

**Unaudited Financial Statements for the Period Ended 30 September 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		+ / (-) %	9 Months Ended		+ / (-) %	
	30.9.2019	30.9.2018		30.9.2019	30.9.2018		
US\$'000		US\$'000		US\$'000			
Revenue	1	265,188	286,669	(7.5)	765,565	768,304	(0.4)
Cost of sales		(183,328)	(190,599)	(3.8)	(510,955)	(477,349)	7.0
<b>Gross profit</b>		<b>81,860</b>	96,070	(14.8)	<b>254,610</b>	290,955	(12.5)
Other income	2	3,040	3,322	(8.5)	8,486	9,292	(8.7)
Selling and distribution expenses		(42,575)	(39,473)	7.9	(121,839)	(102,125)	19.3
Administrative expenses		(16,556)	(17,488)	(5.3)	(56,499)	(57,085)	(1.0)
Other operating expenses	3	(1,687)	(1,446)	16.7	(3,115)	(2,813)	10.7
Finance costs	4	(8,035)	(6,117)	31.4	(23,568)	(16,678)	41.3
<b>Profit before tax</b>	5	<b>16,047</b>	34,868	(54.0)	<b>58,075</b>	121,546	(52.2)
Income tax expense	6	(8,264)	(10,084)	(18.0)	(25,355)	(38,244)	(33.7)
<b>Profit for the period</b>		<b>7,783</b>	24,784	(68.6)	<b>32,720</b>	83,302	(60.7)
<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		7,889	(15,995)	149.3	52,567	(17,813)	395.1
Net actuarial (loss)/gain on post employment benefits		-	-	n.m.	(3)	-	n.m.
		7,889	(15,995)	149.3	52,564	(17,813)	395.1
<b>Other comprehensive income to be reclassified to profit or loss:</b>							
Foreign currency translation		592	657	(9.9)	186	(2,911)	106.4
<b>Other comprehensive income</b>		<b>8,481</b>	(15,338)	155.3	<b>52,750</b>	(20,724)	354.5
<b>Total comprehensive income for the period</b>		<b>16,264</b>	9,446	72.2	<b>85,470</b>	62,578	36.6
<b>Profit for the period attributable to:</b>							
Owners of the Company		4,183	14,895	(71.9)	16,641	49,726	(66.5)
Non-controlling interests		3,600	9,889	(63.6)	16,079	33,576	(52.1)
		7,783	24,784	(68.6)	32,720	83,302	(60.7)
<b>Total comprehensive income for the period attributable to:</b>							
Owners of the Company		12,661	(545)	2423.1	69,461	28,852	140.7
Non-controlling interests		3,603	9,991	(63.9)	16,009	33,726	(52.5)
		16,264	9,446	72.2	85,470	62,578	36.6

n.m. : denotes not meaningful

**Notes to the Statement of Comprehensive Income**

	Group			Group		
	3 Months Ended			9 Months Ended		
	30.9.2019	30.9.2018	+ /(-) %	30.9.2019	30.9.2018	+ /(-) %
	US\$'000			US\$'000		
<b>1 Revenue</b>						
Coal Mining	248,149	248,899	(0.3)	700,896	674,990	3.8
Coal Trading	12,380	37,421	(66.9)	58,094	92,073	(36.9)
Non-coal Business	4,659	349	1235.1	6,575	1,241	429.9
	<b>265,188</b>	<b>286,669</b>	<b>(7.5)</b>	<b>765,565</b>	<b>768,304</b>	<b>(0.4)</b>
<b>2 Other income</b>						
Interest income	2,671	2,850	(6.3)	7,029	7,954	(11.6)
Compensation income	142	-	n.m.	142	-	n.m.
Miscellaneous income	227	472	(51.9)	1,315	1,338	(1.7)
	<b>3,040</b>	<b>3,322</b>	<b>(8.5)</b>	<b>8,486</b>	<b>9,292</b>	<b>(8.7)</b>
<b>3 Other operating expenses</b>						
Provision for mine closure	(389)	(32)	1121.9	(413)	(243)	70.0
Depreciation and amortisation	(586)	(309)	89.3	(1,758)	(946)	85.8
Exploration expenses	(86)	(85)	1.2	(177)	(425)	(58.3)
Foreign exchange loss	(534)	(1,055)	(49.4)	(67)	(1,473)	(95.5)
Others	(92)	35	362.9	(700)	274	355.5
	<b>(1,687)</b>	<b>(1,446)</b>	<b>16.7</b>	<b>(3,115)</b>	<b>(2,813)</b>	<b>10.8</b>
<b>4 Finance costs</b>						
Interest expenses	(6,951)	(4,694)	48.1	(19,779)	(12,335)	60.3
Trade financing charges	(722)	(959)	(24.7)	(2,448)	(2,914)	(16.0)
Amortisation of discounted loans and borrowings	(110)	(110)	0.0	(331)	(295)	12.2
Others	(252)	(354)	(28.7)	(1,010)	(1,134)	(10.9)
	<b>(8,035)</b>	<b>(6,117)</b>	<b>31.4</b>	<b>(23,568)</b>	<b>(16,678)</b>	<b>41.3</b>
<b>5 Profit before tax is arrived after charging the following:</b>						
Freight and stockpile	(63,002)	(54,391)	15.8	(175,517)	(141,537)	24.0
Royalty fees	(33,242)	(28,726)	15.7	(97,295)	(76,261)	27.6
Mining services and overheads	(124,624)	(124,720)	(0.1)	(296,696)	(272,845)	8.7
Depreciation of property, plant and equipment	(2,179)	(1,744)	24.9	(5,838)	(5,036)	15.9
Depreciation of Right-of-Use Assets ("ROU")	(274)	-	n.m.	(811)	-	n.m.
Amortisation expenses	(2,671)	(1,139)	134.5	(4,769)	(2,603)	83.2
Foreign exchange loss	(534)	(1,055)	(49.4)	(67)	(1,473)	(95.5)
Changes in inventories	4,080	(17,719)	123.0	(34,350)	(75,470)	(54.5)
<b>6 Income tax expenses can be analysed as follows:</b>						
Current Income Tax	(6,415)	(10,505)	(38.9)	(21,508)	(35,221)	(38.9)
Withholding Tax Expense	(227)	(124)	83.1	(1,983)	(4,437)	(55.3)
Deferred Income Tax Benefit	162	545	(70.3)	479	1,414	(66.1)
	<b>(6,480)</b>	<b>(10,084)</b>	<b>(35.7)</b>	<b>(23,012)</b>	<b>(38,244)</b>	<b>(39.8)</b>
Under provision in respect of previous years Income Tax	(1,784)	-	n.m.	(2,343)	-	n.m.
	<b>(8,264)</b>	<b>(10,084)</b>	<b>(18.0)</b>	<b>(25,355)</b>	<b>(38,244)</b>	<b>(33.7)</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
	30.9.2019	31.12.2018	30.9.2019	31.12.2018
	US\$'000		US\$'000	
<b>Non-Current Assets</b>				
Biological assets	3,381	3,381	-	-
Property, plant and equipment	94,086	80,375	168	225
Right-of-use assets	1,265	-	94	-
Mining properties	233,029	227,658	-	-
Intangible assets	10,816	11,194	-	-
Goodwill on consolidation	113,739	113,739	-	-
Amounts due from subsidiaries	-	-	16,675	4,083
Investment in subsidiaries	-	-	1,347,259	1,319,404
Investment securities	131,839	57,703	60,862	57,673
Deferred tax assets	6,366	6,023	-	-
Other receivables	66	165	-	-
Restricted funds	15,030	14,800	8,510	6,827
Other non-current assets	46,357	46,274	3,746	3,784
	<b>655,974</b>	<b>561,312</b>	<b>1,437,314</b>	<b>1,391,996</b>
<b>Current Assets</b>				
Inventories	28,577	19,645	-	-
Amounts due from subsidiaries	-	-	311	397
Trade and other receivables	140,097	124,889	1,996	10,248
Other current assets	129,505	139,875	33,856	34,032
Held for trading investment	2,000	2,000	2,000	2,000
Cash and cash equivalents	168,409	113,113	35,542	26,325
	<b>468,588</b>	<b>399,522</b>	<b>73,705</b>	<b>73,002</b>
<b>Current Liabilities</b>				
Trade and other payables	245,321	203,234	3,226	6,465
Amounts due to subsidiaries	-	-	987	1,041
Lease liabilities	1,302	-	89	-
Provision for taxation	859	1,747	359	315
Loans and borrowings	48,141	46,167	-	-
	<b>295,623</b>	<b>251,148</b>	<b>4,661</b>	<b>7,821</b>
<b>Net Current Assets</b>	<b>172,965</b>	<b>148,374</b>	<b>69,044</b>	<b>65,181</b>
<b>Non-Current Liabilities</b>				
Other payables	33,927	34,035	-	-
Lease liabilities	10	-	6	-
Loans and borrowings	268,751	222,860	182,343	148,199
Deferred tax liabilities	29,369	29,541	99	100
Post-employment benefits	3,554	2,979	-	-
Provision for mine closure	2,527	1,996	-	-
	<b>338,138</b>	<b>291,411</b>	<b>182,448</b>	<b>148,299</b>
<b>Net Assets</b>	<b>490,801</b>	<b>418,275</b>	<b>1,323,910</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	72,186	7,727	93,803	78,771
	<b>377,714</b>	<b>313,255</b>	<b>1,323,910</b>	<b>1,308,878</b>
<b>Non-controlling interests</b>	<b>113,087</b>	<b>105,020</b>	-	-
<b>Total Equity</b>	<b>490,801</b>	<b>418,275</b>	<b>1,323,910</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 30.9.2019		As at 31.12.2018		As at 30.9.2019		As at 31.12.2018	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
US\$'000		US\$'000		US\$'000		US\$'000	
48,141	-	46,167	-	268,751	-	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		9 Months Ended	
	30.9.2019	30.9.2018	30.9.2019	30.9.2018
	US\$'000		US\$'000	
<b>Cash flows from operating activities:</b>				
Profit before tax	16,047	34,868	58,075	121,546
<u>Adjustments for:</u>				
Provision for mine closure	389	32	413	243
Provision for overburden expense	-	(1,939)	-	-
Depreciation of property, plant and equipment	2,179	1,744	5,838	5,036
Depreciation of Right-of-Use Assets ("ROU")	274	-	811	-
Property, plant and equipment written off	-	1	-	3
Gain on disposal of short term investment	-	-	-	(13)
Fair value loss on other investment	-	48	-	48
Defined post-employment benefit expense	146	169	515	351
Amortisation of mining properties	2,433	408	3,919	1,140
Amortisation of software	31	194	67	268
Amortisation of land exploitation	81	411	404	816
Amortisation of intangible assets	126	126	379	379
Amortisation of loans and borrowings	110	110	331	295
Interest and other financial charges	7,744	5,650	22,420	15,444
Dividend income from investment securities	-	-	(1,362)	-
Interest income	(2,671)	(2,850)	(7,029)	(7,954)
Net exchange differences	4,333	(3,293)	1,187	(3,214)
Operating cash inflows before changes in working capital	31,222	35,679	85,968	134,388
Increase in inventories	(15,070)	(17,819)	(8,931)	(11,852)
(Increase)/decrease in trade and other receivables, advances and other current assets	(778)	5,345	14,111	(69,236)
Increase in trade and other payables	97,718	65,890	49,299	56,689
Cash flows generated from operations	113,092	89,095	140,447	109,989
Interest and other financial charges paid	(18,744)	(2,232)	(25,409)	(6,136)
Interest income received	2,671	4,809	7,029	9,878
Taxes paid	(12,600)	(15,898)	(41,385)	(80,620)
<b>Net cash flows generated from operating activities</b>	<b>84,419</b>	<b>75,774</b>	<b>80,682</b>	<b>33,111</b>
<b>Cash flows from investing activities</b>				
Net cash outflows on acquisition of subsidiaries	-	(64,873)	-	(64,873)
Net cash inflow from disposal of short term investment	-	-	-	1,032
Purchase of investment securities	(10,579)	468	(20,207)	(28,156)
Additions to mining properties	(3,428)	(4,923)	(9,166)	(7,925)
Additions of other investment	-	(2,059)	-	(2,059)
Proceeds from disposal of property, plant and equipment	-	83	-	130
Purchase of property, plant and equipment	(5,926)	(3,980)	(19,540)	(9,036)
Payment for mines under construction	-	(114)	(7)	(170)
Increase in other non-current assets	791	(1,350)	(2,547)	(7,931)
Changes in restricted funds	755	(1,263)	(129)	(7,220)
<b>Net cash flows used in investing activities</b>	<b>(18,387)</b>	<b>(78,011)</b>	<b>(51,596)</b>	<b>(126,208)</b>
<b>Cash flows from financing activities</b>				
Payment of dividend	(5,001)	(8)	(5,001)	(17,210)
Payment of dividend to NCI of subsidiaries	(12,540)	(387)	(12,892)	(39,126)
Net proceeds from issuance of bonds	-	-	-	149,294
Proceeds from loans and borrowings	50,745	38,696	144,506	84,963
Repayment of loans and borrowings	(52,047)	(23,405)	(96,001)	(104,052)
Principal elements of lease payments	(264)	-	(762)	-
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(19,107)</b>	<b>14,896</b>	<b>29,850</b>	<b>73,869</b>
Net increase/(decrease) in cash and cash equivalents	46,925	12,659	58,936	(19,228)
Effect of exchange rate changes on cash and cash equivalents	(3,047)	1,612	(3,640)	(1,410)
Cash and cash equivalents at beginning of period	124,531	153,792	113,113	188,701
<b>Cash and cash equivalents at end of the period</b>	<b>168,409</b>	<b>168,063</b>	<b>168,409</b>	<b>168,063</b>

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 2019 and 30 September 2018

	<b>Group</b>		<b>Company</b>	
	<b>9 Months Ended</b>		<b>9 Months Ended</b>	
	<b>30.9.2019</b>	<b>30.9.2018</b>	<b>30.9.2019</b>	<b>30.9.2018</b>
	US\$'000		US\$'000	
<b>Profit for the period</b>	<b>32,720</b>	83,302	<b>(1,931)</b>	24,069
<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>52,567</b>	(17,813)	<b>36,946</b>	(17,813)
Net actuarial loss on post employment benefits	<b>(3)</b>	-	<b>-</b>	-
<b>Other comprehensive income to be reclassified to profit &amp; loss:</b>				
Foreign currency translation	<b>186</b>	(2,911)	<b>(14,982)</b>	(30,653)
<b>Total comprehensive income for the period</b>	<b>85,470</b>	62,578	<b>20,033</b>	(24,397)
Total comprehensive income attributable to:				
<b>Owners of the Company</b>	<b>69,461</b>	28,852	<b>20,033</b>	(24,397)
<b>Non-controlling interests</b>	<b>16,009</b>	33,726	<b>-</b>	-
	<b>85,470</b>	62,578	<b>20,033</b>	(24,397)

## (ii) Consolidated statement of changes in equity for the 9 months ended 30 September 2019 and 30 September 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	-	-	-	16,641	16,641	16,079	32,720
<u>Other comprehensive income</u>							
Net gain on equity instruments fair value through other comprehensive income	-	-	52,567	-	52,567	-	52,567
Net actuarial gain/(loss) on post employment benefits	-	-	(2)	-	(2)	(1)	(3)
Foreign currency translation	-	371	(116)	-	255	(69)	186
<b>Other comprehensive income for the period</b>	-	371	52,449	-	52,820	(70)	52,750
<b>Total comprehensive income for the period</b>	-	371	52,449	16,641	69,461	16,009	85,470
<u>Contributions by and distributions to owners</u>							
Dividends paid on ordinary shares	-	-	-	(5,002)	(5,002)	-	(5,002)
Dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	(7,942)	(7,942)
<b>Total contributions by and distributions to owners</b>	-	-	-	(5,002)	(5,002)	(7,942)	(12,944)
<b>Balance as at 30 September 2019</b>	305,528	(48,058)	25,314	94,930	72,186	113,087	490,801
<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	-	-	-	49,726	49,726	33,576	83,302
<u>Other comprehensive income</u>							
Net loss on equity instruments fair value through other comprehensive income	-	-	(17,813)	-	(17,813)	-	(17,813)
Foreign currency translation	-	(3,061)	-	-	(3,061)	150	(2,911)
<b>Other comprehensive income for the period</b>	-	(3,061)	(17,813)	-	(20,874)	150	(20,724)
<b>Total comprehensive income for the period</b>	-	(3,061)	(17,813)	49,726	28,852	33,726	62,578
<u>Contributions by and distributions to owners</u>							
Dividends paid on ordinary shares	-	-	-	(17,210)	(17,210)	-	(17,210)
Dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	(21,413)	(21,413)
<b>Total contributions by and distributions to owners</b>	-	-	-	(17,210)	(17,210)	(21,413)	(38,623)
<b>Balance as at 30 September 2018</b>	305,528	(49,019)	(17,333)	118,195	51,843	109,639	467,010

	<--- 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	-	-	-	(1,931)	(1,931)	(1,931)
<u>Other comprehensive income</u>						
Net gain on equity instruments fair value through other comprehensive income	-	-	36,946	-	36,946	36,946
Foreign currency translation	-	(14,982)	-	-	(14,982)	(14,982)
<b>Total comprehensive income for the period</b>	-	(14,982)	36,946	(1,931)	20,033	20,033
Dividends paid	-	-	-	(5,001)	(5,001)	(5,001)
Transfer of fair value reserves of equity instruments at FVOCI upon transfer to a subsidiary	-	-	1,208	(1,208)	-	-
<b>Balance as at 30 September 2019</b>	1,230,107	23,284	15,418	55,101	93,803	1,323,910
<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	-	-	-	24,069	24,069	24,069
<u>Other comprehensive income</u>						
Net loss on equity instruments fair value through other comprehensive income	-	-	(17,813)	-	(17,813)	(17,813)
Foreign currency translation	-	(30,653)	-	-	(30,653)	(30,653)
<b>Total comprehensive income for the period</b>	-	(30,653)	(17,813)	24,069	(24,397)	(24,397)
Dividends paid	-	-	-	(17,210)	(17,210)	(17,210)
<b>Balance as at 30 September 2018</b>	1,230,107	36,541	(12,825)	83,620	107,336	1,337,443

1(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 30.9.2019	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\$1.27 million and US\$1.31 million respectively for its leases previously classified as operating leases as of 30 September 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)

Group	
3 Months Ended	
30.9.2019	30.9.2018
0.18	0.63
<b>2,353,100</b>	2,353,100
0.18	0.63
<b>2,353,100</b>	2,353,100

Group	
9 Months Ended	
30.9.2019	30.9.2018
0.71	2.11
<b>2,353,100</b>	2,353,100
0.71	2.11
<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)

Group	
30.9.2019	31.12.2018
16.05	13.31
<b>2,353,100</b>	2,353,100

Company	
30.9.2019	31.12.2018
56.26	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 decreased by US\$21.48 million or 7.5% from US\$286.67 million in 3Q18 to US\$265.19 million in 3Q19. The overall decrease in revenue was mainly due to a decrease in revenue from the Group's Coal Trading division, partially offset by an increase in revenue from Non-coal Businesses. Revenue from Coal Mining division remained stable.

#### **Coal Mining Division**

Revenue from the Group's Coal Mining division was stable at US\$248.15 million in 3Q19 as compared to US\$248.90 million in 3Q18. Average selling price showed a decline of 15.9% from US\$40.80 per metric tonne in 3Q18 to US\$34.30 per metric tonne in 3Q19. The average Indonesia Coal Index 4 ("ICI4") in 3Q19, a better proxy for the majority of the Group's coal quality, was US\$33.10 per metric tonne. The decrease in average selling price was offset by an increase in sales volume from 6.1 million tonnes in 3Q18 to 7.2 million tonnes in 3Q19. The Group's coal production volume increased by 1.22 million tonnes or 17.7% from 6.88 million tonnes in 3Q18 to 8.10 million tonnes in 3Q19.

#### **Coal Trading Division**

Revenue generated by the Group's Coal Trading division decreased by US\$25.04 million or 66.9% from US\$37.42 million in 3Q18 to US\$12.38 million in 3Q19. The decrease was mainly due to lower sales volume and average selling price as compared to corresponding reporting period.

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

Revenue in 3Q19 comprises dividend income, management fees and plywood sales. Revenue increased by US\$4.31 million from US\$0.35 million in 3Q18 to US\$4.66 million in 3Q19 mainly due to dividend income from shares of Stanmore Coal Limited ("Stanmore") and a slight increase in plywood sales as compared to corresponding reporting period.

#### **Cost of Sales**

The Group reported a decrease in cost of sales of US\$7.27 million or 3.8% from US\$190.60 million in 3Q18 to US\$183.33 million in 3Q19. This was mainly due to decrease in coal purchases from Coal Trading division and mining services from Coal Mining division offset by an increase in coal freight, royalty expenses and overheads as a result of coal production ramp up from the Coal Mining division. Cash cost (excluding royalty) from Coal Mining division decreased from US\$26.82 per tonne in 3Q18 to US\$24.46 per tonne in 3Q19. This was driven by lower fuel rates, lower strip ratios and contractor rates compared to 3Q18.

#### **Gross Profit**

The Group's gross profit decreased by US\$14.21 million or 14.8% from US\$96.07 million in 3Q18 to US\$81.86 million in 3Q19 as a result of the factors above.

#### **Other income**

The Group's other income decreased by US\$0.28 million or 8.5% from US\$3.32 million in 3Q18 to US\$3.04 million in 3Q19, due to a decrease in interest income of US\$0.18 million and miscellaneous income of US\$0.25 million partially offset by an increase in compensation income of US\$0.14 million.

#### **Expenses**

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

The Group's selling and distribution expenses increased by US\$3.11 million or 7.9% from US\$39.47 million in 3Q18 to US\$42.58 million in 3Q19 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 remained relatively stable at US\$16.56 million in 3Q19.

##### **Other operating expenses**

The Group's other operating expenses increased by US\$0.24 million or 16.7% from US\$1.45 million in 3Q18 to US\$1.69 million in 3Q19 mainly due to an increase in provision for mine closure, depreciation and amortisation expenses and miscellaneous expenses partially offset by a decrease in foreign exchange loss.

##### **Finance costs**

The Group's finance costs increased by US\$1.92 million or 31.4% from US\$6.12 million in 3Q18 to US\$8.04 million in 3Q19 mainly due to an increase in interest expenses resulting from drawdown of loan.

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

Income tax expenses decreased by US\$1.82 million or 18.0% from US\$10.08 million in 3Q18 to US\$8.26 million in 3Q19 as a result of lower taxable profit.

##### **Profit after tax**

Due to the factors above, the Group's net profit decreased by US\$17.00 million or 68.6% to US\$7.78 million in 3Q19 as compared to US\$24.78 million in 3Q18, and profit attributable to owners of the Company decreased by US\$10.72 million or 71.9% to US\$4.18 million in 3Q19 as compared to US\$14.90 million in 3Q18.

##### **Other comprehensive income**

The Group's other comprehensive income increased by US\$23.82 million or 155.3% from a net loss of US\$15.34 million in 3Q18 to a net gain of US\$8.48 million in 3Q19 mainly due to an increase in share price of Westgold Resources Limited ("Westgold") from A\$1.88 as at 30 June 2019 to A\$2.50 as at 30 September 2019 partially offset by a decrease in share price of Stanmore from A\$1.43 as at 30 June 2019 to A\$1.36 as at 30 September 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\$13.71 million to US\$94.09 million at 30 September 2019 as a result of new port expansion at Bunati port partially offset by depreciation.
- Right-of-use-assets increased by US\$1.27 million at 30 September 2019 as a result of the adoption of SFRS (I) 16.
- The increase in investment in securities of US\$74.14 million to US\$131.84 million at 30 September 2019 was due to (i) net increase in market value of US\$52.57 million for shares of Stanmore and Westgold; (ii) US\$9.63 million related to approximately 5.5% of Stanmore acquired in take-over offer; (iii) US\$6.58 million related to additional purchase of shares of Stanmore during the period under review; (iv) US\$1.36 million due to receipt of dividend and issue of new shares of Stanmore pursuant to the dividend reinvestment plan; and (v) an increase in investment of US\$4.00 million in renewable energy project.

**Current assets**

- The increase in inventories of US\$8.93 million to US\$28.58 million at 30 September 2019 was due to higher production during the period under review.
- The increase in trade and other receivables of US\$15.21 million to US\$140.10 million at 30 September 2019 was mainly due to FY2019 final dividend receivable on shares of Stanmore and an increase in other receivables partially offset by decrease in trade receivables.
- The decrease in other current assets of US\$10.37 million to US\$129.51 million at 30 September 2019 was mainly due to decrease in advance payment to coal suppliers partially offset by an increase in prepaid insurance and royalty.

**Current liabilities**

- Trade and other payables increased by US\$42.09 million to US\$245.32 million at 30 September 2019 mainly due to increase in (i) trade payables due to increased coal production; (ii) advances from customers; and (iii) accrued expenses due to higher royalty and other tax accrued partially offset by decrease in other payables due to payment of dividend which was declared in December 2018 by a subsidiary PT Golden Energy Mines Tbk ("GEMS").
- Lease liabilities increased by US\$1.30 million at 30 September 2019 as a result of the adoption of SFRS(I) 16.
- Provision for taxation decreased by US\$0.89 million to US\$0.86 million at 30 September 2019 as a result of tax payment and lower corporate tax charged during the period under review.

**Non-current liabilities**

- Loans and borrowings increased by US\$45.89 million to US\$268.75 million at 30 September 2019 as a result of drawdown of term loan for operation and investment in property and equipment, and a new loan facility for investment purposes.
- Post-employment benefits increased by US\$0.57 million to US\$3.55 million at 30 September 2019 due to provision for employee benefits liabilities during the current reporting period.

As at 30 September 2019, the Group has net current assets of US\$172.97 million and the Company has net current assets of US\$69.04 million. The Group has loans and borrowings totalling US\$316.89 million of which US\$48.14 million is due within the next 12 months. The Group's cash and cash equivalents stood at US\$168.41 million as at 30 September 2019.

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

For 3Q19, the Group had net cash inflows of US\$46.93 million mainly due to the following:

Net cash generated from operating activities of US\$84.42 million comprised of operating cash inflow before working capital changes of US\$31.22 million, net working capital inflow of US\$81.87 million, various taxes paid of US\$12.60 million and interest and other financial charges paid of US\$18.74 million. The Group also recorded interest income received of US\$2.67 million. The net working capital inflow of US\$81.87 million was mainly due to an increase in trade and other payables of US\$97.72 million partially offset by an increase in (i) inventories of US\$15.07 million; and (ii) trade and other receivables, advances and other current assets totalling US\$0.78 million.

Net cash flows used in investing activities of US\$18.39 million mainly due to (i) purchase of investment securities of US\$10.58 million including shares of Stanmore and investment in renewable energy project; (ii) purchase of property, plant and equipment of US\$5.93 million; and (iii) additions to mining properties of US\$3.43 million.

Net cash flows used in financing activities of US\$19.11 million was mainly due to (i) repayment of loans and borrowings of US\$52.05 million; (ii) dividend payments partially offset by proceeds from loans and borrowings of US\$50.75 million. Part of the repayment and proceed of borrowings was due to refinancing of loan amounting to US\$32 million by subsidiary GEMS.

**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.**

While the trend for global coal demand is expected to stay flat, Southeast Asian demand for coal remains robust, doubling to nearly 400 million tonnes of coal equivalent by 2040 at an annual average growth rate of 3%. With a strong presence in the region, GEAR continues to support the thermal coal demand from its key export markets in Southeast Asia.

In China, coal-fired power generation is projected to peak in 2025 but slowing demand growth and the goal of limiting CO2 emissions growth by 2030 will halt coal generation.

Southeast Asia remains a key demand driver for coal, which will continue to be the region's dominant fuel source in power generation. Demand in the region will also be supported by the construction of new coal-fired power plants, including a new 2-GW coal-fired power capacity in Malaysia in the second half of 2019.

In May 2019, the Indonesian Coal Mining Association and China National Coal Association have signed a memorandum of understanding to strengthen cooperation in the coal mining sector. The collaboration framework, which reflects the Indonesian government's efforts to develop trade exports of both countries and also investment in developing value-added coal, could provide certainty on China's import policy.

In India, power utilities imported 28.7 million tonnes of thermal coal over April-August 2019, representing an increase of 28% year-on-year. Going forward, India is projected to increase its annual coal production by 2.7% per year till 2050 in order to meet growing domestic demand, while consumption will grow by an average of 3.1% per year over the same period. By 2050, India is expected to be the world's largest importer, with imports growing on average 4.1% per year.

Looking ahead, GEAR remains optimistic on the near to medium term outlook for thermal coal in its key markets and believes that demand will continue to be supported by the growing energy requirements of developing countries. GEAR will continue to focus on maintaining profitability at current prices while staying 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?

None

**(b) Previous Corresponding Period**

Name of Dividend:	Interim
Dividend type:	Cash
Dividend Amount per Share:	1.39 Singapore cents per ordinary share
Tax rate:	Tax exempt

**(c) Date payable.**

Not applicable

**(d) Book Closure Date**

Not applicable

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

No dividend has been declared or recommended for the financial period ended 30 September 2019.

**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	9 Months Ended
	30.9.2019 US\$'000	30.9.2019 US\$'000
<b>Sales :</b>		
PT Indah Kiat Pulp & Paper Tbk	-	54,003
PT Sinar Mas Agro Resources and Technology Tbk	-	5,646
PT Pabrik Kertas Tjiwi Kimia Tbk	-	2,855
PT SOCI Mas	-	3,706
Hainan Jinhai Trading (Hong Kong) Co., Ltd	-	14,702
PT Ivo Mas Tunggal	-	1,526
PT Energi Sejahtera Mas	-	866
PT Pindo Deli Pulp and Paper Mills	-	1,730
Gold HongYe Trading (Hong Kong) Company Limited	-	(24)
PT DSSP Power Kendari	-	3,866
PT Lontar Papyrus Pulp and Paper Industry	-	18,107
PT Sinarmas Bio Energy	-	1,692
<b>Interest income :</b>		
PT Bank Sinarmas Tbk	-	4
<b>Purchases :</b>		
PT Rolimex Kimia Nusamas	-	117
<b>Rental expenses :</b>		
PT Royal Oriental	-	468
<b>Freight &amp; Demurrage :</b>		
PT Wirakarya Sakti	-	780
<b>Office Consumption :</b>		
PT Sinarmas Distribusi Nusantara	-	6
<b>Telecommunication :</b>		
PT Smartfren Telecom Tbk	-	8
<b>Insurance expenses :</b>		
PT Asuransi Sinar Mas	-	3,956

**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 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  
12 November 2019