



**GEO ENERGY GROUP**

**GEO ENERGY RESOURCES LIMITED**

(Incorporated in the Republic of Singapore on 24 May 2010)  
(Company Registration Number 201011034Z)

**Unaudited Financial Statements Announcement for the Fourth Quarter and Twelve Months Ended 31 December 2016**

**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF RESULTS FOR FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2016**

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

1(a)(i) Consolidated statement of profit or loss

	Group					
	3 months ended 31.12.2016 US\$	3 months ended 31.12.2015 US\$	Change + / (-) %	12 months ended 31.12.2016 US\$	12 months ended 31.12.2015 US\$	Change + / (-) %
<b>Continuing operations</b>						
<b>Revenue</b>	91,949,972	2,999,757	nm	182,108,648	18,209,176	900
Cost of sales	(64,260,440)	(2,696,754)	nm	(140,189,931)	(15,064,799)	831
<b>Gross profit</b>	27,689,532	303,003	nm	41,918,717	3,144,377	nm
Other income	2,281,166	342,445	566	9,345,290	6,092,658	53
General and administrative expenses	(3,418,249)	(1,497,781)	128	(8,154,370)	(6,493,964)	26
Other expenses	(2,971,131)	(4,279,796)	(31)	(3,391,840)	(4,053,516)	(16)
Finance costs	(1,439,044)	(1,547,031)	(7)	(6,047,015)	(6,465,771)	(6)
<b>Profit (loss) before income tax</b>	22,142,274	(6,679,160)	nm	33,670,782	(7,776,216)	nm
Income tax (expense) credit	(7,471,577)	554,268	nm	(10,133,549)	420,846	nm
<b>Profit (loss) after income tax from continuing operations</b>	14,670,697	(6,124,892)	nm	23,537,233	(7,355,370)	nm
<b>Discontinued operation</b>						
Loss for the period / year from discontinued operation	-	(403,483)	(100)	(1,348,045)	(9,231,812)	(85)
<b>Profit (loss) for the period / year</b>	14,670,697	(6,528,375)	nm	22,189,188	(16,587,182)	nm
Profit (loss) attributable to:						
Owners of the Company	14,707,515	(6,281,237)	nm	22,199,316	(16,306,250)	nm
Non-controlling interests	(36,818)	(247,138)	(85)	(10,128)	(280,932)	(96)
	14,670,697	(6,528,375)	nm	22,189,188	(16,587,182)	nm

nm - not meaningful

**1(a)(ii) Consolidated statement of profit or loss and other comprehensive income**

	Group					
	3 months ended 31.12.2016	3 months ended 31.12.2015	Change +/(-) %	12 months ended 31.12.2016	12 months ended 31.12.2015	Change +/(-) %
	US\$	US\$	%	US\$	US\$	%
<b>Profit (loss) after income tax</b>	14,670,697	(6,528,375)	nm	22,189,188	(16,587,182)	nm
Other comprehensive income, net of tax:						
<i>Items that may be subsequently reclassified to profit or loss</i>						
- Exchange differences on translation of foreign operations	1,286,336	4,996,398	(74)	4,708,823	(1,429,296)	nm
<i>Items that will not be subsequently reclassified to profit or loss</i>						
- Remeasurement of defined benefit obligations	(13,437)	154,332	nm	(13,437)	154,332	nm
<b>Total comprehensive income</b>	<u>15,943,596</u>	<u>(1,377,645)</u>	nm	<u>26,884,574</u>	<u>(17,862,146)</u>	nm
Total comprehensive income attributable to:						
Owners of the Company	15,982,592	(1,208,409)	nm	26,900,233	(17,570,593)	nm
Non-controlling interests	(38,996)	(169,236)	(77)	(15,659)	(291,553)	(95)
	<u>15,943,596</u>	<u>(1,377,645)</u>	nm	<u>26,884,574</u>	<u>(17,862,146)</u>	nm

**1(a)(iii) Profit before income tax is arrived at after charging/(crediting) the following:**

	Group					
	3 months ended 31.12.2016	3 months ended 31.12.2015	Change +/(-) %	12 months ended 31.12.2016	12 months ended 31.12.2015	Change +/(-) %
	US\$	US\$	%	US\$	US\$	%
<b>Continuing operations</b>						
Interest income	(17,717)	(140,559)	(87)	(98,173)	(605,748)	(84)
Gain on disposal of a subsidiary	-	-	nm	(4,962,232)	-	nm
Loss (gain) on disposal of property, plant and equipment (net)	2,088	(4,618)	nm	(28,972)	(79,849)	(64)
Foreign exchange (gain) loss	(2,547,109)	187,677	nm	(1,963,790)	(5,189,129)	(62)
Interest expense	1,439,044	1,547,031	(7)	6,047,015	6,465,771	(6)
Depreciation of property, plant and equipment	4,886,418	238,134	nm	11,707,956	762,236	nm
Amortisation of deferred stripping costs	330,935	-	nm	330,935	-	nm
Fair value (gain) loss on investment property	(20,255)	244,644	nm	(20,255)	244,644	nm
Impairment loss on advance payment for coal	-	1,617,436	(100)	-	1,617,436	(100)
Other expenses arising from participation in Tax Amnesty	809,593	-	nm	809,593	-	nm
Loss on financial asset carried at amortised cost	721,350	-	nm	721,350	-	nm
Interest income on financial asset carried at amortised cost	(65,200)	-	nm	(65,200)	-	nm
Allowance for doubtful debts	150,033	2,215,985	(93)	150,033	2,215,985	(93)
nm - not meaningful						

	Group					
	3 months ended 31.12.2016	3 months ended 31.12.2015	Change +/( -)	12 months ended 31.12.2016	12 months ended 31.12.2015	Change +/( -)
	US\$	US\$	%	US\$	US\$	%
<b>Discontinued operation</b>						
Interest income	-	(539)	(100)	(672)	(2,378)	(72)
Foreign exchange (gain) loss	-	(1,625,960)	(100)	(920,105)	2,613,583	nm
(Gain) loss on disposal of property, plant and equipment (net)	-	(156,764)	(100)	(3,426)	1,950,375	nm
Gain on sales and leaseback of property, plant and equipment	-	-	nm	(19,637)	-	nm
Loss on disposal of a discontinued operation	-	-	nm	1,267,291	-	nm
Interest expense	-	320,469	(100)	823,020	1,469,170	(44)
Allowance for doubtful debts	-	192,591	(100)	-	192,591	(100)
Impairment loss on sales and leaseback of property, plant and equipment	-	930,354	(100)	-	930,354	(100)
Depreciation of property, plant and equipment	-	823,169	(100)	827,028	3,776,845	(78)

nm - not meaningful

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

	Group		Company	
	31.12.2016 US\$ (Unaudited)	31.12.2015 US\$ (Audited)	31.12.2016 US\$ (Unaudited)	31.12.2015 US\$ (Audited)
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	67,703,681	12,415,628	53,417,879	8,700,645
Trade and other receivables	84,485,191	32,709,751	74,659,464	58,422,001
Deposits and prepayments	7,415,552	18,506,479	194,271	23,509
Inventories	8,890,420	5,417,048	-	-
Total current assets	168,494,844	69,048,906	128,271,614	67,146,155
<b>Non-current assets</b>				
Deposits and prepayments	5,067,764	5,704,123	82,285	103,699
Investment in subsidiaries	-	-	98,024,126	97,554,117
Deferred stripping costs	9,940,321	1,446,472	-	-
Property, plant and equipment	102,529,077	131,869,944	134,882	236,999
Investment properties	542,572	3,336,335	-	2,827,455
Deferred tax assets	3,347,593	3,621,698	263,418	175,768
Other non-current asset	143,263	123,843	143,263	123,843
Total non-current assets	121,570,590	146,102,415	98,647,974	101,021,881
<b>Total assets</b>	<b>290,065,434</b>	<b>215,151,321</b>	<b>226,919,588</b>	<b>168,168,036</b>

	<b>Group</b>		<b>Company</b>	
	<b>31.12.2016</b> <b>US\$</b> (Unaudited)	<b>31.12.2015</b> <b>US\$</b> (Audited)	<b>31.12.2016</b> <b>US\$</b> (Unaudited)	<b>31.12.2015</b> <b>US\$</b> (Audited)
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Trade and other payables	87,890,381	39,639,092	65,929,218	22,113,841
Current portion of finance leases	14,718	6,559,195	14,718	14,396
Income tax payable	7,447,250	27,257	-	-
<b>Total current liabilities</b>	<b>95,352,349</b>	<b>46,225,544</b>	<b>65,943,936</b>	<b>22,128,237</b>
<b>Non-current liabilities</b>				
Finance leases	43,887	2,848,503	43,887	59,856
Notes payable	68,675,591	69,249,789	68,675,591	69,249,789
Provisions	1,335,862	990,475	90,350	88,225
Deferred tax liabilities	-	1,780,023	-	-
Other non-current liabilities	-	85,962	-	-
<b>Total non-current liabilities</b>	<b>70,055,340</b>	<b>74,954,752</b>	<b>68,809,828</b>	<b>69,397,870</b>
<b>Capital, reserves and non-controlling interests</b>				
Share capital	89,670,842	86,170,842	89,670,842	86,170,842
Capital and other reserve	316,251	14,105	-	-
Revaluation reserve	-	776,632	-	776,632
Translation reserve	(18,232,460)	(22,946,814)	(4,464,506)	(4,324,438)
Retained earnings (Accumulated losses)	52,681,429	29,718,918	6,959,488	(5,981,107)
Equity attributable to owners of the Company	124,436,062	93,733,683	92,165,824	76,641,929
Non-controlling interests	221,683	237,342	-	-
<b>Total equity</b>	<b>124,657,745</b>	<b>93,971,025</b>	<b>92,165,824</b>	<b>76,641,929</b>
<b>Total liabilities and equity</b>	<b>290,065,434</b>	<b>215,151,321</b>	<b>226,919,588</b>	<b>168,168,036</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

	<b>Group</b>			
	<b>Secured</b> <b>US\$</b> (Unaudited)	<b>31.12.2016</b> <b>Unsecured</b> <b>US\$</b> (Unaudited)	<b>Secured</b> <b>US\$</b> (Audited)	<b>31.12.2015</b> <b>Unsecured</b> <b>US\$</b> (Audited)
Amount repayable in one year or less, or on demand	14,718	-	6,559,195	-
Amount repayable after one year	43,887	68,675,591	2,848,503	69,249,789
	<b>58,605</b>	<b>68,675,591</b>	<b>9,407,698</b>	<b>69,249,789</b>

**Details of any collateral and security:**

As at 31 December 2016, the Group's finance lease liability is secured by the leased asset, a motor vehicle.

In July 2014, the Group issued Medium Term Notes of S\$100 million. The Notes matures in January 2018 and bear interest at a fixed rate of 7% per annum payable semi-annually in arrears. Separately, the Group has pledged a deposit of S\$3.5 million for the purpose of securing its interest payment obligations.

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

	Group			
	3 months ended 31.12.2016 US\$	3 months ended 31.12.2015 US\$	12 months ended 31.12.2016 US\$	12 months ended 31.12.2015 US\$
<b>Operating activities</b>				
Profit (loss) before income tax (Note A)	22,142,274	(6,933,553)	32,111,057	(18,232,065)
<b>Adjustments for:</b>				
Depreciation of property, plant and equipment	4,886,418	1,061,303	12,534,984	4,539,081
Amortisation of deferred stripping costs	330,935	-	330,935	-
Loss (gain) on disposal of property, plant and equipment	2,088	(161,382)	(32,398)	1,870,526
Impairment loss on sales and leaseback of property, plant and equipment	-	930,354	-	930,354
Gain on sales and leaseback of property, plant and equipment	-	-	(19,637)	-
Impairment loss on advance payment for coal	-	1,617,436	-	1,617,436
Fair value (gain) loss on investment property	(20,255)	244,644	(20,255)	244,644
Loss on financial asset carried at cost	721,350	-	721,350	-
Interest income on financial asset carried at amortised cost	(65,200)	-	(65,200)	-
Allowance for doubtful debts	150,033	2,408,576	150,033	2,408,576
Other expenses arising from participation in Tax Amnesty	809,593	-	809,593	-
Gain on disposal of a subsidiary	-	-	(4,962,232)	-
Loss on disposal of discontinued operation	-	-	1,267,291	-
Interest expense	1,439,044	1,867,500	6,870,035	7,934,941
Interest income	(17,717)	(141,098)	(98,845)	(608,126)
Retirement benefit obligations	172,863	(324,139)	365,065	(69,860)
Net foreign exchange (gains) losses	(2,473,552)	159,111	419,680	(2,625,293)
Operating cash flows before movements in working capital:	28,077,874	728,752	50,381,456	(1,986,786)
Trade and other receivables	(8,231,484)	1,131,263	(22,112,634)	572,806
Deposits and prepayments	16,437,880	(4,760,819)	(5,039,305)	(2,829,219)
Inventories	1,772,629	(1,585,896)	(3,116,094)	(558,058)
Trade and other payables	14,148,742	24,275,777	49,802,492	25,775,250
Cash generated from operations	52,205,641	19,789,077	69,915,915	20,970,993
Income tax paid	(2,638,509)	(43,594)	(2,641,005)	(672,969)
Income tax refund	93,329	-	2,360,537	2,281,328
Retirement benefit obligation paid	-	(50,945)	(489)	(50,945)
<b>Net cash from operating activities</b>	<b>49,660,461</b>	<b>19,694,538</b>	<b>69,634,958</b>	<b>22,528,407</b>

	<b>Group</b>			
	<b>3 months ended 31.12.2016 US\$</b>	<b>3 months ended 31.12.2015 US\$</b>	<b>12 months ended 31.12.2016 US\$</b>	<b>12 months ended 31.12.2015 US\$</b>
<b>Investing activities</b>				
Interest received	10,485	95,740	33,795	972,144
Disposal of subsidiaries	-	-	(95,198)	-
Write-back (addition) to deferred stripping costs	949,137	(1,446,472)	(8,824,784)	(1,446,472)
Advance payments for purchase of property, plant and equipment	-	-	(46,352)	-
Purchase of property, plant and equipment	(378,664)	(17,023,470)	(555,525)	(20,043,397)
Proceeds on disposal of property, plant and equipment	23,321	799,013	153,280	3,498,153
Proceeds on disposal of investment property	-	-	2,860,585	-
Purchase of other non-current asset	-	-	(22,990)	-
<b>Net cash from (used in) investing activities</b>	<b>604,279</b>	<b>(17,575,189)</b>	<b>(6,497,189)</b>	<b>(17,019,572)</b>
<b>Financing activities</b>				
Increase in deposits pledged	-	(2,500,000)	-	(2,500,000)
Interest paid	-	(319,768)	(5,906,141)	(6,554,738)
Repayment of bank borrowings	-	(63,139)	-	(253,664)
Proceeds from issuance of shares	-	-	-	3,740,537
Share issuance expense	-	-	-	(88,369)
Proceeds from sale and leaseback of property, plant and equipment	-	-	-	3,648,203
Repayment of obligations under finance leases	(2,656)	(1,229,672)	(1,967,077)	(6,079,137)
<b>Net cash used in financing activities</b>	<b>(2,656)</b>	<b>(4,112,579)</b>	<b>(7,873,218)</b>	<b>(8,087,168)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>				
	50,262,084	(1,993,230)	55,264,551	(2,578,333)
Cash and cash equivalents at beginning of the period	12,549,296	9,322,218	7,421,269	10,666,464
Effect of exchange rate changes on the balance held in foreign currencies	(49,923)	92,281	75,637	(666,862)
<b>Cash and cash equivalents at end of the period (Note B)</b>	<b>62,761,457</b>	<b>7,421,269</b>	<b>62,761,457</b>	<b>7,421,269</b>
<b>Note A</b>				
Profit (loss) before income tax:				
- Continuing operations	22,142,274	(6,679,160)	33,670,782	(7,776,216)
- Discontinued operation	-	(254,393)	(1,559,725)	(10,455,849)
	22,142,274	(6,933,553)	32,111,057	(18,232,065)
<b>Note B</b>				
Cash on hand and at bank	62,757,211	7,417,371	62,757,211	7,417,371
Deposits	4,946,470	4,998,257	4,946,470	4,998,257
	67,703,681	12,415,628	67,703,681	12,415,628
Less: Deposit pledged	(4,942,224)	(4,994,359)	(4,942,224)	(4,994,359)
Cash and cash equivalents as per cash flow statement	62,761,457	7,421,269	62,761,457	7,421,269

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group – financial period/year ended 31.12.2016

Group	Share capital US\$	Capital and other reserve US\$	Revaluation reserve US\$	Translation reserve US\$	Retained earnings US\$	Equity attributable to owners of the Company US\$	Non-controlling interests US\$	Total US\$
<b>Balance at 1 January 2016</b>	86,170,842	14,105	776,632	(22,946,814)	29,718,918	93,733,683	237,342	93,971,025
Issue of share capital	3,500,000	-	-	-	-	3,500,000	-	3,500,000
Profit for the period	-	-	-	-	7,491,801	7,491,801	26,690	7,518,491
Other comprehensive income for the period	-	-	(776,632)	3,425,840	776,632	3,425,840	(3,353)	3,422,487
Transactions with owners recognised directly in equity	-	(14,349)	-	-	-	(14,349)	-	(14,349)
<b>Balance at 30 September 2016</b>	89,670,842	(244)	-	(19,520,974)	37,987,351	108,136,975	260,679	108,397,654
Profit for the period	-	-	-	-	14,707,515	14,707,515	(36,818)	14,670,697
Other comprehensive income for the period	-	-	-	1,288,514	(13,437)	1,275,077	(2,178)	1,272,899
Transactions with owners recognised directly in equity	-	316,495	-	-	-	316,495	-	316,495
<b>Balance at 31 December 2016</b>	89,670,842	316,251	-	(18,232,460)	52,681,429	124,436,062	221,683	124,657,745

Group – financial period/year ended 31.12.2015

Group	Share capital US\$	Capital and other reserve US\$	Revaluation reserve US\$	Translation reserve US\$	Retained earnings US\$	Equity attributable to owners of the Company US\$	Non-controlling interests US\$	Total US\$
<b>Balance at 1 January 2015</b>	82,518,674	14,349	776,632	(21,528,139)	45,870,836	107,652,352	393,340	108,045,692
Loss for the period	-	-	-	-	(10,025,013)	(10,025,013)	(33,794)	(10,058,807)
Share issuance	3,740,537	-	-	-	-	3,740,537	-	3,740,537
Share issuance expense	(88,369)	-	-	-	-	(88,369)	-	(88,369)
Other comprehensive income for the period	-	-	-	(6,337,171)	-	(6,337,171)	(88,523)	(6,425,694)
<b>Balance at 30 September 2015</b>	86,170,842	14,349	776,632	(27,865,310)	35,845,823	94,942,336	271,023	95,213,359
Loss for the period	-	-	-	-	(6,281,237)	(6,281,237)	(247,138)	(6,528,375)
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	135,311	135,311

	<u>Share capital</u> US\$	<u>Capital and Other reserve</u> US\$	<u>Revaluation reserve</u> US\$	<u>Translation reserve</u> US\$	<u>Retained earnings</u> US\$	<u>Equity attributable to owners of the Company</u> US\$	<u>Non-controlling interests</u> US\$	<u>Total</u> US\$
Dilution of non-controlling interests	-	(244)	-	-	-	(244)	244	-
Other comprehensive income for the period	-	-	-	4,918,496	154,332	5,072,828	77,902	5,150,730
<b>Balance at 31 December 2015</b>	<b>86,170,842</b>	<b>14,105</b>	<b>776,632</b>	<b>(22,946,814)</b>	<b>29,718,918</b>	<b>93,733,683</b>	<b>237,342</b>	<b>93,971,025</b>

**Company – financial period/year ended 31.12.2016**

	<u>Share capital</u> US\$	<u>Revaluation reserve</u> US\$	<u>Translation reserve</u> US\$	<u>Accumulated Losses/Retained Earnings</u> US\$	<u>Total</u> US\$
<b>Company</b>					
<b>Balance at 1 January 2016</b>	86,170,842	776,632	(4,324,438)	(5,981,107)	76,641,929
Issue of share capital	3,500,000	-	-	-	3,500,000
Profit for the period	-	-	-	3,260,607	3,260,607
Other comprehensive income for the period	-	(776,632)	(955,425)	776,632	(955,425)
<b>Balance at 30 September 2016</b>	<b>89,670,842</b>	<b>-</b>	<b>(5,279,863)</b>	<b>(1,943,868)</b>	<b>82,447,111</b>
Profit for the period	-	-	-	8,903,356	8,903,356
Other comprehensive income for the period	-	-	815,357	-	815,357
<b>Balance at 31 December 2016</b>	<b>89,670,842</b>	<b>-</b>	<b>(4,464,506)</b>	<b>6,959,488</b>	<b>92,165,824</b>

**Company – financial period/year ended 31.12.2015**

	<u>Share capital</u> US\$	<u>Revaluation reserve</u> US\$	<u>Translation reserve</u> US\$	<u>Accumulated losses</u> US\$	<u>Total</u> US\$
<b>Balance at 1 January 2015</b>	82,518,674	776,632	(4,186,712)	(1,475,278)	77,633,316
Loss for the period	-	-	-	(2,931,238)	(2,931,238)
Share issuance	3,740,537	-	-	-	3,740,537
Share issuance expense	(88,369)	-	-	-	(88,369)
Other comprehensive income for the period	-	-	(460,396)	-	(460,396)
<b>Balance at 30 September 2015</b>	<b>86,170,842</b>	<b>776,632</b>	<b>(4,647,108)</b>	<b>(4,406,516)</b>	<b>77,893,850</b>
Loss for the period	-	-	-	(1,574,591)	(1,574,591)
Other comprehensive income for the period	-	-	322,670	-	322,670
<b>Balance at 31 December 2015</b>	<b>86,170,842</b>	<b>776,632</b>	<b>(4,324,438)</b>	<b>(5,981,107)</b>	<b>76,641,929</b>



- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

On 22 March 2016, the Company issued 27,222,222 new ordinary shares as the consideration shares for the acquisition of the remaining 34% shareholding interest in Borneo International Resources Pte. Ltd., which owns the SDJ coal mine. Please refer to the relevant announcement for further information.

As at 31 December 2016, the Company's share capital comprised 1,212,273,113 shares (30 September 2016: 1,212,273,113). There were no outstanding convertibles or treasury shares as at 31 December 2016 and 31 December 2015.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<u>31.12.2016</u>	<u>31.12.2015</u>
Total number of issued shares (excluding treasury shares)	<u>1,212,273,113</u>	<u>1,185,050,891</u>

- 1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. Our Company does not hold any treasury shares.

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited nor reviewed by our Company's auditors, unless otherwise stated.

In reference to Paragraph 1(a)(i), 1(a)(ii), 1a(iii) and 14, except for certain reclassifications that were made to the presentation of the consolidated statement of profit or loss, the figures for the year ended 31 December 2015 have been audited.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied**

Save as disclosed in Paragraph 5 below, the Group has consistently applied the same accounting policies and methods of computation in the financial statements for the current reporting period and year compared with the audited financial statements for the year ended 31 December 2015.

- 5. If there are any changes in accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Our Group has adopted the applicable new and revised Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2016. The adoption of these new/revised FRSs INT FRSs and amendments to FRSs has no material impact on the financial performance or position of the Group.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	<b>Group</b>			
	<b>3 months ended 31.12.2016 (Unaudited)</b>	<b>3 months ended 31.12.2015 (Unaudited)</b>	<b>12 months ended 31.12.2016 (Unaudited)</b>	<b>12 months ended 31.12.2015 (Audited)</b>
<b>Earnings per share ("EPS")</b>				
Earnings for computing EPS (US\$)				
- Continuing operations	14,707,515	(5,877,754)	23,547,361	(7,074,438)
- Discontinued operation	-	(403,483)	(1,348,045)	(9,231,812)
Weighted average number of ordinary shares <sup>(1)</sup>	1,212,273,113	1,185,050,891	1,206,248,522	1,172,163,220
Basic and diluted EPS based on weighted average number of ordinary shares (US cents) <sup>(2)</sup>				
- Continuing operations	1.21	(0.50)	1.95	(0.60)
- Discontinued operation	-	(0.03)	(0.11)	(0.79)
Basic and diluted EPS based on weighted average number of ordinary shares (SG cents) <sup>(3)</sup>				
- Continuing operations	1.75	(0.70)	2.82	(0.85)
- Discontinued operation	-	(0.04)	(0.16)	(1.11)

(1) The calculation for the basic and diluted EPS is based on the weighted average number of ordinary shares in issue during the respective financial periods.

(2) The basic and diluted EPS were the same as the Group did not have any potentially dilutive instruments for the respective financial periods.

(3) Numbers were translated using the 31 December 2016 and 2015 exchange rates of 1.4449 and 1.4147 respectively

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	<b>Group</b>		<b>Company</b>	
	<b>31.12.2016 (Unaudited)</b>	<b>31.12.2015 (Audited)</b>	<b>31.12.2016 (Unaudited)</b>	<b>31.12.2015 (Audited)</b>
Net Assets value (US\$)	124,436,062	93,733,683	92,165,824	76,641,929
Number of issued shares	1,212,273,113	1,185,050,891	1,212,273,113	1,185,050,891
Net asset value per ordinary share (US cents)	10.26	7.91	7.60	6.47
Net asset value per ordinary share (SG cents) <sup>(1)</sup>	14.82	11.19	10.98	9.15

(1) Numbers were translated using the 31 December 2016 and 2015 exchange rates of 1.4449 and 1.4147 respectively

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

#### 8.1 Income Statement

##### Financial performance (4Q2016 vs. 4Q2015)

**Revenue** from continuing operations increased by US\$88.9 million to US\$91.9 million in 4Q2016 mainly due to revenue contribution from coal mining following the commencement of SDJ coal mine operation and production in December 2015.

The Group sold 2,362,207 tonnes of coal in 4Q2016. The average selling price in 4Q2016 was US\$38.93, an increase of US\$7.53 over the US\$31.40 in 3Q2016.

There were no coal sales in 2015 other than coal trading where the Group earns a marketing commission. The Group's BEK coal mine production has been under care and maintenance in 2015 and 2016.

**Gross profit** was US\$27.7 million in 4Q2016. Excluding non-cash depreciation and amortisation amounting to US\$5.1 million, the Group's cash gross profit in 4Q2016 was at US\$32.7 million.

**Cash profit** for coal mining segment increased from an average of US\$8.42 per tonne in 3Q2016 to US\$13.86 per tonne in 4Q2016, an increase of US\$5.44 in 3 months.

The increase in cash profit is in line with the increase in the Indonesian Coal Index (ICI) for 4200 GAR (Gross As Received) price index for coal sales from the average index price of US\$32.15 per tonne in 3Q2016 to US\$41.95 per tonne in 4Q2016, an increase of US\$9.80 per tonne. ICI price index closed at US\$37.03 on 31 December 2016.

(All figures in US\$'000 except as indicated)	<b>Group</b>					
	<b>3 months ended 31.12.2016</b>			<b>3 months ended 31.12.2015</b>		
	Coal mining	Coal Trading & Mining services	Total	Coal mining	Coal Trading & Mining services	Total
<b>Continuing operations</b>						
Volume (tonnes)	2,362,207	-	2,362,207	-	109,550	109,550
Revenue	91,950	-	91,950	-	3,000	3,000
Cost of sales	(64,260)	-	(64,260)	-	(2,697)	(2,697)
Gross profit	27,690	-	27,690	-	303	303
Non-cash items (depreciation & amortisation)	5,057	-	5,057	-	3	3
Cash profit	32,747	-	32,747	-	306	306

**Profit before income tax** of US\$22.1 million in 4Q2016 includes:

- Other income of US\$2.3 million, an increase of US\$1.9 million, mainly due to increase in forex gain;
- General and administrative expenses of US\$3.4 million, an increase of US\$1.9 million, mainly due to staff incentive paid in December 2016 and higher bank administrative charges incurred in processing Letter of Credits for sale of coal that commenced in 1Q2016;
- Other expenses of US\$3.0 million, a decrease of US\$1.3 million, mainly due to decreases in allowance for doubtful debts of US\$2.0 million and impairment loss on advance payment for coal of US\$1.6 million, offset by loss on financial asset carried at amortised cost of US\$0.7 million and one-off expenses of US\$0.8 million arising from the Group's participation in the Indonesian Tax Amnesty Programme in 4Q2016;

- Finance costs of US\$1.4 million, a decrease of US\$0.1 million, mainly due to lower amortised borrowing costs pertaining to the MTN notes payable;
- Depreciation and amortisation of US\$5.2 million, an increase of US\$5.0 million, due to the commencement of SDJ mining operations in December 2015.

**Income tax expense** increased by US\$8.1 million, from US\$0.6 million tax credit in 4Q2015 to US\$7.5 million tax expense in 4Q2016, in line with the Group's turnaround from loss to profit before tax. In addition, unutilised tax losses of US\$1.5 million were foregone after the Group's participation in the Indonesian Tax Amnesty Programme. Excluding the disallowed abovementioned expenses and the unutilised tax losses foregone from participating in the Tax Amnesty, the Group's effective tax rate decreased from 34% to 26%.

Overall, the Group's **net profit** for the period increased by US\$21.2 million, from US\$6.5 million net loss in 4Q2015 to US\$14.7 million net profit in 4Q2016. Excluding the one off non-recurring item arising from participation in the Tax Amnesty program of US\$2.3 million, the Group net profits for 4Q2016 was US\$17.0 million.

### **Financial performance (FY2016 vs. FY2015)**

**Revenue** from continuing operations increased by US\$163.9 million to US\$182.1 million in FY2016, mainly due to revenue contribution from coal mining following the commencement of SDJ coal mine operation and production in December 2015. The Group sold 5,510,723 tonnes of coal in FY2016. There were no coal sales in 2015 other than coal trading where the Group earns a marketing commission. The Group's BEK coal mine production has been under care and maintenance in 2015 and 2016.

**Gross profit** was US\$41.9 million in FY2016. Excluding non-cash depreciation and amortisation of US\$11.3 million, the Group's cash profit and cash profit from coal mining segment in FY2016 was at US\$53.2 million or US\$9.66 per tonne.

	<b>Group</b>					
	<b>Year ended 31.12.2016</b>			<b>Year ended 31.12.2015</b>		
(All figures in US\$'000 except as indicated)	Coal Mining	Coal Trading & Mining services	Total	Coal Mining	Coal Trading & Mining services	Total
<b>Continuing operations</b>						
Volume (tonnes)	5,510,723	-	5,510,723	-	390,914	390,914
Revenue	182,109	-	182,109	-	18,209	18,209
Cost of sales	(140,190)	-	(140,190)	-	(15,065)	(15,065)
Gross profit	41,919	-	41,919	-	3,144	3,144
Non-cash items (depreciation & amortisation)	11,316	-	11,316	-	21	21
Cash profit	53,235	-	53,235	-	3,165	3,165

**Profit before income tax** of US\$33.7 million in FY2016 includes:

- Other income of US\$9.3 million, an increase of US\$3.2 million, mainly due to one-off gain on disposal of a subsidiary in June 2016 of US\$5.0 million, forfeited deposit from a customer and increase in other interests of US\$2.6 million; partially offset by decrease in forex gain;
- General and administrative expenses of US\$8.2 million, an increase of US\$1.7 million, mainly due to staff incentive paid in December 2016 and higher bank administrative charges incurred in processing Letter of Credits for sale of coal that commenced in 1Q2016;
- Other expenses was US\$3.4 million, a decrease of US\$0.7 million, mainly due to decreases in allowance for doubtful debts and impairment loss on advance payment for coal, offset by non-recurring loss on financial asset carried at amortised cost and an one-off expenses arising from the Group's participation in the Indonesian Tax Amnesty Programme in 4Q2016;

- Finance costs of US\$6.0 million, a decrease of US\$0.5 million, mainly due to lower amortised borrowing costs pertaining to the MTN notes payable;
- Depreciation and amortisation of US\$12.0 million, an increase of US\$11.3 million, due to the commencement of SDJ mining operations in December 2015.

**Income tax expense** increased by US\$10.5 million, from US\$0.4 million tax credit in FY2015 to US\$10.1 million tax expense in FY2016, in line with the Group's turnaround from a loss to profit before tax.

**Loss from the discontinued operation** of mining service and haulage business was US\$1.3 million.

Overall, the Group's **net profit** for the year increased by US\$38.8 million, from US\$16.6 million net loss in FY2015 to US\$22.2 million net profit in FY2016.

## 8.2 Financial Position

### Group

#### Current Assets

Current assets increased by US\$99.4 million to US\$168.5 million as at 31 December 2016.

Cash and bank balances increased by US\$55.3 million to US\$67.7 million as at 31 December 2016, mainly due to the prepayment of the offtake of SDJ coal received from the coal offtaker, Engelhart CTP Singapore Pte Ltd ("ECTP") of US\$40.0 million and the proceeds from sales of SDJ coal commencing in FY2016.

Trade and other receivables of US\$84.5 million as of 31 December 2016 comprise mainly trade receivables of US\$32.2 million (of which US\$12.6 million was received in January 2017) and non-trade receivables of US\$52.3 million. Included in trade receivables was US\$16.6 million to be set off against the purchase consideration payable on the proposed acquisitions of PJA and CLS mining properties announced by the Company on 29 February and 4 March 2016 respectively (please refer to the relevant announcements for further information).

Non-trade receivables of US\$52.3 million comprise mainly US\$25.4 million intercompany receivables reclassified to third party upon the disposal of the mining and haulage services business on 29 June 2016, a refundable deposits of US\$3.1 million to secure the rights to use a jetty and the US\$18.5 million refundable deposit to the proposed acquisition of the PT Tanah Bumbu Resources ("TBR") mining concession.

Inventories increased by US\$3.5 million to US\$8.9 million as at 31 December 2016 due to increased coal production at the SDJ mine in anticipation of increased coal sales in the coming months.

#### Non-current Assets

Non-current assets decreased by US\$24.5 million, to US\$121.6 million as at 31 December 2016, mainly due to the decrease in property, plant and equipment of US\$29.3 million following the disposal of the mining and haulage services business, sale of an investment property of US\$2.8 million, decreases in deferred tax assets of US\$0.3 million and deposit and prepayment of US\$0.6 million.

These were offset by the increase in deferred stripping costs of US\$8.5 million on the SDJ coal mine.

#### Current Liabilities

Current liabilities increased by US\$49.1 million to US\$95.4 million as at 31 December 2016. The amount payable as at 31 December 2016 comprised trade payables of US\$16.9 million (mainly due within 90 days) and accrued production costs of US\$12.7 million unbilled from the operations of the SDJ coal mine (which was paid after the year-end). It also includes a US\$3.0 million refundable performance guarantee deposit from the SDJ mining contractor, US\$40.0 million prepayment on the SDJ coal offtake from ECTP, US\$4.5 million payable on the acquisition of remaining 34% of SDJ coal mining concession (paid in January 2017) and US\$2.2 million accrued interest on the Medium Term Notes ("MTN") (paid in January 2017).

Finance leases decreased due mainly to the disposal of our mining service and haulage business.

#### Non-current Liabilities

Non-current liabilities comprising mainly the amount owing on the MTN of US\$68.7 million. The decrease of US\$4.9 million was mainly due to decreases in finance leases and deferred tax liabilities after the disposal of our mining service and haulage business.

#### Contingent Liability

During the year, some subsidiaries were audited by the Indonesian Tax Office ("ITO"). ITO assessed an underpayment of tax expenses of approximately US\$2.3 million (IDR31 billion) in respect of a subsidiary for capitalisation of an intercompany loan as equity.

Management has sought advice from professional tax consultants and holds the view that there is a lack of basis under the tax laws for this assessment of underpaid tax. Accordingly, an objection to the additional tax assessment has been filed.

No provision has been recognised in the financial statements as the Group does not consider that there is any probable loss.

### **Company**

#### Current Assets

Current assets as at 31 December 2016 of US\$128.3 million comprise mainly cash and bank balances of US\$53.4 million, intercompany receivables reclassified to third party upon the disposal of the mining and haulage services business of US\$37.9 million, intercompany receivables of US\$14.4 million, refundable deposit relating to the proposed acquisition of the TBR mining concession of US\$18.5 million (please refer to the relevant announcements for further information), and refundable deposit of US\$3.1 million to secure the rights to use a jetty.

Current assets increased by US\$61.2 million to US\$128.3 million as at 31 December 2016, mainly due to increases in cash and bank balances by US\$44.7 million and the abovementioned refundable deposits paid on the proposed acquisition of the TBR mining concession, partially offset by the decrease in refundable deposit of US\$2.0 million after the completion of the Group's acquisition of PT Surya Tambang Tolindo mining concession ("STT") in November 2016 (please refer to the relevant announcements for further information).

#### Non-current Assets

Non-current assets comprise mainly investment in subsidiaries of US\$98.0 million. The decrease of US\$2.4 million, to US\$98.6 million as at 31 December 2016, was mainly due to the sale of an investment property of US\$2.8 million.

#### Current Liabilities

Current liabilities increased by US\$43.8 million, to US\$65.9 million as at 31 December 2016, mainly due to increase in intercompany payables, partially offset by the payment of the balance purchase consideration for the acquisition of the remaining 34% in the SDJ mining concession by way of issuance of new shares of the Company on 22 March 2016.

#### Non-current Liabilities

Non-current liabilities refer mainly to amount owing on the MTN of US\$68.7 million. The decrease of US\$0.6 million, to US\$68.8 million as at 31 December 2016 was due to foreign exchange difference between S\$ and US\$.

### **8.3 Cash Flow**

#### **Group**

##### **Cash Flow (4Q2016 vs. 4Q2015)**

The Group recorded a net increase in cash and cash equivalents of US\$50.3 million in 4Q2016 compared to a decrease of US\$2.0 million in 4Q2015.

Net cash from operating activities in 4Q2016 was US\$49.7 million, a major increase from the US\$19.7 million recorded in 4Q2015. Operating cash flows before movements in working capital was an inflow of US\$28.1 million, mainly due to the Group's operating profit in 4Q2016. More cash was generated from working capital as compared to the same quarter last year. Increased income tax of US\$2.6 million was paid in relation to payment of corporate tax.

Net cash from investing activities in 4Q2016 of US\$0.6 million was mainly due to write-back of deferred stripping costs of US\$0.9 million, offset by purchase of property, plant and equipment of US\$0.3 million. During the year, the Group embarked on a series of acquisition opportunities as part of the Group's growth strategy to increase coal production volume and diversify into coal of a higher calorific value. To reduce capital outlay upfront and maintain the group's liquidity, the acquisitions were structured such that it involved share issuance, shared payments from future earnings, and/or exchange of assets. This allowed the Group to expand its business quickly without taking on new debt. Hence, the decrease in cash used in investing activities when compared to 4Q2015.

Cash used in financing activity in 4Q2016 of US\$2k was solely for the payment of finance lease obligation. The drastic decrease from 4Q2015 was mainly due to the disposal of our mining service and haulage business that reduced the Group's obligations under finance leases, as well as increase in fixed deposit pledged in 4Q2015.

#### **Cash Flow (FY2016 vs. FY2015)**

The Group recorded a net increase in cash and cash equivalents of US\$55.3 million in FY2016 compared to a decrease of US\$2.6 million in FY2015.

Net cash from operating activities increased by US\$47.1 million to US\$69.6 million in FY2016. Operating cash flows before movements in working capital was an inflow of US\$50.4 million, mainly due to the Group's operating profit in FY2016. Less cash was generated from working capital due to increase in trade and other receivables, deposits and prepayments and inventories, offset by higher trade and other payables. Income tax refund of US\$2.3 million was received, while income tax of US\$2.6 million was paid.

Net cash used in investing activities in FY2016 of US\$6.5 million was mainly due to additions to deferred stripping costs of US\$8.8 million and purchase of property, plant and equipment of US\$0.6 million, less proceeds received on disposal of investment property US\$2.9 million. During the year, the Group embarked on a series of acquisition opportunities as part of the Group's growth strategy to increase coal production volume and diversify into coal of a higher calorific value. To reduce capital outlay upfront and maintain the group's liquidity, these acquisitions were structured such that it involved share issuance, shared payments from future earnings, and/or exchange of assets. This allowed the Group to expand its business quickly without taking on new debt. Hence, the decrease in cash used in investing activities when compared to FY2015.

Net cash used in financing activities in FY2016 of US\$7.9 million was mainly due to MTN interest payment of US\$5.1 million and repayment of finance lease obligations and its associated interest of US\$2.8 million. The disposal of our mining service and haulage business reduced the Group's obligations under finance leases, causing a sharp decrease when compared to FY2015.

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

The Group is pleased that coal sales of 2,362,207 tonnes for the fourth quarter ended 31 December 2016 exceeded the target of 1,800,000 tonnes of coal previously shared under paragraph 10 of the Company's financial statements for the third quarter ended 30 September 2016.

The Group's sale of 5,510,723 tonnes of coal for FY2016 falls slightly short of the original target of 6,000,000 tonnes of coal set by the Group. The variance of less than 10% was due to weather conditions and longer than expected scaling up process for the first half of FY2016. This was beneficial to the Group as coal prices have since increased by over US\$10 per tonne from US\$27.96 per tonne in June 2016.

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

The Indonesian Coal Index (ICI) shows promising signs of a sustained uptrend on coal prices. ICI 4200 GAR<sup>(1)</sup> coal prices had increased from US\$26.69 per tonne in January 2016 to US\$43.97 per tonne on 24 February 2017, an increase of US\$17.28 per tonne or 64.7% in the 14 month's period.

The Indonesian coal mining industry has benefitted from policy developments in China where the number of statutory working days for coal miners were reduced from 330 days to 276 days a year. This has sent coal prices soaring by over US\$10 per tonne off their lows as Chinese businesses have been forced to rely on imported coal due to low inventory levels and supply shortage. China's coal mines need time to resume production to fill

the supply gap, which is beneficial to imported coal. At the same time, demand has remained strong due to the high switching costs for energy, given the long-term investment nature of coal-fired power plants.

In a firm survey done by Singapore Business Federation, Indonesia has jumped to top spot as the most attractive overseas destination for Singapore companies. In conjunction with the Indonesian government plans to generate an additional 35,000 megawatts (MW) in power generation capacity across the country by 2019, there is a lot of opportunity for growth for the Group whose businesses are based in Indonesia.

In FY2016, the Group embarked on a series of acquisition opportunities as part of the Group's growth strategy to increase coal production volume and diversify into coal of a higher calorific value. To reduce capital outlay upfront and maintain the group's liquidity, these acquisitions were structured such that it involved share issuance, shared payments from future earnings, and/or exchange of assets. This allowed the Group to expand its business quickly without taking on new debt. Details of these acquisitions can be further viewed in the individual announcements made by the Company during FY2016.

On 23 November 2016, the Company announced that the Group's subsidiary, PT STT Tunas Bara ("STB") has completed the acquisition of a 100% effective equity interest in PT Surya Tambang Tolindo ("STT"), a coal mining concession of higher calorific value. STT is a holder of coal mining permit of a coal mine located at East Kalimantan. The acquisition allows the Group access to and control over the concession and the coal deposits located in the mining permit area. This increases the Group's quantity of coal reserves available for production.

The Company convened an Extraordinary Meeting ("EGM") on 16 December 2016 for the proposed acquisition of PT Tanah Bumbu Resources ("TBR"). The resolution was passed with 99.99% of the total shareholder votes. This acquisition of TBR allows the Group access and control of the mining concession and the coal deposits located in the mining permit area next to the SDJ coal mine. This will in turn improve the Group's mining efficiency and synergy by having a much larger combined mining plan and area, and increase the quantity of ICI 4200 GAR calorific value coal reserves available for production.

On 31 October 2016, the Company announced that the Group's wholly-owned subsidiaries, Geo Coal International Pte Ltd ("GCI") and PT Mitra Nasional Pratama ("MNP") have entered into a Sale and Purchase of Coal Agreement and Coal Mining Management Service Agreement respectively with PT Angsana Jaya Energi ("AJE") for approximately 5 million tonnes of coal in 2017. This agreement represents the Group's first foray into mining project management services, with all mining and production costs to be borne by AJE. AJE is a holder of coal mining permit of a coal mine located beside SDJ. MNP appointed PT Bukit Makmur Mandiri Utama ("BUMA") for the provision of overburden removal and coal hauling services. As BUMA is currently providing similar services to SDJ, the agreement will create significant cost savings, economies of scale, enhanced operational efficiency and harness synergies between the coal mines.

Barring any unforeseen circumstances, with all these growth initiatives in 2016, we have announced a target of 10 million tonnes for production and sale in 2017, which could see the Group becoming one of the top 10 Indonesia coal producers. Based on the current cash profits of over US\$10 per tonne, this would translate to an operating free cash flow of not less than US\$100 million in FY2017 at today's coal price and current production cash costs.

On 19 December 2016, the Company also announced that the Group's wholly-owned subsidiary, GCI and Engelhart CTP Singapore Pte Ltd ("ECTP") has signed a new offtake of 7 million tonnes of coal and a prepayment of US\$40 million for 2017, which further strengthens the Group's cash flow and financial position. The Group expects another similar prepayment arrangement in end 2017 for the FY2018's production volumes. Furthermore, the Group can also look at a similar arrangement once TBR's production starts after completion of the acquisition.

The Group has a S\$100 million 7% Medium Term Note ("MTN") due on 18 January 2018. As it will come due in less than a year, it will be reclassified under Current Liabilities from the fiscal period ending 31 March 2017. There will be no operational impact from the reclassification.

The Group is looking at restructuring the MTN facility to best suit the Group's growth plans. Nonetheless, the Group is in a position of strength, given the current strong cash balance and targeted operating cash flows in FY2017.

(1) Source: Coalspot.com - Indonesian Coal Index (ICI)



**11. If a decision regarding dividend has been made: -**

**(a) Whether an interim (final) ordinary dividend has been declared**

The Directors are pleased to recommend a first and final dividend in respect of the financial year ended 31 December 2016 for approval by shareholders at the forthcoming Annual General Meeting of the Company.

**(b)(i) Amount per share**

Name of dividend:	First and final
Dividend type:	Cash
Dividend rate:	S\$0.01 per ordinary share

**(b)(ii) Previous corresponding period**

None.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country whether the dividend is derived**

Dividend declared is tax exempt (one-tier).

**(d) The date the dividend is payable**

To be announced at a later date.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined**

To be announced at a later date.

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

Not applicable.

**13. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

No IPT mandate has been obtained from shareholders. In addition, there was no IPT which value exceeded S\$100,000 during the fourth quarter and twelve months ended 31 December 2016.

**14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

For the purpose of assessment of segment performance, our Group's chief operating decision makers have focused on the business operating units which in turn, are segregated based on their sale of goods and provision of services. This forms the basis of identifying the segments of our Group under FRS 108.

Operating segments are aggregated into a single reportable operating segment if they have similar economic characteristic, such as long-term average gross margins, and are similar in respect of nature of services and process, type of customers, method of distribution, and if applicable, the nature of the regulatory environment.

Our Group's reportable segments under FRS 108 are as follows:

<u>Segment</u>	<u>Principal activities</u>
Coal Mining	Production and sale of coal produced from operating owned coal mines.
Coal Trading	Purchase and sale of coal from third parties
Mining Services	Mining contracting and equipment rental services

Segment revenue represents revenue generated from external. Segment results represent the profit earned from each segment after allocating costs directly attributable to a segment as well as those that can be allocated on a reasonable basis. This is the measure reported to the chief operating maker for the purpose of resource allocation and assessment of segment performance.

### **Segment revenues and results**

	<b>Group</b>					
	<b>Revenue</b>		<b>Gross Profit</b>		<b>Net Profit</b>	
	12 months ended 31.12.2016 US\$	12 months ended 31.12.2015 US\$	12 months ended 31.12.2016 US\$	12 months ended 31.12.2015 US\$	12 months ended 31.12.2016 US\$	12 months ended 31.12.2015 US
<b>Continuing operations</b>						
Coal Mining	182,108,648	-	41,918,717	-	41,918,717	(26,702)
Coal Trading	-	12,406,732	-	744,521	(150,033)	(1,778,416)
Mining Services	-	5,802,444	-	2,399,856	-	1,317,352
	<u>182,108,648</u>	<u>18,209,176</u>	<u>41,976,281</u>	<u>3,144,377</u>	<u>41,768,684</u>	<u>(487,766)</u>
Depreciation of property, plant and equipment					(724,261)	(741,309)
Gain on disposal of a subsidiary					4,962,232	-
Other gains and losses					1,141,251	5,671,285
Group administration costs and directors' remuneration					(7,430,109)	(5,752,655)
Finance costs					(6,047,015)	(6,465,771)
					<u>33,670,782</u>	<u>(7,776,216)</u>
<b>Discontinued operations</b>						
Mining Services	<u>1,072,146</u>	<u>4,127,252</u>	<u>(618,786)</u>	<u>(2,746,709)</u>	(618,786)	(5,820,027)
Depreciation of property, plant and equipment					(26,601)	(75,974)
Gain on disposal of a subsidiary					(1,267,291)	-
Other gains and losses					1,297,989	(2,700,478)
Group administration costs and directors' remuneration					(122,016)	(390,200)
Finance costs					(823,020)	(1,469,170)
					<u>(1,559,725)</u>	<u>(10,455,849)</u>
<b>Profit (loss) before income tax</b>					<b>32,111,057</b>	<b>(18,232,065)</b>
Income tax (expense) credit					(9,921,869)	1,644,883
<b>Profit (loss) for the year</b>					<b>22,189,188</b>	<b>(16,587,182)</b>

Revenue reported represents revenue generated from external customers.

Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' remuneration, finance costs and income tax expense.

## **Geographical Information**

	<b>Group</b>			
	<b>Continuing operations</b>		<b>Discontinued operations</b>	
	12 months ended 31.12.2016 US\$	12 months ended 31.12.2015 US\$	12 months ended 31.12.2016 US\$	12 months ended 31.12.2015 US\$
<b>Revenue</b>				
Singapore	-	11,771,641	-	-
Indonesia	12,937,673	6,437,535	1,072,146	4,127,252
PRC	143,061,916	-	-	-
India	6,533,216	-	-	-
Others	19,575,843	-	-	-
	<b>182,108,648</b>	<b>18,209,176</b>	<b>1,072,146</b>	<b>4,127,252</b>

Other than sales in Indonesia, the other revenues were through an offtake and marketing agreement with ECTP.

**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

The Group's overall revenue increased in FY2016 mainly due to higher revenue from coal production in the SDJ mining concession, resulting from the continued increase in coal price and surge in demand for coal for ICI 4200 GAR calorific value. The Group has an offtake agreement with ECTP located in Singapore, which became the top contributor to the Group's revenue.

**16. A breakdown of sales.**

	<b>Group</b>		
	<b>FY2016 US\$</b>	<b>FY2015 US\$</b>	<b>Change %</b>
<b>Continuing operations</b>			
Sales reported for first half year	33,282,602	12,181,413	173
Operating profit (loss) after tax before deducting non-controlling interests reported for first half year	1,383,285	(8,651,178)	nm
Sales reported for second half year	148,826,046	10,155,015	nm
Operating profit (loss) after tax before deducting non-controlling interests reported for second half year	22,153,948	(7,936,004)	nm

nm – not meaningful

**17. Additional disclosure required for Mineral, Oil and Gas companies**

- (a) Rule 705 (7)(a) – Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Company and a summary of the expenditure incurred in those activities, including explanation for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated**

In FY2016, our Group has not carried out any exploration and evaluation activities save for the coal produced totalling 6,105,068 tonnes in our SDJ mining concession.

- (b) Rule 705 (7)(b) – Update on its reserves and resources, where applicable, in accordance with the requirements set out in Practice Note 4C, including a summary of reserves and resources as set out in Appendix 7D**

The Group is in the process of updating its latest report on its reserves and resources, which will be circulated prior to the forthcoming Annual General Meeting.

**18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	<b>2016</b>	<b>2015</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Proposed first and final dividend of S\$0.01 cents per share <sup>(1)</sup>	12,123	-

<sup>(1)</sup> Proposed dividend represents the proposed first and final dividend of S\$0.01 per share for 1,212,273,113 issued shares as at the date of this announcement. The payment of the proposed first and final dividend is subjected to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

**19. Confirmation Pursuant to Rule 720(1) of the Listing Manual**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7 of the Listing Manual) under Rule 720(1) of the Listing Manual.

**20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13)**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Yanti Ng	33	Sister of Charles Antonny Melati and Huang She Thong	Appointed in 2011 as Regional Operations and Administrative Manager. She is responsible for overseeing our Group's operational and administrative matters.	N.A.
Ng See Yong	38	Brother of Charles Antonny Melati and Huang She Thong	Appointed in 2012 as Head of Corporate and Human Resource. He is responsible for our Group's human resource functions and organisational development.	N.A.
Lim Kok Wah, Eric	33	Brother-in-law of Charles Antonny Melati and Huang She Thong	Appointed in 2013 as Marketing Manager. He is responsible for the sales and marketing functions of our Group.	N.A.

On behalf of the Board of Directors

Charles Antonny Melati  
Executive Chairman

Tung Kum Hon  
Chief Executive Officer

28 February 2017