



GOLDEN ENERGY AND RESOURCES LIMITED

ANNUAL REPORT 2016

VISION

To be the leading coal mining company in Asia and to create value to all our stakeholders

MISSION

1. Develop the best corporate culture centred on human capital
2. Focus on excellence in operations and processes
3. Build sustainable growth through high safety standards, good community development programme, while maintaining and managing our environment

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CORPORATE PROFILE

Golden Energy and Resources Limited ("**GEAR**"), which owns 66.9998% of PT Golden Energy Mines Tbk, was formed through the recently completed RTO of SGX-ST Mainboard-listed United Fiber System Limited in 2015, and is principally engaged in the exploration, mining processing and marketing of thermal coal sourced from its coal mining concession areas, covering an aggregate of approximately 42,904 hectares in South Kalimantan, Central Kalimantan, Jambi (a province in Sumatra) and South Sumatra Basin, Indonesia.

Backed by the Sinar Mas Group; one of Indonesia's largest conglomerates, GEAR, through its subsidiaries, collectively owns the rights to mine more than 2.3 billion tonnes of thermal coal resources estimates, with coal reserves estimates of more than 770 million tonnes.

GEAR has reserves of thermal coal with an average calorific value range of between 3,900 kcal/kg (arb) to 6,500 kcal/kg (arb).

Aside from coal mining and trading, GEAR is also engaged in the forestry businesses, owning a forestry concession rights of 265,095 hectares in four regions, located in South Kalimantan, Indonesia.



CHAIRMAN'S MESSAGE



DEAR SHAREHOLDERS,

We are truly heartened to report that 2016 was a milestone year for Golden Energy and Resources Limited (the “**Company**”, “**GEAR**” or “**GEAR Group**”). In December 2016, GEAR successfully completed the compliance placement of 181 million shares at S\$0.67 per share to institutional shareholders, raising gross proceeds of S\$121.3 million. Of this, a sizeable number of shares were placed out across a diverse investor base, which includes prominent global and regional fund investors as well as an international commodity trading institution.

With this pivotal development, GEAR shares resumed trading upon its listing on the Mainboard of SGX-ST on 12 December 2016. You would recall that in April 2015, GEAR acquired a 66.9998% stake in PT Golden Energy Mines Tbk (“**GEMS**”) from PT Dian Swastatika Sentosa Tbk (“**DSS**”) for S\$1.88 billion, paid through the issuance of new shares at S\$0.95 each.

Following the successful compliance placement, GEAR is now 86.87% owned by Indonesia’s Sinar Mas Group, through DSS.

GEARing Up for Growth

In the course of fiscal year 2016, the GEAR Group witnessed several high points on the operational front. We saw a significant ramp-up in production output, with

a 44% growth in production volume of coal between FY2014 (6.6 million tonnes (“**MT**”)) and FY2016 (9.5 MT). This positions us well in achieving our production target of 14 MT for FY2017.

The operating environment in FY2016 was favourable, particularly for the BIB coal from the Group’s main production mine, buoyed by increased coal prices and the Indonesian government’s nod for GEAR to increase BIB’s production output to 7.5 MT per annum in September 2016. We have since sought approval from the Indonesian Government to raise BIB’s coal production output to 12 MT per annum for 2017.

Importantly, another critical success factor in our operations is the Company’s ability to be a low cost mining producer. GEAR enjoys a lower stripping ratio and superior logistics supply chain, compared to other domestic and international producers. GEAR’s strong partnership with established mining contractors also enables us to extract further value as we enjoy economies of scale from the increase in our coal production. Further, our operations are supported by a dedicated transport infrastructure that achieves greater savings in terms of costs and time in the coal transshipment process. The Company enjoys the distinct competitive advantage of having conveyor belts extending 800 metres into the Java Sea, enabling direct loading onto barges regardless of tidal conditions. GEAR’s port is located an average of 25 km from the BIB concession mining pits, which is considered to be in very close proximity when compared to competitors’ mining pits in South Kalimantan.

These factors have resulted in the Company turning in a positive set of full-year results. We achieved broad-based growth in revenue contributions across our business divisions and swung into profitability with a record net profit of US\$33.7 million, on the back of US\$393.3 million in revenue for FY2016. Our balance sheet is solid, underpinned by low gearing ratio of 0.10 times and a healthy cash position of US\$79.1 million. With our strengthened financials and backed by our Group’s stellar track record, GEAR will be actively looking out for further quality acquisitions, in order to increase shareholder value as we work towards becoming the leading mining player in Indonesia and the region.

The BIB concession is GEAR’s largest coal reserves with an estimated 1.78 billion tonnes of coal resources. Two other concessions, one in Jambi (“**KIM**”) and the other in Central Kalimantan (“**TKS**”), have estimated coal resources of 256 MT and 77MT, respectively. An independent business evaluation report by Jones Lang LaSalle Corporate Appraisal and Advisory Limited has valued these three coal concessions at US\$3.1 billion as at 31 August 2016.

On 20 September 2016, GEAR acquired the entire share capital in issued in PT Era Mitra Selaras ("**EMS**") with concession rights to PT Wahana Rimba Lestari ("**WRL**"), which has a JORC coal reserves estimates of 68 MT and coal resources estimates of 183 MT.

With this acquisition, GEAR currently has a total of four mining concessions. As at 31 December 2016, the Group has an aggregate coal resources estimates of over 2.3 billion tonnes across its four concessions.

Trends in Coal

Coal prices have surged internationally since June 2016, driven by China's imports surging to its highest since December 2014. China's coal import was up more than 12% during the first eight months of 2016. In January 2017, China's coal imports jumped 64% to 24.91 MT, and this is projected to increase further as a result of restrictions on local production as part of its long term plans to manage smog and greenhouse gas emissions.

From a macro perspective, Asia's emerging markets are expected to show strong demand growth for thermal coal, which will likely fill the majority base load for power in major countries in Asia. For instance, power generation in India, largely reliant on coal-fired power generation, is expected to see soaring domestic demand increasing to 1,750 terawatt-hour ("TWh") by 2020, with coal accounting for more than 1,230 TWh.

Correspondingly, Southeast Asian countries such as Thailand, the Philippines and Vietnam are growth markets for thermal coal in the lead-up to 2020, as coal-fired electricity is used to fuel their fast-growing economies.

Even Japanese companies are seeking to increase coal-burning power stations in the country by almost 50% in the next 12 years. Almost all of the country's 50-odd nuclear plants, which contribute some 30% of Japan's power needs, are still shut in the wake of the Fukushima incident. Imported coal has filled the void, contributing 31.6% of Japan's energy needs in 2015.

On the domestic front, President Jokowi's 35,000 megawatt ("MW") electrification programme will see almost 20,000 MW originating from coal-fired generation plants. In Indonesia, demand for coal is further driven by infrastructure development, given the record budget of US\$22 billion set aside for major projects such as toll roads, mass housing, ports and railways. Cement is an essential component for such infrastructure development, and coal is intensively used in the manufacture of cement as well.

Looking Ahead

The outlook on the operating environment looks favourable going forward, and we are excited about the opportunities that lie before us. Demand for coal is expected to remain strong, both in the domestic and overseas markets.

Domestic demand in Indonesia is likely to grow as new coal-fired power plants will be developed and will account for 60% of the planned power capacity; while electrification and industrialisation will continue in Asia's developing countries, underpinning long-term demand for thermal coal.

GEAR is well equipped to meet these demands. We have large reserves to support production growth, as well as long CCoW licenses for BIB, which reduces operating uncertainty and enhances our position as the preferred thermal coal supplier to power plant producers due to the low sulphur and ash content of our coal. This is further bolstered by a highly experienced and committed management team that is capable of driving growth. Our BIB concession's 4,000 – 4,200 GAR coal already enjoys an established branding in the market, given its versatility which renders it suitable for domestic power producers in Indonesia and major export markets such as China and India.

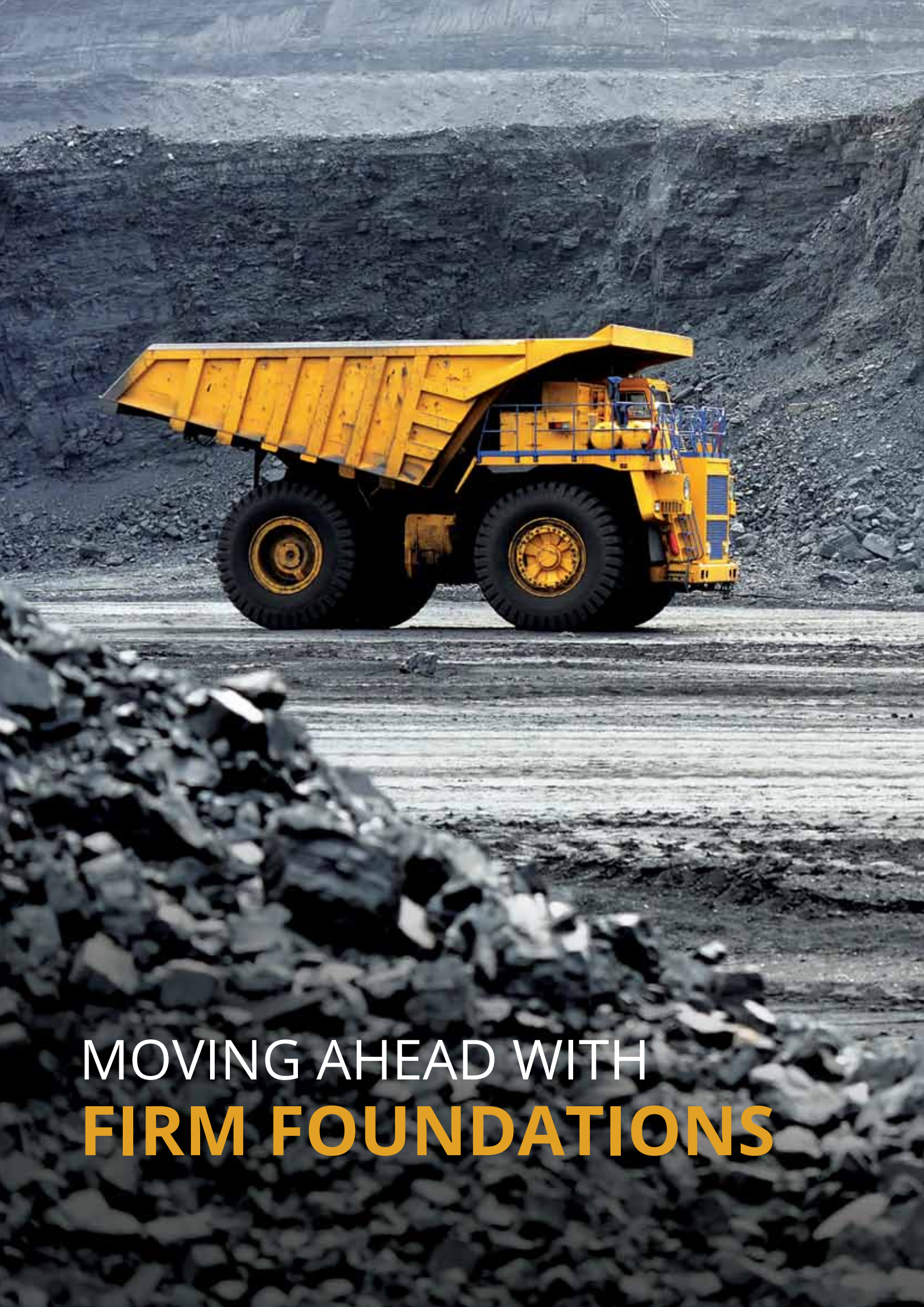
The Company has emerged stronger from 2016. We have a robust balance sheet, low gearing ratio and strong cashflow from operations. With these elements of success in place, we are poised to realise the full potential of our mining assets and our people. We have an organisation that is capable of creating and executing our plans, and we look forward to continue building a company that is sustainable in the long term.

In closing, I would like to take the opportunity to express my gratitude to the Board of Directors, the executive leadership team and employees of GEAR for their unstinting commitment and dedication in driving the business. Together, we will continue to deliver on our commitments.

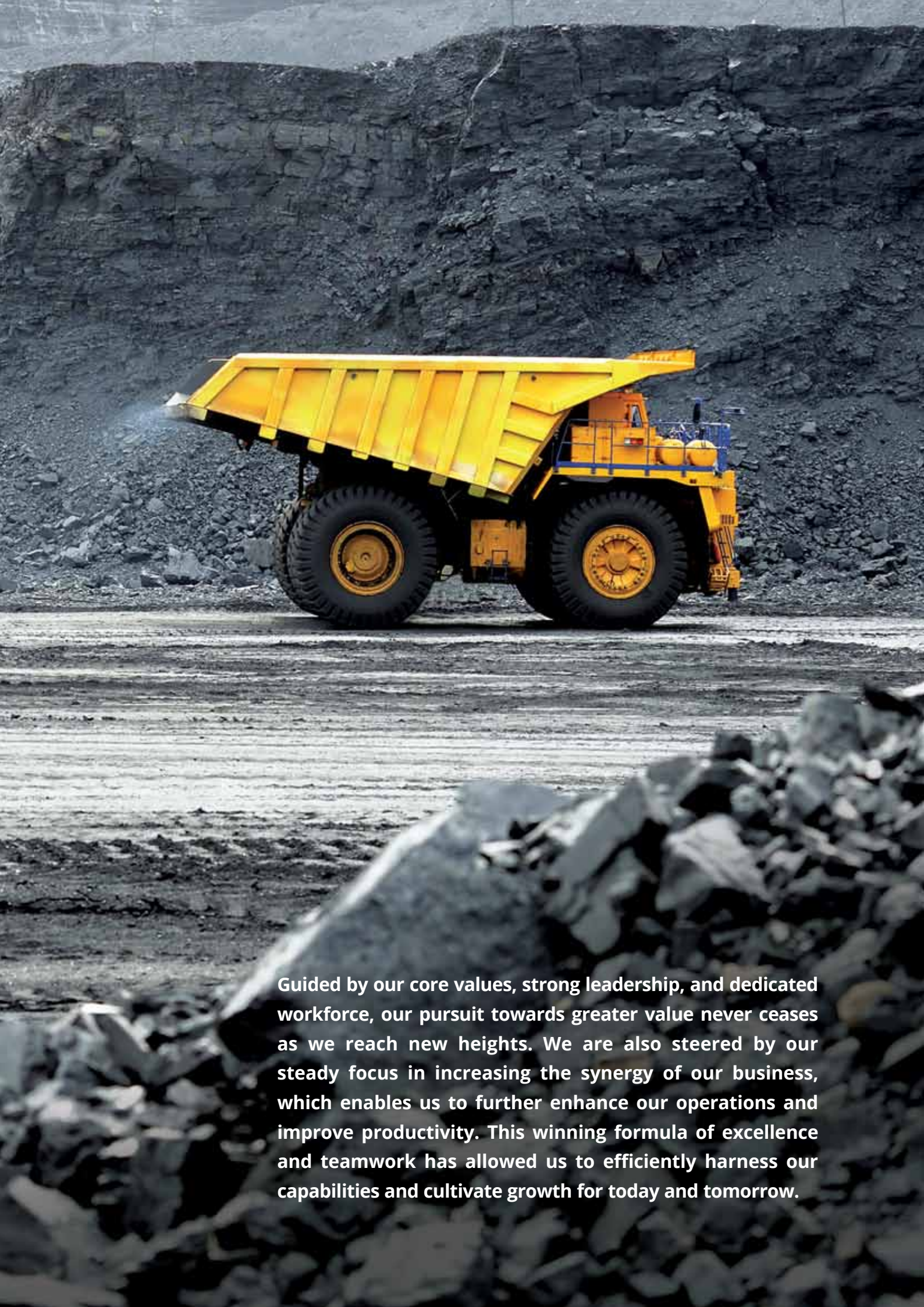
Special thanks also to you, our shareholders, for your patience and continued support, for staying the course with us through the reverse take-over, compliance placement exercise and ultimately, the resumption of trading of GEAR shares on the SGX Mainboard. We look forward to your continuous support to meet the challenges ahead.

MR. L. KRISNAN CAHYA

Non-Executive Chairman



MOVING AHEAD WITH
FIRM FOUNDATIONS



Guided by our core values, strong leadership, and dedicated workforce, our pursuit towards greater value never ceases as we reach new heights. We are also steered by our steady focus in increasing the synergy of our business, which enables us to further enhance our operations and improve productivity. This winning formula of excellence and teamwork has allowed us to efficiently harness our capabilities and cultivate growth for today and tomorrow.

CEO'S MESSAGE



On behalf of the Management, it is my great pleasure to present GEAR's performance review in FY2016 and share our business plans and strategies as we embark on the new financial year ahead on a strong financial footing.

GEAR resumed trading of our shares on the SGX-ST Mainboard on 12 December 2016. We are also heartened that GEAR's market capitalisation of S\$1.6 billion had contributed significantly to SGX-ST's Mineral, Oil & Gas listings of 26 companies with a combined market capitalisation of S\$3.6 billion as at GEAR's listing. This follows the successful completion of our compliance placement of 181 million shares which saw support from established institutions that include prominent global and regional fund investors as well as an international commodity trading institution.

GEAR has grown considerably in the course of FY2016. Most noticeably in the operation of our Coal Mining Division, which saw a 44% increase in production output over the past two years to reach 9.5 million tonnes ("MT") in FY2016. The increase has allowed us to deliver higher sales volumes against the backdrop of rallying coal prices

in FY2016. This has culminated in a set of outstanding full-year results for our Group with a record net profit of US\$33.7 million and revenue of US\$393.3 million.

Coal Mining and Trading Divisions

GEAR's Coal Mining Division remained the key revenue driver for our Group, contributing US\$329.5 million, or approximately 83.8% of the total revenue in FY2016.

Our Coal Mining Division produced a total of 9.5 MT of thermal coal in FY2016, a 9.2% increase from FY2015. Of which, BIB concession contributed 7.5 MT during the year, thereby successfully achieving the maximum production output approved by the Indonesian Government in September 2016. Our KIM concession which had consistently contributed 2.0 MT of thermal coal annually, remained steadfast in its production.

Our Group sold a total of 11 MT of coal in FY2016, a 16% year-on-year increase in sales volume from 9.5 MT in FY2015, at an average selling price of approximately US\$35/MT.

In September 2016, our Coal Mining Division completed the acquisition of PT Era Mitra Selaras ("EMS") with concession rights to PT Wahana Rimba Lestari ("WRL"). This acquisition added a further 183 MT to the Group's coal resources estimates and brought the total number of concessions to four. As at 31 December 2016, our Group has an aggregate coal resources estimates of approximately 2,332 MT and coal reserves estimates of more than 770 MT across our four concessions.

We are heartened by the strength of growth of our Coal Mining and Trading Divisions in FY2016 and are highly encouraged by the sector's growth potential in the years ahead, particularly with the stabilisation of coal prices. This is truly a clear testament to our success in managing our production cost and optimising our operational processes with a long-term view in mind.

The operating environment for the coal industry appears promising over the next few years. We expect that the domestic and overseas demand for thermal coal will continue to remain strong, particularly to meet the growing energy needs of developing economies. I believe that our Group is well-poised to meet this growing market demand with our BIB coal, which is known for its versatility in capturing both the export and domestic markets given its low sulphur and ash content.

In the financial year ahead, we will be looking to ramp up our production output in our existing concessions to reach our target of 14 MT. This will rank us among the top seven key coal producers in Indonesia and position us well to ride on the coal price rally and the persistent strong demand for coal in Indonesia and abroad. We will also continue to explore opportunities through strategic acquisitions.

Forestry Division

Our Forestry Division sold 189,719 cubic metres ("M³") of pulp logs in FY2016, which generated sales revenue of US\$7.1 million, an 11% increase from US\$6.4 million in the previous corresponding period. This was bolstered by a higher average realised selling price of US\$37.65/M³, up from US\$36.58/M³ in FY2015.

Looking ahead, we shall invest in higher value downstream expansions such as plywood to maximize the value of forestry business.

In Conclusion

GEAR has come off 2016 bigger, better and financially stronger amid a more favourable business environment. This puts us on a sturdier base to pursue our next level of growth by capturing the gems of opportunities within the coal industry.

To achieve this, our Group has plans to venture into new export markets for our coal and explore other strategic earnings accretive acquisitions in the light of our current net cash position and low gearing.

In the medium-term, our Group will continue to see strong demand for coal globally, particularly among the emerging markets which are dependent on the resource for their power needs. We believe that we are well-poised to capture this demand given the versatility of our coal grade for use in Indonesia's domestic market and export abroad.

Going ahead, we are on the lookout for strategic acquisitions in the mining sector, to strengthen our reserves base, provide synergies and achieve diversified cash flows for GEAR.

Lastly, I would like to take this opportunity to express my heartfelt thanks and appreciation to our dedicated and capable team at GEAR, who has worked tirelessly to see through the successful completion of our Group's compliance placement exercise, and maximise the growth opportunities that were laid out for our coal business in the course of the year. Your hard work and dedication are truly admirable and I look forward to work alongside all of you in growing GEAR's business.

To all our shareholders, I would like to say a big thank you for your unwavering support through the RTO process. With the resumption in trading of our Group's shares on the SGX-ST, we remain committed to deliver long-term value to all our shareholders and are determined to grow our business with this end in mind.

MR. FUGANTO WIDJAJA

Executive Director, Group Chief Executive Officer



BOARD OF DIRECTORS



Mr. Lay Krisnan Cahya
Non-Executive Chairman

Mr. Fuganto Widjaja
Executive Director, Group CEO

Mr. Dwi Prasetyo Suseno
Executive Director, Deputy Group CEO

MR. LAY KRISNAN CAHYA

Non-Executive Chairman

Mr. Lay Krisnan Cahya was appointed as a Non-Executive Director and Non-Executive Chairman on 20 April 2015 following the completion of the acquisition of 66.9998% equity interest in the share capital of PT Golden Energy Mines Tbk ("**GEMS**") from PT Dian Swastatika Sentosa Tbk ("**DSS**") ("**DSS Completion**"). Mr. Cahya is a member of both the Audit Committee and Remuneration Committee of the Company. Except as provided below, Mr. Cahya does not have any relationship including immediate family relationship with the Directors or the Company as defined in the Code of Corporate Governance 2012 ("**Code 2012**").

Mr. Cahya has over 30 years working experience in banking and corporate. He is currently the president director of DSS and president commissioner of GEMS.

Mr. Cahya graduated with a Bachelor of Economics (Accounting) from Tarumanagara University, Indonesia in 1986.

MR. FUGANTO WIDJAJA

Executive Director, Group CEO

Mr. Fuganto Widjaja was appointed as an Executive Director and the Group Chief Executive Officer on 20 April 2015 following DSS Completion. Mr. Widjaja is a member of the Nominating Committee of the Company. Mr. Widjaja is the son of Mr. Indra Widjaja and nephew of Mr. Franky Oesman Widjaja and Mr. Muktar Widjaja. Mr. Indra Widjaja, Mr. Franky Oesman Widjaja and Mr. Muktar Widjaja are the ultimate controlling shareholders of the Company. Except as provided above, Mr. Widjaja does not have any relationship including immediate family relationship with the Directors or the Company as defined in the Code 2012.

Mr. Widjaja has more than 10 years of experience in general management and supervisory responsibilities in the coal industry. Mr. Widjaja is a commissioner of GEMS and PT Sinar Mas Multiartha Tbk and president director of PT Berau Coal Energy Tbk.

Mr. Widjaja graduated with a Bachelor of Arts (Computer Science and Economics) from Cornell University in 2003 and

obtained a Master's Degree in Philosophy (Finance) from the University of Cambridge in 2004.

MR. DWI PRASETYO SUSENO

Executive Director, Deputy Group CEO

Mr. Dwi Prasetyo Suseno was appointed as an Executive Director and the Deputy Group Chief Executive Officer on 26 October 2015. He does not have any relationship including immediate family relationship with the Directors, the Company or its 10% shareholders as defined in the Code 2012. Mr. Suseno was re-elected to the Board on 29 April 2016.

Mr. Suseno has over 20 years of experience in mining, commodities and oil & gas related industries with exposures in operations, general management, trading, finance, business development, corporate legal and international taxation. He has worked with PT Indo Straits Tbk, Straits Asia Resources Limited, Baker Hughes Inc., Arthur Andersen and Ernst & Young LLP Australia.

He obtained his Bachelor of Commerce degree from the University of Western Australia, Postgraduate Diploma in Business degree from Curtin University, Western Australia and Executive MBA degree from Kellogg School of Management & HKUST. He holds a Graduate Diploma degree in Taxation Law Masters from the University of Melbourne, Australia. Mr. Suseno is a Fellow Certified Public Accountant of CPA Australia and a council member of CPA Australia, Singapore Divisional Council. He is also a Chartered Accountant and member of Institute of Singapore Chartered Accountants.

MR. MOCHTAR SUHADI

Executive Director

Mr. Mochtar Suhadi was appointed as an Executive Director of the Company on 20 April 2015 following DDS Completion. He does not have any relationship including immediate family relationship with the Directors, the Company or its 10% shareholders as defined in the Code 2012. Mr. Suhadi was re-elected to the Board on 29 April 2016.



Mr. Mochtar Suhadi
Executive Director

Mr. Lim Yu Neng Paul
Independent Director

Mr. Lew Syn Pau
Independent Director

Mr. Irwandy Arif
Independent Director

Mr. Suhadi has many years of experience in general management of operations, merger & acquisitions, exploration, joint ventures and joint operations of coal mines in Indonesia.

Mr. Suhadi is presently a director of GEMS. He was previously a Non-Executive Director of the Company from January 2011 to August 2011. Mr. Suhadi graduated with a Bachelor of Science from University of Michigan in 2004.

MR. LIM YU NENG PAUL

Independent Director

Mr. Paul Lim Yu Neng was appointed as a Non-Executive Director of the Company on 3 August 2007 and was re-designated as an Independent Director on 26 February 2009. He is presently the Chairman of the Audit Committee and member of both the Nominating Committee and the Remuneration Committee of the Company. Mr. Lim does not have any relationship including immediate family relationship with the Directors, the Company or its 10% shareholders as defined in the Code 2012. Mr. Lim was re-elected to the Board on 29 April 2016.

Mr. Lim has over 25 years of banking experience with international investment banks including Morgan Stanley, Deutsche Bank, Solomon Smith Barney and Bankers Trust. He is currently the Managing Director and Head of Private Equity of SBI Ven Capital Pte Ltd. Mr. Lim is an independent director of China Everbright Water Limited and Nippecraft Limited.

Mr. Lim obtained his Master of Business Administration in Finance and Bachelor of Science in Computer Science from the University of Wisconsin, Madison, USA. He is a Chartered Financial Analyst (CFA).

MR. LEW SYN PAU

Independent Director

Mr. Lew Syn Pau was appointed as an Independent Non-Executive Director of the Company on 20 April 2015 following DSS Completion. He is presently the Chairman of the Nominating Committee and Remuneration Committee

and member of the Audit Committee of the Company. He does not have any relationship including immediate family relationship with the Directors, the Company or its 10% shareholders as defined in the Code 2012.

Mr. Lew is an independent director in SUTL Enterprise Ltd, Broadway Industrial Group Limited, Food Empire Holdings Ltd, Golden Agri-Resources Ltd and Poh Tiong Choon Logistics Limited. He is also chairman of SUTL Enterprise Ltd and Broadway Industrial Group Limited.

Mr. Lew was a Singapore Government scholar, and has a Bachelor (1977) and Master (1981) of Engineering from Cambridge University, UK and a Master of Business Administration from Stanford University, USA (1984). He was a member of the Singapore Parliament from 1988 to 2001, during which he chaired the Singapore Government Parliamentary Committees for Education, Finance, Trade and Industry and National Development.

MR. IRWANDY ARIF

Independent Director

Mr. Irwandy Arif was appointed as an Independent Non-Executive Director of the Company on 20 April 2015 following DSS Completion. He does not have any relationship including immediate family relationship with the Directors, the Company or its 10% shareholders as defined in the Code of Corporate Governance 2012.

Mr. Arif has over 30 years of experience in the mining industry. He is an Independent Commissioner of GEMS and PT Vale Indonesia Tbk, member of audit committee on Board of Commissioners of GEMS, PT Adaro Energy Tbk and PT Tobabara Sejahtera Tbk.

Mr. Arif graduated with a Bachelor of Engineering in Mining Engineering from the Bandung Institute of Technology in 1976, obtained his Master of Science in Industrial Engineering from the Bandung Institute of Technology in 1985 and was conferred a Doctoral Degree from the Ecole des Mines de Nancy, France in 1991.

OUR AREAS OF OPERATIONS



SINGAPORE

Corporate Office

- Corporate, finance, human resource, IT and purchasing functions
- Oversees group's growth strategy, M&A, funding and investor relations

Marketing office

- Coal trading for international market

JAKARTA

Coal Divisions Head office

- Finance, legal, human resource, IT, marketing and purchasing functions
- Oversees group's businesses and operations

SOUTH KALIMANTAN

BIB Coal Mining Concession

- 24,100 hectares mining concession
- Coal resources estimates of 1.8 billion tonnes, inclusive of coal reserves
- Coal reserves estimates of 652 million tonnes
- Calorific value of 3,866 kcal/kg - 6,528 kcal/kg (arb)

Forestry Concession

- 265,095 hectares of forestry concession rights
- Approximately 4,730 hectares are planted with Acacia Mangium; Jabon; Sengon; and Rubber trees.

CENTRAL KALIMANTAN

TKS Coal Mining Concession

- 9,707 hectares mining concession
- Coal resources estimates of 74.7 million tonnes
- Calorific value of 5,714 kcal/kg - 5,726 kcal/kg (adb)

SUMATRA

JAMBI

KIM Coal Mining Concession

- 2,610 hectares mining concession
- Coal resources estimates of 257 million tonnes, inclusive of coal reserves
- Coal reserves estimates of 56.4 million tonnes
- Calorific value of 4,828 kcal/kg - 4,980 kcal/kg (arb)

SOUTH SUMATRA BASIN

WRL Coal Mining Concession

- 4,739 hectares mining concession
- Coal resources estimates of 183 million tonnes, inclusive of coal reserves
- Coal reserves estimates of 69.9 million tonnes
- Calorific value of 2,834-2,912 kcal/kg (arb)

OPERATIONS REVIEW

COAL MINING DIVISION

Our Coal Mining Division is principally engaged in the exploration, mining, processing and marketing of thermal coal sourced from its principal coal mining concession areas in Indonesia, which are in South Kalimantan and Jambi (a province in Sumatra). Under the concessions issued by the Indonesian Government, our Coal Mining Division has exclusive mining rights over concession areas covering an aggregate of approximately 42,904 hectares. These concessions are held through the Group's subsidiaries, namely PT Borneo Indobara, PT Kuansing Inti Makmur, PT Trisula Kencana Sakti and PT Wahana Rimba Lestari, a subsidiary of PT Era Mitra Selaras. Since March 2012, PT Trisula Kencana Sakti has been placed under temporary care and maintenance whilst awaiting a sustainable recovery of the coal market. In September 2016, the Group had acquired the entire share capital of PT Era Mitra Selaras, making it a 100% owned subsidiary of PT Golden Energy Mines Tbk.

As at 31 December 2016, our Coal Mining Division collectively owns the rights to mine more than 2.3 billion tonnes of thermal coal resources estimates, with coal reserves estimates of more than 770 million tonnes ("MT").

In all our concession areas, our Coal Mining Division uses the open cut mining method, which includes the exploration, planning and clearing of required surface areas, mining, transportation, distribution of coal and rehabilitation. Third party contractors play important roles in performing the mining operations under the supervision of our management of our Coal Mining Division.

Our Coal Mining Division produced a total volume of 9.5 MT of thermal coal in 2016, an increase of 9.2% from 2015 production volume of 8.7 MT. Our BIB's production volume which contributed 78.4% from the overall 2016 production volume, showed an increase in volume by 19% from 6.3 MT in 2015 to 7.5 MT in 2016, successfully reaching the maximum output limit approved by the Indonesian Government in September 2016. KIM's production volume decreased by 16.7% from 2.4 MT in 2015 to 2.0 MT in 2016.

GEAR has sought approval from the Indonesian Government to raise BIB's coal production output to 12 MT for 2017. Presently, the Group is optimistic in its ability to obtain the approval, which will place it on track in achieving its target aggregated coal production volume of 14 MT for FY2017.

The increase in production output in BIB will be supported by GEAR's wholly-owned transport

infrastructure, which includes conveyor belts that enable direct loading onto large barges in the Java Sea, a dedicated port and BIB-controlled hauling roads.

COAL TRADING DIVISION

Our Coal Trading Division commenced its coal trading business in April 2010 and with it, the Group was able to access to different varieties of coal which facilitated blending opportunities with our own mined coal. The ability to blend coal provided the Group an avenue for improved value addition and also helped cater to a wider market segment. Currently, our coal trading business consists of procuring sales orders from customers and sourcing for domestic suppliers. The thermal coal in the Group's coal trading business is generally of higher calorific value than those mined by our Coal Mining Division.

Our Coal Trading Division sold a total volume of 1.25 MT in 2016, a 19.0% increase from 2015 sales volume of 1.05 MT.

The international customers of our Coal Mining and Coal Trading Divisions typically consist of traders and end users. The markets include China, India, Thailand, Philippines, Korea and Malaysia. Domestic customers of these Divisions include power plant operators, pulp and paper factory operators, cement industry and coal trading companies that purchase coal for resale purposes.

FORESTRY DIVISION

The Group holds a forestry concession right of 265,095 hectares in four regions at South Kalimantan, Indonesia. Out of the total concession rights, approximately 3,250 hectares of the forestry concession area has been planted with Acacia Mangium; Jabon; Sengon; and Rubber trees; and 1,480 hectares of natural forest plantation. In addition, the Division has, during the year, performed various research and development activities for potential commodities to maintain its sustainability and diversity.

The Forestry Division sold a total volume of approximately 189,719m³ of logs in 2016. The Division's major customer is a domestic pulp and paper factory operator.

FINANCIAL REVIEW

FINANCIAL PERFORMANCE REVIEW

“Revenue” comprises mainly revenue generated from our Coal Mining, Coal Trading and Forestry Divisions.

An increase in demand for coal in the second half of FY2016 coupled with a less than proportionate increase in coal supply has resulted in coal prices increasing in FY2016, after four years of downtrend in coal prices. As a result, our Group recorded higher revenue of US\$393.3 million for FY2016 as compared to US\$359.8 million in FY2015. Our Coal Mining Division continued to perform well in FY2016, our coal production increased from 8.7 million tonnes in 2015 to 9.5 million tonnes in 2016. Revenue contributed by our Coal Mining Division increased from US\$300.4 million in FY2015 to US\$329.5 million this year, as a result of higher production and sales volumes as well as higher average sales realisation price. Revenue from our Coal Trading Division increased from US\$52.8 million in FY2015 to US\$54.8 million in FY2016 mainly due to higher sales volume offset by lower average sales realisation price. Our Forestry Division recorded revenue of US\$7.1 million in FY2016 as compared to US\$6.4 million in FY2015 due to higher average sales realisation price offset by lower sales volume.

Our customers comprise domestic and international traders as well as end-users. Domestic sales contributed 58.3% towards our Group’s revenue in FY2016. As for export sales, our customers from China and India accounted for 91.1% of our total coal export sales in FY2016 as compared to 95.1% in FY2015. Our Group had also recognised sales to Korea and Thailand in FY2016.

“Cost of sales” increased from US\$248.0 million in FY2015 to US\$249.2 million in FY2016, in line with higher sales activities from our Coal Mining Division and our Coal Trading Division offset by a lower sales volume from our Forestry Division.

“Gross profit” increased from US\$111.7 million in FY2015 to US\$144.1 million in FY2016 due to the above factors.

“Other income” increased from US\$5.2 million in FY2015 to US\$13.8 million in FY2016, mainly due to increases arising from foreign exchange gain of US\$0.3 million, interest income from loan granted to third parties of US\$2.1 million, overprovision of withholding tax expenses of US\$1.9 million and interest expense of US\$4.0 million.

“Selling and distribution expenses” decreased from US\$67.3 million in FY2015 to US\$56.4 million in FY2016, mainly due to decrease in freight expenses for coal sales as a result of increased sales on FOB barge basis.

“Administrative expenses” remained relatively stable for FY2016.

“Other operating expenses” decreased from US\$8.3 million in FY2015 to US\$5.4 million in FY2016 mainly due to absence of foreign exchange loss.

“Fair value loss on biological asset” and “Finance costs” were relatively stable for FY2016.

“Income tax expenses” increased from tax credit of US\$1.1 million in FY2015 to tax expense of US\$14.0 million in FY2016 as a result of higher taxable profit during the year.

Due to the factors above, our Group reported a net profit of US\$33.7 million in FY2016 as compared to a net loss of US\$8.7 million in FY2015.

FINANCIAL POSITION REVIEW

“Biological assets” decreased by US\$3.8 million as a result of fair value change in biological assets.

“Mining properties” increased by US\$20.6 million primarily on account of mining properties from the acquisition of new subsidiaries, offset by amortization during the period under review.

“Deferred tax assets” decreased by US\$1.5 million due to the utilization of prior years’ deferred tax benefits.

“Other non-current assets” decreased by US\$23.8 million mainly due to lower tax refund and lower guarantee deposits on mining services.

“Inventories” decreased by US\$7.9 million mainly due to lower coal inventory volume as compared to 31 December 2015.

“Trade and other receivables” (Current and non-current assets) decreased by US\$12.0 million mainly due to improved collection.

“Other current assets” increased by US\$13.3 million mainly due to an increase of advance payment of US\$12.9 million to coal suppliers during the period under review.

“Cash and cash equivalents” increased by US\$34.6 million mainly due to net cash flows generated from operating activities and proceeds from compliance placement offset by net cash outflow on acquisition of subsidiaries and repayment of loans and borrowings.

“Trade and other payables” (Current liabilities) decreased by US\$25.5 million mainly due to lower purchase of coal inventories as at December 2016 and prompt payment to suppliers as compared to December 2015.

“Provision for taxation” increased by US\$8.2 million as a result of the increase in taxable profit during the period under review.

“Loans and borrowings” due within the next twelve months decreased by US\$18.4 million as a result of loans settlements during the period under review.

“Post-employment benefits” increased by US\$0.4 million mainly due to higher employees benefit liability during the period under review.

“Loans and borrowings” due after the next twelve months decreased by US\$57.5 million mainly due to loan repayment and the settlement of loans.

“Deferred tax liabilities” increased by US\$6.5 million mainly due to the acquisition of new subsidiaries.

As at 31 December 2016, our Group’s net assets stood at US\$384.8 million with loans and borrowings totaling US\$49.7 million, out of which US\$2.3 million are due within the next twelve months.

CASH FLOW REVIEW

“Net cash generated from operating activities” of US\$54.4 million comprised operating cash inflow before working capital changes of US\$78.4 million, net working capital outflow of US\$15.8 million and income tax paid and interest and other financial charges paid of US\$3.7 million and US\$9.6 million respectively and interest income received of US\$5.2 million.

“Net cash flows used in investing activities” of US\$26.3 million was mainly due to (1) net cash outflow on acquisition of subsidiaries of US\$37.0 million; (2) additions to mining properties of US\$5.6 million; (3) additions to biological assets of US\$0.5 million; (4) purchase of property, plant and equipment of US\$2.5 million; and (5) changes in restricted fund of US\$0.3 million offset by decrease in other non-current assets of US\$19.6 million.

“Net cash flows generated from financing activities” of US\$4.1 million was mainly due to proceeds from compliance placement of US\$84.2 million and proceeds from loans and borrowings of US\$18.1 million offset with repayment of loans and borrowings of US\$92.6 million and payment of dividend to non-controlling interests of subsidiaries of US\$5.6 million.

As a result of the above, our Group’s cash and cash equivalents position increased from US\$44.5 million at 31 December 2015 to US\$79.1 million at 31 December 2016.



FINANCIAL HIGHLIGHTS

CONSOLIDATED INCOME STATEMENT (US\$'000)	2016	2015	2014	2013	2012
Revenue	393,272	359,771	435,953	424,152	422,413
Gross Profit	144,105	111,729	146,783	82,402	70,750
EBITDA ⁽¹⁾	74,092	37,517	37,942	43,509	27,490
Net Profit/(Loss) after Tax ⁽⁴⁾	33,664	(8,657)	10,819	21,412	13,663
Core Net Profit/(Loss) ⁽²⁾	24,282	(1,423)	9,005	6,297	10,403
Net Profit/(Loss) Attributable to Owners of the Company	22,006	(9,395)	10,791	21,228	14,303
Weighted Average Number of Shares ⁽¹⁰⁾ ('000)	5,155,305	4,518,823	3,050,971	3,050,971	3,050,971
Core Net Profit/(Loss) ⁽²⁾ per Share (US Cents)	0.47	(0.03)	0.30	0.21	0.34
Earnings per Share (US Cents)	0.43	(0.21)	0.35	0.70	0.47

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (US\$'000)	2016	2015	2014	2013	2012
Total Assets	519,186	493,494	315,639	327,965	347,288
Total Current Assets	226,713	198,276	141,302	152,758	183,449
Total Current Liabilities	73,063	108,671	64,053	83,337	52,367
Total Non-Current Liabilities	61,334	111,663	3,528	2,829	3,327
Net Tangible Assets	228,819	143,855	222,771	217,357	259,295
Non-Controlling Interests	87,730	82,085	716	530	478
Equity Attributable to Owners of the Company	297,059	191,075	247,342	241,269	291,116
Number of Shares ⁽¹¹⁾ ('000)	2,353,100	2,170,120	3,864,251	3,864,251	3,864,251

RATIOS	2016	2015	2014	2013	2012
Gross profit margin	37%	31%	34%	19%	17%
EBITDA ⁽¹⁾ margin	19%	10%	9%	10%	7%
Core net profit/(loss) ⁽²⁾ margin	6%	0%	2%	1%	2%
Net profit/(loss) ⁽³⁾ margin	6%	-3%	2%	5%	3%
Return on equity ⁽⁵⁾	7%	-5%	4%	9%	5%
Return on assets ⁽⁶⁾	4%	-2%	3%	6%	4%
Current ratio (times)	3.10	1.82	2.21	1.83	3.50
Gearing Ratio ⁽⁷⁾ (times)	0.10	0.47	0	0.07	(0.21)
Net Tangible Assets per share (US Cents)	9.72	6.63	5.76	5.62	6.71
Receivable turnover ⁽⁸⁾ (days)	48	49	41	49	35
Inventory turnover ⁽⁹⁾ (days)	18	19	14	11	9

Notes:

⁽¹⁾ EBITDA = earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation

⁽²⁾ Core net profit/(loss) = net profit/(loss) attributable to owners of the Company excluding the net effect of net gain or loss from changes in fair value of biological assets, foreign exchange gain or loss and exceptional items (net of tax and non-controlling interests)

⁽³⁾ Net profit/(loss) = net profit/(loss) attributable to owners of the Company

⁽⁴⁾ Net profit/(loss) after tax = Profit/(Loss) before tax - income tax (expense)/benefit

⁽⁵⁾ Return on equity = net profit/(loss) attributable to owners of the Company / equity attributable to owners of the Company

⁽⁶⁾ Return on assets = net profit/(loss) attributable to owners of the Company / total assets

⁽⁷⁾ Gearing ratio = net debts⁽¹²⁾/(equity attributable to owners of the Company + net debts⁽¹²⁾)

⁽⁸⁾ Receivable turnover = average trade receivables / revenue * 365

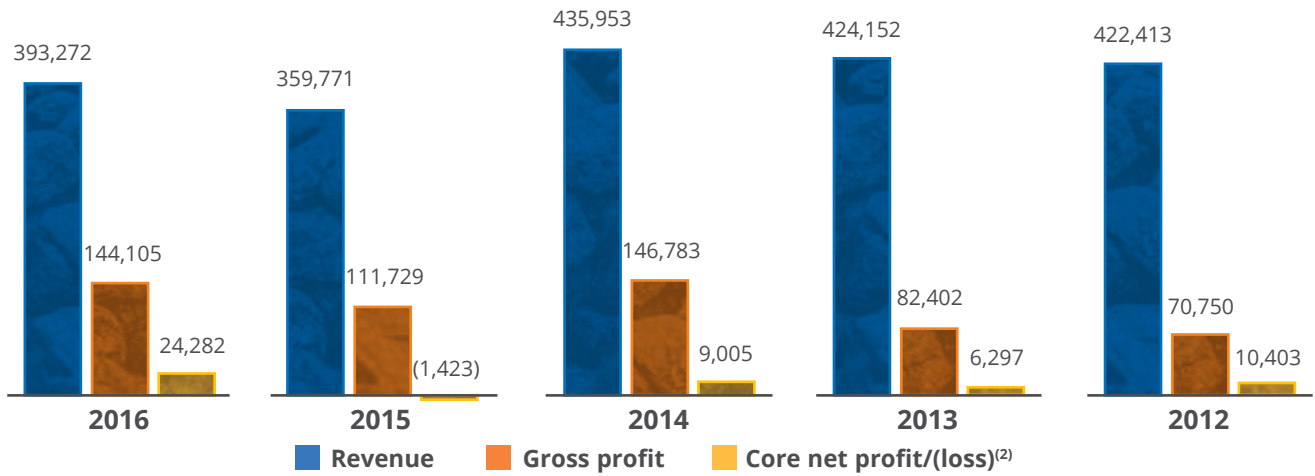
⁽⁹⁾ Inventory turnover = average inventory / cost of sales * 365

⁽¹⁰⁾ Please refer to Note 9 to the Consolidated Financial Statements for explanation

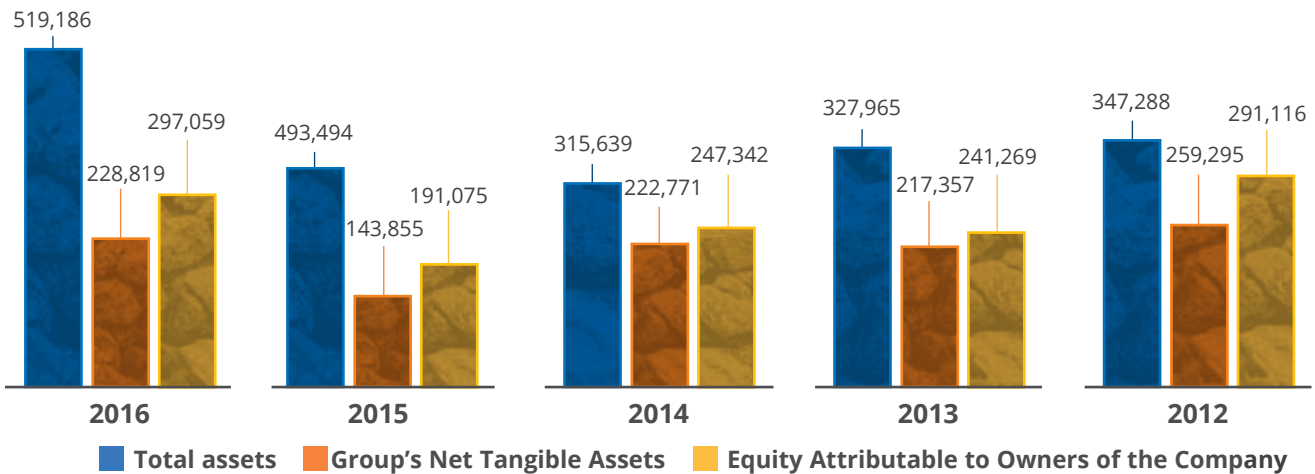
⁽¹¹⁾ Please refer to Note 26 to the Consolidated Financial Statements for explanation

⁽¹²⁾ Net debts = total borrowings + trade and other payables - cash and cash equivalents

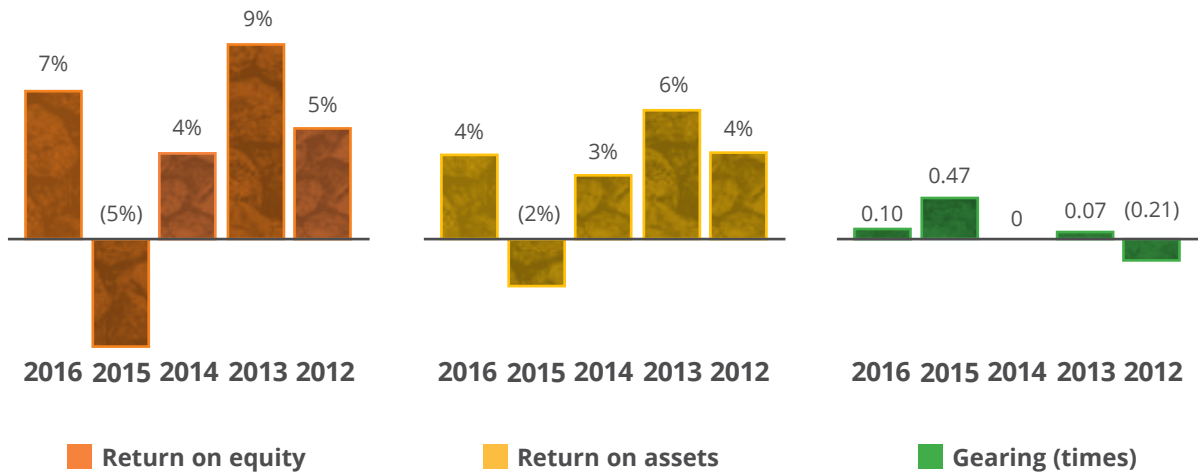
CONSOLIDATED INCOME STATEMENT



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

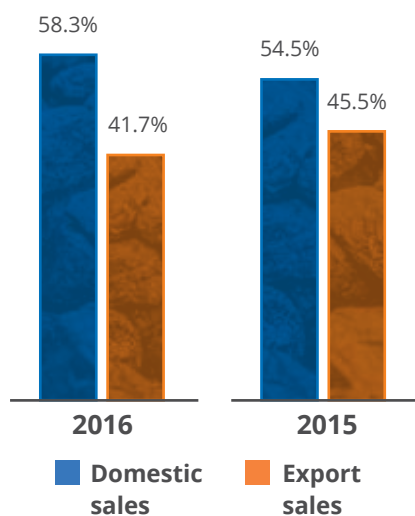


RATIOS

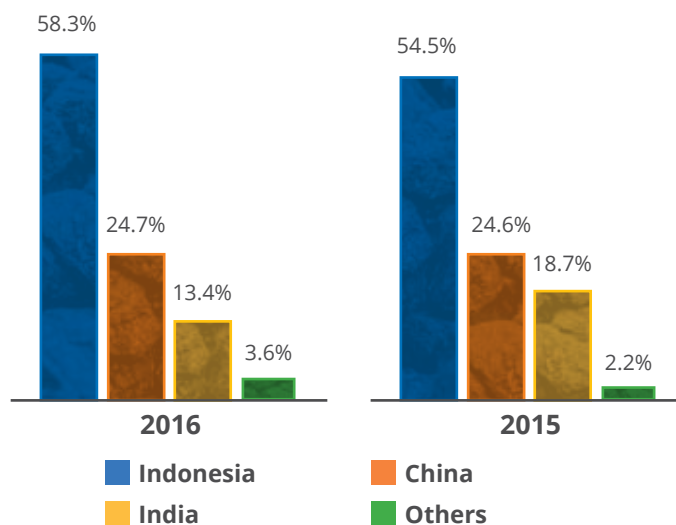


FINANCIAL HIGHLIGHTS

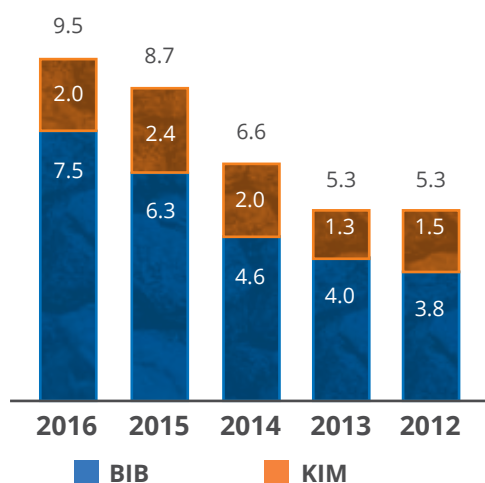
REVENUE MIX



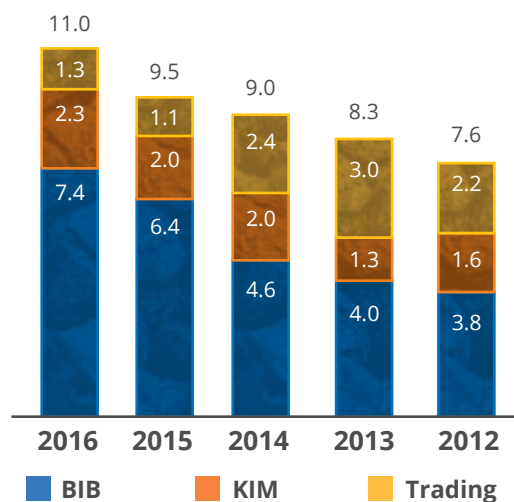
REVENUE BASED ON GEOGRAPHICAL AREA



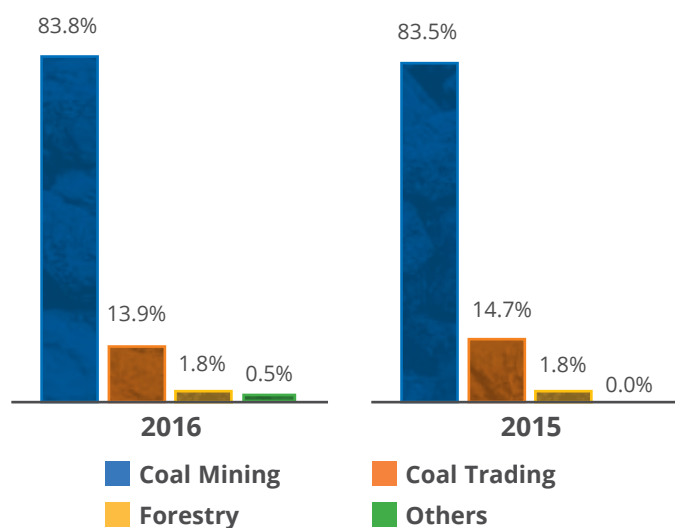
PRODUCTION VOLUME (MILLION TONNES)



SALES VOLUME (MILLION TONNES)



REVENUE BASED ON BUSINESS SEGMENT



COAL RESOURCES & RESERVES STATEMENT

As at 31 December 2016

1. Name of Asset / Country: BIB Coal Mine / Indonesia

Gross Attributable to Licence ⁽¹⁾				Net Attributable to the Company		
Category	Mineral Type	Tonnes (Millions) ⁽⁴⁾	Grade	Tonnes (Millions)	Grade	Change from previous update (%) ⁽²⁾
Reserves						
Proved	Coal	516.1	Sub-bituminous B	339.2	Sub-bituminous B	-0.47%
Probable	Coal	135.8	Sub-bituminous B	89.3	Sub-bituminous B	-0.22%
Total		652.0	Sub-bituminous B	428.5	Sub-bituminous B	-0.42%
Resources ⁽³⁾						
Measured	Coal	916	Sub-bituminous B	602	Sub-bituminous B	-0.33%
Indicated	Coal	335	Sub-bituminous B	220	Sub-bituminous B	0.09%
Inferred	Coal	565	Sub-bituminous B	371	Sub-bituminous B	0.08%
Total		1,817	Sub-bituminous B	1,194	Sub-bituminous B	-0.07%

Notes:

- (1) CCoW license issued by the Ministry of Energy and Mineral Resources
- (2) Previous coal resources and coal reserves estimates were reported as at 31 August 2016
- (3) Coal resources are inclusive of coal reserves
- (4) Individual totals may differ due to rounding

The decrease in resources and reserves estimates are mainly due to production.
The movement in the reserves estimates was a result of changes in coal prices and operating cost parameters.



COAL RESOURCES & RESERVES STATEMENT

As at 31 December 2016

2. Name of Asset / Country: KIM Coal Mine / Indonesia

Gross Attributable to Licence ⁽¹⁾				Net Attributable to the Company		
Category	Mineral Type	Tonnes (Millions) ⁽⁴⁾	Grade	Tonnes (Millions)	Grade	Change from previous update (%) ⁽²⁾
Reserves						
Proved	Coal	42.3	Sub-bituminous B	28.3	Sub-bituminous B	-2.08%
Probable	Coal	14.1	Sub-bituminous B	9.4	Sub-bituminous B	0.00%
Total		56.4	Sub-bituminous B	37.8	Sub-bituminous B	-1.31%
Resources ⁽³⁾						
Measured	Coal	113	Sub-bituminous B	76	Sub-bituminous B	-0.39%
Indicated	Coal	59	Sub-bituminous B	40	Sub-bituminous B	-1.25%
Inferred	Coal	85	Sub-bituminous B	57	Sub-bituminous B	-0.18%
Total		257	Sub-bituminous B	172	Sub-bituminous B	-0.46%

Notes:

⁽¹⁾ IUP license issued by the Keputusan Bupati Bungo

⁽³⁾ Coal resources are inclusive of coal reserves

⁽²⁾ Previous coal resources and coal reserves estimates were reported as at 31st August 2016

⁽⁴⁾ Individual totals may differ due to rounding

The decrease in resources and reserves estimates are mainly due to production.

3. Name of Asset / Country: TKS Coal Mine / Indonesia

Gross Attributable to Licence ⁽¹⁾				Net Attributable to the Company		
Category	Mineral Type	Tonnes (Millions) ⁽⁴⁾	Grade	Tonnes (Millions)	Grade	Change from previous update (%) ⁽²⁾
Reserves						
Proved	Coal	0	Sub-bituminous B	-	Sub-bituminous B	N.M
Probable	Coal	0	Sub-bituminous B	-	Sub-bituminous B	N.M
Total		0	Sub-bituminous B	-	Sub-bituminous B	N.M
Resources ⁽³⁾						
Measured	Coal	24.7	Sub-bituminous B	12	Sub-bituminous B	-38.95%
Indicated	Coal	26	Sub-bituminous B	12	Sub-bituminous B	103.33%
Inferred	Coal	24	Sub-bituminous B	11	Sub-bituminous B	-5.83%
Total		74.7	Sub-bituminous B	35	Sub-bituminous B	-5.41%

Notes:

⁽¹⁾ IUP license issued by the Keputusan Bupati Bungo

⁽³⁾ Coal resources are inclusive of coal reserves

⁽²⁾ Previous coal resources estimates were reported as at 31st July 2014

⁽⁴⁾ Individual totals may differ due to rounding

The movement in the resources estimates was due to change in the interpretation of geological data.

4. Name of Asset / Country: WRL Coal Mine / Indonesia

Gross Attributable to Licence ⁽¹⁾				Net Attributable to the Company		
Category	Mineral Type	Tonnes (Millions) ⁽⁴⁾	Grade	Tonnes (Millions)	Grade	Change from previous update (%) ⁽²⁾
Reserves						
Proved	Coal	23.9	Sub-bituminous B	16.0	Sub-bituminous B	-11.60%
Probable	Coal	45.9	Sub-bituminous B	30.8	Sub-bituminous B	12.00%
Total		69.9	Sub-bituminous B	46.8	Sub-bituminous B	2.63%
Resources ⁽³⁾						
Measured	Coal	40	Sub-bituminous B	26	Sub-bituminous B	14.53%
Indicated	Coal	58	Sub-bituminous B	39	Sub-bituminous B	-3.23%
Inferred	Coal	85	Sub-bituminous B	57	Sub-bituminous B	-4.53%
Total		183	Sub-bituminous B	123	Sub-bituminous B	0.00%

Notes:

(1) IUPOP license issued by the provincial government of South Sumatra

(2) Previous coal resources estimates were reported as at 16 May 2016

(3) Coal resources are inclusive of coal reserves

(4) Individual totals may differ due to rounding

The movement in the coal resources and reserves estimates was a result of changes in operating cost parameters. WRL coal concession was acquired in September 2016.

EXPLORATION (INCLUDING GEOPHYSICAL SURVEYS), DEVELOPMENT AND PRODUCTION ACTIVITIES

The Group has conducted infill exploration, including geophysical surveys, during the financial period in BIB and KIM Mines. The purpose of the exploration was to identify subsurface geological conditions related to coal in detail to improve the production planning.

The Group has performed mining development in its BIB concession during the period under review.

The Mines have processed an aggregate of 9,514,499 metric tonnes of Sub-bituminous B coal for the financial year ended 31 December 2016. No mines under construction have been transferred to producing mines during the period under review.

The Group has capitalised approximately US\$9.3 million in exploration activities, and expensed US\$0.2 million in the ordinary course of regional exploration and US\$138.8 million in production mines.

CORPORATE SOCIAL RESPONSIBILITY

At GEAR, Corporate Social Responsibility (“CSR”) is one of the key pillars of our management’s strategy and is always an important priority approach towards implementing our Group’s overall plans. We believe the safety of all our employees and the communities which we operate in are of utmost importance to us. GEAR’s CSR compliments this with our belief in caring for the environment by ensuring sustainability and minimal impact to the environment. At GEAR, we commit to our CSR program at all levels, from management to our operation workforce. Our CSR program is intended to empower the communities which we operate in to generate sustainable economic development, education, religion, environment and health infrastructures. Our Group contributes to the communities surrounding our concession mines to improve their welfare and the environment through various activities to generate a long-term mutually beneficial partnership. The activities are, amongst others include, employees development and direct involvement in the communities; all of which ensure the continuity of our Group’s business growth in the future and mitigation of some of our potential risks.

The main objectives of our CSR are as follows:

- Implement a sustainable long term CSR program
- Maintain and preserve the environment
- Improve the welfare and quality of communities
- Ensure health and safety of employees and communities
- Develop a good long lasting relationship with communities in our operational areas
- Empower communities by supporting economic activities to improve their well-being and independence
- Synergize our CSR activities with community development projects initiated by the government



GROUP’S CSR PROGRAM

Our Group’s CSR Program can be categorised into four main areas namely (i) environment; (ii) manpower, occupational health and safety; (iii) social development, education and community relations; and (iv) responsibility on goods and services.

ENVIRONMENT

At GEAR, we believe we must be good stewards of the environment and our workforce has been steadfastly maintaining and preserving the environment for mankind and committed to improve the welfare quality of the communities in the vicinity of our operations.

A testament to our tireless efforts in maintaining and preserving the environment, our Group has been recognised with awards on environmental management. Both KIM and BIB have again received awards including, amongst others, certificates from the Ministry of the Environment for our achievement and performance in mining environment management and monitoring for 2015 - 2016.

Our Group has formulated comprehensive standard operating procedures (“SOP”) to respond to emergencies and disasters which may cause environmental pollution such as chemical leaking, fuel leaking and damages arising from incidents in the mining environment.

To further raise awareness on protecting the environment, our Group carries out the following activities on a regular basis:

- Develop sustainable and clean water infrastructure for the communities
- Ensure effective air and water pollution control measures
- Implement palm oil cultivation program for the communities in the vicinity of BIB’s operational area
- Run zero waste programs in KIM’s mining area, ensuring minimal wastage as all wastes from canteens, animal feed and waste to be processed into fertilizers
- Recycle drums as waste bins and to plant fruit crops in pots (*tambulapot*) and implementing Small and Medium Enterprises (UKM) empowerment program on products made from rags.



MANPOWER, OCCUPATIONAL HEALTH AND SAFETY

At GEAR, strong emphasis is placed on Manpower, Occupational Health and Safety (“K3”) in the entire Group’s operations. Our Group is committed to comply strictly with K3 regulations, adhere to our risk management system, determine measurable K3 and strive to achieve sustainable performance.

To ensure a holistic approach towards K3, our Group has an SOP ensuring that our operational workforce donned Personal Protective Equipment (“PPE”) at all times in the mining areas. We also have on standby an Emergency Response Team (“ERT”) which would respond to immediate situations and incidents on the operational site. We have established medical clinics with appointment of paramedics and crafted out detailed plans to ensure our workforce goes for regular medical checkups. We also establish cooperation with local doctors to cover emergencies in our mining operational areas. As a result of our commitment, KIM reached 22 million of zero lost time incident hour up to 2016.

We believe that human capital is one of our most valuable assets. Hence in addition to health, safety and environmental aspects, our Group has established a corporate culture centered at human resources. As such, we continuously support the progress of welfare, knowledge and skills of our employees. We support fair work opportunity for all employees. We are also proud to highlight within our Group, a healthy number of female executives are part of our workforce from executive to management level.

SOCIAL DEVELOPMENT, EDUCATION AND COMMUNITY RELATIONS

We believe in developing good community programs with our three prong approach namely, (i) engaging community relations; (ii) enhancing education; and (iii) establishing in the development of communities which reside near our Group’s operations. There is no better way than to employ from these communities directly. On this front, more than 70% of our workforce comprise of members from the local villages and communities surrounding our operational areas.

Our three key foundations towards this effort include:

1. Engaging Community Relations

We believe in cultivating strong and deep relationships with the various communities which are amongst our operations. We arrange meetings with various representatives from the communities on a regular basis to receive feedback on how we can improve the lives of the community.

Our workforce participates directly in various religious or holiday events to build comrade between the communities and us. We also contribute, via donations, to various causes which would help the communities. One such event is participation of our Group in the Nutrition for Toddlers in Public Maternal Health Center (“*Posyandu*”), including the donation of supplementary food and milk distribution for toddlers participating in

CORPORATE SOCIAL RESPONSIBILITY

the *Posyandu*. We contribute supplementary powdered milk for underprivileged families and toddlers suffering from malnutrition, supervision for expectant mothers & toddlers including dental health for children; construction of *Posyandu* facilities, mass circumcision and procurement of medical equipment at community health centers in the vicinity of mining areas.

We believe in educating and grooming the communities towards self-sufficiency. One way is through the extension of economic assistance to help the communities better their quality of lives such as cattle farming; goat farming; freshwater fish farming; oyster mushroom and hydroponic vegetables farming, as well as UKM empowerment for culinary sellers. We also supported “Program Sejuta jamban” in Muara Bungo, Jambi, for the procurement of clean water facilities and establishment of praying facilities, schools and medical services.

2. Enhancing Education

We believe education has direct effects on a better quality and standard of living. Our Group plays a direct role in enhancing education by sponsoring scholarships, hosting various tutoring programs and organising computer courses. We also enhance the learning environment for the next generation directly via donations to learning institutions and improving the infrastructure of local libraries. We are a great believer in continuous improvement and hence we support the education community by conducting competency improvement for teachers.

3. Establishing Community Development

At GEAR, we believe that delivering value to our shareholders is just as important as delivering value to our various stakeholders and partners. We are encouraged by the successful participation of the various communities participation in our CSR program.

Community development is mainly focused on improving the community's economy through utilization of unoptimized natural resources such as animal husbandry, horticulture and fishery. In addition, our Group also provides training to the surrounding villages or at the P3T (*Pusat Pelatihan Pertanian Terpadu* – Integrated Farming Education Center).

Based on the aforementioned activities, we expect to provide positive contributions to the communities through our CSR program. Some of our major CSR activities in Community Development include Chicken Farming Program and Cattle Farming Program.

a. Chicken Farming Program

The CSR program on chicken farming is currently being implemented at 3 villages, namely Sebamban Baru Village, Sebamban Lama Village and Makmur Village. These three villages are located at South Kalimantan.

Our BIB CSR team prepares 8x70 mm coop capable of holding 5.000 chickens and other required equipment. BIB CSR team cooperates with Village Cooperatives (“KUD”) at the above villages to seek





out strategic land for chicken coops construction, hire and train staffs who will monitor and perform activities in the farm.

Each KUD team consists of approximately 10 members per team. Their task is to manage profits derived from the sale of chickens. Out of the profits gained from the sales, around 70 percents of the profit shall be distributed to KUD members. The remaining 30% of the profit will be reserved and later used to establish new chicken coops. It is expected that the villages will be capable of self-maintaining the coops without BIB's involvement.

Our BIB CSR team is also working with PT Patriot as a poultry company. PT Patriot is tasked to prepare the poultry, feed and vitamins. The staff of PT Patriot will return to the coops to harvest the poultry on day 30. The results of the sale will be subtracted with operating costs (feed, vitamins, etc.). The remaining gain will become the net profit that will be distributed to KUD members.

Several harvests have been conducted in this chicken farming program with various results. It requires approximately 30 days following the harvest to clean and sterilize the coops before the staff load the coops with new poultry.

b. Cattle Farming Program

Through KIM, our Group has been implementing cattle farming program for 15 cows on average for each farmer.

In all activities implemented through cattle farming activities, we cooperate with local residents of the village. The representatives from the village recommend certain farmers that meet the requirements to participate in the program. The representatives also cooperates with our Group in monitoring activity. The cooperation scheme in this program is called 3M (Masyarakat Memberdayakan Masyarakat – By the People, For the People) and implemented through profit sharing. The distribution of the profit is: 50% for the farmers and 50% for the village. Through this scheme, it is expected that the village receiving this CSR support can establish its own business (Cooperatives/ Bumdes) and generate its own income.

RESPONSIBILITY ON GOODS AND/OR SERVICES

As our Group's principal businesses are in coal mining and trading, we strive to maintain coal quality in line with the customers' demands and the implementation of timely coal transportations.

To ensure the implementation of timely coals transportations, our Group establishes specific terminals for coals transportation through BIB, its subsidiary.

We also perform regular evaluation on CSR program as a commitment on continuous improvement on awareness on the community in the vicinity of our operations. This is so that we will continue to improve and ensure the success and welfare of our Group, stakeholders and the various communities in accordance with our Group's strategy.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Lay Krisnan Cahya

Non-Executive Chairman

Mr. Fuganto Widjaja

Executive Director, Group CEO

Mr. Dwi Prasetyo Suseno

Executive Director, Deputy Group CEO

Mr. Mochtar Suhadi

Executive Director

Mr. Irwandy Arif

Independent Director

Mr. Lew Syn Pau

Independent Director

Mr. Lim Yu Neng Paul

Independent Director

AUDIT COMMITTEE

Mr. Lim Yu Neng Paul

Chairman

Mr. Lay Krisnan Cahya

Mr. Lew Syn Pau

NOMINATING COMMITTEE

Mr. Lew Syn Pau

Chairman

Mr. Lim Yu Neng Paul

Mr. Fuganto Widjaja

REMUNERATION COMMITTEE

Mr. Lew Syn Pau

Chairman

Mr. Lay Krisnan Cahya

Mr. Lim Yu Neng Paul

COMPANY SECRETARY

Ms. Pauline Lee

EXTERNAL AUDITOR

Ernst & Young LLP

One Raffles Quay

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Singapore 048583

Tel: 6535 7777

Fax: 6532 7662

AUDIT PARTNER-IN-CHARGE

Mr. Alvin Phua Chun Yen

(appointed with effect from financial year ended 31 December 2012)

INTERNAL AUDITOR

Center for Investment and Business Advisory

(Member of Crowe Horwath International)

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Unit A, B, F,

Jl. H.R. Rasuna Said Blok X-5

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AUDIT PARTNER-IN-CHARGE

Mr. Jenly Hendrawan

REGISTERED OFFICE

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#10-01 Ocean Financial Centre

Singapore 049315

Tel: 6531 2266

Fax: 6533 1542

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

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#32-01 Singapore Land Tower

Singapore 048623

Tel: 6536 5355

Fax: 6536 1360

PRINCIPAL BANKER

CIMB Berhad Singapore

PT Bank Danamon Indonesia Tbk, Indonesia

PT Bank Rakyat Indonesia (Persero) Tbk

PT Bank Mega Tbk, Indonesia

PT Bank Sinarmas Tbk, Indonesia

PT Bank Central Asia Tbk

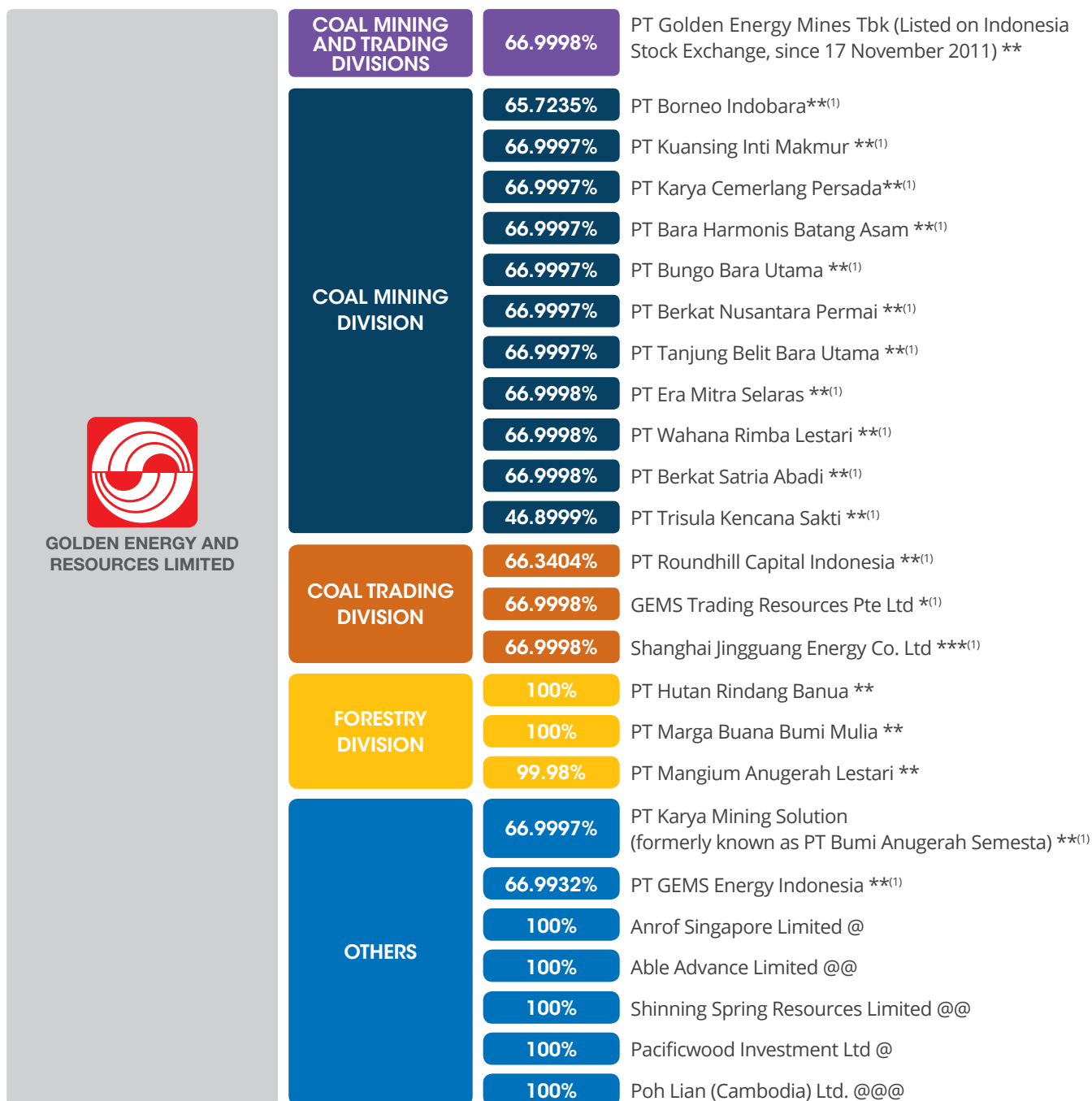
PT Bank CIMB Niaga Tbk

Bank Mandiri Singapore

CORPORATE STRUCTURE

Golden Energy And Resources Limited*

Listed on the Mainboard of SGX-ST since 15 May 1997



⁽¹⁾ Subsidiaries of PT Golden Energy Mines Tbk

*Singapore

**Indonesia

***PRC

@Mauritius

@@BVI

@@@Cambodia



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