

Company Registration No. 199508589E

**Golden Energy and Resources Limited
and its Subsidiaries**

**Condensed Interim Consolidated Financial Statements
For the six months ended 30 June 2022**

Golden Energy and Resources Limited and its Subsidiaries

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Golden Energy and Resources Limited and its Subsidiaries

**Condensed interim consolidated statement of comprehensive income
For the six months ended 30 June 2022**

(In United States Dollars)

	Note	Group 6 months ended		Increase/ (Decrease) %
		30 June 2022 Unaudited US\$'000	30 June 2021 Unaudited US\$'000	
Revenue	4	2,431,639	806,713	201.4
Cost of sales		(1,347,415)	(473,017)	184.9
Gross profit		1,084,224	333,696	224.9
Other income	5	6,772	5,686	19.1
Selling and distribution expenses		(175,265)	(108,458)	61.6
Administrative expenses		(141,270)	(52,228)	170.5
Fair value gains		2,062	1,883	9.5
Finance costs	6	(41,321)	(32,146)	28.5
Other operating expenses		(1,360)	(10,555)	(87.1)
Share of profit/(loss) of joint ventures (net of tax)		7,957	(6,508)	n.m.
Profit before tax	7	741,799	131,370	464.7
Income tax expense	8	(238,814)	(51,138)	367.0
Profit for the period		502,985	80,232	526.9
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Net (losses)/gains on equity instruments fair value through other comprehensive income		(1,020)	6,348	n.m.
		(1,020)	6,348	n.m.
Items that may be reclassified subsequently to profit or loss				
Share of other comprehensive income of a joint venture		(17,109)	–	n.m.
Foreign currency translation		6,836	(1,180)	n.m.
		(10,273)	(1,180)	770.6
Other comprehensive income for the period, net of tax		(11,293)	5,168	n.m.
Total comprehensive income for the period		491,692	85,400	475.8
Profit for the period attributable to:				
Owners of the Company		278,987	29,089	859.1
Non-controlling interests		223,998	51,143	338.0
		502,985	80,232	526.9
Total comprehensive income for the period attributable to:				
Owners of the Company		274,796	34,590	694.4
Non-controlling interests		216,896	50,810	326.9
		491,692	85,400	475.8

n.m.: not meaningful

Golden Energy and Resources Limited and its Subsidiaries

Condensed interim consolidated statement of comprehensive income (cont'd) For the six months ended 30 June 2022

(In United States Dollars)

	Note	Group 6 months ended		Increase/ (Decrease) %
		30 June 2022 Unaudited US\$'000	30 June 2021 Unaudited US\$'000	
EBITDA⁽¹⁾		866,035	189,031	358.1
Earnings per share attributable to owners of the Company (cents per share)				
Basic and diluted	9	11.00	1.24	787.1

n.m.: not meaningful

Note:

- (1) EBITDA (being earnings before interest, taxes, depreciation and amortisation) was computed based on the Group's profit before tax adding back depreciation and amortisation (including any impairment losses charged during the period) and finance costs.

Golden Energy and Resources Limited and its Subsidiaries

**Condensed interim statements of financial position
As at 30 June 2022**

(In United States Dollars)

	Note	Group		Company	
		30 June 2022 Unaudited US\$'000	31 December 2021 Audited US\$'000	30 June 2022 Unaudited US\$'000	31 December 2021 Audited US\$'000
Non-current assets					
Biological assets	10	9,046	7,376	–	–
Property, plant and equipment	11	1,184,365	134,250	23	33
Mining properties	12	1,375,901	414,001	–	–
Intangible assets	13	10,688	11,140	–	–
Right-of-use assets	14	310,570	4,438	162	275
Goodwill	15	73,698	84,798	–	–
Investment in subsidiaries	16	–	–	1,358,909	1,384,239
Investment in joint ventures	17	72,013	34,310	–	–
Deferred tax assets		6,903	7,599	–	–
Other receivables		12,136	16,025	306	307
Restricted funds		30,728	24,113	16,521	12,676
Other non-current assets		65,097	65,676	–	–
Investment securities	18	54,241	29,329	24,570	24,832
		3,205,386	833,055	1,400,491	1,422,362
Current assets					
Trade and other receivables		695,201	213,746	501,031	246,308
Other current assets		75,698	86,079	241	238
Inventories		120,554	38,833	–	–
Investment securities	18	1,013	16,519	1,013	16,519
Cash and cash equivalents		932,927	379,821	93,860	135,738
		1,825,393	734,998	596,145	398,803
Current liabilities					
Trade and other payables		836,744	308,029	17,025	21,377
Derivative financial instruments		3,013	4,437	–	–
Loans and borrowings	19	169,420	75,706	6,165	12,220
Provision for taxation		142,897	73,399	509	58
Other provisions	21	3,334	2,141	–	–
		1,155,408	463,712	23,699	33,655
Net current assets		669,985	271,286	572,446	365,148

Golden Energy and Resources Limited and its Subsidiaries

**Condensed interim statements of financial position (cont'd)
As at 30 June 2022**

(In United States Dollars)

	Note	Group		Company	
		30 June 2022 Unaudited US\$'000	31 December 2021 Audited US\$'000	30 June 2022 Unaudited US\$'000	31 December 2021 Audited US\$'000
Non-current liabilities					
Deferred tax liabilities		393,461	75,163	–	–
Other payables		144,776	4,931	–	–
Loans and borrowings	19	1,393,022	333,726	365,016	274,488
Post-employment benefits	20	4,302	5,007	–	–
Other provisions	21	214,449	32,469	22	23
		2,150,010	451,296	365,038	274,511
Net assets		1,725,361	653,045	1,607,899	1,512,999
Equity attributable to equity holders of the Company					
Share capital	22	357,880	292,295	1,315,340	1,230,107
Reserves		453,297	194,412	292,559	282,892
		811,177	486,707	1,607,899	1,512,999
Non-controlling interests		914,184	166,338	–	–
Total equity		1,725,361	653,045	1,607,899	1,512,999

Golden Energy and Resources Limited and its Subsidiaries

**Condensed interim statements of changes in equity
For the six months ended 30 June 2022**

(In United States Dollars)

Group 2022	Attributable to owners of the Company							
	Share capital (Note 22) US\$'000	Foreign currency translation reserves (Note 23) US\$'000	Hedging reserves (Note 23) US\$'000	Other reserves (Note 23) US\$'000	Retained earnings US\$'000	Total reserves US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
At 1 January 2022	292,295	(27,242)	(35,864)	5,087	252,431	194,412	166,338	653,045
Profit for the period	–	–	–	–	278,987	278,987	223,998	502,985
<u>Other comprehensive income</u>								
Net loss on equity instruments fair value through other comprehensive income	–	–	–	(1,020)	–	(1,020)	–	(1,020)
Share of other comprehensive income of a joint venture	–	–	(17,109)	–	–	(17,109)	–	(17,109)
Foreign currency translation	–	13,938	–	–	–	13,938	(7,102)	6,836
Other comprehensive income for the period	–	13,938	(17,109)	(1,020)	–	(4,191)	(7,102)	(11,293)
Total comprehensive income for the period	–	13,938	(17,109)	(1,020)	278,987	274,796	216,896	491,692
Effects of change in functional currency	2,892	(13,484)	–	454	(5,317)	(18,347)	(4,631)	(20,086)
<u>Transactions with owners, recognised directly in equity</u>								
<u>Contributions by and distributions to owners</u>								
Issue of new shares	62,996	–	–	–	–	–	–	62,996
Share issue expenses	(303)	–	–	–	–	–	–	(303)
Issuance of share capital by a subsidiary company	–	–	–	–	–	–	205,936	205,936
Dividends paid to non-controlling interests by subsidiaries	–	–	–	–	–	–	(57,310)	(57,310)
Total contributions by and distributions to owners	62,693	–	–	–	–	–	148,626	211,319
<u>Changes in ownership interests in subsidiaries</u>								
Acquisition of subsidiaries with non-controlling interests	–	–	–	–	–	–	389,391	389,391
Changes in ownership interest of a subsidiary without a change in control	–	–	–	–	2,436	2,436	(2,436)	–
Total changes in ownership interests in subsidiaries	–	–	–	–	2,436	2,436	386,955	389,391
Total transactions with owners	62,693	–	–	–	2,436	2,436	535,581	600,710
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	–	–	–	(116)	116	–	–	–
At 30 June 2022	357,880	(26,788)	(52,973)	4,405	528,653	453,297	914,184	1,725,361

Golden Energy and Resources Limited and its Subsidiaries

Condensed interim statements of changes in equity (cont'd)

For the six months ended 30 June 2022

(In United States Dollars)

Group 2021	Attributable to owners of the Company					Total reserves US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Foreign currency translation reserves US\$'000	Hedging reserves US\$'000	Other reserves US\$'000	Retained earnings US\$'000			
At 1 January 2021	305,528	(28,470)	–	7,265	100,549	79,344	192,657	577,529
Profit for the period	–	–	–	–	29,089	29,089	51,143	80,232
<u>Other comprehensive income</u>								
Net gain on equity instruments fair value through other comprehensive income	–	–	–	6,348	–	6,348	–	6,348
Foreign currency translation	–	(847)	–	–	–	(847)	(333)	(1,180)
Other comprehensive income for the period	–	(847)	–	6,348	–	5,501	(333)	5,168
Total comprehensive income for the period	–	(847)	–	6,348	29,089	34,590	50,810	85,400
<u>Transactions with owners, recognised directly in equity</u>								
<u>Contributions by and distributions to owners</u>								
Dividends paid to non-controlling interests by subsidiaries	–	–	–	–	–	–	(59,711)	(59,711)
Share-based payment transactions	–	–	–	5	–	5	–	5
Total contributions by and distributions to owners	–	–	–	5	–	5	(59,711)	(59,706)
<u>Changes in ownership interests in subsidiaries</u>								
Disposal of ownership interest in a subsidiary without a change in control	(13,233)	3,550	–	(91)	43,677	47,136	15,596	49,499
Total changes in ownership interests in subsidiaries	(13,233)	3,550	–	(91)	43,677	47,136	15,596	49,499
Total transactions with owners	(13,233)	3,550	–	(86)	43,677	47,141	(44,115)	(10,207)
At 30 June 2021	292,295	(25,767)	–	13,527	173,315	161,075	199,352	652,722

Golden Energy and Resources Limited and its Subsidiaries

Condensed interim statements of changes in equity (cont'd)

For the six months ended 30 June 2022

(In United States Dollars)

Company 2022	Share capital (Note 22) US\$'000	Foreign currency translation reserves ⁽¹⁾ US\$'000	Other reserves ⁽²⁾ US\$'000	Retained earnings US\$'000	Total reserves US\$'000	Total equity US\$'000
At 1 January 2022	1,230,107	49,417	4,119	229,356	282,892	1,512,999
Profit for the period	–	–	–	60,551	60,551	60,551
<u>Other comprehensive income</u>						
Net loss on equity instruments fair value through other comprehensive income	–	–	(657)	–	(657)	(657)
Other comprehensive income for the period	–	–	(657)	–	(657)	(657)
Total comprehensive income for the period	–	–	(657)	60,551	59,894	59,894
Effects of change in functional currency	22,540	(49,417)	1,532	(2,342)	(50,227)	(27,687)
<u>Transactions with owners, recognised directly in equity</u>						
<u>Contributions by and distributions to owners</u>						
Issue of new shares	62,996	–	–	–	–	62,996
Share issue expenses	(303)	–	–	–	–	(303)
Total contributions by and distributions to owners	62,693	–	–	–	–	62,693
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	–	–	(116)	116	–	–
At 30 June 2022	1,315,340	–	4,878	287,681	292,559	1,607,899

⁽¹⁾ The Company changed its functional currency from Singapore dollar ("S\$") to United States dollar ("US\$"). The effect of the change in functional currency to US\$ was applied prospectively in the financial statements with effect from 1 May 2022.

⁽²⁾ Other reserves pertains to reserves that arose from acquisition of subsidiary in 2002 and net gain/(loss) on equity instruments fair value through other comprehensive income.

Golden Energy and Resources Limited and its Subsidiaries

**Condensed interim statements of changes in equity (cont'd)
For the six months ended 30 June 2022**

(In United States Dollars)

Company 2021	Share capital US\$'000	Foreign currency translation reserves ⁽¹⁾ US\$'000	Other reserves ⁽²⁾ US\$'000	Retained earnings US\$'000	Total reserves US\$'000	Total equity US\$'000
At 1 January 2021	1,230,107	80,877	5,826	102,572	189,275	1,419,382
Profit for the period	–	–	–	17,634	17,634	17,634
<u>Other comprehensive income</u>						
Net gain on equity instruments fair value through other comprehensive income	–	–	6,206	–	6,206	6,206
Foreign currency translation	–	(20,416)	–	–	(20,416)	(20,416)
Other comprehensive income for the period	–	(20,416)	6,206	–	(14,210)	(14,210)
Total comprehensive income for the period	–	(20,416)	6,206	17,634	3,424	3,424
At 30 June 2021	1,230,107	60,461	12,032	120,206	192,699	1,422,806

⁽¹⁾ Foreign currency translation reserves are used to record exchange differences arising from the translation of the financial statements of the Company whose functional currency is different from that of the Company's presentation currency.

⁽²⁾ Other reserves pertains to reserves that arose from acquisition of subsidiary in 2002 and net gain/(loss) on equity instruments fair value through other comprehensive income.

Golden Energy and Resources Limited and its Subsidiaries

**Condensed interim consolidated cash flow statement
For the six months ended 30 June 2022**

(In United States Dollars)

	Group	
	6 months ended	
	30 June 2022	30 June 2021
	Unaudited US\$'000	Unaudited US\$'000
Cash flows from operating activities		
Profit before tax	741,799	131,370
Adjustments for:		
Reversal of provision for mining activities	(66)	(1,314)
Depreciation of property, plant and equipment	32,331	9,942
Depreciation of right-of-use assets	13,566	979
Defined post-employment benefit expense	473	457
Fair value gain on biological assets	(1,567)	–
Fair value loss/(gain) on remeasurement of contingent consideration	501	(2,380)
Fair value (gain)/loss on derivatives	(1,424)	85
Fair value loss on investment securities	428	412
Write off of property, plant and equipment	–	23
Impairment loss on goodwill	11,100	6,000
Impairment loss on property, plant and equipment	–	797
Amortisation of mining properties	24,189	6,690
Amortisation of land exploitation	1,278	636
Amortisation of intangible assets	434	447
Amortisation of software	18	24
Amortisation of discounted loans and borrowings	413	287
Early redemption of Notes expenses	–	9,499
Notional interest on provisions and contingent consideration	1,177	699
Interest and other finance charges	39,311	21,027
Interest income	(4,249)	(4,430)
Equity-settled share-based payment transactions	–	9
Share of (profit)/loss of joint ventures, net of tax	(7,957)	6,508
Net exchange differences	(16,489)	2,996
Operating cash flows before changes in working capital	835,266	190,763
<u>Changes in working capital:</u>		
Decrease in inventories	232,975	2,185
Increase in trade, other receivables and prepayments	(137,301)	(19,514)
Increase in trade and other payables	206,900	4,892
Decrease in provisions	(8,716)	(1,022)
Cash flows generated from operations	1,129,124	177,304
Interest and other finance charges paid	(39,420)	(23,629)
Interest income received	2,623	4,383
Taxes paid	(239,048)	(18,900)
Net cash flows generated from operating activities	853,279	139,158

Golden Energy and Resources Limited and its Subsidiaries

**Condensed interim consolidated cash flow statement (cont'd)
For the six months ended 30 June 2022**

(In United States Dollars)

	Group	
	6 months ended	
	30 June	30 June
	2022	2021
	US\$'000	US\$'000
Cash flows from investing activities		
Proceeds from disposal of investment securities	15,000	–
Net cash outflows on acquisition of subsidiaries	(1,254,578)	–
Investment in joint ventures	(52,248)	(47,574)
Additions to biological assets	(103)	(133)
Purchase of investment securities	(1,211)	(26,727)
Purchase of property, plant and equipment	(18,534)	(6,275)
Additions to mining properties	(28,646)	(17,979)
Changes in other non-current assets	1,570	(2,467)
Changes in restricted fund	(6,615)	(3,856)
Net cash flows used in investing activities	(1,345,365)	(105,011)
Cash flows from financing activities		
Payment of dividend to NCI of subsidiaries	(98,560)	(69,611)
Issuance of share capital by a subsidiary company	205,936	–
Proceeds from issuance of shares, net of expenses	62,693	–
Early redemption of Notes	–	(156,750)
Proceeds from issuance of Notes, net of transaction costs	89,663	275,881
Proceeds from loans and borrowings	882,392	20,866
Repayment of loans and borrowings	(82,128)	(122,828)
Principal payment of lease liability	(10,244)	(645)
Proceeds from disposal of ownership interest in a subsidiary without a change in control	–	5,820
Net cash flows generated from/(used in) financing activities	1,049,752	(47,267)
Net increase/(decrease) in cash and cash equivalents	557,666	(13,120)
Effect of exchange rate changes on cash and cash equivalents	(4,560)	(1,395)
Cash and cash equivalents at beginning of the period	379,821	262,799
Cash and cash equivalents at end of the period	932,927	248,284

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2022

1. General

Golden Energy and Resources Limited (“GEAR” or the “Company”) is a limited liability company, incorporated and domiciled in Singapore and it is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The immediate holding company of the Company is PT Dian Swastatika Sentosa Tbk (“DSS”), incorporated in Republic of Indonesia and listed on the Indonesia Stock Exchange, and its ultimate holding company is PT Sinarindo Gerbangmas.

The registered office of the Company is located at 20 Cecil Street, #05-05 PLUS, Singapore 049705.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Company are those of an investment holding and provision of management services to entities within the Group. The principal activities of the subsidiaries are coal mining, coal trading, investment holding and forestry.

2. Basis of preparation

The condensed interim consolidated financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore.

The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The condensed interim consolidated financial statements are presented in United States Dollars (“USD” or “US\$”) and all values in the tables are rounded to the nearest thousand (US\$’000), except when otherwise indicated.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The Company changed its functional currency from Singapore dollar (“S\$”) to United States dollar (“US\$”) with effect from 1 May 2022. As US\$ reflects the economic substance of the underlying events and circumstances of the Company, the Management concluded that USD is the currency of the primary economic environment which the Company operates in.

The effect of the change in functional currency to US\$ was applied prospectively in the financial statements with effect from 1 May 2022. The impact of the change in functional currency has been disclosed in Notes 22 and 23.

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2022

2. Basis of preparation (cont'd)

2.1 New standards, Interpretations and amendment adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial period, the Group has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 January 2022. The adoption of these standards did not result in changes to the Group's accounting policies and had no material effect on the amount reported for the current or prior periods. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2.2 Use of judgements and estimates

The preparation of the condensed interim consolidated financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

In the process of applying the Group's accounting policies, the Management of the Company is of the opinion that the instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimates.

The judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following note:

- Impairment of goodwill and intangible assets: key assumptions underlying recoverable amounts (Note 15)
- Impairment of investment in subsidiaries: indication of impairment assessment and key assumptions underlying recoverable amounts (Note 16)
- Impairment of mining properties and property, plant and equipment: indication of impairment assessment and determination of fair value of assets (Note 11, Note 12)
- Acquisition of subsidiaries: the fair value of assets and liabilities acquired with business combinations and the allocation of purchase price consideration (Note 16)

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

Golden Energy and Resources Limited and its Subsidiaries

**Notes to the condensed interim consolidated financial statements
For the six months ended 30 June 2022**

4. Revenue

	Group 6 months ended 30 June		Increase/ (Decrease) %
	2022 US\$'000	2021 US\$'000	
Energy coal	1,334,706	733,593	81.9
Metallurgical coal	1,096,240	72,249	1417.3
Non-coal businesses	693	871	(20.4)
	2,431,639	806,713	201.4

5. Other income

	Group 6 months ended 30 June		Increase/ (Decrease) %
	2022 US\$'000	2021 US\$'000	
Interest income	4,249	4,430	(4.1)
Others	2,523	1,256	100.9
	6,772	5,686	19.1

6. Finance costs

	Group 6 months ended 30 June		Increase/ (Decrease) %
	2022 US\$'000	2021 US\$'000	
Interest expense on bank loans and trade financing (including amortisation of transactions costs)	34,295	20,933	63.8
Interest expense on lease liabilities	5,016	94	5236.2
Amortisation of discounted loans and borrowings	413	287	43.9
Notional interest on provisions (Note 21) and contingent consideration (Note 25d)	1,177	699	68.4
Early redemption of Notes expenses	–	9,499	(100.0)
Others	420	634	(33.8)
	41,321	32,146	28.5

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**Notes to the condensed interim consolidated financial statements
For the six months ended 30 June 2022**

7. Profit before tax

Profit before tax is derived after charging/(crediting) the following:

	Group 6 months ended 30 June		Increase/ (Decrease) %
	2022 US\$'000	2021 US\$'000	
Mining services and overheads	564,263	294,491	91.6
Freight and stockpile	208,085	149,251	39.4
Inventories recognised as an expense in cost of sales	275,161	13,978	1868.5
Royalty fees	365,279	97,949	272.9
Land exploitation expenses	14,416	4,262	238.2
Reversal of provision for mining activities	(66)	(1,314)	(95.0)
Depreciation of property, plant and equipment	32,331	9,942	225.2
Depreciation of right-of-use assets	13,566	979	1285.7
Amortisation of:			
- mining properties	24,189	6,690	261.6
- land exploitation	1,278	636	100.9
- intangible assets	434	447	(2.9)
- software	18	24	(25.0)
Post-employment benefits expenses	473	457	3.5
Fair value gain on biological assets	(1,567)	-	n.m.
Fair value gain on remeasurement of contingent consideration	501	(2,380)	n.m.
Fair value loss on investment securities	428	412	3.9
Fair value (gain)/loss on derivatives	(1,424)	85	n.m.
Write off of property, plant and equipment	-	23	(100.0)
Impairment loss on goodwill	11,100	6,000	85.0
Impairment loss on property, plant and equipment	-	797	(100.0)
Foreign exchange (gains)/losses, net	(12,085)	3,735	n.m.

8. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group 6 months ended 30 June		Increase/ (Decrease) %
	2022 US\$'000	2021 US\$'000	
Current income tax			
- Current income tax	273,320	45,673	498.4
- Under provision in respect of previous years	10	1,073	(99.1)
Deferred income tax benefit	(43,873)	(5,249)	735.8
Withholding tax expense	9,357	9,641	(2.9)
	<u>238,814</u>	<u>51,138</u>	<u>367.0</u>

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2022

9. Earnings per share

Basic and diluted earnings per share are calculated by dividing the profit for the financial period, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

The following reflects the earnings and share data used in the computation of basic and diluted earnings per share for the financial periods ended 30 June:

	Group	
	2022 US\$'000	2021 US\$'000
Profit for the period attributable to owners of the Company	278,987	29,089
Weighted average number of ordinary shares for basic and diluted earnings per share ('000)	2,535,752	2,353,100
Basic and diluted earnings per share attributable to owners of the Company (cents per share)	11.00	1.24

10. Biological assets

	Group US\$'000
At 31 December 2021	7,376
Costs incurred during the period	103
Net change in fair value less estimated costs to sell	7,479
At 30 June 2022	1,567
	9,046

Biological assets relate to timber plantation, majority of which are Acacia Mangium and Sengon trees, which when mature will be harvested for timber and further processed into products such as sawn logs and pulpwood. The trees have an average lifespan of up to 15 years, and take up to 6 to 7 years to reach the maturity for harvesting. During the financial period, the Group harvested approximately 3,097 m³ (30 June 2021: 3,526 m³) of logs.

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2022

10. Biological assets (cont'd)

Fair value measurements

The fair value of biological assets is estimated with reference to an independent professional valuation using discounted cash flows of biological assets. The expected cash flows from the biological assets are determined using the market price and the estimated yield of the trees, net of maintenance and harvesting costs, and any costs required to bring the plantations to maturity. The estimated yield of the trees is dependent on the age of the trees, the location of the plantations and infrastructure. The market price of the produce is largely dependent on the prevailing market price. Point-of-sale costs include all costs that would be necessary to sell the assets.

The following table shows the key unobservable inputs used in the valuation models:

Key unobservable inputs	Range of unobservable inputs (weighted average)	Inter-relationship between key unobservable inputs and fair value measurement
Discount rate per annum	10% (2021: 10%)	The higher the discount rate, the lower the fair value
Average plantations yield, in metric tonne (m ³ /ha)	16.8 m ³ /ha to 166.7 m ³ /ha (2021: 16.8 m ³ /ha to 166.7 m ³ /ha)	The higher the plantation yields, the higher the fair value
Selling price of: - Sawn logs	US\$37/m ³ to US\$52.2/m ³ (2021: US\$38.4/m ³ to US\$54/m ³)	The higher the selling price, the higher the fair value
- Pulpwood	US\$57.2/m ³ (2021: US\$47.8/m ³)	

11. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired assets amounting to US\$1,083,534,000 (30 June 2021: US\$6,275,000).

On 3 May 2022, the property, plant and equipment of US\$1,065,000,000 (Note 16) was acquired through the acquisition of BHP Mitsui Coal Pty Ltd ("BMC")(now known as Stanmore SMC Pty Ltd ("SMC"))(the "SMC Acquisition").

Included in property, plant and equipment is a wood chip mill valued at scrap value of US\$1,667,000 as at 30 June 2022 (31 December 2021: US\$1,696,000).

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2022

11. Property, plant and equipment (cont'd)

Details of the depreciation charge for the financial period ended are as follows:

	Group 6 months ended 30 June	
	2022 US\$'000	2021 US\$'000
Charged to profit or loss		
- cost of sales	28,690	6,540
- selling and distribution expenses	1,542	1,553
- administrative expenses	1,986	1,643
- other operating expenses	113	206
	<hr/>	<hr/>
Depreciation for the financial period	32,331	9,942

The Group assessed whether there were any impairment indicators in relation to property, plant and equipment assets. As a result of this impairment assessment, no impairment indicators were noted as at 30 June 2022.

As at 30 June 2021, impairment loss on property, plant and equipment of US\$797,000 was charged to profit or loss.

12. Mining properties

During the six months ended 30 June 2022, the Group acquired mine properties amounting to US\$988,517,000 (30 June 2021: US\$23,401,000).

On 3 May 2022, the mining properties of US\$959,871,000 (Note 16) was acquired through the SMC Acquisition.

During the six months ended 30 June 2021, included in the acquired mine properties was the capitalised amount of provision relating to rehabilitation of areas caused by mining disturbance of US\$5,422,000.

Details of the amortisation expenses for the financial period ended are as follows:

	Group 6 months ended 30 June	
	2022 US\$'000	2021 US\$'000
Charged to profit or loss		
- cost of sales	23,941	6,438
- other operating expenses	248	252
	<hr/>	<hr/>
Amortisation expenses for the financial period	24,189	6,690

The Group assessed whether there were any impairment indicators in relation to mining properties assets. As a result of this impairment assessment, no impairment indicators were noted as at 30 June 2022 and 30 June 2021.

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements
For the six months ended 30 June 2022

13. Intangible assets

	Forest concession license US\$'000	Group Rail loop benefit US\$'000	Total US\$'000
Cost			
At 31 December 2021 and 30 June 2022	13,046	2,056	15,102
Accumulated amortisation			
At 31 December 2021	3,367	595	3,962
Amortisation charge	253	181	434
Net exchange difference	–	18	18
At 30 June 2022	3,620	794	4,414
Net carrying amount			
At 31 December 2021	9,679	1,461	11,140
At 30 June 2022	9,426	1,262	10,688

(a) Forest concession license

Forest concession license was acquired as a result of the Reverse Acquisition on 20 April 2015. Forest concession license has remaining period of 19.5 years (31 December 2021: 20 years).

The Group owns forestry concession rights of 247,713 hectares, which includes 14,227 hectares of land rent-use rights.

Land rent-use rights represent the areas of overlapping mining permits with third parties, who have encroached onto the Group's forestry concession land to carry out mining activities. Based on the regulation issued by Indonesia Ministry of Forestry, the Group is allowed to be compensated for the estimated loss of existing plantations, infrastructure, increase in operational costs and loss of income from plantations over the remaining concession license period (opportunity costs) due to overlapping mining permits on the same forestry concession plantable area.

(b) Rail loop benefit

The rail loop benefit relates to future rebates on the cost of coal railings based on an agreement with the below rail infrastructure owner. Receipts of coal railing rebates are recognised in profit or loss as a credit against the cost incurred. The estimated useful life of the asset is aligned with the term of the contractual agreement and is amortised on a straight-line basis over the life in accordance with the anticipated profile of benefits received. The rail loop benefit has remaining period of 3.5 years (31 December 2021: 4 years).

Golden Energy and Resources Limited and its Subsidiaries

**Notes to the condensed interim consolidated financial statements
For the six months ended 30 June 2022**

14. Leases – as lessee

Below are the carrying amount of right-of-use assets recognised and the movement during the interim period:

	Group US\$'000
Cost	
At 31 December 2021	11,898
Additions	62,897
Acquisition of subsidiaries (Note 16)	256,823
Exchange difference	(104)
At 30 June 2022	<u>331,514</u>
Accumulated depreciation	
At 31 December 2021	7,460
Charge for the period	13,566
Exchange difference	(82)
At 30 June 2022	<u>20,944</u>
Net carrying amount	
At 31 December 2021	<u>4,438</u>
At 30 June 2022	<u>310,570</u>

Below are the carrying amount of lease liabilities (included under loans and borrowings) and movement during the interim period:

	Group US\$'000
At 31 December 2021	4,122
Additions	62,578
Acquisition of subsidiaries (Note 16)	256,823
Accretion of interest	5,016
Payments	(15,260)
Exchange difference	(15,590)
At 30 June 2022	<u>297,689</u>
Current (Note 19)	70,412
Non-current (Note 19)	<u>227,277</u>

The followings are the amounts recognised in profit or loss during the interim period:

	Group 6 months ended 30 June	
	2022 US\$'000	2021 US\$'000
Amortisation expense of right-of-use assets (included in cost of sales, administrative expenses and other operating expenses)	13,566	979
Interest expense on lease liabilities (included in finance costs)	5,016	94

Golden Energy and Resources Limited and its Subsidiaries

**Notes to the condensed interim consolidated financial statements
For the six months ended 30 June 2022**

15. Goodwill

	Group US\$'000
At 31 December 2021	84,798
Impairment loss	(11,100)
At 30 June 2022	<u>73,698</u>

Impairment testing of goodwill and forest concession license

Goodwill acquired through business combinations and other intangible assets have been allocated to the following CGUs for impairment testing as follows:

	Forestry and pulp CGU		Coal mining CGUs	
	30 June 2022 US\$'000	31 December 2021 US\$'000	30 June 2022 US\$'000	31 December 2021 US\$'000
Goodwill	51,322	62,422	22,376	22,376
Forest concession license	9,426	9,679	–	–

The recoverable amount of the forestry and pulp CGU and coal mining CGUs have been determined based on value-in-use (“VIU”) calculation using cash flow projections from financial budgets approved by Management covering their concession tenure for forestry and coal mining operations.

Key assumptions used in the value-in-use calculations

	Forestry and pulp CGU		Coal mining CGUs	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Projected logs / coal prices	US\$42 – US\$75/m ³	US\$40 – US\$84/m ³	US\$11 – US\$86/tonne	US\$11 – US\$71/tonne
Discount rates	15.2%	14.2%	12.7%	11.0%

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2022

15. Goodwill (cont'd)

Sensitivity to changes in assumptions

Projected logs/coal prices – prices are based on industry research and the Group's historical data.

A reduction in the log prices in forestry and pulp CGU would result in further impairment. A reduction by 0.5% in the coal prices in coal mining CGUs would not result in impairment.

Discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating CGU and is derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investor. The cost of debt is based on the interest-bearing borrowings the Group obliged to service. CGU's specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Any rise in pre-tax discount tax rate in forestry and pulp CGU would result in a further impairment. A rise in pre-tax discount rate to 13.2% (i.e, +0.5%) in coal mining CGUs would not result in impairment.

16. Investment in subsidiaries

Company	30 June 2022 US\$'000	31 December 2021 US\$'000
Shares, at cost	1,423,289	1,449,819
Impairment loss	(64,380)	(65,580)
	<hr/>	<hr/>
	1,358,909	1,384,239

As at 30 June 2022, certain investment in subsidiaries were tested for impairment as the subsidiaries were making losses or the carrying amount of the investment in subsidiaries exceeds the carrying amounts of the investee's net assets. An impairment loss is the amount by which the carrying amount of an asset or a CGU exceeds its recoverable amounts. The recoverable amounts of the subsidiaries have been determined based on a value-in-use calculation using cash flow projections based on a financial budget approved by Management covering up to the end of the forest concession tenure. The VIU is measured by Management using key assumptions which are similar to those disclosed in Note 15, and no impairment loss is required to be recognised during the interim period (30 June 2021: Nil).

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2022

16. Investment in subsidiaries (cont'd)

Acquisition of Dampier Coal (Queensland) Pty Ltd and its subsidiaries

On 3 May 2022, the Group's 64.01% subsidiary company, Stanmore Resources Limited ("Stanmore"), through its wholly-owned subsidiary, Stanmore SMC Holdings Pty Ltd ("SMCH"), acquired 100% interest in Dampier Coal (Queensland) Pty Ltd ("Dampier"), which holds 80% interest in SMC.

The values identified in relation to the acquisition are provisional as at 30 June 2022. Details of the acquisition are as follows:

	Provisional fair value US\$'000
Mining properties	959,871
Property, plant and equipment	1,065,000
Right-of-use assets	256,823
Investment securities	25,036
Inventories	314,696
Trade and other receivables	361,755
Other assets	1,003
Cash and cash equivalents	62,984
Trade and other payables	(271,985)
Rehabilitation provisions	(190,799)
Lease liabilities	(256,823)
Provision for taxation	(16,146)
Deferred tax liabilities	(364,462)
	<hr/>
Total identifiable net assets at fair value	1,946,953
Less: Non-controlling interest at fair value	(389,391)
	<hr/>
Total consideration transferred	1,557,562
	<hr/>
<u>Effect of the acquisition of SMC</u>	
Consideration settled in cash	1,557,562
Less:	
Cash and cash equivalents of subsidiary acquired	(62,984)
Deferred consideration	(100,000)
Contingent consideration	(140,000)
	<hr/>
Net cash outflow on acquisition	1,254,578
	<hr/> <hr/>

Revenue and profit contribution

From the completion date up to the end of current period (being, 30 June 2022), SMC group (comprising SMCH, Dampier and SMC) contributed revenue of US\$753,030,000 and profit of US\$77,700,000 to the Group's results in six months ended 30 June 2022. If the acquisition had occurred on 1 January 2022, Management estimates that consolidated revenue would have been US\$3,740,099,000 and consolidated profit for the period would have been US\$1,079,000,000.

The cost of acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. Contingent consideration to be transferred by the acquirer is recognised at the acquisition date fair value.

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements
For the six months ended 30 June 2022

17. Investment in joint ventures

	Group	
	30 June 2022 US\$'000	31 December 2021 US\$'000
Redeemable Preference Shares in a joint venture	29,446	31,044
Interest in joint ventures	42,567	3,266
	72,013	34,310

<u>Name of entity</u>	<u>Place of business/country of incorporation</u>	<u>Proportion (%) of ownership interest</u>	
		30 June 2022	31 December 2021
<u>Held through Golden Investments (Australia) II Pte Ltd</u>			
Ravenswood Gold Group Pty Ltd	Australia	50	50
<u>Held through Stanmore Resources Limited</u>			
MetRes Pty Ltd	Australia	50	50

During the six months ended 30 June 2022, the Group made additional investments of US\$52,248,000 (30 June 2021: US\$46,256,000) in Ravenswood Gold Group Pty Ltd ("RWG"). There was no additional investment in Redeemable Preference Shares included in the additional investment in RWG (30 June 2021: US\$15,419,000).

During the six months ended 30 June 2021, the Group invested US\$1,318,000 in MetRes Pty Ltd.

Golden Energy and Resources Limited and its Subsidiaries

**Notes to the condensed interim consolidated financial statements
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18. Investment securities

	Group		Company	
	30 June 2022 US\$'000	31 December 2021 US\$'000	30 June 2022 US\$'000	31 December 2021 US\$'000
Current				
At fair value through profit or loss				
- Equity securities (quoted)	1,013	1,519	1,013	1,519
- Redeemable Preference Shares	–	15,000	–	15,000
	1,013	16,519	1,013	16,519
Non-current				
At fair value through other comprehensive income				
- Equity securities (quoted)	24,570	24,832	24,570	24,832
- Equity securities (unquoted)	26,537	1,000	–	–
- Redeemable Preference Shares	3,134	3,497	–	–
	54,241	29,329	24,570	24,832

The Group has elected to measure these non-current equity instruments at FVOCI due to the Group's intention to hold these equity instruments for long-term strategic purpose.

The Group has elected to measure current equity instruments at FVTPL due to the Group's intention to hold for short-term purpose.

Investment securities at fair value through profit or loss

During the six months ended 30 June 2022, the Group had additional investment in equity securities amounting to US\$710,000 (30 June 2021: US\$11,727,000).

Investment securities at fair value through other comprehensive income

During the six months ended 30 June 2022, the Group had additional investment in equity securities amounting to US\$501,000 (30 June 2021: US\$15,000,000).

On 3 May 2022, the investment in unquoted equity securities of US\$25,036,000 (Note 16) was acquired through the SMC Acquisition.

During the six months ended 30 June 2022, the Group redeemed its investment in Redeemable Preference Shares which had a fair value of US\$15,000,000 which is equivalent to the carrying amount at the redemption date.

Golden Energy and Resources Limited and its Subsidiaries

**Notes to the condensed interim consolidated financial statements
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19. Loans and borrowings

	Group		Company	
	30 June 2022 US\$'000	31 December 2021 US\$'000	30 June 2022 US\$'000	31 December 2021 US\$'000
Amount repayable within one year (current)				
Lease liabilities (Note 14)	70,412	1,798	165	220
Secured borrowings	90,458	72,871	6,000	12,000
Unsecured borrowings	10,663	1,151	–	–
Unamortised transaction costs	(2,113)	(114)	–	–
Total bank borrowings (current)	99,008	73,908	6,000	12,000
Total loans and borrowings (current)	169,420	75,706	6,165	12,220
Amount repayable after one year (non-current)				
Lease liabilities (Note 14)	227,277	2,324	1	58
Secured bank borrowings (includes Senior Secured Notes)	1,204,824	342,199	375,000	284,998
Unamortised transaction costs	(35,828)	(7,204)	(6,734)	(6,975)
Unamortised discount on Senior Secured Notes	(3,251)	(3,593)	(3,251)	(3,593)
Total bank borrowings (non-current)	1,165,745	331,402	365,015	274,430
Total loans and borrowings (non-current)	1,393,022	333,726	365,016	274,488
Total loans and borrowings	1,562,442	409,432	371,181	286,708

During the six months ended 30 June 2022, the Group issued senior secured notes amounting to US\$90,000,000 which carried fixed interest of 8.5% per annum due in 2026, which form a single series and rank *pari passu* with Group's US\$285,000,000 8.5% senior secured notes due 2026 issued in May 2021.

The Group had obtained new facilities from certain financiers for working capital and funding for purchase price of the SMC Acquisition totalling to US\$745 million, and all had been fully drawn down as at 30 June 2022.

The secured bank borrowings are secured over certain trade receivable (and/or inventories), property and equipment, margin deposit, pledge of subsidiaries' shares and interest reserve accounts.

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2022

20. Post-employment benefits

The post-employment benefits arise from subsidiaries domiciled in Indonesia. The present value of the defined post-employment benefit obligations, and the related current service cost and past service cost, were measured using the projected unit credit method. The defined benefit pension plan of certain subsidiary is managed by Dana Pensiun Lembaga Keuangan (DPLK) Simas Jiwa, a related party.

The principal assumptions used in determining post-employment benefits as at reporting date were estimated based on similar assumptions in the last reporting period.

The amount recognised in the statement of financial position is determined as follows:

	Group 30 June 2022 US\$'000
Present value of defined benefit obligations and total post-employment benefits	4,302
Movements in the account are as follows:	
At 31 December 2021	5,007
Post-employment benefits expenses recognised in profit or loss	473
Contribution during the period	(1,045)
Exchange difference	(133)
At 30 June 2022	4,302

Post-employment benefits expenses is recognised in the "Administrative expenses" line item in the consolidated statement of comprehensive income.

Golden Energy and Resources Limited and its Subsidiaries

**Notes to the condensed interim consolidated financial statements
For the six months ended 30 June 2022**

21. Other provisions

Group	Mine rehabilitation and closure (Note a) US\$'000	Onerous contracts (Note b) US\$'000	Reinstatement costs (Note c) US\$'000	Total US\$'000
Cost				
At 31 December 2021	33,343	1,222	45	34,610
Additions/(reversal) charged to profit or loss	100	(166)	–	(66)
Acquisition of subsidiaries (Note 16)	190,799	–	–	190,799
Notional interest	765	148	–	913
Utilisation	(8,566)	(150)	–	(8,716)
Exchange difference	303	(60)	–	243
At 30 June 2022	216,744	994	45	217,783
Current	3,037	297	–	3,334
Non-current	213,707	697	45	214,449

(a) Provision for mine rehabilitation and closure

This includes the net present value of the costs expected to be incurred for restoration and rehabilitation of mining areas. The amount of provision relating to rehabilitation of areas caused by mining disturbance is capitalised against Mine Properties as incurred.

(b) Provision for onerous contracts

This represents the net present value of long term contracts acquired along with Stanmore's acquisition of the Isaac Plains Coal mine in November 2015 by Stanmore. It acquired various long-term contracts necessary for mining activities at Isaac Plains including rail haulage, port allocations, water supply, electricity supply and accommodation. In the period from acquisition through to 30 June 2022, a number of onerous contracts have been settled through the ordinary course of business.

(c) Provision for reinstatement costs

This represents net present value of the costs expected to be incurred for reinstatement of the leased office premises.

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2022

22. Share capital

	Group		Company	
	Number of shares '000	US\$'000	Number of shares '000	US\$'000
Issued and fully paid:				
At 31 December 2021	2,353,100	292,295	2,353,100	1,230,107
Issue of new shares	285,000	62,996	285,000	62,996
Share issue expenses	–	(303)	–	(303)
Effect of change in functional currency	–	2,892	–	22,540
At 30 June 2022	2,638,100	357,880	2,638,100	1,315,340

The ordinary shares of the Company have no par value. The holders are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. All issued ordinary shares are fully paid. There are no options granted by the Company to take up unissued shares in the Company.

The Company did not hold any treasury shares as at 30 June 2022 and 31 December 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 31 December 2021.

The amount recognised as issued equity interest in the consolidated financial statements were determined by adding the issued equity interest of PT Golden Energy Mines Tbk ("**GEMS**"), outstanding immediately before reverse acquisition to the fair value of GEAR Group at the completion date of reverse acquisition on 20 April 2015. However, the equity structure appearing in the balance sheets (i.e. the number and type of equity interests issued) shall reflect the equity structure of GEAR, including the equity interests issued to DSS to effect the acquisition in 2015.

On 7 March 2022, the Company issued 285,000,000 ordinary shares (S\$0.305 each) for a total consideration of US\$62,996,000 (or S\$86,925,000) for cash to provide funds for the expansion of the Company's operations and general working capital purposes ("**Placement**"). The newly issued shares rank pari passu in all aspects with the previously issued shares.

Use of proceeds from the Placement

Pursuant to the Placement, the Company raised net proceeds of US\$62.7 million (or S\$86.4 million) after deducting expenses incurred in respect of the Placement ("**Net Proceeds**"). Subsequent to the update announcements on the use of Net Proceeds made by the Company on 15 March 2022, 30 March 2022, 13 May 2022 and 30 June 2022 ("**Update Announcements**"), the following sets out the use of Net Proceeds as at the date of this announcement:

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22. Share capital (cont'd)

Use of the proceeds from the Placement (cont'd)

Use of Net Proceeds	Amount allocated pursuant to the Placement announcement on 25 Feb 2022 (S\$m)	Amount utilised as at the date of the Update Announcements (S\$m)	Amount utilised since the date of the Update Announcements up to the date of this announcement (S\$m)	Balance (S\$m)
Expansion of its existing core businesses, potential business investments and/or acquisitions (including through investments in subsidiaries and associated companies)	32.6 to 54.1	33.7	-	21.7
General working capital purposes (including meeting general overheads, operating expenses and debt servicing (including but not limited to interest payments and principal repayments on Company's outstanding debt facilities))	32.3 to 53.8	31.0	-	
Total	86.4	64.7	-	21.7

As at reporting date, the utilisation of the Net Proceeds is consistent with the intended use as disclosed in the Placement Announcements.

The Company will make further announcement(s) on the use of the remaining Net Proceeds as and when they are materially disbursed.

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23. Reserves

Group	Foreign currency translation reserves US\$'000	Hedging Reserves US\$'000	Other Reserves US\$'000	Total US\$'000
At 1 January 2022	(27,242)	(35,864)	5,087	(58,019)
Net loss on equity instruments fair value through other comprehensive income	–	–	(1,020)	(1,020)
Share of other comprehensive income of a joint venture	–	(17,109)	–	(17,109)
Foreign currency translation	13,938	–	–	13,938
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	–	–	(116)	(116)
Effects of change in functional currency	(13,484)	–	454	(13,030)
At 30 June 2022	(26,788)	(52,973)	4,405	(75,356)

Foreign currency translation reserves

Foreign currency translation reserves are used to record exchange differences arising from the translation of the financial statements of the Group's foreign operations whose functional currencies are different from that of the Group's presentation currency.

Hedging reserve

Hedging reserve represent hedges accounted for as cashflow hedges with the end of financial period losses recognised as a derivative liability with the corresponding entry recognised as hedge reserve and amortised in line with actual gold sales in Ravenswood Gold Group Pty Ltd, a 50% owned Joint Venture.

Other reserves

Other reserves pertains to the reserves that arose from movements in non-controlling interest ("NCI") of certain subsidiaries, net actuarial gain/(loss) in post-employment benefits, share-based payment reserves and net gain/(loss) on equity instruments fair value through other comprehensive income.

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2022

24. Related party disclosures

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

	Group 6 months ended 30 June	
	2022 US\$'000	2021 US\$'000
Sales	96,681	96,102
Interest income	14	4
Purchases	(496)	(410)
Rental expenses	(459)	(209)
Insurance expenses	(81)	(115)
Telecommunication expenses	(6)	(14)
Freight & Demurrage	(468)	(468)

Related parties are subsidiaries and associated companies of Sinarmas Group and other related parties, excluding entities within the Group.

(b) Compensation of key management personnel

	Group 6 months ended 30 June	
	2022 US\$'000	2021 US\$'000
Short-term employee benefits	9,524	8,200
Defined contributions/benefits	105	64
Other short-term benefits	341	399
	9,970	8,663

Comprises amounts paid and payable to:

- directors of the Company	838	1,524
- other key management personnel	9,132	7,139
	9,970	8,663

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2022

25. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Fair value measurement that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements
For the six months ended 30 June 2022

25. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities carried at fair value at the end of the reporting period:

	Group			
	Fair value measurements at the end of the reporting period using			
30 June 2022	Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant observable inputs other than quoted prices (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	Total US\$'000
Assets				
Non-financial assets				
Biological assets (Note 10)	–	–	9,046	9,046
Financial assets				
<u>Equity securities at fair value through profit or loss</u>				
Equity securities				
– Quoted (Note 18)	1,013	–	–	1,013
<u>Equity securities at FVOCI</u>				
Equity securities				
– Quoted (Note 18)	24,570	–	–	24,570
– Unquoted (Note 18)	–	–	26,537	26,537
Redeemable Preference Shares at FVOCI (Note 18)	–	–	3,134	3,134
Financial liabilities				
– Contingent consideration – vendor royalties (Note 25d)*	–	–	(145,336)	(145,336)
– Derivative financial instruments	–	(3,013)	–	(3,013)

*included in Trade and other payables

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements
For the six months ended 30 June 2022

25. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value (cont'd)

	Group			
	Fair value measurements at the end of the reporting period using			
31 December 2021	Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant observable inputs other than quoted prices (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	Total US\$'000
Assets				
Non-financial assets				
Biological assets (Note 10)	–	–	7,376	7,376
Financial assets				
<u>Equity securities at fair value through profit or loss</u>				
Equity securities				
– Quoted (Note 18)	1,519	–	–	1,519
Redeemable Preference Shares at FVOCI (Note 18)	–	15,000	–	15,000
<u>Equity securities at FVOCI</u>				
Equity securities				
– Quoted (Note 18)	24,832	–	–	24,832
– Unquoted (Note 18)	–	–	1,000	1,000
Redeemable Preference Shares at FVOCI (Note 18)	–	–	3,497	3,497
Financial liabilities				
– Contingent consideration – vendor royalties*	–	–	(6,313)	(6,313)
– Derivative financial instruments	–	(4,437)	–	(4,437)

*included in Trade and other payables

There has been no transfer from Level 1 and Level 2 and Level 3 for the financial period ended 30 June 2022 and financial year ended 31 December 2021.

Golden Energy and Resources Limited and its Subsidiaries

**Notes to the condensed interim consolidated financial statements
For the six months ended 30 June 2022**

25. Fair value of assets and liabilities (cont'd)

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of trade and other receivables, cash and cash equivalents, trade and other payables, and loans and borrowings are reasonable approximation of fair values due to their short-term nature.

(d) Level 3 fair value measurements

The following table presents the changes in Level 3 instruments:

	Unquoted equity securities (Note 18) US\$'000	Redeemable preference shares (Note 18) US\$'000	Contingent consideration – vendor royalties* US\$'000
At 31 December 2021	1,000	18,497	(6,313)
Additions	501	–	(140,000)
Acquisition of subsidiaries (Note 16)	25,036	–	–
Disposal	–	(15,000)	–
Notional interest	–	–	(264)
Utilisation	–	–	1,474
Fair value (losses)/gains recognised in			
- other comprehensive income	–	(363)	–
- profit or loss	–	–	(501)
Exchange differences	–	–	268
At 30 June 2022	<u>26,537</u>	<u>3,134</u>	<u>(145,336)</u>

*included in Trade and other payables

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2022

25. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

Determination of fair value

Fair value of biological assets has been determined based on valuations by an independent professional valuer using discounted cash flows of the underlying biological assets.

Investments in unquoted ordinary shares of US\$1,000,000 (31 December 2021: US\$1,000,000) and the additional investment of US\$501,000 that was made in March 2022, Management believes it reflects the fair value. The balance of US\$25,036,000 was acquired through SMC acquisition (Note 16) approximate its fair value as at 30 June 2022.

Investment in redeemable preference shares of US\$3,134,000 (31 December 2021: US\$3,497,000) were valued using significant unobservable inputs, where the Group used net assets value report obtained from external party.

Contingent consideration relates to a royalty stream payable to the vendors which arises from business combination of Isaac Plains by Stanmore in 2015. Fair value of the contingent consideration payable has been determined based on valuation which performed using discounted cash flows methodology used similar key unobservable inputs as compared to the last reporting period.

As part of the SMC acquisition (Note 16), the Group recognised additional consideration yet to be paid to the vendor. With a potential follow-up payment of up to US\$150 million after two years, the value of which is dependant on the prevailing coal price exceeding certain targets.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2022

26. Segment information

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the Management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are disclosed below including the factors used to identify the reportable segments and the measurement basis of segment information.

The following summary describes the operations in each of the Group's reportable segments:

- *Energy coal.* Includes exploration, mining, processing and marketing of energy coal from its coal mining concession areas, and procuring sales orders from customers and sourcing for domestic suppliers.
- *Metallurgical coal.* Includes exploration, mining, processing and marketing of metallurgical coal from its coal mining concession areas.
- *Non-coal Business.* Includes forestry, investment holding company, gold mining and provision of management services.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group's income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements
For the six months ended 30 June 2022

26. Segment information (cont'd)

	Energy Coal		Metallurgical Coal		Non-coal Business		Adjustments and Eliminations		Note	Consolidated	
	6 months ended 30 June		6 months ended 30 June		6 months ended 30 June		6 months ended 30 June			6 months ended 30 June	
	2022	2021	2022	2021	2022	2021	2022	2021		2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000		US\$'000	US\$'000
Revenue:											
Revenue from external customers	1,334,706	733,593	1,096,240	72,249	693	871	-	-		2,431,639	806,713
Inter segment revenue	-	-	-	-	-	-	-	-		-	-
	<u>1,334,706</u>	<u>733,593</u>	<u>1,096,240</u>	<u>72,249</u>	<u>693</u>	<u>871</u>	<u>-</u>	<u>-</u>		<u>2,431,639</u>	<u>806,713</u>
Results:											
Segment results	452,632	209,492	373,177	(16,829)	(34,791)	(27,220)	(12,147)	(6,357)	A,B	778,871	159,086
Interest income	573	1,694	1,341	513	3,288	4,215	(953)	(1,992)	B	4,249	4,430
Finance costs	(7,683)	(9,037)	(24,973)	(2,124)	(10,323)	(23,660)	1,658	2,675	B	(41,321)	(32,146)
Profit before tax										741,799	131,370
Income tax expense										(238,814)	(51,138)
Profit for the period										<u>502,985</u>	<u>80,232</u>
Compensation income	-	-	-	-	1,967	2,156	(1,967)	(2,156)	B	-	-
Depreciation expenses	(5,615)	(4,873)	(39,921)	(5,388)	(361)	(660)	-	-		(45,897)	(10,921)
Amortisation expenses	(3,704)	(2,463)	(21,962)	(5,074)	(253)	(260)	-	-		(25,919)	(7,797)
Share of profit/(loss) of joint ventures	-	-	20,050	-	(12,093)	(6,508)	-	-		7,957	(6,508)
Fair value gain on biological assets	-	-	-	-	1,567	-	-	-		1,567	-
Fair value loss on investment securities	-	-	-	-	(428)	(412)	-	-		(428)	(412)
Fair value (loss)/gain on remeasurement of contingent liability	-	-	(501)	2,380	-	-	-	-		(501)	2,380
Fair value gain/(loss) on derivatives	-	-	1,424	-	-	(85)	-	-		1,424	(85)
Impairment loss on goodwill	-	-	-	-	-	-	(11,100)	(6,000)		(11,100)	(6,000)
Assets and Liabilities:											
Segment assets	921,740	674,201	3,660,937	328,711	1,145,802	930,756	(697,700)	(419,419)		5,030,779	1,514,249
Segment assets includes:											
Investment in joint ventures	-	-	17,480	1,318	54,533	86,160	-	-		72,013	87,478
Addition to non-current assets	3,974	4,952	37,135	5,138	44	68	-	-	C	41,153	10,158
Segment liabilities	589,163	504,297	2,381,512	155,402	376,129	290,232	(41,386)	(88,404)		3,305,418	861,527

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2022

26. Segment information (cont'd)

A The following items are added to/(deducted from) segment results net of intra-segment elimination to arrive at "Profit before tax" present in the consolidated statement of comprehensive income:

	Energy Coal US\$'000	Metallurgical Coal US\$'000	Non-coal Business US\$'000	Total US\$'000
1 January 2022 to 30 June 2022				
Other income	1,235	2,462	3,075	6,772
Selling and distribution expenses	(123,156)	(51,635)	(474)	(175,265)
Administrative expenses	(39,264)	(89,139)	(12,867)	(141,270)
Other operating (expenses)/ income	(1,863)	21,479	(20,976)	(1,360)
1 January 2021 to 30 June 2021				
Other income	2,208	1,275	2,203	5,686
Selling and distribution expenses	(95,443)	(12,723)	(292)	(108,458)
Administrative expenses	(33,247)	(4,679)	(14,302)	(52,228)
Other operating (expenses)/ income	892	2,675	(14,122)	(10,555)

B Elimination is relating to intra-group transactions which are eliminated on consolidation.

C Additions to non-current assets consist of additions to property, plant and equipment, deferred exploration and development costs and software.

Geographical information

Revenue information based on the geographical location of customers are as follows:

	Group 6 months ended 30 June	
	2022 US\$'000	2021 US\$'000
India	634,011	143,846
Indonesia	435,756	285,485
China	417,953	288,473
Japan	416,193	37,124
South Korea	242,257	24,135
Brazil	64,011	–
Netherlands	46,844	5,538
Malaysia	45,675	3,488
Philippines	38,168	11,544
Germany	37,448	–
Others	53,323	7,080
	2,431,639	806,713

Golden Energy and Resources Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2022

27. Dividends

No interim dividends were paid by the Company in respect of the six months ended 30 June 2022 and 2021.

28. Net Asset Value

Net asset value per share is calculated based on net asset attributable to owners of the Company divided by the total number of ordinary shares issued at the financial period ended 30 June 2022 and financial year ended 31 December 2021.

The following reflects the net asset and share data used in the computation of net asset value per share:

	Group		Company	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Net asset attributable to owners of the Company (US\$'000)	811,177	486,707	1,607,899	1,512,999
Number of ordinary shares issued ('000)	2,638,100	2,353,100	2,638,100	2,353,100
Net asset value per ordinary share (cents per share)	30.75	20.68	60.95	64.30

29. Subsequent events

Subsequent to the financial period ended 30 June 2022, the Group made additional investments of A\$10,000,000 in RWG as part of its investment interest in a joint venture. The Group maintained its 50% interest in the joint venture on completion of the investment.

On 12 August 2022, Stanmore announced that its wholly-owned subsidiary, Dampier Coal (Queensland) Proprietary Ltd, has signed a definitive share sale agreement with Mitsui & Co. (Australia) Ltd and Mitsui & Co., Ltd (together, "Mitsui") to acquire the remaining 20% interest in SMC held by Mitsui (the "Transaction"). The Transaction is conditional upon the approval of the Australian Foreign Investment Review Board. On completion of the Transaction, SMC will become a wholly-owned subsidiary of Stanmore.

Golden Energy and Resources Limited and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months ended 30 June 2022

OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Golden Energy and Resources Limited and its subsidiaries as at 30 June 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Review of Statement of Comprehensive Income

Revenue, Cost of Sales and Gross Profit

The Group generates revenue primarily from the Energy Coal segment and the Metallurgical Coal segment, which in aggregate accounted for 100.0% of the Group's total revenue in the 6 months ended 30 June 2022 ("**1H2022**") (99.9% for 6 months ended 30 June 2021 ("**1H2021**").

	Revenue		Cost of sales		Gross profit		Gross profit margin
	US\$'000	%	US\$'000	%	US\$'000	%	%
1H2022							
Energy Coal	1,334,706	54.9	(714,892)	53.1	619,814	57.2	46.4
Metallurgical Coal	1,096,240	45.1	(631,931)	46.9	464,309	42.8	42.4
Non-coal businesses	693	<i>n.m.</i>	(592)	<i>n.m.</i>	101	<i>n.m.</i>	14.6
Total	2,431,639	100.0	(1,347,415)	100.0	1,084,224	100.0	44.6

	Revenue		Cost of sales		Gross profit		Gross profit margin
	US\$'000	%	US\$'000	%	US\$'000	%	%
1H2021							
Energy Coal	733,593	90.9	(394,759)	83.4	338,834	101.5	46.2
Metallurgical Coal	72,249	9.0	(77,494)	16.4	(5,245)	(1.6)	(7.3)
Non-coal businesses	871	0.1	(764)	0.2	107	0.1	12.3
Total	806,713	100.0	(473,017)	100.0	333,696	100.0	41.4

Total revenue increased by US\$1,624.93 million (or 201.4%), from US\$806.71 million in 1H2021 to US\$2,431.64 million in 1H2022. The overall increase in revenue was mainly due to the consolidation of results from Stanmore SMC Pty Ltd ("**SMC**") (formerly known as BHP Mitsui Coal Pty Ltd) following completion of the Group's acquisition of 80% interest in SMC on 3 May 2022 ("**SMC Acquisition**"), as well as increases in the average selling prices ("**ASP**") of coal in 1H2022.

Golden Energy and Resources Limited and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months ended 30 June 2022

2. Review of performance of the Group (Cont'd)

Review of Statement of Comprehensive Income (Cont'd)

Revenue, Cost of Sales and Gross Profit (Cont'd)

Energy Coal Segment

	1H2022	1H2021
Sales volume (million tonnes)	18.10	17.18
Average Indonesia Coal Index 4 ("ICI4")* (US\$/mt)	85.00	47.89
ASP (US\$/mt)	73.74	42.71
Production		
Production volume (million tonnes)	17.61	16.58
Strip ratio (times)	5.8	4.4
Cash Cost (US\$/mt) – ex royalties	34.09	23.04
Royalties (US\$/mt)	12.08	5.35

* Source: Argus Report

Revenue from the Energy Coal segment increased to US\$1,334.71 million in 1H2022, representing an increase of 81.9% (or US\$601.11 million) from US\$733.59 million in 1H2021. The increase in revenue was mainly attributable to an increase in the ASP of energy coal of 72.6%, from US\$42.71/metric tonne ("mt") in 1H2021 to US\$73.74/mt in 1H2022, coupled with a slight increase in sales volume from 17.18 million tonnes in 1H2021 to 18.10 million tonnes in 1H2022. The average ICI4 in 1H2022, a better proxy for the majority of the Group's coal quality, was US\$85.00/mt (1H2021: US\$47.89/mt).

Cost of sales increased by US\$320.13 million (or 81.1%), from US\$394.76 million in 1H2021 to US\$714.89 million in 1H2022. The gross profit increase from US\$338.83 million in 1H2021 to US\$619.81 million in 1H2022 was driven by the higher ASP, partially offset by the higher royalty and cash costs on certain costs linked to index prices coupled with higher strip ratio. Production volume in the Energy Coal segment increased slightly from 16.58 million tonnes in 1H2021 to 17.61 million tonnes in 1H2022.

Metallurgical Coal Segment

	1H2022	1H2021
Sales volume (million tonnes)	2.91	0.82
Average Premium Low Vol ("PLV") index price* (US\$/mt)	466.80	132.20
Average Pulverized Coal Injection ("PCI") index price* (US\$/mt)	406.40	109.20
ASP (US\$/mt)	376.71	88.80
Production		
Production volume (million tonnes)	2.74	0.81
Strip ratio (times)	7.5	10.7
FOB cost (US\$/mt) – ex royalties	87.30	100.00
Royalties (US\$/mt)	49.07	6.55

* Source: Platts Coal Trader International

The Group reported a significant increase in revenue from the Metallurgical Coal segment, from US\$72.25 million in 1H2021 to US\$1,096.24 million in 1H2022. The increase was contributed by two months results of SMC upon the completion of the SMC Acquisition on 3 May 2022, coupled with an increase in realised ASP of 324.2%, from US\$88.80/mt in 1H2021 to US\$376.71/mt in 1H2022. In addition, excluding SMC, sales volume increased moderately from 0.82 million tonnes in 1H2021 to 1.10 million tonnes in 1H2022. The average PLV and PCI indices price increased from US\$132.20/mt and US\$109.20/mt in 1H2021 to US\$466.80/mt and US\$406.40/mt in 1H2022 respectively.

Golden Energy and Resources Limited and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months ended 30 June 2022

2. Review of performance of the Group (Cont'd)

Review of Statement of Comprehensive Income (Cont'd)

Revenue, Cost of Sales and Gross Profit (Cont'd)

Metallurgical Coal Segment (Cont'd)

Cost of sales increased by US\$554.44 million (or 715.5%), from US\$77.49 million in 1H2021 to US\$631.93 million in 1H2022. The improvement in gross profit from loss of US\$5.25 million in 1H2021 to US\$464.31 million in 1H2022 was primarily due to the inclusion of two months results from SMC, higher ASP and lower strip ratio, partially offset by the higher royalty. Production volume in Metallurgical Coal segment increased from 0.81 million tonnes in 1H2021 to 2.74 million tonnes in 1H2022, largely due to the inclusion of two months' results from SMC in 1H2022.

Non-coal Businesses

Revenue from Non-coal Businesses comprises plywood and rubber sales. The decrease of US\$0.18 million from US\$0.87 million in 1H2021 to US\$0.69 million in 1H2022 was mainly due to lower sales volume from forestry division during the financial period.

Expenses

Selling and distribution expenses

Selling and distribution expenses increased by US\$66.81 million (or 61.6%), from US\$108.46 million in 1H2021 to US\$175.27 million in 1H2022 mainly due to the inclusion of two months results from SMC in 1H2022.

Administrative expenses

Administrative expenses increased by US\$89.04 million (or 170.5%), from US\$52.23 million in 1H2021 to US\$141.27 million in 1H2022. The increase was mainly due to the inclusion of two months results from SMC, as well as stamp duty and professional fees incurred in relation to the SMC Acquisition in 1H2022.

Fair value gains

Fair value gains of US\$2.06 million arose from the fair value re-measurement on the investment securities held by the Group.

Finance costs

Finance costs increased by US\$9.18 million (or 28.5%), from US\$32.15 million in 1H2021 to US\$41.32 million in 1H2022. The increase was mainly due to interest incurred on the loans secured in relation to the SMC Acquisition in 1H2022.

Other operating expenses

Other operating expenses decreased by US\$9.20 million (or 87.1%), to US\$1.36 million in 1H2022 from US\$10.56 million in 1H2021. This was mainly due to foreign exchange gain of US\$12.09 million in 1H2022 which resulted from the appreciation of the United States Dollar against the Australia Dollar, partially offset by (i) the higher provision of impairment loss of US\$11.10 million, and (ii) the lower in reversal of mining activities of US\$0.07 million in 1H2022 as compared to US\$1.31 million in 1H2021.

Golden Energy and Resources Limited and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months ended 30 June 2022

2. Review of performance of the Group (Cont'd)

Review of Statement of Comprehensive Income (Cont'd)

Share of profit/(loss) of joint ventures (net of tax)

The Group recorded a share of profit of joint ventures (net of tax) of US\$7.96 million in 1H2022, as compared to a share of loss of US\$6.51 million in 1H2021. This was attributable to the improved performance of MetRes Pty Ltd which resulted from the higher realised ASP in metallurgical coal and better operation performance, partially offset by the share of loss from the Ravenswood Gold project which was largely due to sub-optimal cost structure as the mine undergoes capacity expansion.

Income tax expenses

Income tax expenses increased by US\$187.68 million (or 367.0%), from US\$51.14 million in 1H2021 to US\$238.81 million in 1H2022, mainly due to higher taxable profits generated from both Energy Coal and Metallurgical Coal segments.

Profit after tax

Due to the factors above, the Group's net profit increased by US\$422.75 million (or 526.9%) to US\$502.99 million in 1H2022 (as compared to US\$80.23 million in 1H2021), and profit attributable to owners of the Company increased by US\$249.90 million (or 859.1%) to US\$278.99 million in 1H2022 (as compared to US\$29.09 million in 1H2021).

Other comprehensive income

Other comprehensive income decreased by US\$16.46 million (or 318.5%), from a net gain of US\$5.17 million in 1H2021 to a net loss of US\$11.29 million in 1H2022. The net loss in 1H2022 arose from the fair value loss from the investment in quoted shares and share of other comprehensive loss from a joint venture arising from fair value loss of hedging contracts, partially offset by the foreign currency translation differences.

Golden Energy and Resources Limited and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months ended 30 June 2022

2. Review of performance of the Group (Cont'd)

Review of Statement of Financial Position

Non-current assets

Non-current assets increased by US\$2,372.33 million (or 284.8%), from US\$833.06 million at 30 June 2021 to US\$3,205.39 million at 30 June 2022. The increase was largely attributable to the consolidation of SMC's results upon completion of the SMC Acquisition on 3 May 2022, reflected by the significant increases in (i) property, plant and equipment; (ii) mining properties; (iii) right-of-use assets; and (iv) investment securities.

Biological assets increased by US\$1.67 million to US\$9.05 million at 30 June 2022 mainly due to fair value adjustment during the financial period.

Goodwill decreased by US\$11.10 million to US\$73.70 million at 30 June 2022, as a result of impairment loss recorded in 1H2022 for the forestry and pulp CGU.

Investment in joint ventures increased by US\$37.70 million to US\$72.01 million at 30 June 2022. This was mainly due to additional investment in Ravenswood Gold project and share of profit from MetRes Pty Ltd, partially offset by the share of loss and other comprehensive income from Ravenswood Gold project in 1H2022.

Other receivables (non-current portion) decreased by US\$3.89 million to US\$12.14 million at 30 June 2022, mainly due to partial loan repaid by a joint venture, partially offset by the interest receivables from Redeemable Preference Shares from another joint venture.

Restricted funds increased by US\$6.62 million to US\$30.73 million at 30 June 2022. This was mainly due to an additional fund deposited in the interest reserve account relating to the bond retap of US\$90.00 million in March 2022 and additional deposits required for rehabilitation and reclamation obligation.

Current assets

Current assets increased by US\$1,090.40 million (or 148.4%), from US\$735.00 million at 30 June 2021 to US\$1,825.39 million at 30 June 2022.

Trade and other receivables increased by US\$481.46 million to US\$695.20 million at 30 June 2022, mainly due to higher revenue generated from both Energy Coal and Metallurgical Coal segments as well as the consolidation of SMC's results upon completion of the SMC Acquisition on 3 May 2022.

Other current assets decreased by US\$10.38 million to US\$75.70 million at 30 June 2022, mainly due to deposit refunded in relation to the SMC Acquisition, partially offset by the consolidation of SMC's results.

Inventories increased by US\$81.72 million to US\$120.55 million at 30 June 2022, mainly due to the consolidation of SMC's results upon completion of the SMC Acquisition on 3 May 2022.

Investment securities (current portion) decreased by US\$15.51 million to US\$1.01 million at 30 June 2022, due to disposal of investment securities of US\$15.00 million and fair value loss recorded in 1H2022.

Cash and cash equivalents increased by US\$553.11 million to US\$932.93 million at 30 June 2022, mainly due to cash generated from operations and the consolidation of SMC's results.

Golden Energy and Resources Limited and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months ended 30 June 2022

2. Review of performance of the Group (Cont'd)

Review of Statement of Financial Position (Cont'd)

Current liabilities

Current liabilities increased by US\$691.70 million (or 149.2%), from US\$463.71 million at 30 June 2021 to US\$1,155.41 million at 30 June 2022.

Trade and other payables increased by US\$528.72 million to US\$836.74 million at 30 June 2022 mainly due to increased business activities towards the end of 1H2022, deferred consideration of US\$100.00 million in relation to the SMC Acquisition and the consolidation of SMC's results.

Loans and borrowings (current portion) increased by US\$93.71 million to US\$162.42 million at 30 June 2022 mainly due to additions in lease liabilities which arose from the consolidation of SMC's results.

Provision for taxation increased by US\$69.50 million to US\$142.90 million at 30 June 2022 mainly due to higher profits recorded in 1H2022, as well as the consolidation of SMC's results.

Provision for mining activities increased by US\$1.19 million to US\$3.33 million at 30 June 2022, mainly due to an increase in the provision for mines rehabilitation, partially offset by depletions through settlement in 1H2022.

Non-current liabilities

Non-current liabilities increased by US\$1,698.71 million (or 376.4%), from US\$451.30 million at 30 June 2021 to US\$2,150.01 million at 30 June 2022.

Deferred tax liabilities increased by US\$318.30 million to US\$393.46 million at 30 June 2022, which arose from the provisional fair value adjustments following the completion of SMC Acquisition.

Loans and borrowings (non-current portion) increased by US\$1,059.30 million to US\$1,393.02 million at 30 June 2022. The increase was mainly due to draw down of acquisition loan of US\$625.00 million to fund the SMC Acquisition, working capital loans of US\$170.00 million, Bond Retap of US\$90.00 million in March 2022 and lease liabilities which arose from the consolidation of SMC.

Other payables (non-current portion) increased by US\$139.85 million to US\$144.78 million at 30 June 2022, mainly due to the contingent consideration of US\$140.00 million in relation to SMC Acquisition, partially offset by settlement in 1H2022.

Other provisions increased by US\$181.98 million to US\$214.45 million at 30 June 2022, mainly due to the addition of provision for mine rehabilitation arising from the consolidation of SMC's results in 1H2022.

As at 30 June 2022, the Group and the Company reported strong financial positions, with net current assets of US\$669.99 million (30 June 2021: US\$271.29 million) and US\$572.45 million (30 June 2021: US\$365.15 million) respectively. Total loans and borrowings amounted to US\$1,562.44 million, of which US\$169.42 million is due within the next 12 months from 30 June 2022. The Group's cash and cash equivalents stood at US\$932.93 million as at 30 June 2022.

Golden Energy and Resources Limited and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months ended 30 June 2022

2. Review of performance of the Group (Cont'd)

Review of Statement of Cash Flows

The Group recorded net cash inflows of US\$557.67 million in 1H2022 mainly due to the following:

Net cash generated from operating activities of US\$853.28 million comprised operating cash inflow before working capital changes of US\$835.27 million, net working capital inflow of US\$293.86 million, various taxes paid of US\$239.05 million and interest and other financial charges paid of US\$39.42 million. The Group also recorded interest income received of US\$2.62 million. The net working capital inflow of US\$293.86 million was mainly due to (i) a decrease in inventories of US\$232.98 million; (ii) an increase in trade and other payables of US\$206.90 million, partially offset by (i) an increase in trade and other receivables, advances and other current assets totalling US\$137.30 million; and (ii) a decrease in provisions of US\$8.72 million.

Net cash flows used in investing activities of US\$1,345.37 million mainly due to (i) acquisition of SMC of US\$1,254.58 million; (ii) additional investment in Ravenswood Gold project of US\$52.25 million; (iii) purchase of investment securities of US\$1.21 million; (iv) purchase of property, plant and equipment of US\$18.53 million; (v) additions to mining properties of US\$28.65 million; (vi) changes in restricted fund of US\$6.62 million, partially offset by (i) a decrease in other non-current assets of US\$1.57 million; and (ii) proceeds from disposal of investment security of US\$15.00 million.

Net cash flows from financing activities of US\$1,049.75 million was mainly due to (i) proceeds from loans and borrowings of US\$882.39 million; (ii) proceeds from issuance of Bond Retap, net of transactions cost of US\$89.66 million; (iii) proceeds from issuance of shares, net of expenses of US\$62.69 million; (iv) issuance of share capital by a subsidiary company of US\$205.94 million, partially offset by (i) repayments of loans and borrowings of US\$82.13 million; (ii) payment of dividend to NCI of subsidiaries of US\$98.56 million; and (iii) lease payment of US\$10.24 million.

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

The financial results are in line with the Company's profit guidance announcement dated 27 July 2022.

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

Energy Coal

As the world navigated through the pandemic, new challenges in the form of heightened geopolitical tensions and massive supply chain crisis engulfed the world economy. This led to robust energy coal prices as the demand and supply gap widened in 1H2022. Indonesian Coal Index 4 (ICI4) average monthly prices peaked in March 2022 at US\$105.1 per tonne, but have since fallen to US\$83.6 per tonne in July 2022. The Indonesian 4,200 kcal/kg GAR price is forecast to decline to an average of US\$52.1 per tonne in 2023¹, driven by unexpected supply shifts as exports from Russia exceeded expectations over the past months and it is unlikely that declines will be as large as previously expected, coupled with diverging demand trends. Indonesian supply has been stronger, but there has been a sizeable pivot in destinations. A much larger swing has taken place between China and India, where exports to India have been at a record as coal burn remains well above year-ago levels and power plant stocks have not improved dramatically. Even at much higher levels of shipments to India, a sizeable portion of Indonesian coal must remain competitive into China markets. Demand for energy coal in China is weakening due to high imported coal prices and challenging economic conditions. Chinese seaborne energy coal imports are expected to decline by 64 Mt in 2022², which will primarily impact low-CV exports from Indonesia.

Metallurgical Coal

The metallurgical coal market in 1H2022 experienced favourable pricing, with strong demand and elevated steel pricing combining with ongoing supply weakness in many key exporting countries. This was particularly applicable to PCI coal, as steel makers pursued maximum production while simultaneous supply from Russia, the second largest seaborne producer of PCI, became uncertain through policy restriction expectations, and/or physical and financial hurdles to secure materials from that origin.

In contrast to energy coal prices, FOB Australia coking coal and PCI prices have declined at a much higher rate, with steel demand being impacted by reduction in end user demand as part of general reduction in economic outlook combined with a recovery in production from certain large Australia mines. Platts Premium LV average monthly price peaked at US\$594 per tonne in March 2022, but has since declined to US\$239 per tonne in July 2022.

In June 2022, the Queensland Government in Australia announced significant changes to the coal royalty regime³ as part of its 2022 to 2023 budget, making the royalties paid by coal producers in Queensland the highest in the world. In addition to the above, inflationary cost pressures are being increasingly experienced with higher energy related costs and general consumable prices. General tightness in the labour market in conjunction with labour supply impacts from COVID-19 are also affecting costs.

GEAR is cautious of the market shifts in the geographical rebalancing which would add volatility and transport issues and will monitor the demand and prices accordingly.

¹ Argus Seaborne Coal Outlook dated 15 July 2022 published by Argus Media group

² Wood Mackenzie Global thermal short-term outlook July 2022

³ Three new progressive royalty tiers have been introduced in addition to the current structure, with the new regime as follows:

- As per existing regime for prices below A\$175 per tonne
- 20% for prices above A\$175 per tonne
- 30% for prices above A\$225 per tonne
- 40% for prices above A\$300 per tonne

Golden Energy and Resources Limited and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months ended 30 June 2022

5. Dividend information

No dividend has been declared/recommended in the current financial period to conserve and retain cash to meet its commitment. There is no dividend declared /recommended in the corresponding period of the immediately preceding financial year.

6. Interested person transactions

Name of Interested Person	Nature of relationship	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)
		6M2022	6M2022
		US\$'000	US\$'000
Sales :			
PT Indah Kiat Pulp & Paper Tbk	*	-	56,688
PT Sinar Mas Agro Resources and Technology Tbk	^	-	10,064
PT Pabrik Kertas Tjiwi Kimia Tbk	*	-	9,675
PT SOCI Mas	^	-	4,214
PT Ivo Mas Tunggal	^	-	3,230
PT Lontar Papyrus Pulp and Paper Industry	*	-	11,561
PT Sinarmas Bio Energy	^	-	1,249
Interest income:			
PT Bank Sinarmas Tbk	^	-	14
Purchases:			
PT Rolimex Kimia Nusamas	^	-	496
Rental expenses:			
PT Royal Oriental	^	-	459
Freight & Demurrage:			
PT Wirakarya Sakti	^	-	468
Telecommunication:			
PT Smart Telecom	^	-	1
PT Smartfren Telecom Tbk	^	-	5
Insurance expenses:			
PT Asuransi Sinar Mas	^	-	81

^ An associate of the Ultimate Controlling Shareholders¹

* An associate of a sibling of the Ultimate Controlling Shareholders¹

¹ Ultimate Controlling Shareholders means Messrs Franky Oesman Widjaja, Indra Widjaja and Muktar Widjaja, who collectively indirectly owns more than 30% controlling interest in these companies and DSS²

² DSS means PT Dian Swastatika Sentosa Tbk, the immediate parent company of the Company. DSS directly owns more than 30% controlling interest in these companies

Golden Energy and Resources Limited and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months ended 30 June 2022

7. Disclosure of acquisition and/or sale of shares since the end of the previous reporting period pursuant to Rule 706A of the Listing Manual of the SGX-ST

In March 2022, the Company (through its wholly-owned subsidiary, Golden Investments (Australia) Pte Ltd (“**GIAPL**”)) subscribed for 373,317,737 new ordinary shares in the capital of Stanmore for cash consideration of US\$300.0 million, pursuant to SMR’s entitlement offer of US\$506.0 million to fund the SMC Acquisition. Upon the completion of the entitlement offer, the Company’s effective interest in Stanmore changed from 75.33% to 64.01%.

In 1H2022, the Company (through its wholly-owned subsidiary, Golden Investments (Australia) II Pte Ltd) invested an aggregate sum of A\$72.5 million (equivalent to US\$52.2 million) in the capital of Ravenswood Gold Group Pty Ltd (“**RWG**”), a joint venture entity, maintaining the Company’s effective interest of 50% in RWG.

Save for the above, the Group does not have any acquisitions and realisations of shares in subsidiaries and/or associated companies in 1H2022.

8. Confirmation that the Company has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual of the SGX-ST

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

9. Confirmation by the Board

The directors of the Company confirm that to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results for the six-month period ended 30 June 2022 to be false or misleading in any material respect pursuant to Rule 705(5) of the Listing Manual of the SGX-ST.

By Order of the Board

Fuganto Widjaja
Executive Chairman
12 August 2022