

**Unaudited Financial Statements for the Period Ended 30 June 2019**

**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		+ / (-) %
		30.6.2019	30.6.2018		30.6.2019	30.6.2018	
		US\$'000			US\$'000		
Revenue	1	224,141	208,636	7.4	500,377	481,635	3.9
Cost of sales		(142,846)	(130,769)	9.2	(327,627)	(286,750)	14.3
<b>Gross profit</b>		<b>81,295</b>	<b>77,867</b>	<b>4.4</b>	<b>172,750</b>	<b>194,885</b>	<b>(11.4)</b>
Other (expenses)/income	2	(706)	3,981	(117.7)	5,446	5,970	(8.8)
Selling and distribution expenses		(33,863)	(28,418)	19.2	(79,264)	(62,652)	26.5
Administrative expenses		(21,602)	(22,858)	(5.5)	(39,943)	(39,597)	0.9
Other operating income/(expenses)	3	1,104	1,845	(40.2)	(1,428)	(1,367)	4.5
Finance costs	4	(8,510)	(5,603)	51.9	(15,533)	(10,561)	47.1
<b>Profit before tax</b>	5	<b>17,718</b>	<b>26,814</b>	<b>(33.9)</b>	<b>42,028</b>	<b>86,678</b>	<b>(51.5)</b>
Income tax expense	6	(7,444)	(11,825)	(37.0)	(17,091)	(28,160)	(39.3)
<b>Profit for the period</b>		<b>10,274</b>	<b>14,989</b>	<b>(31.5)</b>	<b>24,937</b>	<b>58,518</b>	<b>(57.4)</b>
<b>Other comprehensive income not to be reclassified to profit or loss :</b>							
Net gain/(loss) on equity instruments fair value through other comprehensive income		26,863	9,704	176.8	44,678	(1,818)	2557.5
Net actuarial (loss)/gain on post employment benefits		(21)	248	(108.5)	(3)	-	n.m.
<b>Other comprehensive income to be reclassified to profit or loss:</b>							
Foreign currency translation		(1,965)	(5,759)	(65.9)	(406)	(3,568)	(88.6)
<b>Total comprehensive income for the period</b>		<b>35,151</b>	<b>19,182</b>	<b>83.2</b>	<b>69,206</b>	<b>53,132</b>	<b>30.3</b>
<b>Profit for the period attributable to:</b>							
Owners of the Company		5,249	8,047	(34.8)	12,458	34,831	(64.2)
Non-controlling interests		5,025	6,942	(27.6)	12,479	23,687	(47.3)
		<b>10,274</b>	<b>14,989</b>	<b>(31.5)</b>	<b>24,937</b>	<b>58,518</b>	<b>(57.4)</b>
<b>Total comprehensive income for the period attributable to:</b>							
Owners of the Company		30,215	12,228	147.1	56,800	29,397	93.2
Non-controlling interests		4,936	6,954	(29.0)	12,406	23,735	(47.7)
		<b>35,151</b>	<b>19,182</b>	<b>83.2</b>	<b>69,206</b>	<b>53,132</b>	<b>30.3</b>

n.m. : denotes not meaningful

**Notes to the Statement of Comprehensive Income**

	Group			Group		
	3 Months Ended			6 Months Ended		
	30.6.2019	30.6.2018	+ /(-) %	30.6.2019	30.6.2018	+ /(-) %
	US\$'000			US\$'000		
<b>1 Revenue</b>						
Coal Mining	203,387	188,803	7.7	452,747	426,091	6.3
Coal Trading	19,132	19,331	(1.0)	45,714	54,652	(16.4)
Non-coal Business	1,622	502	223.0	1,916	892	114.8
	<b>224,141</b>	<b>208,636</b>	<b>7.4</b>	<b>500,377</b>	<b>481,635</b>	<b>3.9</b>
<b>2 Other (expenses)/income</b>						
Interest income	2,271	3,231	(29.7)	4,358	5,104	(14.6)
Miscellaneous (expenses)/income	(2,977)	750	(496.9)	1,088	866	25.6
	<b>(706)</b>	<b>3,981</b>	<b>(117.7)</b>	<b>5,446</b>	<b>5,970</b>	<b>(8.8)</b>
<b>3 Other operating income/(expenses)</b>						
Provision for mine closure	(12)	(11)	6.5	(24)	(211)	(88.8)
Depreciation and amortisation	(594)	(317)	87.3	(1,172)	(637)	84.1
Exploration expenses	(44)	(84)	(48.1)	(91)	(340)	(73.1)
Foreign exchange gain/(loss)	2,181	1,998	9.2	467	(418)	(211.6)
Others	(427)	259	264.9	(608)	239	(354.2)
	<b>1,104</b>	<b>1,845</b>	<b>(40.2)</b>	<b>(1,428)</b>	<b>(1,367)</b>	<b>4.5</b>
<b>4 Finance costs</b>						
Interest expenses	(7,040)	(4,339)	62.3	(12,828)	(7,641)	67.9
Trade financing charges	(851)	(826)	3.0	(1,726)	(1,955)	(11.7)
Amortisation of discounted loans and borrowings	(111)	(112)	(0.9)	(221)	(185)	19.5
Others	(508)	(326)	55.8	(758)	(780)	(2.8)
	<b>(8,510)</b>	<b>(5,603)</b>	<b>51.9</b>	<b>(15,533)</b>	<b>(10,561)</b>	<b>47.1</b>
<b>5 Profit before tax is arrived after charging the following:</b>						
Freight and stockpile	(48,284)	(38,720)	24.7	(112,515)	(87,146)	29.1
Royalty fees	(28,817)	(21,147)	36.3	(64,053)	(47,535)	34.7
Mining services and overheads	(77,474)	(76,278)	1.6	(172,072)	(148,125)	16.2
Depreciation of property, plant and equipment	(1,823)	(1,726)	5.6	(3,659)	(3,292)	11.1
Depreciation of Right-of-Use Assets ("ROU")	(268)	-	n.m.	(537)	-	n.m.
Amortisation expenses	(1,318)	(679)	94.1	(2,098)	(1,464)	43.3
Foreign exchange gain/(loss)	1,247	1,998	(37.6)	(467)	(418)	11.6
Inventories written down	-	(14)	(100.0)	-	-	n.m.
Inventories recognised as an expenses in cost of sales	(15,991)	(18,406)	(13.1)	(38,430)	(57,751)	(33.5)
<b>6 Income tax expenses can be analysed as follows:</b>						
Current Income Tax	(5,211)	(8,173)	(36.2)	(15,128)	(24,716)	(38.8)
Withholding Tax Expense	(1,598)	(4,173)	(61.7)	(1,756)	(4,313)	(59.3)
Deferred Income Tax Benefit	201	521	(61.4)	317	869	(63.5)
	<b>(6,608)</b>	<b>(11,825)</b>	<b>(44.1)</b>	<b>(16,567)</b>	<b>(28,160)</b>	<b>(41.2)</b>
Under provision in respect of previous years Income Tax	(836)	-	n.m.	(524)	-	n.m.
	<b>(7,444)</b>	<b>(11,825)</b>	<b>(37.0)</b>	<b>(17,091)</b>	<b>(28,160)</b>	<b>(39.3)</b>

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	As at	As at	As at
	30.6.2019	31.12.2018	30.6.2019	31.12.2018
	US\$'000		US\$'000	
<b>Non-Current Assets</b>				
Biological assets	3,381	3,381	-	-
Property, plant and equipment	90,584	80,375	191	225
Right-of-use assets	1,517	-	129	-
Mining properties	232,043	227,658	-	-
Intangible assets	10,942	11,194	-	-
Goodwill on consolidation	113,739	113,739	-	-
Amounts due from subsidiaries	-	-	8,929	4,083
Investment in subsidiaries	-	-	1,375,174	1,319,404
Investment securities	117,372	57,703	47,277	57,673
Deferred tax assets	6,282	6,023	-	-
Other receivables	67	165	-	-
Restricted funds	15,616	14,800	8,521	6,827
Other non-current assets	47,339	46,274	4,074	3,784
	<b>638,882</b>	<b>561,312</b>	<b>1,444,295</b>	<b>1,391,996</b>
<b>Current Assets</b>				
Inventories	13,506	19,645	-	-
Amounts due from subsidiaries	-	-	441	397
Trade and other receivables	128,509	124,889	16,217	10,248
Advances to suppliers/vendors	96,852	104,729	-	-
Other current assets	38,538	35,146	33,596	34,032
Held for trading investment	2,000	2,000	2,000	2,000
Cash and cash equivalents	124,531	113,113	43,992	26,325
	<b>403,936</b>	<b>399,522</b>	<b>96,246</b>	<b>73,002</b>
<b>Current Liabilities</b>				
Trade and other payables	173,081	203,234	7,609	6,465
Amounts due to subsidiaries	-	-	996	1,041
Lease liabilities	1,557	-	132	-
Provision for taxation	1,105	1,747	79	315
Loans and borrowings	54,208	46,167	-	-
	<b>229,951</b>	<b>251,148</b>	<b>8,816</b>	<b>7,821</b>
<b>Net Current Assets</b>	<b>173,985</b>	<b>148,374</b>	<b>87,430</b>	<b>65,181</b>
<b>Non-Current Liabilities</b>				
Other payables	34,063	34,035	-	-
Loans and borrowings	264,436	222,860	183,439	148,199
Deferred tax liabilities	29,420	29,541	101	100
Post-employment benefits	3,390	2,979	-	-
Provision for mine closure	2,019	1,996	-	-
	<b>333,328</b>	<b>291,411</b>	<b>183,540</b>	<b>148,299</b>
<b>Net Assets</b>	<b>479,539</b>	<b>418,275</b>	<b>1,348,185</b>	<b>1,308,878</b>
Represented by:				
<b>Equity attributable to equity holders of the Company</b>				
Share capital	305,528	305,528	1,230,107	1,230,107
Reserves	64,526	7,727	118,078	78,771
	<b>370,054</b>	<b>313,255</b>	<b>1,348,185</b>	<b>1,308,878</b>
<b>Non-controlling interests</b>	<b>109,485</b>	<b>105,020</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>479,539</b>	<b>418,275</b>	<b>1,348,185</b>	<b>1,308,878</b>

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 <sup>(1)</sup>				Amount repayable after one year <sup>(2)</sup>			
As at 30.6.2019		As at 31.12.2018		As at 30.6.2019		As at 31.12.2018	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
US\$'000		US\$'000		US\$'000		US\$'000	
54,208	-	46,167	-	264,436	-	222,860	-

<sup>(1)</sup> These represent aggregate balances of short term loans and borrowings.

<sup>(2)</sup> 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		Group	
	3 Months Ended		6 Months Ended	
	30.6.2019	30.6.2018	30.6.2019	30.6.2018
	US\$'000		US\$'000	
<b>Cash flows from operating activities:</b>				
Profit before tax	17,718	26,814	42,028	86,678
<u>Adjustments for:</u>				
Provision for mine closure	12	11	24	211
Provision for overburden expense	-	1,939	-	1,939
Depreciation of property, plant and equipment	1,823	1,726	3,659	3,292
Depreciation of Right-of-Use Assets ("ROU")	268	-	537	-
Property, plant and equipment written off	-	2	-	2
Gain on disposal of short term investment	-	(13)	-	(13)
Defined post-employment benefit expense	180	137	369	182
Amortisation of mining properties	1,078	328	1,486	732
Amortisation of software	19	35	36	74
Amortisation of land exploitation	94	189	323	405
Amortisation of intangible assets	127	127	253	253
Amortisation of loans and borrowings	111	112	221	185
Inventories written down/(write-back)	-	14	-	-
Interest and other financial charges	7,989	5,165	14,676	9,794
Dividend income from investment securities	(1,362)	-	(1,362)	-
Interest income	(2,271)	(3,231)	(4,358)	(5,104)
Net exchange differences	(5,095)	(4,682)	(3,146)	79
Operating cash inflows before changes in working capital	20,691	28,673	54,746	98,709
Decrease in inventories	2,577	312	6,139	5,967
Decrease/(increase) in trade and other receivables, advances and other current assets	35,064	(67,694)	14,889	(74,581)
(Decrease)/increase in trade and other payables	(33,163)	5,848	(48,419)	(9,201)
Cash flows generated from/(used in) operations	25,169	(32,861)	27,355	20,894
Interest and other financial charges paid	(3,672)	(1,711)	(6,665)	(3,904)
Interest income received	2,271	3,197	4,358	5,069
Taxes paid	(16,372)	(61,800)	(28,785)	(64,722)
<b>Net cash flows generated from/(used in) operating activities</b>	<b>7,396</b>	<b>(93,175)</b>	<b>(3,737)</b>	<b>(42,663)</b>
<b>Cash flows from investing activities</b>				
Net cash inflow from disposal of short term investment	-	1,032	-	1,032
Purchase of investment securities (Note 1)	-	-	(9,628)	(28,624)
Additions to mining properties	(3,049)	(696)	(5,738)	(3,002)
Proceeds from disposal of property, plant and equipment	-	13	-	47
Purchase of property, plant and equipment	(7,558)	(2,714)	(13,614)	(5,056)
Payment for mines under construction	-	(56)	(7)	(56)
Increase in other non-current assets	(854)	(712)	(3,338)	(6,581)
Changes in restricted funds	(542)	1,365	(884)	(5,957)
<b>Net cash flows used in investing activities</b>	<b>(12,003)</b>	<b>(1,768)</b>	<b>(33,209)</b>	<b>(48,197)</b>
<b>Cash flows from financing activities</b>				
Payment of dividend	-	(17,202)	-	(17,202)
Payment of dividend to NCI of subsidiaries	(352)	(21,027)	(352)	(38,739)
Net proceeds from issuance of bonds	-	-	-	149,294
Proceeds from loans and borrowings	32,564	17,471	93,761	46,267
Repayment of loans and borrowings	(20,590)	(33,866)	(43,954)	(80,647)
Principal elements of lease payments	(260)	-	(498)	-
<b>Net cash flows generated from/(used in) financing activities</b>	<b>11,362</b>	<b>(54,624)</b>	<b>48,957</b>	<b>58,973</b>
Net increase/(decrease) in cash and cash equivalents	6,755	(149,567)	12,011	(31,887)
Effect of exchange rate changes on cash and cash equivalents	(1,515)	(1,392)	(593)	(3,022)
Cash and cash equivalents at beginning of period	119,291	304,751	113,113	188,701
<b>Cash and cash equivalents at end of the period</b>	<b>124,531</b>	<b>153,792</b>	<b>124,531</b>	<b>153,792</b>

Note 1: Includes reinvestment of dividend income which is non-cash.

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 2019 and 30 June 2018

	<b>Group</b>		<b>Company</b>	
	<b>6 Months Ended</b>		<b>6 Months Ended</b>	
	<b>30.6.2019</b>	<b>30.6.2018</b>	<b>30.6.2019</b>	<b>30.6.2018</b>
	US\$'000		US\$'000	
<b>Profit for the period</b>	<b>24,937</b>	58,518	<b>4,682</b>	28,086
<b>Other comprehensive income not to be reclassified to profit &amp; loss:</b>				
Net gain/(loss) on equity instruments fair value through other comprehensive income	<b>44,678</b>	(1,818)	<b>23,361</b>	(1,818)
Net actuarial loss on post employment benefits	<b>(3)</b>	-	-	-
<b>Other comprehensive income to be reclassified to profit &amp; loss:</b>				
Foreign currency translation	<b>(406)</b>	(3,568)	<b>11,264</b>	(31,753)
<b>Total comprehensive income for the period</b>	<b>69,206</b>	53,132	<b>39,307</b>	(5,485)
Total comprehensive income attributable to:				
<b>Owners of the Company</b>	<b>56,800</b>	29,397	<b>39,307</b>	(5,485)
<b>Non-controlling interests</b>	<b>12,406</b>	23,735	-	-
	<b>69,206</b>	53,132	<b>39,307</b>	(5,485)

## (ii) Consolidated statement of changes in equity for the 6 months ended 30 June 2019 and 30 June 2018

	----- Attributable to owners of the Company ----->						Total Equity
	Share Capital	Foreign Currency Translation	Other Reserves	Retained earnings	Total Reserves	Non-controlling Interests	
<b>GROUP</b>	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
<b>Balance as at 1 January 2019</b>	305,528	(48,429)	(27,135)	83,291	7,727	105,020	418,275
Profit for the period	-	-	-	12,458	12,458	12,479	24,937
<u>Other comprehensive income</u>							
Net gain on equity instruments fair value through other comprehensive income	-	-	44,678	-	44,678	-	44,678
Net actuarial gain/(loss) on post employment benefits	-	-	(2)	-	(2)	(1)	(3)
Foreign currency translation	-	(219)	(116)	-	(335)	(71)	(406)
<b>Other comprehensive income for the period</b>	-	(219)	44,560	-	44,341	(72)	44,269
<b>Total comprehensive income for the period</b>	-	(219)	44,560	12,458	56,799	12,407	69,206
<u>Contributions by and distributions to owners</u>							
Dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	(7,942)	(7,942)
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	(7,942)	(7,942)
<b>Balance as at 30 June 2019</b>	<b>305,528</b>	<b>(48,648)</b>	<b>17,425</b>	<b>95,749</b>	<b>64,526</b>	<b>109,485</b>	<b>479,539</b>
<b>Balance as at 1 January 2018</b>	305,528	(45,958)	480	85,679	40,201	97,326	443,055
Profit for the period	-	-	-	34,831	34,831	23,687	58,518
<u>Other comprehensive income</u>							
Net loss on equity instruments fair value through other comprehensive income	-	-	(1,818)	-	(1,818)	-	(1,818)
Foreign currency translation	-	(3,616)	-	-	(3,616)	48	(3,568)
<b>Other comprehensive income for the period</b>	-	(3,616)	(1,818)	-	(5,434)	48	(5,386)
<b>Total comprehensive income for the period</b>	-	(3,616)	(1,818)	34,831	29,397	23,735	53,132
<u>Contributions by and distributions to owners</u>							
Dividends paid on ordinary shares	-	-	-	(17,202)	(17,202)	-	(17,202)
Dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	(21,026)	(21,026)
<b>Total contributions by and distributions to owners</b>	-	-	-	(17,202)	(17,202)	(21,026)	(38,228)
<b>Balance as at 30 June 2018</b>	305,528	(49,574)	(1,338)	103,308	52,396	100,035	457,959

	<--- Attributable to owners of the Company --->					Total Equity
	Share Capital	Foreign Currency Translation	Other Reserves	Retained earnings	Total Reserves	
<b>COMPANY</b>	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
<b>Balance as at 1 January 2019</b>	1,230,107	38,266	(22,736)	63,241	78,771	1,308,878
Profit for the period	-	-	-	4,682	4,682	4,682
<u>Other comprehensive income</u>						
Net gain on equity instruments fair value through other comprehensive income	-	-	23,361	-	23,361	23,361
Foreign currency translation	-	11,264	-	-	11,264	11,264
<b>Total comprehensive income for the period</b>	-	11,264	23,361	4,682	39,307	39,307
Transfer of fair value reserves of equity instruments at FVOCI upon transfer to a subsidiary	-	-	1,208	(1,208)	-	-
<b>Balance as at 30 June 2019</b>	<b>1,230,107</b>	<b>49,530</b>	<b>1,833</b>	<b>66,715</b>	<b>118,078</b>	<b>1,348,185</b>
<b>Balance as at 1 January 2018</b>	1,230,107	67,194	4,988	76,761	148,943	1,379,050
Profit for the period	-	-	-	28,086	28,086	28,086
<u>Other comprehensive income</u>						
Net loss on equity instruments fair value through other comprehensive income	-	-	(1,818)	-	(1,818)	(1,818)
Foreign currency translation	-	(31,753)	-	-	(31,753)	(31,753)
<b>Total comprehensive income for the period</b>	-	(31,753)	(1,818)	28,086	(5,485)	(5,485)
Dividends paid	-	-	-	(17,202)	(17,202)	(17,202)
<b>Balance as at 30 June 2018</b>	1,230,107	35,441	3,170	87,645	126,256	1,356,363

(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 30.6.2019	As at 31.12.2018
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 Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statement as at 31 December 2018, except for the adoption of the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") which are effective for its financial year beginning 1 January 2019.

**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.**

The Group adopted SFRS(I) 16 on 1 January 2019, using the modified retrospective approach, where comparative amounts for the year prior to first adoption will not be restated.

The Group applied the practical expedient to recognise amounts of ROU assets equal to its lease liabilities on 1 January 2019 and recognition exemptions for short-term leases and leases of low value items in accordance with SFRS(I) 16. Subsequent to initial recognition, ROU assets are carried at cost less accumulated depreciation and any accumulated impairment losses while the carrying amount of lease liabilities will take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

The adoption of SFRS(I) 16 resulted in the Group recognising ROU assets, and lease liabilities of US\$1.52 million and US\$1.56 million respectively for its leases previously classified as operating leases as of 30 June 2019.

**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)

<b>Group</b>	
<b>3 Months Ended</b>	
<b>30.6.2019</b>	<b>30.6.2018</b>
<b>0.22</b>	0.34
<b>2,353,100</b>	2,353,100
<b>0.22</b>	0.34
<b>2,353,100</b>	2,353,100

<b>Group</b>	
<b>6 Months Ended</b>	
<b>30.6.2019</b>	<b>30.6.2018</b>
<b>0.53</b>	1.48
<b>2,353,100</b>	2,353,100
<b>0.53</b>	1.48
<b>2,353,100</b>	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)

<b>Group</b>	
<b>30.6.2019</b>	<b>31.12.2018</b>
<b>15.73</b>	13.31
<b>2,353,100</b>	2,353,100

<b>Company</b>	
<b>30.6.2019</b>	<b>31.12.2018</b>
<b>57.29</b>	55.62
<b>2,353,100</b>	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 of revenue generated from Coal Mining and Coal Trading divisions as well as Non-coal Businesses. Total revenue increased by US\$15.50 million or 7.4% from US\$208.63 million in 2Q18 to US\$224.14 million in 2Q19. The overall increase in revenue was mainly due to increase in revenue from the Group's Coal Mining division and Non-coal Businesses, partially offset by a decrease in revenue from Coal Trading division.

#### **Coal Mining Division**

The Group's Coal Mining division reported an increase in revenue by US\$14.59 million or 7.7% from US\$188.80 million in 2Q18 to US\$203.39 million in 2Q19. The increase was mainly driven by higher sales volume partially offset by lower average selling price as compared to the corresponding period. Average selling price showed a decline of 11.7% from US\$42.17 per metric tonne in 2Q18 to US\$37.25 per metric tonne in 2Q19. The average Indonesia Coal Index 4 ("ICI4") in 2Q19, a better proxy for the majority of the Group's coal quality, was US\$37.50 per metric tonne. The Group's coal production volume increased by 1.00 million tonnes or 22.5% from 4.44 million tonnes in 2Q18 to 5.44 million tonnes in 2Q19.

#### **Coal Trading Division**

Revenue generated by the Group's Coal Trading division decreased by US\$0.20 million or 1.0% from US\$19.33 million in 2Q18 to US\$19.13 million in 2Q19. The decrease was mainly due to lower average selling price offset by higher sales volume as compared to corresponding reporting period.

#### **Non-coal Businesses**

Revenue in 2Q19 comprises dividend income and plywood sales. Revenue increased by US\$1.12 million from US\$0.50 million in 2Q18 to US\$1.62 million in 2Q19 due to dividend income from Stanmore shares partially offset by a decrease in plywood sales and the absence of management fee income as compared to corresponding reporting period.

#### **Cost of Sales**

The Group reported an increase in cost of sales by US\$12.08 million or 9.2% from US\$130.77 million in 2Q18 to US\$142.85 million in 2Q19. This was mainly due to increase in mining overheads, royalty expenses, coal freight and as a result of coal production ramp up and sales activities from the Coal Mining division. The increase was partially offset by a decrease in mining services costs and lower coal purchases from Coal Trading Division. Cash cost (excluding royalty) from Coal Mining division decreased from US\$26.46 per tonne in 2Q18 to US\$23.92 per tonne in 2Q19.

#### **Gross Profit**

Due to the factors above, the Group's gross profit increased by US\$3.43 million or 4.4% from US\$77.87 million in 2Q18 to US\$81.30 million in 2Q19.

#### **Other (expenses)/income**

The Group's other income decreased by US\$4.69 million or 117.7% from an income of US\$3.98 million in 2Q18 to an expense of US\$0.71 million in 2Q19, due to a decrease in miscellaneous income of US\$3.73 million mainly arising from reversal of a one-off contract to transfer of coal sales quota under Domestic Market Obligation and a decrease in interest income of US\$0.96 million derived from bank deposits and advances.

#### **Expenses**

##### **Selling and distribution expenses**

The Group's selling and distribution expenses increased by US\$5.44 million or 19.2% from US\$28.42 million in 2Q18 to US\$33.86 million in 2Q19 mainly due to increase in freight and stockpile expenses as a result of the increase in coal sales volume from the Coal Mining division.

##### **Administrative expenses**

The Group's administrative expenses decreased by US\$1.26 million or 5.5% from US\$22.86 million in 2Q18 to US\$21.60 million in 2Q19 mainly due to decrease in (i) repair and maintenance and (ii) corporate social responsibilities expense partially offset by an increase in (i) taxes and stamp duty fee and (ii) legal and professional fees relating to corporate exercises.

##### **Other operating income/(expenses)**

The Group's other operating income decreased by US\$0.75 million or 40.5% from US\$1.85 million in 2Q18 to US\$1.10 million in 2Q19 mainly due to an increase in depreciation and amortisation expenses and miscellaneous expenses partially offset by an increase in foreign exchange gain.

##### **Finance costs**

The Group's finance costs increased by US\$2.91 million or 51.9% from US\$5.60 million in 2Q18 to US\$8.51 million in 2Q19 mainly due to an increase in interest expenses resulting from additional loans.

##### **Income tax expenses**

Income tax expenses decreased by US\$4.39 million or 37.1% from US\$11.83 million in 2Q18 to US\$7.44 million in 2Q19 as a result of lower operating profit.

#### **Profit after tax**

Due to the factors above, the Group's net profit decreased by US\$4.72 million or 31.5% to US\$10.27 million in 2Q19 as compared to US\$14.99 million in 2Q18, and profit attributable to owners of the Company decreased by US\$2.80 million or 34.8% to US\$5.25 million in 2Q19 as compared to US\$8.05 million in 2Q18.

#### **Other comprehensive income**

The Group's other comprehensive income increased by US\$20.69 million or 492.4% from US\$4.19 million in 2Q18 to US\$24.88 million in 2Q19 mainly due to (i) Westgold share price recovery from A\$1.26 as at 31 March 2019 to A\$1.88 as at 30 June 2019 and (ii) an increase in Stanmore share price from A\$1.16 as at 31 March 2019 to A\$1.43 as at 30 June 2019.

**8(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**

**Non-current assets**

- Property, plant and equipment increased by US\$10.21 million to US\$90.58 million at 30 June 2019 as a result of additions to property, plant and equipment partially offset by depreciation.

- Right-of-use-assets increased by US\$1.52 million at 30 June 2019 as a result of the adoption of SFRS (I) 16.

- The increase in investment in securities of US\$59.67 million to US\$117.37 million at 30 June 2019 was due to (i) US\$9.6 million related to 5.5% Stanmore Coal Limited's ("Stanmore") shares acquired in take-over offer, (ii) US\$1.4 million due to reinvestment of dividend income from Stanmore shares, (iii) an increase in other investment of US\$4.0 million; and (iv) US\$44.68 million due to higher market value for Stanmore and Westgold shares.

**Current assets**

- The decrease in inventories of US\$6.14 million to US\$13.51 million at 30 June 2019 was due to inventories sold during the period under review.

- The decrease in advances to suppliers/vendors of US\$7.88 million to US\$96.85 million at 30 June 2019 was mainly due to decrease in advance payment of US\$8.3 million to coal suppliers partially offset by an increase in other advances.

- The increase in other current assets of US\$3.39 million to US\$38.54 million at 30 June 2019 was mainly due to an increase in prepaid insurance and royalty.

**Current liabilities**

- Trade and other payables decreased by US\$30.15 million to US\$173.08 million at 30 June 2019 mainly due to decrease in coal purchases offset by an increase in other payables as a result of advances from customers.

- Lease liabilities increased by US\$1.56 million to US\$1.56 million at 30 June 2019 as a result of the adoption of SFRS(I) 16.

- Provision for taxation decreased by US\$0.64 million to US\$1.11 million at 30 June 2019 as a result of tax payment and lower corporate tax charged during the period under review.

- Loans and borrowings increased by US\$8.04 million to US\$54.21 million at 30 June 2019 mainly due to the drawdown of working capital credit facility partially offset by the repayment of loans during the period under review.

**Non-current liabilities**

- Loans and borrowings increased by US\$41.58 million to US\$264.44 million at 30 June 2019 as a result of drawdown of term loan for operation and a new loan facility for investment purposes.

- Post-employment benefits increased by US\$0.41 million to US\$3.39 million at 30 June 2019 due to provision for employee benefits liabilities during the current reporting period.

As at 30 June 2019, the Group has net current assets of US\$173.99 million and the Company has net current assets of US\$87.43 million. The Group has loans and borrowings totalling US\$318.64 million of which US\$54.21 million is due within the next 12 months. The Group's cash and cash equivalents stood at US\$124.53 million as at 30 June 2019.

## **Review of Statement of Cash Flows**

For 2Q19, the Group had net cash inflows of US\$6.76 million mainly due to the following:

Net cash generated from operating activities of US\$7.4 million comprised of operating cash inflow before working capital changes of US\$20.69 million, net working capital inflow of US\$4.48 million, various taxes paid of US\$16.37 million and interest and other financial charges paid of US\$3.67 million. The Group also recorded interest income received of US\$2.27 million. The net working capital inflow of US\$4.48 million was mainly due to a decrease in trade and other receivables, advances and other current assets totalling US\$35.06 million and a decrease in inventories of US\$2.58 million, partially offset by decrease in trade and other payables of US\$33.16 million.

Net cash flows used in investing activities of US\$12.00 million mainly due to (i) purchase of property, plant and equipment of US\$7.56 million; (ii) additions to mining properties of US\$3.05 million; and (iii) increase in other non-current assets of US\$0.85 million.

Net cash flows generated from financing activities of US\$11.36 million was mainly due to proceeds from loans and borrowings of US\$32.56 million, partially offset by repayment of loans and borrowings of US\$20.59 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.**

Global demand for thermal coal has come under pressure, primarily due to the slowing economic growth in China. Notwithstanding the global headwinds, GEAR continues to experience robust thermal coal demand from its key export markets in Asia.

According to data by China's National Bureau of Statistics, the country generated a total of 544 TWh of electricity in April 2019, which represents a 3.8% increase year-on-year. However, the power generation was down 4.5% from 569.8 TWh in March 2019. The weaker power demand reflects the lower level of industrial production, which may turnaround if the country's policy stimulus accelerates.

Further to the declining demand from China, the country has launched a 3,324-kilometre long power transmission line that connects the coal-rich Xinjiang province in western China to Anhui province in the east. Upon completion, the transmission line is expected to reduce China's coal usage by about 30 million tonnes per year.

In South Asia, coal's share in the power mix continues to increase, with coal generation growing faster than power generation. Significant increases in coal consumption has been observed in countries such as Indonesia, Vietnam, the Philippines and Malaysia.

For instance, Vietnam, one of GEAR's new export markets, imported 3.9 million tonnes of coal in May 2019, surging 57.1% year-on-year, according to preliminary data released by Vietnam Customs. Between January 2019 and May 2019, Vietnam imported 17.2 million tonnes of coal, rising 103.8% from the same period in 2018, with imports mostly from Indonesia, Australia and Russia. The massive imports on the back of sharp declines in exports came as the state utility Vietnam Electricity announced that it will continue to buy as much electricity from coal-fired power plants as possible to feed rising electricity demand in the country.

In India, another key market, thermal coal imports are expected to grow by 12 million tonnes year-on-year to 184 million tonnes in 2019, while an additional 6.5 million tonnes is projected for 2020. The growing demand from India comes amid increased coal imports and upbeat views on the country's economic development driven by the expanding manufacturing sector and growing demand for grid power.

Indonesia's Ministry of Energy and Mineral Resources has set its July coal reference price at US\$71.92 per metric tonne, representing a 31.3% decrease from US\$104.65 per metric tonne in July 2018. July's price marks the 11th consecutive monthly drop for the benchmark price and the lowest price since July 2017.

Last year, the Indonesian government announced plans to phase out the older licenses, Coal Contracts of Works ("CCoW"), and to replace it with a special mining permit. Recently, the regulatory changes have resulted in uncertainties to the coal mining sector after a mining contract for one of the miners was revoked, raising concerns about upcoming contract renewals.

GEAR's key mining asset PT Borneo Indobara currently operates on a second generation CCoW which is valid until 2036 and hence is not subject to such uncertainties in the near future.

GEAR remains optimistic on the near to medium term outlook for thermal coal in the South Asian and South East Asian markets and believes that demand will continue to be supported by the growing energy requirements of developing countries in these regions. GEAR will continue to focus on maintaining profitability at current prices while keeping on track to achieve 25 million tonnes of production in 2019.

**11 Dividend**

**(a) Current Financial Period Reported On**

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

Name of Dividend:	Interim
Dividend type:	Cash
Dividend Amount per Share:	0.29 Singapore cent per ordinary share
Tax rate:	Tax exempt

**(b) Corresponding Period of the Immediately Preceding Financial Period**

None

**(c) Date payable.**

9 September 2019

**(d) Book Closure Date**

21 August 2019

**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
	30.6.2019 US\$'000	30.6.2019 US\$'000
<b>Sales :</b>		
PT Indah Kiat Pulp & Paper Tbk	-	42,320
PT Sinar Mas Agro Resources and Technology Tbk	-	3,516
PT Pabrik Kertas Tjiwi Kimia Tbk	-	907
PT SOCI Mas	-	2,187
Hainan Jinhai Trading (Hong Kong) Co., Ltd	-	14,702
PT Ivo Mas Tunggal	-	1,043
PT Energi Sejahtera Mas	-	882
Gold HongYe Trading (Hong Kong) Company Limited	-	(24)
PT DSSP Power Kendari	-	2,525
PT Lontar Papyrus Pulp and Paper Industry	-	12,271
PT Sinarmas Bio Energy	-	1,109
<b>Interest income :</b>		
PT Bank Sinarmas Tbk	-	2
<b>Purchases :</b>		
PT Rolimex Kimia Nusamas	-	76
<b>Rental expenses :</b>		
PT Royal Oriental	-	316
<b>Freight &amp; Demurrage :</b>		
PT Wirakarya Sakti	-	523
<b>Office Consumption :</b>		
PT Sinarmas Distribusi Nusantara	-	3
<b>Telecommunication :</b>		
PT Smartfren Telecom Tbk	-	5
<b>Insurance expenses :</b>		
PT Asuransi Sinar Mas	-	2,551

**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 June 2019 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.

BY ORDER OF THE BOARD  
Fuganto Widjaja  
Executive Director, Chief Executive Officer  
13 August 2019