5	Income tax expenses can be analysed as follows:			
	Current Income Tax	16,543	10,622	55.74
	Withholding Tax Expense	140	107	30.84
	Deferred Income Tax Expense	(348)	191	(282.20)
		16,335	10,920	49.59
	Under provision in respect of previous years			
	Income Tax	-	79	(100.00)
		16,335	10,999	48.51

n.m. : denotes not meaningful

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

	Group		Company	
	As at 31.3.2018	As at 31.12.2017	As at 31.3.2018	As at 31.12.2017
	US\$'000		US\$'000	
Non-Current Assets				
Biological assets	316	316	-	-
Property, plant and equipment	65,178	64,435	192	196
Mining properties	87,680	85,848	-	-
Intangible assets	11,573	11,699	-	-
Goodwill on consolidation	103,679	103,679	-	-
Amounts due from subsidiaries	-	-	2,800	2,063
Investment in subsidiaries	-	-	1,363,309	1,337,613
Investment securities	41,035	23,340	41,005	23,310
Deferred tax assets	4,948	4,667	-	-
Other receivables	193	204	-	-
Restricted funds	11,984	4,664	6,750	1,310
Other non-current assets	29,559	23,139	4,513	-
	356,145	321,991	1,418,569	1,364,492
Current Assets				
Inventories	10,493	16,135	-	-
Amounts due from subsidiaries	-	-	659	1,038
Trade and other receivables	124,076	133,736	330	36,415
Advances to suppliers/vendors	94,928	89,801	-	-
Other current assets	21,846	1,690	20,242	128
Held for trading investment	1,008	1,023	1,008	1,023
Cash and cash equivalents	304,751	188,701	107,632	13,579
	557,102	431,086	129,871	52,183
Current Liabilities				
Trade and other payables	142,017	162,003	8,110	6,475
Amounts due to subsidiaries	-	-	1,041	1,041
Provision for taxation	49,385	35,348	5	6
Loans and borrowings	39,125	25,209	-	-
	230,527	222,560	9,156	7,522
Net Current Assets	326,575	208,526	120,715	44,661
Non-Current Liabilities				
Trade and other payables	125	123	-	-
Loans and borrowings	187,844	69,774	149,367	30,000
Deferred tax liabilities	12,983	13,007	105	103
Post-employment benefits	2,842	2,837	-	-
Provision for mine closure	1,921	1,721	-	-
	205,715	87,462	149,472	30,103
Net Assets	477,005	443,055	1,389,812	1,379,050
Represented by:				
Equity attributable to equity holders of the Company				
Share capital	305,528	305,528	1,230,107	1,230,107
Reserves	57,370	40,201	159,705	148,943
	362,898	345,729	1,389,812	1,379,050
Non-controlling interests	114,107	97,326	-	-
Total Equity	477,005	443,055	1,389,812	1,379,050

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 31.3.2018		As at 31.12.2017		As at 31.3.2018		As at 31.12.2017	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
US\$'000		US\$'000		US\$'000		US\$'000	
39,125	-	25,209	-	187,844	-	69,774	-

⁽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 certain subsidiaries.

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

	Group	
	3 Months Ended	
	31.3.2018	31.3.2017
	US\$'000	
Cash flows from operating activities:		
Profit before tax	59,864	40,586
Adjustments for:		
Provision for mine closure	200	11
Depreciation of property, plant and equipment	1,566	1,453
Defined post-employment benefit expense	45	34
Amortisation of mining properties	404	1,341
Amortisation of software	39	36
Amortisation of land exploitation	674	405
Amortisation of intangible assets	126	126
Amortisation of loans and borrowings	73	-
Inventories (reversal)/written down	(14)	355
Interest and other financial charges	4,629	1,011
Interest income	(1,873)	(1,422)
Net exchange differences	4,303	928
Operating cash inflows before changes in working capital	70,036	44,864
Decrease in inventories	5,655	1,015
Increase in trade and other receivables, advances and other current assets	(6,887)	(31,918)
(Decrease)/Increase in trade and other payables	(15,049)	12,583
Cash flows generated from operations	53,755	26,544
Interest and other financial charges paid	(2,193)	(2,166)
Interest income received	1,872	1,927
Income taxes paid	(2,922)	(261)
Net cash flows generated from operating activities	50,512	26,044
Cash flows from investing activities		
Purchase of investment securities	(28,624)	-
Additions to mining properties	(2,306)	(4,177)
Proceeds from disposal of property, plant and equipment	34	12
Purchase of property, plant and equipment	(2,342)	(1,700)
Increase in other non-current assets	(5,869)	(1,178)
Changes in restricted funds	(7,322)	(616)
Net cash flows used in investing activities	(46,429)	(7,659)
Cash flows from financing activities		
Payment of dividend to NCI of subsidiaries	(17,712)	-
Net proceeds from issuance of bonds	149,294	-
Proceeds from loans and borrowings	28,796	6,945
Repayment of loans and borrowings	(46,781)	(1,577)
Net cash flows generated from financing activities	113,597	5,368
Net increase in cash and cash equivalents	117,680	23,753
Effect of exchange rate changes on cash and cash equivalents	(1,630)	973
Cash and cash equivalents at beginning of the period	188,701	79,076
Cash and cash equivalents at end of the period	304,751	103,802

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 2018 and 31 March 2017

	Group		Company	
	3 Months Ended		3 Months Ended	
	31.3.2018	31.3.2017	31.3.2018	31.3.2017
	US\$'000		US\$'000	
Profit for the period	43,529	29,587	(4,180)	167
Other comprehensive income not to be reclassified to profit & loss:				
Net actuarial loss on post employment benefits	(248)	-	-	-
Other comprehensive income to be reclassified to profit & loss:				
Foreign currency translation	2,191	1,956	26,464	41,184
Net fair value loss on available for sale financial asset	(11,522)	-	(11,522)	-
Total comprehensive income for the period	33,950	31,543	10,762	41,351
Total comprehensive income attributable to:				
Owners of the Company	17,169	20,893	10,762	41,351
Non-controlling interests	16,781	10,650	-	-
	33,950	31,543	10,762	41,351

(ii) Consolidated statement of changes in equity for the 3 months ended 31 March 2018 and 31 March 2017

	Attributable to owners of the Company						Total Equity
	Share Capital	Foreign Currency Translation	Other Reserves	Retained earnings	Total Reserves	Non-controlling Interests	
GROUP	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Balance as at 1 January 2018	305,528	(45,958)	480	85,679	40,201	97,326	443,055
Profit for the period	-	-	-	26,784	26,784	16,745	43,529
Other comprehensive income							
Net fair value loss on available for sale assets	-	-	(11,522)	-	(11,522)	-	(11,522)
Net actuarial loss on post employment benefits	-	-	(166)	-	(166)	(82)	(248)
Foreign currency translation	-	2,074	-	-	2,074	117	2,191
Other comprehensive income for the period	-	2,074	(11,688)	-	(9,614)	35	(9,579)
Total comprehensive income for the period	-	2,074	(11,688)	26,783	17,169	16,781	33,950
Balance as at 31 March 2018	305,528	(43,884)	(11,208)	112,462	57,370	114,107	477,005
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
Other comprehensive income							
Net actuarial gain 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

(iii) Statement of changes in equity of the Company for the 3 months ended 31 March 2018 and 31 March 2017

	Attributable to owners of the Company					Total Equity
	Share Capital	Foreign Currency Translation	Other Reserves	Retained earnings	Total Reserves	
COMPANY	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Balance as at 1 January 2018	1,230,107	67,194	4,988	76,761	148,943	1,379,050
Profit for the period	-	-	-	(4,180)	(4,180)	(4,180)
Other comprehensive income						
Net fair value loss on available for sale assets	-	-	(11,522)	-	(11,522)	(11,522)
Foreign currency translation	-	26,464	-	-	26,464	26,464
Total comprehensive income for the period	-	26,464	(11,522)	(4,180)	10,762	10,762
Balance as at 31 March 2018	1,230,107	93,658	(6,534)	72,581	159,705	1,389,812
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
Other comprehensive income						
Foreign currency translation	-	41,184	-	-	41,184	1,214,308
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

(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 31.3.2018	As at 31.12.2017
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.

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 Singapore Accounting Standards Council has introduced a new Singapore Financial Reporting Framework that is equivalent to the International Financial Reporting Standards as issued by the International Accounting Standards Board. The new framework is referred to as the "Singapore Financial Reporting Standards (International)" ("SFRS(I)") hereinafter.

Subsequent to the last financial year end, as required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 January 2018 and issued its first set of financial information prepared under the SFRS(I) for the financial period ended 31 March 2018.

The adoption of the new SFRS(I) does not result in significant change to the Group's and Company's accounting policies and did not have material impact on the amounts reported for the current financial period or prior financial years.

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	
31.3.2018	31.3.2017
1.14	0.81
2,353,100	2,353,100
1.14	0.81
2,353,100	2,353,100

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	
31.3.2018	31.12.2017	31.3.2018	31.12.2017
15.42	14.69	59.06	58.61
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**

(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 Non-coal Businesses. Revenue from the Group increased by US\$129.813 million or 90.66% from US\$143.186 million in 1Q17 to US\$272.999 million in 1Q18. The increase was mainly due to increases in revenue from the Group's Coal Mining and Coal Trading Divisions, partially offset by a decrease in revenue from our Non-coal Businesses.

Coal Mining Division

The Group's Coal Mining Division reported an increase in revenue by US\$107.920 million or 83.42% from US\$129.368 million in 1Q17 to US\$237.288 million in 1Q18. The increase was mainly due to higher sales volume and higher average selling price achieved as compared to the corresponding reporting period. Average selling price increased from US\$40.86 per metric ton in 1Q17 to US\$47.35 per metric ton in 1Q18. The average Indonesia Coal Index 4 ("ICI4") in 1Q18, a better proxy for the majority of the Group's coal quality, was US\$48.01 per metric ton.

Coal Trading Division

Revenue generated by the Group's Coal Trading Division increased by US\$22.710 million or 180.08% from US\$12.611 million in 1Q17 to US\$35.321 million in 1Q18. The increase was mainly due to higher sales volume and higher average selling price as compared to the corresponding reporting period.

Non-coal Businesses

Revenue in 1Q18 comprises plywood sales as well as management fee income. Revenue decreased by US\$0.817 million or 67.69% from US\$1.207 million in 1Q17 to US\$0.390 million in 1Q18 due to the absence of log sales and the decrease in management fee income received offset by an increase in plywood sales.

Cost of Sales

The Group reported an increase in cost of sales by US\$86.019 million or 121.06% from US\$71.052 million in 1Q17 to US\$157.071 million in 1Q18. This was mainly due to increase in (i) mining services, coal freight, mining overhead and royalty as a result of a higher coal production and sales activities from Coal Mining Division; and (ii) coal purchases from Coal Trading Division in line with the higher sales volume. The increase is offset by a lower amortisation expenses from lower depletion of mine properties for stripping activity asset in the Group's Coal Mining Division.

Gross Profit

The Group's gross profit increased by US\$43.794 million or 60.71% from US\$72.134 million in 1Q17 to US\$115.928 million in 1Q18. The increase in gross profit was mainly due to the above factors.

Other income

The Group's other income decreased by US\$0.325 million or 9.55% from US\$3.404 million in 1Q17 to US\$3.079 million in 1Q18, mainly due to a decrease in miscellaneous income of US\$1.677 million offset by increases in interest income and compensation income of US\$0.451 and US\$0.901 million, respectively.

Expenses

Selling and distribution expenses

The Group's selling and distribution expenses increased by US\$13.773 million or 67.31% from US\$20.461 million in 1Q17 to US\$34.234 million in 1Q18 mainly due to increase in freight and stockpile expenses in line with the increase in coal sales volume from Coal Mining and Coal Trading Divisions.

Administrative expenses

The Group's administrative expenses increased by US\$6.972 million or 71.38% from US\$9.767 million in 1Q17 to US\$16.739 million in 1Q18 mainly due to increases in (i) repair and maintenance expenses for road development in our Group's coal concessions, (ii) license, permits & property tax, (iii) salaries, benefits and employee welfare expenses, and (iv) legal and professional fees incurred relating to mining consultancy and corporate exercises.

Other operating expenses

The Group's other operating expenses increased by US\$0.709 million or 28.33% from US\$2.503 million in 1Q17 to US\$3.212 million in 1Q18 mainly due to increase in foreign exchange loss.

Finance costs

The Group's finance costs increased by US\$2.737 million or 123.23% from US\$2.221 million in 1Q17 to US\$4.958 million in 1Q18 mainly due to the increases in (i) trade financing charges in line with higher sales activities, and (ii) interest expenses as a result of the issuance of the Company's maiden bond.

Income tax expenses

Income tax expenses increased by US\$5.336 million or 48.51% from US\$10.999 million in 1Q17 to US\$16.335 million in 1Q18 as a result of higher taxable profits in 1Q18.

Profit after tax

Due to the factors above, the Group's net profit increased by US\$13.942 million or 47.12% to US\$43.529 million in 1Q18 as compared to US\$29.587 million in 1Q17, and profit attributable to owners of the Company increased by US\$7.744 million or 40.67% to US\$26.784 million in 1Q18 as compared to US\$19.040 million in 1Q17.

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

Review of Statement of Financial Position

Assets and liabilities

Total assets and total liabilities remained relatively stable as compared to the corresponding reporting period.

Non-current assets

- Property, plant and equipment increased by US\$0.743 million to US\$65.178 million at 31 March 2018 as a result of additions to property, plant and equipment, offset by depreciation.
- The increase in investment securities of US\$17.695 million to US\$41.035 million at 31 March 2018 was due to the second and third tranche payments for our investment in Westgold Resources Limited ("Westgold") offset by a marked to market loss on our Westgold shares
- The increase in restricted fund of US\$7.320 million to US\$11.984 million at 31 March 2018 was due to an increase of reclamation guarantee money placed with banks and funds deposited in the interest reserve account relating to the Company's maiden bond.
- The increase in other non-current assets of US\$6.420 million to US\$29.559 million at 31 March 2018 was mainly due to the deferred expenses from our maiden bonds issued during the period under review.

Current assets

- The decrease in inventories of US\$5.642 million to US\$10.493 million at 31 March 2018 was due to inventories sold during the period under review.
- The decrease in trade and other receivables of US\$9.660 million to US\$124.076 million at 31 March 2018 was mainly due to higher sales offset by collections.
- The increase in other current assets of US\$20.156 million to US\$21.846 million at 31 March 2018 was mainly due to a refundable advance down payment of US\$20.000 million to a coal supplier under a coal offtake agreement.
- The increase in cash and cash equivalents of US\$116.050 million to US\$304.751 million at 31 March 2018 was mainly due to the proceeds from the Company's maiden bond; collections from trade and other receivables, offset by the settlement of a loan facility, payments of trade and other payments and dividend by a subsidiary.

Current liabilities

- Trade and other payables decreased by US\$19.986 million to US\$142.017 million at 31 March 2018 mainly due to dividend, declared in December 2017, paid to non-controlling interests in 1Q18 by a subsidiary.
- Provision for taxation increased by US\$14.037 million to US\$49.385 million at 31 March 2018 as a result of the increase in taxable income during the period under review.
- Loans and borrowings increased by US\$13.916 million to US\$39.125 million at 31 March 2018 mainly due to the drawdown of working credit facility during the period under review.

Non-current liabilities

- Loans and borrowings increased by US\$118.07 million to US\$187.844 million at 31 March 2018 as a result of the issuance of the Company's maiden bond partially offset by the settlement of a loan facility.

As at 31 March 2018, the Group has net current assets of US\$326.575 million and the Company has net current assets of US\$120.715 million. The Group has loans and borrowings totalling US\$226.969 million out of which US\$39.125 million are due within the next 12 months.

Review of Statement of Cash Flows

For 1Q18, the Group had net cash inflows of US\$117.680 million mainly due to the following:

Net cash generated from operating activities of US\$50.512 million which comprised operating cash inflow before working capital changes of US\$70.036 million, net working capital outflow of US\$16.281 million, income taxes paid as well as interest and other financial charges paid amounting to US\$2.922 million and US\$2.193 million respectively. The Group also recorded interest income received of US\$1.872 million.

The net working capital outflow of US\$16.281 million was mainly due to a decrease in trade and other payables of US\$15.049 million and increases in trade and other receivables, advances and other current assets of US\$6.887 million partially offset by a decrease in inventories of US\$5.655 million.

Net cash flows used in investing activities of US\$46.429 million was mainly due to (i) the second and third tranche payments for our investment in Westgold of US\$28.624 million; (ii) increase in restricted fund of US\$7.322 million; (iii) purchase of property, plant and equipment of US\$2.342 million; (iv) increase in other non-current assets of US\$5.869 million; and (v) additions to mining properties of US\$2.306 million.

Net cash flows generated from financing activities of US\$113.597 million was mainly due to proceeds from issuance of bond of US\$149.294 million and loans and borrowings of US\$28.796 million respectively partially offset by repayment of loans and borrowings of US\$46.781 million and payment of dividend of US\$17.712 million by a subsidiary to non-controlling interests of the Group.

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

Not applicable.

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

Strong Chinese demand and weather-related supply disruptions continued to lend support to thermal coal prices in the first quarter of this year. Price of FOB Kalimantan 4,200 kcal/kg GAR coal surged to a high of US\$51.50/mt in February this year before correcting to US\$43.50/mt in April.

We expect demand to be firm at current levels for the rest of the year, driven by robust coal use in Asia, which accounts for over 70% of global thermal coal consumption.

GEAR continues to see strong demand for our BIB coal from key Asian markets, such as China, India and South Korea, where coal consumption has held up despite national programmes to boost the use of gas and renewable energy.

On 9 and 12 March 2018, Indonesia's Ministry of Energy and Mineral Resources issued a new decree relating to the pricing for coal sold under the Domestic Market Obligations ("DMO"). The DMO stipulates that coal mining companies are required to sell at least 25% of their total production within the domestic market. Under the new decree which would be in effect from 12 March 2018 to 31 December 2019, coal mining companies which sell coal to domestic power plants have a maximum price cap of US\$70.00/mt for calorific value coal of 6,322 kcal/kg GAR or equivalent. In the event that the government's benchmark coal price ("HBA") falls below this level, then the selling price will conform to the HBA.

Domestically, Indonesia's coal consumption is expected to exceed 100MT this year in support of the Indonesian government's ongoing electrification programme to add 35,000 megawatts in power generation capacity across the country by 2019.

We look forward to expanding the processing capacity at our BIB mine to support our continued production ramp up to take advantage of the current coal price environment.

11 Dividend

(a) Current Financial Period Reported On

Any ordinary dividend declared for the current financial period reported on?
None

(b) Corresponding Period of the Immediately Preceding Financial Period

None

(c) Date payable.

Not applicable

(d) Book Closure Date

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 2018.

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
	31.3.2018 US\$'000	31.3.2018 US\$'000
Sales :		
PT Indah Kiat Pulp & Paper Tbk	-	24,948
PT Lontar Papyrus Pulp and Paper Industry	-	8,648
PT Sinar Mas Agro Resources & Technology Tbk	-	1,739
GMR Infrastructure (Singapore) Pte Ltd	3489 ^{^^}	-
PT Pabrik Kertas Tjiwi Kimia Tbk	-	2,802
PT SOCI Mas	-	768
Hainan Jinhai Trading (Hong Kong) Co., Ltd	-	21,774
PT Ivo Mas Tunggal	-	627
PT Energi Sejahtera Mas	577*	869
PT Pindo Deli Pulp and Paper Mills	-	396
PT Pindo Deli Pulp and Paper Mills	-	396
Interest income :		
PT Bank Sinarmas Tbk	-	1
Purchases :		
PT Karya Cemerlang Persada	-	124
PT Bungo Bara Utama	-	140
PT Rolimex Kimia Nusamas	-	5
Rental expenses :		
PT Royal Oriental	-	227
Repair and maintenance:		
PT Wirakarya Sakti	-	257
Insurance expenses :		
PT Kalibesar Raya Utama	-	1
PT Asuransi Sinar Mas	-	1,337

Note:

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

^{^^}Amendments to the Coal Sale Agreement of August 2011 with GMR Coal Resources Pte Ltd was approved by Shareholders on 21 August 2017.

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 31 March 2018 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 S\$'000	Amount utilised as at the date hereof S\$'000	Balance after the Reallocation 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	16,182	7,776
Repayment of RTO expenses (including, inter alia, professional fees paid to external auditors; financial advisers and legal counsels)	3,600	2,749	851
Total reallocated / utilised / balance after reallocation	120,093	111,466	8,627

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 May 2018

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.