GEO
ENERGY RESOURCES

2019 ANNUAL REPORT

SGX
SINGAPORE
FTSE-ST
INDEX
GOLD AWARD
SGX LISTED COMPANY
(Best Investor Relations)

SINGAPORE
CORPORATE
AWARDS
GEO ENERGY BURSARY

LEADERSHIP
APPRECIATION
SINGAPORE INSTITUTE OF
TECHNOLOGY

Coronavirus challenges businesses. Where others see challenges, we see opportunities

We have big aspirations. We learn from the past as we prepare for the future

Challenges and Opportunities

Clearly there are a multitude of challenges and opportunities arising from the global business environment due to the COVID-19 pandemic announced by WHO in March 2020. With accelerating shift in the global economic landscape due to COVID-19, many business enterprises find themselves operating in new and sometimes depressed market environments. Such global dynamics create new opportunities, challenges, risks and threats in our business and the markets that we are in, which we would need to understand if we are to succeed. **Where others see challenges, we see opportunities.**

Overcome challenges of COVID-19 to realise our targets

Part A
Shareholders' Reports

1 CHAIRMAN'S STATEMENT

Geo Energy's 2019 results were lower year-on-year amid tougher than anticipated market conditions, which also impacted the entire industry. Asian thermal coal market had softened significantly in 2019

COVID-19 pandemic has disrupted China's economy, causing domestic coal inventories to dip by 14.2% year-on-year in February 2020 resulting in higher demand for imported coal.

The Indonesian government has revised for the completion of its aggressive plans to add 35,000 MWH of power generating capacity, with coal-fired power representing approximately 60%.

Signed a new coal offtake agreement, along with a prepayment, with Trafigura Pte Ltd, for the remaining life of mine of SDJ less its DMO. The coal delivery for the new offtake has commenced in January 2020.

We are pleased to win the Gold Award for the Best Investor Relations for SGX-listed companies with market capitalisation of less than S$300 million at the 2019 Singapore Corporate Awards.

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the 2019 Annual Report, of the Company.

Performance

Compared to the performance in 2018, Geo Energy's 2019 results were lower year-on-year amid tougher than anticipated market conditions, which also impacted the entire industry. Asian thermal coal market had softened significantly in 2019. Indonesian Coal Index ("ICI") price for 4,200 GAR coal was volatile in 2019. ICI price hit a high of US$40.32 per tonne on 8 March 2019 and was at US$31.50 per tonnes on 27 March 2020.

Consequently, the Group's revenue reduced to US$249.1 million in 2019 from US$299.2 million in 2018. The Group also faced operational challenges, elaborated more under the Financial Performance, which caused the Group a net loss of US$47.7 million in 2019.

Coal Market

Coal prices had trended upwards in the fourth quarter due to increased demand from China and India. A cold snap sweeping northern and eastern China brought a rise in coal-fired power generation in 4Q2019, increasing China's demand for imports from power groups as winter restocking picked up[1]. India's import demand had been fuelled by lower-than-expected domestic production due to the harsh summer in 2Q2019, and subsequently due to an extended monsoon which lasted till mid-October[2]. The Indonesian government has also ordered coal miners to reduce output and set the production target of 550 million tonnes for 2020, 9.8% below the estimated 610 million tonnes produced in 2019[3]. We believe that this initiative should help sustain coal prices.

The Indonesian government has revised the timeline from 2019 to 2024 for the completion of its aggressive plans to add 35,000 Megawatts of power generating capacity, with coal-fired power representing approximately 60%[4]. In 2020, we will continue to press ahead to increase our coal production quota while remaining

(1) McCloskey Coal Report, 18 October 2019
(2) McCloskey Coal Report, 1 November 2019
(3) McCloskey Coal Report, 24 January 2020
(4) DBS Group Research Report - All Eyes on China in 2020, 3 December 2019

WE WILL CONTINUE TO KEEP SUSTAINABILITY AT THE HEART OF THE BUSINESS AND CONSISTENTLY REINFORCE ETHICAL STANDARDS OF CONDUCT INTO OUR BUSINESS

fully committed to fulfil the Domestic Market Obligations ("DMO"). In 2019, approximately 34% of our revenue was from coal sales to Indonesian market, which represented the second biggest market in our business.

COVID-19

COVID-19 pandemic has disrupted China's economy, causing domestic coal inventories to dip by 14.2% year-on-year in February 2020[5] resulting in higher demand for imported coal. This has also contributed to the increase in coal prices. The financial impact on the Group over the short term remains uncertain as the continued reduction in China's economic activities over the recent weeks may instead lead to reduced demand for electricity and thus for coal, although this was mitigated by the current disruption in China's domestic coal production. Most of the economists in China expect the slowdown in China to be temporary[6]. We taken proactive steps to mitigate the risks of possible disruption to our business by working closely with the authorities, our employees, contractors, customers and suppliers.

Prospects

The long term fundamentals of the coal industry remain sound. As announced in June 2019, the Group's previous offtaker for SDJ mine, Engelhart CTP (Singapore) Pte Ltd ("ECTP") and Geo Energy had reached a mutual understanding to terminate the existing offtake agreement. ECTP had streamlined its physical coal trading activities and would exit the coal business. Following the termination, we signed a new coal offtake agreement, along with a prepayment with Trafigura Pte Ltd ("Trafigura"), one of the largest physical commodities trading group in the world, for the remaining life of mine of SDJ less its DMO. The coal delivery for the new offtake has commenced in January 2020 while the coal sales originated from the SDJ mine for the rest of 2019 was marketed by SDJ to the domestic market.

We are delighted to sign on Trafigura as we believe that this collaboration will enable our Group to gain new markets for SDJ's coal as well as obtain a global presence for our SDJ coal. Together with Macquarie Bank, our existing TBR's coal offtaker, Geo Energy is well-positioned to diversify the reach with the expertise and experience of the two largest commodity groups in the world. This ensures a long-term sustainable growth for the Group.

In 2019, we explored South Sumatra to increase our coal reserves. Entering South Sumatra will mark our first foray to a growing region within the coal industry in Indonesia. Indonesia is one of the world's largest producers and exporters of coal and the three largest regions of Indonesia coal resources are South Sumatra, South and East Kalimantan. Thus, South Sumatra has a lot of potential to be uncovered given the large amount of proven coal reserves versus coal produced in the area. It is also in close proximity to many power plants with heavy population density in Indonesia.

We had proposed to acquire a 100% stake in PT Titan Global Energy ("TGE") which would allow us to own an effective interest of 51% in each of the two producing coal mines in South Sumatra – PT Bara Anugrah Sejahtera ("BAS") and PT Banjarsari Pribumi ("BP")(the "Proposed Acqusition"). The long stop date for this proposed acquisition is on 31 March 2020.

As we announced on 26 March 2020 in relation to the status update regarding the Proposed Acquisition, in the event of any of the conditions precedent has not been fulfilled, we shall have the right to terminate the Proposed Acquisition. The Company has other potential acquisition(s) of coal assets that it could consider if the Proposed Acquisition is not completed.

Recognition

We are pleased to win the Gold Award for the Best Investor Relations for SGX-listed companies with market capitalisation of less than S$300 million at the 2019 Singapore Corporate Awards. The Singapore Corporate Awards was launched on 19 September 2015 as the umbrella awards for exemplary corporate governance practices for listed companies in Singapore. Winning this award justified our hard work, perseverance and efforts spent over the years in Investor Relations even in challenging financial market conditions and despite being in less favourable industry sector among the financial community in Singapore and internationally. Additionally, we were also shortlisted for the 2020 Le Fonti Innovation Awards under the coal mining sector for corporate excellence, leadership, technological achievement and employee engagement.

Sustainability

We will continue to keep sustainability at the heart of the business and consistently reinforce ethical standards of conduct into our business. The Board has also engaged regularly with both Management and stakeholders for more informed decision making and enhanced business performance. Together with the Board and our people, we would be able to take on challenges as we grow and expand our business to be one of the major coal producers in Indonesia.

Acknowledgement

I would like to thank my fellow directors for their valuable guidance and commitments through this difficult time and also Mr Huang She Thong, who is retiring from the Board at the coming Annual General Meeting. I am grateful to our business partners and stakeholders for their unwavering belief in and support of Geo Energy. I also want to express my sincere appreciation to all our staffs and colleagues for their dedication and hard work in the face of these challenges. With the support and confidence of all our stakeholders, I am convinced that the Geo Energy will emerge stronger after the downturn, as we have done before.

Thank you.

Yours Sincerely,

Dato' Charles Antonny Melati
Executive Chairman
30 March 2020

(5) sxcoal.com
(6) IHS Strategic Report – COVID-19 Global Threat, 6 March 2020

2 CEO MESSAGE

We've been through many developments, in sometimes less than favourable circumstances given the decline in coal prices. Nevertheless, we remain focused on our vision to be a leading coal producer by continuing to evaluate strategic coal asset acquisitions and grow our reserves

Our financial performance in 2019 was impacted by the weaker coal prices during the year, which led to a lower average selling price. The ICI price for 4,200 GAR coal had been on a decreasing trend in 2019

We will also continue to align our cost structure to a leaner operating environment, manage our risks, substantially reduce our costs as we invest and expand our business

We continue to take a proactive stance towards sustainability of Environmental, Social and Governance and expand our approach to Corporate Social Responsibility

In times of uncertainties, it's important for us to use our time wisely and move forward as decisively and swiftly as we can in 2020

Dear Shareholders and All,

Performance

2019 was quite a year for all of us at Geo Energy. We've been through many challenges, in sometimes less than favourable circumstances given the decline in coal prices. Nevertheless, we remained focused on our vision to be a leading coal producer by continuing to evaluate strategic coal asset acquisitions and grow our reserves.

Our financial performance in 2019 was impacted by the weaker coal prices during the year, which led to a lower average selling price. The Indonesian Coal Price Index ("ICI") for 4,200 GAR coal had been on a decreasing trend in 2019, hitting a low of US$30.26 per tonne on 4 January 2019. Consequently, Geo Energy recorded a lower revenue of US$249.1 million. The Group also suffered a net loss of US$47.7 million due to the operational challenges described below.

The performance had been mitigated, albeit slightly, by the Group achieving a higher coal sales of 7.4 million tonnes (2018: 7.1 million tonnes) from our SDJ and TBR coal mines. This represented approximately 92.5% achievement from the 8.0 million tonnes of production target set in 2018. Likewise, we have also achieved the full year Domestic Market Obligations ("DMO") requirement in 2019.

With the lower coal prices, the Group's production and sales for 2020 was set at 8.0 million tonnes for both SDJ and TBR. If coal prices improve, we will apply to increase SDJ and TBR's Rencana Kerja Anggaran Biaya ("RKAB") (Work Plan and Budget) production quota by 4.0 million tonnes in 2H2020, subject to obtaining relevant Indonesian Government regulatory approvals.

During the year, we faced the following operational challenges:

- Rainy conditions at the jetty had affected the bedding at one of the coal stockpiles, causing some of the coal to be submerged under the water as at year end. The increased moisture affected the quality of the coal and as a result, we wrote-off the inventory at the year-end physical count.
- We made a fair value assessment and did an impairment on the Group's BEK

Habitat for humanity building homes in Batam, Indonesia

low calorific value (3,448 GAR) mining property and inventories in view of the continued weak prices for low calorific value coal.

- We did an impairment on the Group's trade receivables under Cooperation Agreement to conduct joint mining activities in East Kalimantan. The market disruption caused by the COVID-19 pandemic had an impact on coal prices, which were used to assess the value in use of the underlying coal mines.
- We made a provision for additional tax and other expenses following the finalisation of prior year tax assessments of one of our subsidiaries and made adjustment to deferred tax assets on tax losses relating to the Group's non-operating entities in Indonesia.
- We incurred a demurrage charge as a result of some changes in government regulations causing the delay of some coal shipments.

Despite the weaker coal prices and the challenges, the Group earned a cash profit for the coal mining of US$4.19 per tonne. This was lower than the cash profit of US$11.28 per tonne in 2018.

The view remains positive on coal prices in the longer term. Indonesia's government had lowered their total coal production target within Indonesia to 550 million tonnes for 2020, 9.8% below the estimated 610 million tonnes produced in 2019. This should support coal price. On the demand side, coal consumption is expected to be supported by growing demand from SEA, China and India.

Cost Reductions

We will also continue to align our cost structure to a leaner operating environment, manage our risks, substantially reduce our costs as we invest and expand our business by diversifying our product portfolio to put our Group on a stronger and more sustainable growth path. We had completed the review to reduce our production cost, which was at US$29.48 per tonne in 2019, with our service providers. This will support the Group if coal price remains challenged.

Coal Offtake

In 2019, we signed on with a global commodities trader, Trafigura, on the coal offtake and prepayment for SDJ coal and the delivery of the coal commenced in January 2020. In the first two months of 2020, we delivered and completed 9 shipments with approximately 539,000 tonnes of coal sold. Together with the existing TBR coal offtaker, Macquarie Bank, we have secured buyers for 75% of our coal production over the life of mine. We are confident in delivering stronger cash profits going forward if coal prices improve.

Proposed Acqusition

We have also signed a conditional sale and purchase agreement with PT Titan Infra Energy ("TIE") in September 2019 to acquire two producing coal mines in South Sumatra – PT Bara Anugrah Sejahtera ("BAS") and PT Banjarsari Pribumi ("BP") (the "Proposed Acquisition"). We also signed a coal purchase agreement with TIE to trade in BAS and BP coal for exports in 2020.

We are creating a roadmap and new strategy to expand our business and diversify our geographical reach to Sumatra, one of the major relatively unmined coal reserves areas in Indonesia. In the event that the Proposed Acquisition is not completed, the Company has other potential aquisition(s) of coal assets that it could consider in South Sumatra. We will continue to evaluate strategic coal asset acquisitions at depressed multiples that can create long-term accretive value for shareholders.

We aim to reduce financial risks by focusing on our cashflow by managing our working capital through managing our receivables, payables and inventory and diversifying our domestic customers while continuing to improve on our Group's cost structure.

Strengthened Capital Structure

Coal prices continued to weaken in Asian thermal markets in 2020, amid the ongoing economic turbulence caused by the COVID-19 outbreak and the ongoing oil price war. Indonesian coal prices have been the hardest hit so far with sub-bituminous trading down. This has affected most of the major share markets in the world and our shares price and Senior Notes ("Notes") price traded on the SGX were notably down. We have been approached by Notes holders who faced funds withdrawals amidst the financial markets' decline, to repurchase the Notes from them. We had as at 26 March 2020, repurchased US$112 million of our US$300 million Notes at US$66.5 million, including accrued interests. With the cancellation of the Notes repurchased, the Group has reduced its aggregate principal amount of the Notes by US$112 million or 37% to US$188 million, which if netted against the cash and bank balances of US$105.6 million as at 29 March 2020, is US$82.4 million. In total, the Group

recorded gain on redemption of the Notes of US$45.4 million, of which US$5.3 million was recorded in 2019. The enhanced capital structure will assist the Group to better ride out the uncertainty in the markets and the volatility in the coal price. We believe that the Notes are undervalued and the repurchase is an efficient way to improve shareholders' value and return cash to the Notes holders.

No matter what the circumstances are, we must not lose sight of our priority. We need to build a strong and financially sustainable company that puts our shareholders, people and stakeholders at the heart of everything we do.

ESG

We continue to take a proactive stance towards sustainability of Environmental, Social and Governance ("ESG") and expand our approach to Corporate Social Responsibility ("CSR"), they are important, and much emphasis is given by asset managers, investors and regulators. We provided the Geo Energy SIT Bursary for financing disadvantaged university students and supported the Habitat for Humanity in Indonesia to build homes in Batam and participated in the Run for Hope to support the Singapore Cancer Society. We focus our efforts on the things that matter most. The trend towards responsible investing today, especially for mining companies, has seen individual investors and institutional asset managers alike integrating ESG principles into their decision making. Particular attention for a mining operation is on how the companies address issues such as climate change, water management, health and safety and the fair treatment of workers and communities. Much of society and investors are demanding greater transparency around the true social, economic and environmental impact in the mining sector. Together with our mining contractor, PT Bukit Makmurmandin ("BUMA"), we identify environmental impacts that could happen during mining and mine closure and incorporate mitigating action plan to address these impacts.

A summary of the sustainability is contained in this annual report on pages 65 - 75. Our detailed sustainability efforts during 2019 are documented in our Sustainability Report 2019, which will be issued in May 2020. Our position in respect of corporate governance appears in the Corporate Governance report from page 47 to 63.

WE WILL CONTINUE TO KEEP SUSTAINABILITY AT THE HEART OF THE BUSINESS AND CONSISTENTLY REINFORCE ETHICAL STANDARDS OF CONDUCT INTO OUR BUSINESS

COVID-19

COVID-19 is the black swan event of the year 2020, which took the world by complete surprise. Many governments had implemented shutdown of countries to control the spread of the virus. This caused the outlook on year 2020 to be cloudy as the market weighs supply disruption against demand destruction. The Group has taken steps to limit the impact on our operations such as having split team of employees to work at office and home, if necessary, providing medical supplies such as masks and hand sanitisers, restricting travels and educating employees about the COVID-19 symptoms and prevention. We also take a similar pro-active approach to mitigate the risks of operational disruption by working and coordinating closely with the relevant authorities, service providers and customers (Trafigura and Macquarie Bank).

Outlook

With the uncertain environment, it's important for us to use our time wisely and move forward as decisively and swiftly as we can in 2020. That will only be possible with the continued dedication and teamwork from our people. In our decision making, we are not only to evaluate what is best for what we are doing, but also the potential impact on other parts of the business and on the Group as a whole.

Recognition

We won the 2019 Gold Award for Best Investor Relations for SGX-Listed Companies with Market Capital Section of less than S$300 million. Embracing openness and building relationship with the investment community is key focus of our investor relationships.

Appreciation

I would like to thank all of you for your support and dedication in 2019, especially to our Chairman and Board of Directors for their expert guidance, support and professionalism over the years. The year ahead will bring its own challenges but I'm sure by working together, keeping focused on our priorities and putting our stakeholders first, we can realise our vision.

Yours sincerely,

Tung Kum Hon
CEO and Executive Director
30 March 2020


Results Review and Strategy Update
Fourth Quarter and Twelve Months Ended 31 December 2019

Result review and Strategy Update
Fourth Quarter and 12 Months Ended
31 December 2019

Part B
Management Discussion & Analysis

3 FINANCIAL PERFORMANCE

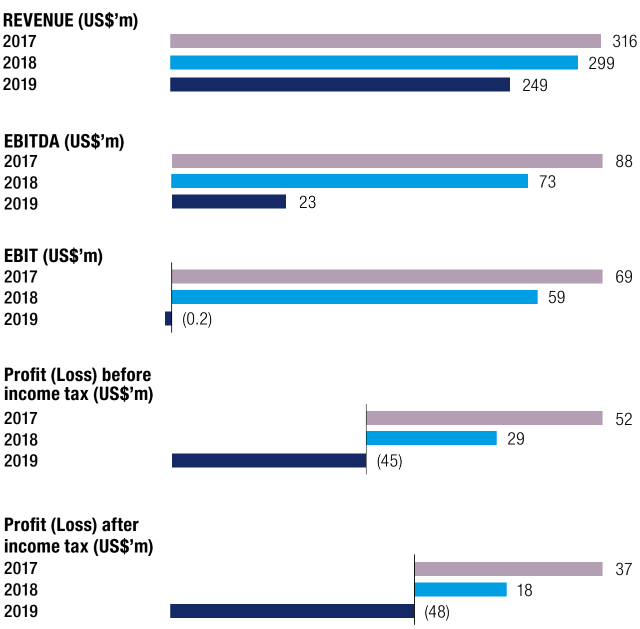
The Group results were impacted by the continued weaker coal prices in 2019, generally weighed upon by import restrictions in China and weak demands from India. However, demands from China and India improved the last few months of 2019

VALUATION RATIOS

US$ (unless otherwise stated)	2017	2018	2019
P/E (x)	5.97	9.78	(2.20)
P/B (x)	1.49	1.06	0.67
EV/EBITDA	2.95	3.84	9.91
Growth & Margins (%)			
Growth			
Revenue	74%	-5%	-17%
EBITDA	66%	-17%	-68%
EBIT	73%	-15%	-100%
PAT margin	56%	-51%	nm
Debt			
Gross debt	294,141,090	296,584,505	284,099,034
Net debt	28,370,350	93,994,103	145,102,861
Debt/EBITDA	3	4	12
Margins			
Gross margin	25%	27%	12%
EBIT margin	22%	20%	-
PAT margin	12%	6%	-19%
Key Ratios			
Dividend yield (%)	9%	6%	5%
ROE (%)	24%	10%	-39%
ROA (%)	7%	3%	-10%
Working capital	333%	347%	285%
Gearing (%)	192%	171%	230%

nm : Not meaningful

INCOME STATEMENT



BALANCE SHEET AND CASH FLOW

US$	2017	2018	2019
Assets			
PPE	181,599,647	172,128,800	152,856,916
Deferred stripping costs	7,936,884	57,899,708	61,257,435
Trade, other receivables and other assets	94,640,125	115,963,809	138,205,688
Cash	265,770,740	202,590,402	138,996,173
Total Assets	**549,947,396**	**548,582,719**	**491,316,212**
Liabilities			
Borrowings	298,873,937	296,342,729	283,068,771
Trade, other payable and other liabilities	101,627,251	78,137,222	84,965,609
Total Liabilities	**395,501,188**	**374,479,951**	**368,034,380**
Shareholder equity	**153,133,832**	**173,922,554**	**123,338,076**
Non-controlling interests	**1,312,376**	**180,214**	**(56,244)**
Cashflow from (used in) operation	46,294,121	(8,057,393)	3,260,112
Cash used in investing	(33,229,861)	(36,535,159)	(26,968,072)
Cashflow from (used in) financing	186,617,497	(20,620,392)	(39,534,608)

Financial results' briefing for credit investors

FINANCIAL PERFORMANCE

Revenue

Revenue decreased by US$50.1 million to US$249.1 million due to lower Average Selling Price ("ASP") resulting from the decrease in the average ICI price in 2019 compared to 2018.

The Group results were impacted by the continued weaker coal prices in 2019, generally weighed upon by import restrictions in China and weak demands from India. However, demands from China and India improved the last few months of 2019. A cold snap sweeping northern and eastern China brought a rise in coal-fired power generation in 4Q2019. China's demand for imports from power groups ramped up with multiple tenders as winter restocking picked up. India's import demand has been fuelled by lower-than-expected domestic production due to harsh summer in 2Q2019, and subsequently due to an extended monsoon which lasted till mid-October. At the same time, the Indonesian government has ordered coal miners to reduce output. The Indonesian government had set the production target of 550 million tonnes for 2020, 9.8% below the estimated 610 million tonnes produced in 2019. We believe that this initiative should help sustain coal prices.

The Group sold 2.4 million tonnes of 4,200 GAR coal from the SDJ coal mine and 5.0 million tonnes from the TBR coal mine, totalling 7.4 million tonnes of coal sold during the year. The average ICI price for 4,200 GAR coal was US$35.05 per tonne in 2019, down from US$41.96 per tonne in 2018.

Gross Profit

The Group recorded a gross profit of US$3.3 million, compared to US$66.8 million recorded in 2018. This was mainly due to the lower ASP, partially offset by the lower production costs in 2019 as compared to 2018, after we completed the review on reducing production costs with our service suppliers in December 2019. With the lower production cash costs at less than US$30 per tonne, we expect our results in the coming quarters to improve, if coal prices recover. An allowance of US$1.4 million was made for BEK's inventory due to the current low prices for coal with low calorific value and BEK's higher cost of production. For SDJ and TBR, inventory of US$3.8 million was written-off. Rainy conditions at the jetty had affected the bedding at one of the coal stockpiles during the year, causing some of the coal to be submerged under the water as at year end. The increased moisture affected the quality of the coal and hence, the coal was written-off.

In addition, the Group recorded demurrage expense of US$6.2 million during the year. Sales were made but due to some changes in government regulations, the necessary documentation was not issued in time, delaying some shipments. Excluding these non-recurring expenses, the Group's gross profit was US$14.7 million.

Loss before Income Tax

Loss before income tax of US$44.6 million includes:

- Other income of US$11.4 million. The increase of US$6.1 million was mainly due to the one-off gain on of US$5.3 million on the repurchase of some Notes in December 2019, higher interest income earned on short-term investments and deposits and amortisation of deferred gain from the assignment of coal sales contract to a third party who also subscribed to the Company's shares and warrants. Excluding the one-off gain on repurchase of Notes, other income increased US$0.8 million during the year;

EXCLUDING NON-RECURRING EXPENSES, THE GROUP'S GROSS PROFIT WAS US$14.7 MILLION

CASH AND BANK BALANCES WAS US$139 MILLION AS AT 31 DECEMBER 2019 FOLLOWING PAYMENTS OF NOTES INTEREST AND REPURCHASE OF NOTES, COAL OFFTAKE PREPAYMENTS DIVIDEND AND INCOME TAX

- General and administrative expenses of US$13.0 million. The increase of US$0.5 million was mainly due to recognition of professional fees of US$1.0 million relating to the proposed dual listing on the main board of the Stock Exchange of Hong Kong Limited, as well as share-based payment expense arising from the granting of share options pursuant to the Geo Energy share option scheme on 11 January 2019. These were partially offset by lower staff costs;

- Other expenses of US$19.4 million. The increase of US$15.1 million was mainly due non-recurring impairment loss on the BEK mine amounting to US$6.4 million due to declining projected margin in view of continued lower prices for coal with low calorific value, allowance for impairment loss on trade receivables of US$10.1 million recorded during the year and other expenses arising from the finalisation of prior year tax assessments of US$0.7 million. These were offset by the lower forex loss and other non-operating expenses incurred on corporate social responsibility activities in 2019, as well as the loss on financial assets carried at amortised cost recorded in 2018, as there were no such expenses in 2019. Excluding the non-recurring expenses, other expenses actually decreased by US$2.1 million during the year;

- Finance costs of US$26.9 million. The increase of US$0.3 million was mainly due to the additional amortisation recorded upon the repurchase of some Notes in December 2019; and

- Depreciation and amortisation of US$23.2 million. The increase of US$9.5 million was mainly due to the higher amortisation expense attributed to the TBR mine, which has ramped up its production as compared to 2018.

Income Tax

The Group recorded **income tax expense** of US$3.2 million despite a loss before tax due to certain non-deductible expenses (mainly impairment loss on trade receivables, impairment loss on BEK mining property, depreciation of mining properties arising from acquisition of assets in prior years, and amortisation of transaction costs of Notes) and increased tax expenses recorded following the finalisation of prior year tax assessments. In addition, the Group has made adjustments to deferred tax assets relating to expiring tax losses of certain Indonesian entities — US$1.9 million for BEK due to continued weak prices for coal with low calorific value, and US$1.6 million for SBJ and MNP due to the Group's coal mining management service and coal trading agreement having been completed in 1Q2018 and we have not signed any new agreements with other parties.

Overall, the Group incurred a loss of US$47.7 million for the year, mainly due to lower ASP, non-recurring allowance for inventory written-down, inventory loss written-off, impairment loss on BEK mining property, impairment loss on trade receivables, higher general and administrative costs and finance costs. These were partially offset by higher other income and lower income tax expense.

FINANCIAL POSITION

Current Assets

Current assets decreased by US$30.8 million to US$235.2 million as at 31 December 2019.

Cash and bank balances decreased by US$63.6 million to US$139.0 million as at 31 December 2019, following payments of Notes interest and repurchase of Notes, coal offtake prepayments, dividend and income tax payments, offset by improved working capital management.

Trade and other receivables of US$26.8 million as at 31 December 2019 comprise mainly trade receivables of US$10.1 million and non-trade receivables of US$16.7 million. The increase of US$1.8 million from US$25.0 million as at 31 December 2018 was mainly due to increases in prepaid income tax for our Indonesian subsidiaries by US$7.0 million. Our Indonesian subsidiaries are required to prepay their current income tax. Should the total amount of tax prepaid exceed the official tax assessment, the excess amount will be refunded. This was offset by decreases in trade and other receivables due to receipts and impairment allowance recorded during the year.

Deposits and prepayments increased by US$33.6 million to US$57.2 million as at 31 December 2019 mainly due to the prepayment of US$32.5 million to TIE upon signing coal offtake agreements.

Inventory decreased by US$2.6 million to US$12.2 million as at 31 December 2019, following write-off of inventory and allowance for inventory written-down.

Non-current Assets

Non-current assets decreased by US$26.4 million to US$256.1 million as at 31 December 2019, mainly due to decreases in property, plant and equipment by US$19.3 million (mainly from impairment allowance on BEK mining property and depreciation of coal mining assets), trade and other receivables by US$9.2 million, deposits and prepayments by US$2.0 million (due to reclass of certain prepayments to current asset and utilisation of such prepayments) and deferred tax assets by US$1.4 million. These were partially offset by the increases in deferred stripping costs by US$3.4 million (pre-stripping cost upon commencement of production at the TBR coal mine) and the recognition of right-of-use assets ("ROU") in compliance with SFRS(I) 16 *Leases*.

The non-current trade and other receivables relate to balances under a Cooperation Agreement with certain debtors' related corporations and a third party (the "Vendors") and their common shareholder to conduct joint mining activities on the two coal mines owned by the Vendors' related corporations. The joint mining activities are expected to commence after the completion of due diligence on the economic and technical feasibility of the underlying coal mines. A portion of the cash profit from the coal sales shall be used by the Vendors to settle these outstanding balances, which bear an interest rate of Indonesia Deposit Insurance Corporation interest rate +0.5% per annum effective 1 January 2019. During the year, the Group recognised $0.5 million interest income from these outstanding balances and made an impairment of US$9.7 million on the trade receivables under the Cooperation Agreement as a result of the decline in recoverable amounts of the underlying coal mines.

Operating cash flows before movements in working capital was an inflow of US$16.8 million. The Group further made income tax payments of US$9.4 million as our indonesian subsidiaries are required to prepay their current income tax

Current Liabilities

Current liabilities increased by US$6.0 million to US$82.7 million as at 31 December 2019, mainly due to increases in trade and other payables by US$6.9 million and lease liabilities by US$0.3 million. Increase in trade and other payables was mainly due to the increases in advances from customers, partially offset by the decrease in trade and other payables and accruals. Lease liabilities increased upon recognising a liability corresponding to the increase in ROU in compliance with SFRS(I) 16 *Leases*.

Non-current Liabilities

Non-current liabilities decreased by US$12.4 million to US$285.4 million as at 31 December 2019, mainly due to the repurchase of Notes in December 2019 with principal amount US$16.1 million and the decrease in non-current portion of deferred gain by US$0.2 million. These were offset by interests accrued on the Notes, increases in lease liabilities by US$0.5 million (due to abovementioned compliance with SFRS(I) 16 *Leases*) and provisions by US$0.5 million.

Contingent Liabilities

In 2016, some subsidiaries were audited by the Indonesian Tax Office ("ITO"). ITO assessed an underpayment of tax expenses of approximately US$3.9 million (IDR53 billion) in respect of a subsidiary for the capitalisation of an intercompany loan as equity.

Management has sought advice from professional tax consultants in Jakarta, Indonesia and holds the view that the imposed tax is without merit under the tax law. Closing Statements had been submitted to the Court of Appeal in July 2018. Final decision has yet to be received. No provision has been recognised in the financial statements as the Group does not consider that there is any probable loss.

In 2015, one of the Group's subsidiaries (the "Subsidiary") commenced legal proceedings against a supplier (the "Supplier") for receivables outstanding since 2014. These outstanding receivables pertained to a coal purchase prepayment paid to the Supplier, and the Subsidiary subsequently made an allowance for impairment loss on these receivables in 2015. The Supplier filed a counterclaim against the Subsidiary, however the Court rendered a judgement in favour of the Supplier. The potential legal claims against the Subsidiary amounted to approximately US$2.5 million.

Taking the reference from the legal advices, management holds the view that the counterclaim has no merit, and is in the process of preparing for an appeal. No provision has been recognised as the management does not consider that there is any probable loss.

Financial Guarantee

As at 31 December 2019, the Company has an unsecured corporate guarantees issued in 2017 in respect of the issuance of Notes by its subsidiary with nominal value of US$283,939,000 (2018: US$300,000,000). Following the repurchases of Notes in March 2020, the nominal value of the corporate guarantees is US$188,139,000.

CASH FLOW

Net Cash Flow

Net cash from operating activities was US$3.3 million. Operating cash flows before movements in working capital was an inflow of US$16.8 million. The Group further made income tax payments of US$9.4 million during the year. Our Indonesian subsidiaries are required to prepay their current income tax. Should the total amount of tax prepaid exceed the official tax assessment, the excess amount will be refunded.

Working Capital

Working capital movement was negative US$4.3 million in 2019, as compared to the negative working capital of US$55.1 million in 2018. The negative working capital in 2018 was mainly due to the Group utilising advances from customers and advance payments for provision of integrated coal mining support and infrastructure services for the SDJ and TBR coal mines.

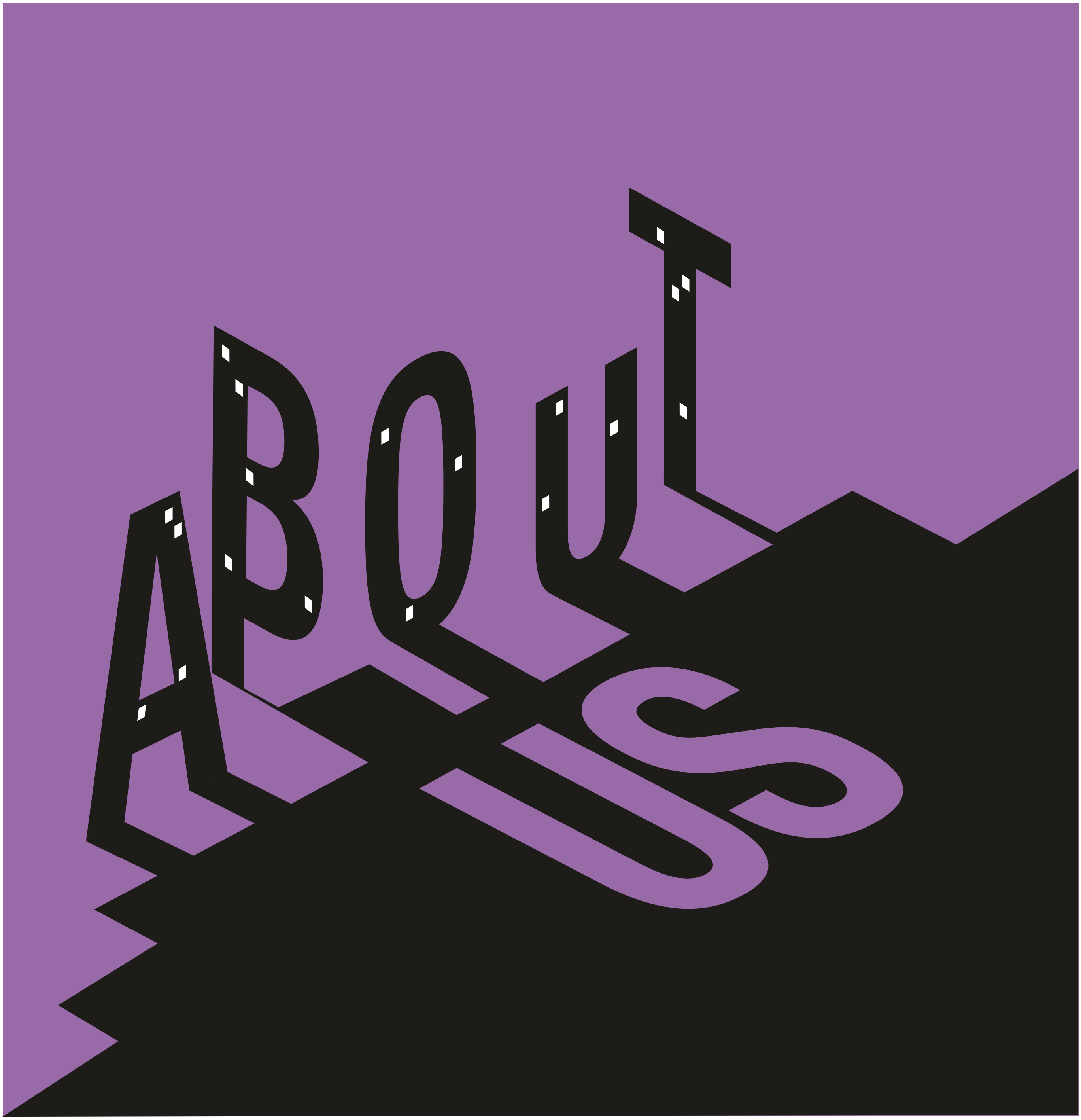
During the year, the Group paid an additional US$12.1 million of such advance payments and coal offtake prepayments of US$32.5 million to TIE. These were partially offset by the utilisation of prior year's prepayment and receipt of advances from a customer of US$20.0 million. The improvement in the working capital movement was mainly due to better credit management on trade and other payables in 2019.

Net cash used in investing activities of US$27.0 million was mainly due to the refundable deposit paid for the proposed acquisition of TGE of US$2.5 million, addition to deferred stripping costs of US$26.7 million for the TBR coal mine operation, advances for purchase of PPE of US$1.4 million and purchase of PPE of US$1.8 million. These were partially offset by the interest received of US$5.3 million.

Net cash used in financing activities of US$39.5 million was due to the payment of the Notes interest of U$24.0 million, amount paid for repurchase of the Notes of US$10.7 million, dividend paid of US$4.1 million, additional amount placed as restricted cash deposits of US$0.7 million and repayment of lease liability obligations of US$0.4 million. These were partially offset by the decrease of US$0.4 million in deposits pledged.

Overall, total cash and cash equivalent as of 31 December 2019 was US$134.0 million, excluding the pledged deposits of US$5.0 million.

IMPROVEMENT IN THE WORKING CAPITAL MOVEMENT WAS MAINLY DUE TO BETTER CREDIT MANAGEMENT ON TRADE AND OTHER PAYABLES IN 2019



Geo Energy Resources Limited (collectively with its subsidiaries "Geo Energy" or the "Group"), is listed on the Singapore Stock Exchange "RE4" and is part of the Singapore FTSE-ST Index

To become one of Indonesia's top ten coal producers by embarking on a series of acquisition opportunities.

We are responsible for our actions, our performance and our products in conducting our business, and we are committed to continuously improve and learn

Geo Energy employs a business model that leverages on the strengths of its business partners, allowing the Group to have limited operational and offtake risks as well as minimal capital expenditure requirements

Geo Energy's cost structure, which is one of the lowest amongst Indonesian coal producers, enhances the Group's scalability in the event of coal price fluctuations

Geo Energy has high standards of corporate governance and are led by a widely-experienced management team

Part C
About Us

To become one of Indonesia's top ten coal producers by embarking on a series of acquisition opportunities. Geo Energy commits to sustainable growth and enhancing shareholders value. We will continue to pursue opportunities to expand our mining operations and in growing our coal reserves through strategic acquisitions and vertical integration.

Geo Energy Resources Limited (collectively with its subsidiaries "Geo Energy" or the "Group"), is listed on the Singapore Stock Exchange "RE4" and is part of the Singapore FTSE-ST Index. The Group was ranked 17th in the inaugural award for Singapore's Fastest Growing Companies 2019 presented by The Straits Times and Statista based on the strongest revenue growth in recent years, and 35th in the Corporate Governance and Transparency Index 2018, placed amongst the top listed companies. Growing coal reserves through strategic acquisitions is core to Geo Energy's strategy. As part of the strategic partnership agreement with Macquarie Bank, finalised in November 2018, Macquarie Bank made a 5% equity investment in Geo Energy.

Geo Energy believes that being one of the lowest-cost coal producers in Indonesia positions it to benefit from a rising coal price environment, while allowing it to remain profitable in lower coal price environments. Geo Energy intends to continue to extract value from its existing coal mines

4

ABOUT US

Listed on SGX and is part of the Singapore FTSE-ST Index

We have four mining concessions located in South and East Kalimantan, Indonesia

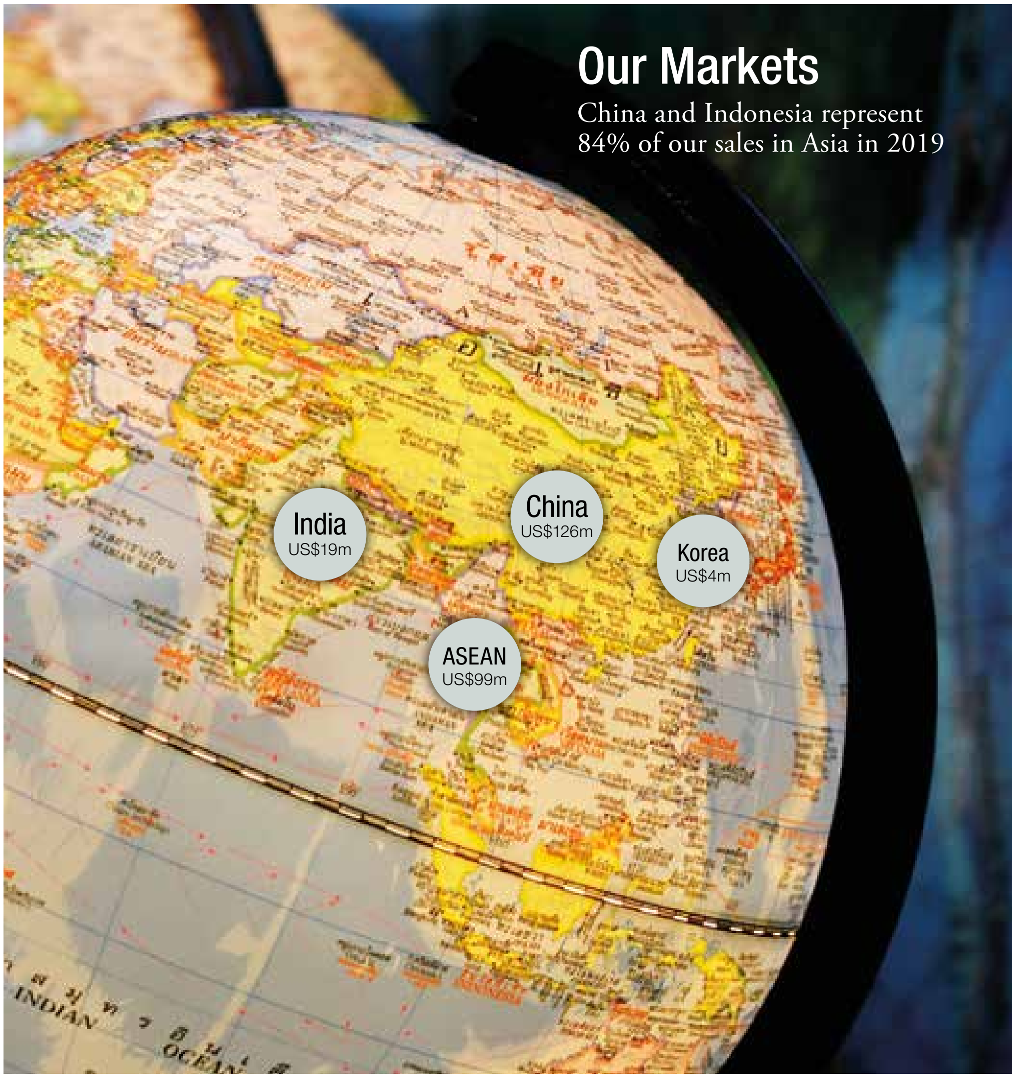
WHO WE ARE

Geo Energy Resources Limited (collectively with its subsidiaries "Geo Energy" or the "Group"), is listed on the Singapore Stock Exchange "RE4" and is part of the Singapore FTSE-ST Index. The Group was ranked 17th in the inaugural award for Singapore's Fastest Growing Companies 2019 presented by The Straits Times and Statista based on the strongest revenue growth in recent years, and 35th in the Corporate Governance and Transparency Index 2018, placed amongst the top listed companies. Increasing its coal reserves through strategic acquisitions is core to Geo Energy's strategy. As part of the strategic partnership agreement with Macquarie Bank, finalised in November 2018, Macquarie Bank made a 5% equity investment in Geo Energy.

Starting the business as primarily a coal mining services provider in 2008, Geo Energy has transformed to be one of the leading Indonesian coal producers. This transition has allowed us to change the business model from operating as a relatively small-scale mining services provider in an environment of minimal capital expenditure and relatively low operational efficiency, with high dependence on owners of coal mining concessions, to being a low-cost coal producer with high-quality coal mining assets. Our corporate offices are based in Singapore and Jakarta while our mining operations are located in Kalimantan, Indonesia.

We have four mining concessions located in South and East Kalimantan. Currently, we are actively operating two mines: SDJ and TBR, with TBR site intensifying its operational production in 2019. We have re-commenced our mining operations at BEK and not yet activated STT.

The focus of our coal sales remains on Indonesia and China as core markets. Geo Energy has also scaled up its presence in other markets such as South Korea, Thailand, India and the Philippines. The total coal sales in 2019 was 7.4 million tonnes, which is 4% higher than previous year.



	SDJ	TBR	BEK	STT
Location	Angsana and Sungai Lohan district, Tanah Bumbu regency, South Kalimantan	Angsana and Sungai Lohan district, Tanah Bumbu regency, South Kalimantan	Tering and Long Iram districts, Kutai Barat regency, East Kalimantan	Kutai Barat regency, East Kalimantan
Mining Permit (Izin Usaha Pertambangan – IUP)	Valid until 2022	Valid until 2022	Valid until 2031	Valid until 2032
Total Concession Area	235 ha	489 ha	4,570 ha	4,600 ha
Production in 2019 (million tonnes)	2.2	5.0	Recommenced mining operation	Undeveloped[1]

(1) STT mine has not commenced the production as the coal quality is considered as low efficient since it is a high energy, low moisture and generally high sulphur coal.

OUR VISION

To become one of Indonesia's top ten coal producers by embarking on a series of acquisition opportunities.

Geo Energy commits to sustainable growth and enhancing shareholders value. We will continue to pursue opportunities to expand our mining operations and in growing our coal reserves through strategic acquisitions and vertical integration.

OUR MISSION

"Growing Up Together in Harmony" with all our stakeholders, including employees, offtakers, contractors, and communities. We are committed to running our business with corporate social responsibility concepts firmly embedded within our daily operations to protect our people, the environment and the local communities in which we operate.

We review and analyse all of our business risks and opportunities, looking beyond economic, strategic and operational factors to include social and environmental considerations.

CORE VALUES

Accountable
We are responsible for our actions, our performance and our products in conducting our business, and we are committed to continuous improvements and learning.

Competence
We employ the best people, engage the top mining contractors and work with respected international traders.

Teamwork
We cooperate, communicate and support each other in achieving our vision and mission in this competitive environment.

Responsive
We strive to achieve the best possible outcome in everything we do, for the benefit of our people, our business partners and our communities.

COMPETITIVE STRENGTHS

Strategically-located premium coal assets provide Geo Energy with significant competitive advantages

The sub-bituminous coal from the SDJ and TBR mines contain some of the lowest levels of ash, sulphur and other trace minerals of any coal traded in the global markets, and contain relatively low levels of nitrogen during combustion, which is generally considered by coal end-users to be of premium quality. SDJ and TBR coal facilitates its end- customers' compliance with environmental regulatory requirements by blending it with other relatively lower quality coal. The low-ash characteristic also reduces build-up in coal-burning boilers and thereby improves thermal efficiency. The coal is also easily stored, handled and does not need to be ground as finely as other types of coal to achieve maximum combustion. Its high surface area and volatility facilitates ignition and stable combustion. Geo Energy's coal enjoys high demand locally and internationally, particularly from Chinese buyers, due to its characteristics that make it ideal for blending with coal produced in China, which is characterised by high-ash and high-sulphur content with higher calorific values. The Group expects regulations on the ash and sulphur content of thermal coal to continue to tighten globally, increasing the relative attractiveness of its coal. SDJ and TBR also benefit from developed transportation infrastructure that is in relatively close proximity and the use of a perennial river, which together allow for relatively low-cost and undisrupted transportation of coal from the coal mines to the customers. The distance between its coal mines and the jetty is approximately 17 km. From the jetty, the coal is then transported to an anchorage point that is approximately 15 km away. Relatively short delivery cycles and uninterrupted coal delivery have enabled the Group to reduce the amount of coal inventory stockpiles, thereby reducing its inventory cost and working capital requirements.

Geo Energy employs a business model that leverages the strengths of its business partners, allowing the Group to have limited operational and offtake risks as well as minimal capital expenditure requirements

Geo Energy has outsourced its mining operations for the life of the SDJ and TBR mines to BUMA. Through such arrangements, the Group is able to manage its operational risks and leverage on BUMA's deep expertise, extensive experience, scale and efficiency in coal mining operations as well as reduce its capital expenditure and working capital requirements for coal mining operations.

Geo Energy maintains a relatively small workforce at its coal mines to supervise and monitor BUMA's operations. The agreement with BUMA provides for minimum volumes of coal production, which allows it to benefit from stable coal production volumes.

During the year, Geo Energy has terminated its coal purchase contract for the life of mine of SDJ with ECTP due to ECTP streamlining its physical coal trading activities and exiting offtake arrangement. At the same time, Geo Energy appointed Trafigura, a major commodity trading house with international operations and a strong balance sheet position, as the new offtaker for the remaining life of mine of SDJ. Using their global networks, Trafigura markets and distributes SDJ coal to buyers from all over the world. The offtake contract commenced in January 2020. Together with Macquarie Bank, the current offtaker for TBR mine, it provides minimum annual offtake volumes to the Group to secure future coal sales and cash flows against the risk of decrease in global coal demand. Geo Energy also established relationships with its end-customers and maintains regular dialogue to understand their coal requirements, which provides the flexibility to supply coal directly as the Group continues to grow its business operations.

The Group believes that its business model allows it to continue to increase the scale of its business operations and to achieve its objective of being one of the largest coal producers in Indonesia.

It always seems impossible until it's done.... Nelson Mandela

GEO ENERGY EMPLOYS A BUSINESS MODEL THAT LEVERAGES THE STRENGTHS OF ITS BUSINESS PARTNERS

Geo Energy's cost structure, which is one of the lowest amongst Indonesian coal producers, enhances the Group scalability in the event of coal price fluctuations

Geo Energy has one of the lowest cost structures among Indonesian coal producers, which allows it to continue increasing the scale of its business operations, even with coal price fluctuations. The Group's SDJ and TBR mines, which are adjacent to each other, benefit from favourable mining and geological conditions as well as developed transportation infrastructure that is in relatively close proximity. These allow for efficient and low-cost mining and undisrupted transportation of coal from the coal mines to the customers. In addition, the combined mine plan for its SDJ and TBR mines allows it to benefit from operational synergies and enjoy significant cost savings with respect to overburden dumping. Further, the coal reserves are located underneath a palm oil plantation and Geo Energy has entered into an agreement with the plantation owner to borrow, use, and return the land upon completion of its mining activities. Under the terms of the agreement, the plantation owner will resume use of the land for cultivation of palm oil trees, thereby lowering the expected costs required for the reforestation of exploited mining sites.

A significant proportion of the Group's mining cost is attributable to BUMA, the Group's mining contractor. The mining cost of BUMA will be adjusted based on the ICI 4200 GAR price. Prices per tonne of coal produced are generally based on the estimated strip ratio, fuel price, the distance over which coal and overburden is to be transported and other factors affecting the third-party mining contractor's operating costs. Geo Energy believes that its low operating costs, linked to coal price, has enabled it to be competitive.

Geo Energy has strong financial performance with access to capital from various sources. Complementing the Group's ability to generate cash flows, Geo Energy has access to capital to further support its funding needs and growth. Geo Energy has an option to obtain prepayment from Trafigura and Macquarie Bank for the agreed coal sales volume in a given year. In 2019, Geo Energy has obtained the prepayment from Trafigura (SDJ coal offtaker) and the second prepayment from Macquarie Bank (TBR coal offtaker) for the coal sales in 2020. Geo Energy has maintained good relationships with various banks. The successful issuance of the US$ Notes has broadened its investor base to include multi-billion international funds. It allows the Group to tap on this market in the future should it require further funding.

Geo Energy has high standards of corporate governance and are led by a widely-experienced management team

Geo Energy's management team has more than 50 years of combined experience in the coal industry, trading, mining, and operating mines, accounting, financial and treasury management, and mergers and acquisitions. Geo Energy believes that its management team was instrumental in transitioning its business model in 2015, from operating as a relatively small scale mining services provider in an environment of high capital expenditure and relatively low operational efficiency, with high dependence on owners of coal mining concessions, to being a low-cost coal producer with high-quality coal mining assets.

Since the listing on the mainboard of the SGX in 2012, Geo Energy has always maintain high corporate governance standards in compliance with the Listing Rules of the SGX-ST. Members of the Board of Directors have the appropriate competencies, and the Group's Audit and Risk Committee and Remuneration Committee are fully comprised of independent directors. Stemming from its high standards in corporate governance, Geo Energy was runner-up in the 2013, 2014 and 2015 Investor Choice Awards by the Securities Investors Association (Singapore) for the "Most Transparent Company (Chemical & Resources and New Issues)", and it won the 2017 Listed Companies Award, for the metals and mining category, from the Singapore Business Review. In addition, the Group has also won the Gold Award for the Best Investor Relations Award for listed companies with market capitalisation of less than S$300 million as at 31 December 2018.

BUSINESS STRATEGY

The main elements of Geo Energy's business strategy include the following:

Continue to extract value from its existing coal mines

Geo Energy believes that being one of the lowest-cost coal producers in Indonesia positions it to benefit from a rising coal price environment, while allowing it to remain profitable in lower coal price environments. Geo Energy intends to continue to extract value from its existing coal mines by:

- Mining existing reserves in SDJ and TBR concession areas while controlling cost and capital expenditures. Geo Energy expects to be able to formulate more efficient mine plans for both coal mines, as a whole, to take into account current and projected demand for and sales of the Group's coal products, as well as the volume and quality of its coal reserves. Geo Energy believes that this would allow it to maintain efficient and low-cost mining at the SDJ and TBR mines and maintain its cash margins while incurring minimal capital expenditure.

Continue to develop and maintain strong relationships with best-in-class business partners

Geo Energy has enjoyed a strong partnership with BUMA. BUMA aided in the development of its mine plans and has provided the Group with satisfactory mining services that has allowed it to achieve strong operational performance. Geo Energy continues to maintain close relationship with BUMA. The Group has also enjoyed a strong relationship with Trafigura and Macquarie, its coal offtaker of SDJ and TBR coal respectively. The offtakers own the right to market and distribute substantially all SDJ and TBR coal in the international markets.

Continue to actively monitor and execute on attractive opportunities to optimise its asset portfolio

Geo Energy is constantly exploring opportunities to acquire additional coal mining concessions to complement its portfolio of coal mining assets and is also exploring opportunities to divest stakes in its coal mining concessions as a means to collaborate with strategic partners and raise capital. To scale up business and transform into a top coal producer in Indonesia, Geo Energy intends to replicate its asset-light business model by monitoring potential acquisition opportunities and may also invest in value-adding businesses that meet its acquisition criteria:

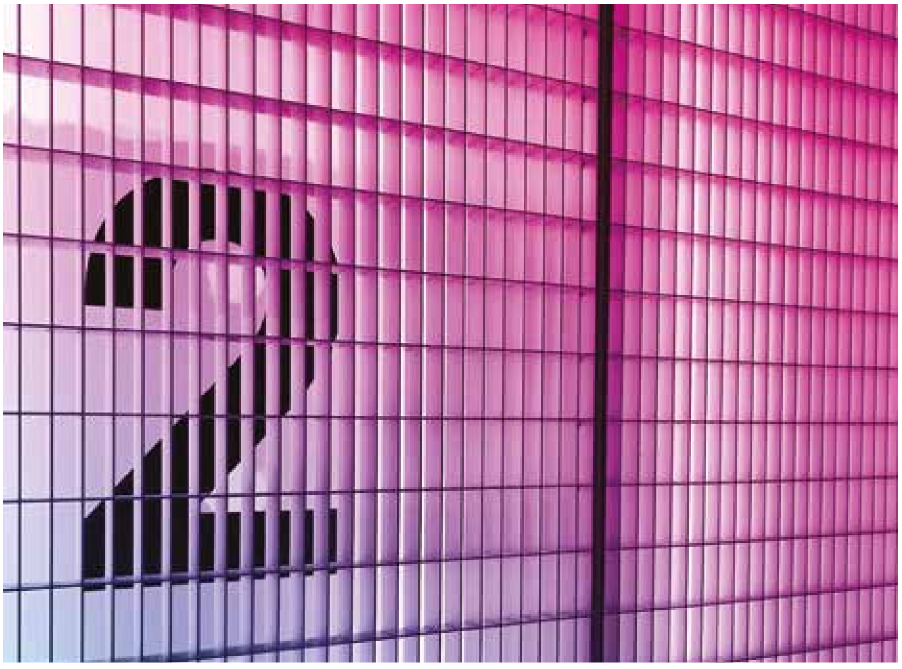
- Brownfield or producing coal asset that would begin production within six months, with minimum capital expenditure requirements. Geo Energy believes this approach minimises uncertainty and enables immediate realisation of cash flows.

- Attractive and unique asset characteristics with significant competitive advantage. Geo Energy believes that coal assets with attractive characteristics and competitive advantages over other coal assets will provide more resilience against any adverse movement in coal price.

- Potential synergy with existing assets. When assessing potential acquisition targets, Geo Energy determines any potential synergy between the target and existing assets, which will create additional value for both new and existing business.

- Structured payments to minimise leverage and upfront cash outlay. To minimise risk, Geo Energy intends to structure potential acquisitions in a way that minimises leverage and upfront cash outlay, such as complementing cash payment with stock payment and deferred payment that is paid at or after the start of production by the acquired mining asset.

WE HAVE STRONG FINANCIAL PERFORMANCE WITH ACCESS TO CAPITAL FROM VARIOUS SOURCES. COMPLEMENTING THE GROUP'S ABILITY TO GENERATE CASH FLOWS, WE HAVE ACCESS TO CAPITAL TO FURTHER SUPPORT ITS FUNDING NEEDS AND GROWTH



Since the listing on the mainboard of the SGX in 2012, we have always maintain high corporate governance standards in compliance with the Listing Rules of the SGX-ST

We were runner-up in the 2013, 2014 and 2015 Investor Choice Awards by the Securities Investors Association (Singapore) for the "Most Transparent Company (Chemical & Resources and New Issues)," and won the 2017 Listed Companies Award, for the metals and mining category, from the Singapore Business Review

- Self-financing asset with no cash flow impact on existing business. Geo Energy intends to minimise negative cash flow impact to existing business operations by acquiring assets that have the potential to become self-sustaining within a relatively short time horizon.

RISKS

The key business risks affecting the Group are set out below:

Coal price risks

Coal is sold based on index-linked pricing arrangements. There has been, and will continue to be, significant volatility in coal pricing, including periods of substantial price decline. The pricing of coal is affected by numerous factors beyond our control, including weather conditions, distribution problems, labour dispute, actions taken by governments and government regulations relating to taxation, royalties, allowable production, importing and exporting and environmental protection. The price of coal is also affected by macro-economic factors such as inflation, interest rates, global and regional supply and demand as well as general global economic and political conditions.

We compete with both domestic Indonesian coal producers and foreign coal producers in the global coal markets primarily on the basis of coal quality, price, transportation cost and reliability of supply. Demand for our coal is affected by alternative energy sources, including nuclear energy, natural gas, oil and renewable energy sources. Rapid changes on coal prices substantially affects the Groups business, operations and financial performance. The Group mitigates the risk with a nimble and cost-competitive business model and secures long-term coal offtake agreements.

Operational risks

The Group outsources all mining operations to BUMA, a third-party independent mining contractor, who is responsible for providing the equipment, facilities, services, materials, supplies, labour and management required for the operation and maintenance of the designated mining pits and then exploiting the mines pursuant to mining plans. Any unsatisfactory performance by BUMA will result in (i) financial and operational difficulties or may materially and adversely affect the Group's business, financial condition and operational result; (ii) the inability to complete coal supply contracts in a timely fashion or at a profit that may be impaired; and (iii) delays in coal delivery and/or shortfalls in planned coal production. The agreement with BUMA guarantees a minimum annual production volume and further allows the Group to control its cost of production and secure a long-term service provider at the same time.

The Group relies on private hauling roads, jetties and ports to transport and deliver coal. The Group may be constrained by inadequate infrastructure, disputes with landowners, weather related closures, natural disasters or restriction from the government no longer permitting such areas to be used for mining-related activities. The closure of any of the hauling roads, jetties and ports would have an adverse impact on the business, financial condition and operational results.

We are also reliant on the expertise and knowledge of key management personnel. The loss of any member of our senior management team as well as the difficulty in retaining and hiring personnel could materially and adversely affect our business, financial conditions and operational results.

The outbreak of an infectious disease in Asia (including Indonesia) or elsewhere, or fear of an outbreak, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on the economy and business activity in Indonesia and thereby adversely impacting our business and financial condition. Example includes the current COVID-19 pandemic. There can be no assurance that any precautionary measures taken against infectious diseases would be effective.

Regulatory risks

Coal mining operations and expansions would depend on the Group's ability to obtain, maintain and renew necessary permits and approvals from the government before the mining licenses and permits expire. Under the previous and current regulatory regimes, the

Mr Andrew Downe, Head of Commodities and Global Markets of Macquarie Bank receiving a farewell gift from Geo Energy in September 2019. He presented the Geo Energy's coal offtake and prepayment proposal to the Macquarie Bank's Board of Directors for approval in Sydney delegation and transfer of authority to issue concession or mining license rights give rise to the possibility of overlap between licenses or concessions issued by different authorities. This could affect our mining operations.

The Indonesian mining industry is subject to extensive regulation within Indonesia. Any adverse changes or developments in mining laws or regulations may be difficult to comply with, significantly increasing our operating costs or otherwise adversely affecting our business, financial condition and operational results.

Environmental risks

The Group may experience unexpected disruptions to our mining operations, including stripping and the removal of overburden, loading and transportation of coal. The changing conditions include environmental hazards; inclement weather, particularly during the rainy season, which sees particularly heavy rains for a prolonged period of time, and natural disaster; changes in geological conditions and geotechnical instability of mining pits; barging delay due to river congestion and excessive rainfall causing shallow conditions along the rivers we use in our barging operations.

Due to the significant impact of mining operations on the environment, coal mining operations are generally subject to extensive regulation governing operational activities such as exploration, development, production, health and safety, handling of toxic substances and, waste disposal, protection and remediation of the environment, land rehabilitation and others. The MEMR (Ministry of Energy and Mineral Resources) needs to approve mining companies' annual projected production under the RKAB. Together with BUMA, we will review and comply with our environmental and health and safety standards to ensure the compliance with applicable Indonesian laws and regulations.

Climate change may adversely affect demand for coal and thus Geo Energy's business. The enactment of comprehensive legislation focusing on greenhouse gas emissions could have the effect of restricting the use of coal in primary markets of the Group. In addition, technological developments may increase the competitiveness of alternative energy sources, such as renewable energy, which may decrease demand for coal. Other efforts to reduce emission of greenhouse gases and initiatives in various countries to encourage the use of natural gas or renewable energy may also discourage the use of coal as an energy source and this could materially and adversely affect our business financial condition and operational results.

COAL MARKETS

COVID-19 concerns ripple through Asian coal sector[2]

The effects of the COVID-19 pandemic continue to ripple through the Asian coal sector, with supply and demand remaining in flux as the market watches the crisis unfold. Prices continue to weaken in Asian thermal markets, amid the economic turbulence caused by COVID-19 and the ongoing oil price war. Indonesian prices have been the hardest hit so far and low-rank Indonesian shipments were trading at around $31.60-$32.00/per tonne FOB ensure consistency in mine for GAR 4200 convention. China, where the outbreak started, is battling to mount a recovery, and this has been reflected in its thermal coal consumption that shows a consistent increase. While consumption is rising, with the global pandemic of COVID-19, the industries in coastal provinces may be impacted for the long-term and consumption is not likely to fully recover in the near future. As the Chinese situation stabilises, ports are ramping up quarantine restrictions on inbound vessels, in an effort to prevent further spread of COVID-19.

Ports require all vessels to spend 14 days in isolation after leaving an overseas port.

China coal output is cut by 6% to 490 mt from 513 mt. As the pandemic took hold, China banned travel nationwide after the Lunar New Year break, leaving many coal miners unable to migrate back to their workplace. Logistic hurdles also cut off flow from some of the country's top producing regions. Falling supplies were met with a deeper decline in demand, with a lack of confidence in consumption from industrial sectors which continued to cripple prices. Coal-fired power generation was down 8% to 780 TWh and cement output tumbled 30% while automobile production was reduced by 46%.

(2) McCloskey Coal Report Issue 481, 20 March 2020

BUMA, was established in 1998 and is currently the second largest independent coal mining contractor in Indonesia. It currently holds around 20% market share by providing coal mining services to some of the largest and longest-running names in the Indonesian coal industry and some new players with high potentials for future growth.

BUMA carries out a comprehensive scope of work from overburden removal, coal mining, coal hauling as well as reclamation and land rehabilitation. BUMA's operations is supported by close to 12,000 employees and a solid and experienced management team as well as equipped with advanced technologies and over 2,500 units of heavy equipment in various quality brands such as Komatsu, Caterpillar, Hitachi, Volvo, Scania and Mercedes. BUMA has two representative offices located in Balikpapan, South Kalimantan and Tanjung Redeb, East Kalimantan.

BUMA currently caters to 10 customers over 11 mine sites through long-term, if not life-of-mine, contracts. Some of the largest names in the industry, such as PT Berau Coal, PT Adaro Indonesia, and PT Kideco Jaya Agung, are among BUMA's customers, with whom BUMA has enjoyed entrenched partnerships over the span of 13 – 19 years. In the recent years, BUMA has also established partnerships with rapidly growing customers such as Geo Energy, an SGX-listed company, through whom BUMA currently has contracts on 3 different project sites.

It is led by a team of management consisting of highly-skilled and experienced professionals with proven track record.

Turning to the other major international supplier of seaborne coal, Indonesia declared a state of emergency after a spike in COVID-19 cases. Of the new safety procedures to be put in place, the introduction of temperature checks on foreign shipping personnel at ports is of most relevance to the coal sector. These checks join the mandatory 14-day quarantine of vessel crew beginning from the start of the journey to an Indonesian port, and the new measure would delay loading activity by 1-2 days at worst, if at all. Meanwhile, heavy rain in certain parts of Indonesia's coal-rich region of Kalimantan, particularly in the south, has also affected hauling and loading to some extent. Suppliers conceded that it has done little to support prices due to the uncertainty brought on by the COVID-19 outbreak.

Thermal Coal Outlook[3]

Chinese demand remains stagnant for thermal coal. Prices are starting to soften in China, but the weakness has not been particularly severe. Import volumes also appear to be solid in the face of uncertainty, and it still seems likely that Chinese imports will rise over the course of 2020.

Prices have been weaker when the outlook in the near term was expected to be more neutral. Part of the near-term weakness is because of fairly mild weather across Europe and North Asia impacting gas consumption, which has ultimately added pressure to coal economics. The scale of potential demand weakness in the face of the COVID-19 remains very difficult to gauge across many countries. Coal demand has clearly remained weak in China as power demand has been slow to increase as restrictions on the movement of people are starting to end.

Industrial activity in Vietnam has been weak. Power demand is still growing at a steady clip, with the ongoing decline in hydro generation still supporting stronger coal burn. New units in countries like Philippines, Bangladesh, Indonesia and Malaysia should also continue to support coal usage, even though it is inevitable their economies are negatively impacted by a global downturn.

Indonesian Coal Supply

Indonesia is one of the world's largest producers and exporters of coal. Indonesia produced 610 million tonnes of coal in 2019, which far exceeded the original target of 489 million tonnes set in early 2019.
It represented a CAGR (compounded annual growth rate) of 5.9% from 458 million tonnes

INDONESIA IS ONE OF THE WORLD'S LARGEST PRODUCERS AND EXPORTERS OF COAL

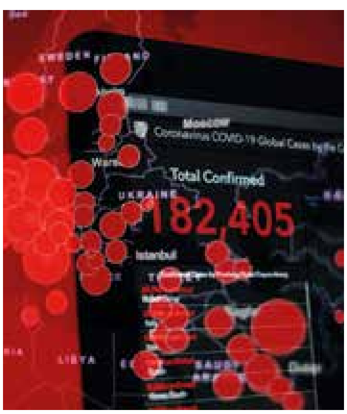
(3) Argus Seaborne Coal Otlook Issue 20-3, 13 March 2020

of coal in 2014. The strong growth reflected the increasing demand from coal-fired power plants around the world especially from plants in China and India. It also reflected Indonesia's coal sector's cost competitiveness due to inexpensive surface mining operations, the ability to utilise low cost-barging on waterways from mine to port, and having low labour costs compared to other producers.

Nevertheless, the production target was reduced to 550 million tonnes for 2020 to support coal price. Going forward, export supply might be affected by the implementation of the government's programme to add 35 gigawatts of power generation capacity to national supply, which will increase domestic demand of 82 million tonnes in 2017 to 121 million tonnes in 2021[4].

The above also means that the Domestic Market Obligation (DMO) policy, which requires coal mining firms to sell at least 25% of their production into domestic market and cap the selling price for domestic power plant at US$70 or HBA (Harga Batubara Acuan), whichever is lower, has been extended to 2020. However, this should have minimal impact given the current coal price level. In addition, according to the government, Indonesian coal producers who failed to meet their DMO targets will be fined instead of having production reduced. Geo Energy had achieved the DMO's volume in 2019 and is expected to meet the requirement for 2020, too.

[4] Presentation by Minister of Energy and Mineral in Bali Coaltrans, June 2019



The effects of the COVID-19 pandemic continue to ripple through the Asian coal sector, with supply and demand remaining in flux

AWARDS

- 3 times achievement for the Most Transparent Company in the Chemical & Resources category for 2013-2015 at the SIAS Investors' Choice Award.
- Won Singapore Business Review Listed Companies Award 2017, Metals & Mining Category and Bull Charger Award.
- Won PR Awards 2017 for the Best IR Campaign.
- Won Gold at Hermes Creative Awards 2018 for the best design of our Annual Report 2017 – "The Year That Transformed Geo Energy".
- Ranked 17th in the inaugural award for Singapore's Fastest Growing Companies 2019 presented by The Straits Times and Statista.
- Ranked 35th in the Corporate Governance and Transparency Index 2018, placed amongst the top listed companies.
- Gold Award for the Best Investor Relations for SGX listed companies with market capitalisation less than S$300 million at the 2019 Singapore Corporate Award.

OUR BUSINESS MODEL

The resources we use

Financial
Low maintenance of capex, availability of coal offtake prepayment

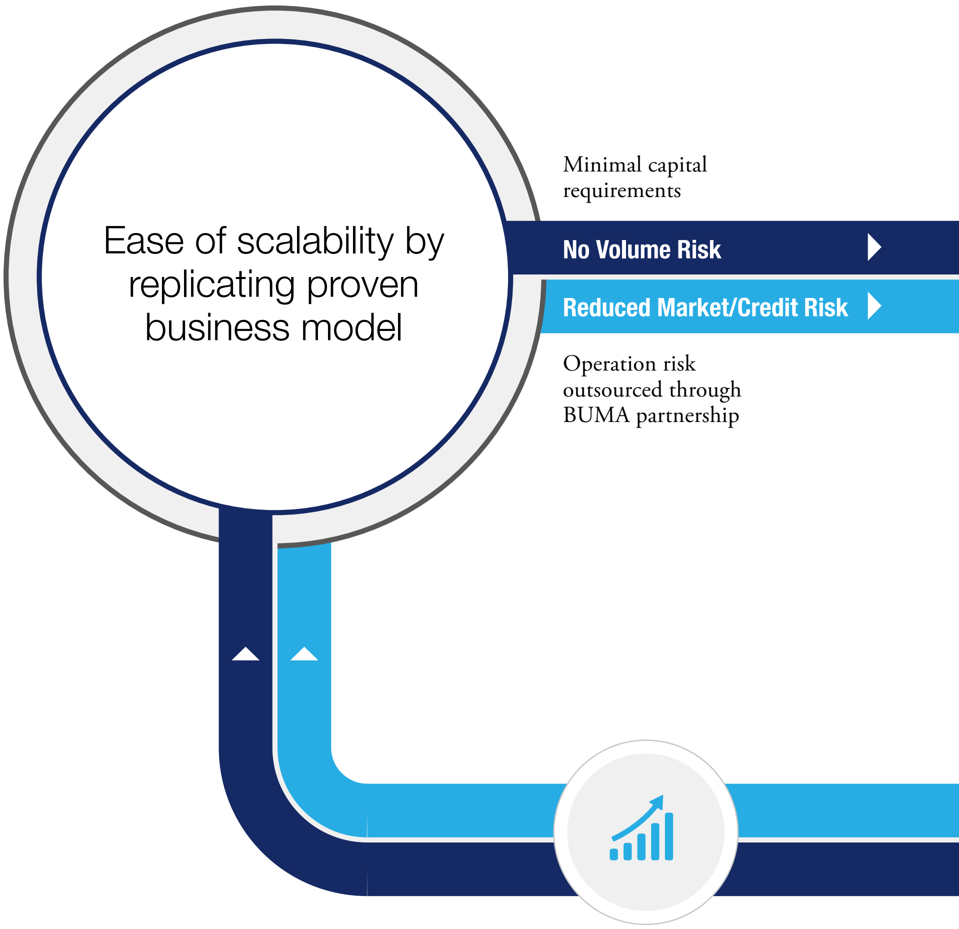
Intellect
Reliant on BUMA's operational excellence to optimise the use of its equipment while maintaining its safety standard in order to deliver high productivity

Human
Continuously training and developing our people to produce high-skilled talents to bring value to the Group

Social and relationship
Close collaborations with stakeholders and long-term partnerships with business partners that transform into value creation

Nature
Focus on avoiding and preventing negative impacts where possible, mitigating the social and environmental impact as we conduct our mining operations

What we do



Expand
We increase scale by replicating proven business model of acquiring proven reserves and producing mines to minimise execution risks.

Outsource
We sub-contract mining services to PT Bukit Makmur Mandiri Utama (BUMA), the 2nd largest mining services company in Indonesia. The mining services contract has a value worth about US$400 million over the life of mine on each of SDJ and TBR coal mine.

Own
We own major mining concessions and coal mines in East and South Kalimantan, Indonesia with attractive qualities. Our coals are of high calorific value, low ash and low sulphur.

The success of our business is derived from our values, our simplified business model, our financial strength and extraordinary people at Geo Energy

Offtake
We establish strong relationships with end customers and enter into offtake agreement with major international commodity trading companies. Our coal sales offtaker over the life of mine of SDJ is Trafigura Pte. Ltd. and our coal sales offtaker over the life of mine of TBR is Macquarie Bank.

How our stakeholders benefit

MACQUARIE

TRAFIGURA

We create value for our customers

Best commodities

Low ash content and low sulphur coal in demand

We create value for our employees

Share option scheme

Motivate employees to achieve performance conditions and a high level of contribution to the Group

We create value for communities and society

ESR and CSR

Optimising operations for long term economic, social and environmental benefits

We create value for our investors

Dividend policy

At least 30% of the Group's profit attributable to Owners of the Company, subject to debt convenants and capital requirements needed to support growth and investments

COAL RESOURCES AND RESERVES STATEMENT

SMG Consultants (SMGC) was commissioned by Geo Energy to prepare an Independent Qualified Person's Report (IQPR) for the following assets:

- SDJ coal concession located in the Angsana and Sungai Lohan sub districts of the Tanah Bumbu regency in the South Kalimantan Province of Indonesia.
- TBR coal concession located immediately adjacent to and down dip of SDJ. SDJ and TBR are planned and managed as a single integrated operation. The two concessions combined is referred to as the Sungai Danau Project (SDP) in this report.
- BEK coal concession located in the Tering and Long Iram District, Kutai Barat Regency, East Kalimantan Province of Indonesia.
- STT coal concession located in the Damai and Bentian Besar District, Kutai Barat Regency, East Kalimantan Province of Indonesia.

The Independent Experts Report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code 2015 Edition). The effective date of this report is 26 March 2020.

The Independent Experts Report is intended to be used as a Public Report to inform investors. The Report is intended for use as a Qualified Persons Report (QPR) as defined by practice note 6.3 of the Rules Governing the Listing Rules of main board the Singapore Stock Exchange.

Resources, Reserves and Exploration Targets have been estimated for the concessions as of 31 December 2019 for SDJ, TBR, STT and BEK. These estimates have been reported in 2012 Edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves (The JORC Code). The scope of work included an economic analysis of the concessions. The scope was also limited to the concessions and associated operations and not the holding company, and thus any issues relating to the holding company have not been addressed.

SDJ 2P RESERVES
23.8 MT^

TBR 2P RESERVES
40.9 MT^

BEK 2P RESERVES
12.4 MT^

SMGC WAS COMMISSIONED TO PREPARE AN IQPR ON COAL RESERVES IN ACCORDANCE WITH JORC CODE

SUNGAI DANAU JAYA (SDJ)

Tenure, Permits and Land Acquisition

Tenure for SDP is held under two operation production mining business licences (Izin Usaha Pertambangan - IUP Operasi Produksi) SDJ and TBR. SDJ and TBR cover 235.5 and 489.1 ha respectively which equates to a total area of 724.6 ha. The validity of the SDJ and TBR mining licenses are effective through to May 2022 and January 2022, respectively.

Approximately 84.6 ha of the northern area of the SDJ concession is classified as convertible production forest (Hutan Produksi Konversi HPK) and so a permit to borrow and use forest land (Izin Pinjam Pakai Kawasan Hutan - IPPKH) is required from the Indonesian Forestry Department before mining can commence in this area. SDJ holds two valid IPPKHs through to 29 May 2022 for a total area of ± 84.6 ha. 16.1 ha of HPK was granted on 3 November 2017 with the condition stating production from this area must be used for the DMO.

Land compensation agreements are in place with the landowners and plantation operators that control surface rights to land that covers the entire SDP (SDJ and TBR combined) area.

Geology and Exploration

A total of 209 boreholes have been drilled and used in the geological model for the SDP area. The proposed Resource area is characterised by the following features:

- a small number of coal seams;
- thick parent coal seams (> 3 m);
- thick interburden;
- shallow dips averaging 5°;
- a single generation of seam splitting; and
- some local washouts

A PORTFOLIO OF 4 COAL ASSETS WITH TOTAL RESERVES OVER 70 MILLION TONNES

The main coal bearing lithology within the SDP area is the Dahor Formation. Coal in this formation generally shows a single phase of seam splitting. A total of 12 named parent coal seams have been intersected by exploration drilling within the SDP area. Of these 12 seams, six seams, have split into upper and lower members. In total 18 named seam plies have been identified and are included in the structural geological model.

Coal within the SDJ concession is characterised as high moisture, low ash, low sulphur and low energy. Ash content can vary within a seam, with ash values ranging from 3.4 % to 10.8 % with a mean of 4.1 % on an air-dried basis.

Mining Operations

The SDJ mine is an open pit mining operation using excavator and truck mining methods, typical of most Indonesian coal mining operations. The mining of waste and coal is performed by contractors. Waste material is mined using hydraulic excavators ranging up to 200 tonne class and loaded into standard rear tipping off-highway trucks and hauled to dumps near the pits or to in-pit dumps where possible. Coal is mined using hydraulic excavators and hauled out of the pit to the port stockpile using rigid body coal trucks. Mining operations at SDJ commenced in late 2015 with coal production steadily ramping up to a peak of 900t per month by November 2016.

Execution of the mine plan is dependent upon a mutual mining arrangement between SDJ and its two neighbours - PT Angsana Jaya Energi (AJE) in the east and TBR at the west. These arrangements allow SDJ to mine and dump a considerable amount of waste into these two concessions.

Infrastructure and Logistics

After cleaning and mining, coal is hauled approximately 17 km from the pit to the port stockpile. Coal is loaded from the stockpiles onto barges using a standard mechanical reclaim and barge-loading systems. Barges of 8,000 tonnes capacity can be loaded from the port. Coal is then barged approximately 18 km on the open ocean to the nearest anchorage.

SDJ / TBR Coal mines

Safety, Environment and Community

SMGC does not see any safety, environmental or community issues that are considered to have a material impact on the performance of the operation in the longer term.

Resources and Reserves

Resource and Reserve estimates for the SDJ concession were completed by SMGC in February 2020. These estimates have been reported in accordance with SMGC's interpretation of the JORC Code and are stated as of 31 December 2019. The results of these estimates are shown in Table 2.

Economic Analysis

SDJ is an operating mine with a detailed short-term mine plan that extends to a life of mine (LOM) at varying levels of engineering from operational down to pre-feasibility commensurate with geological certainty. Modifying factors are based on actual operating experience. Capital and operating costs were estimated in real terms for SDP. Operating cost estimates were based on actual costs where available, existing contracts for the site and typical costs for coal mines in Kalimantan. All major infrastructure for SDP is already in place and only minor capital items are expected during the remaining mine life. An allowance per hectare has been allowed for mine closure at the end of the mine life.

SDP produces high quality low rank coal, which is increasingly in demand as higher environmental concern promotes the need for high quality, low sulphur and low ash coals. In this volatile market where developing accurate forward price curves is difficult, a simple approach using a trailing average coal price projection has been applied for financial modelling of the project. SMGC has relied on sensitivity analysis to test the boundaries of reasonable variations in forward coal price. A summary of key parameters including financial parameters is shown in Table 1. The economic model built for the project confirmed economic extraction could be reasonably justified for SDP after the application of all modifying factors.

TANAH BUMBU RESOURCES (TBR)

Tenure, Permits and Land Acquisition

Tenure for SDP is held under two operation production mining business licences (Izin Usaha Pertambangan - IUP Operasi Produksi) PT Sungai Danau Jaya (SDJ) and PT Tanah Bumbu Resources (TBR). SDJ and TBR cover 235.5 and 489.1 ha respectively which equates to a total area of 724.6 ha. The validity of the SDJ and TBR mining licenses are effective through to May 2022 and January 2022 respectively.

The southern area of SDP is classified as other purpose land (Areal Penggunaan Lain - APL) and thus an IPPKH is not required. The northern area (175.63 ha) is classified as convertible production forest (Hutan Produksi Konversi - HPK) and so an IPPKH is required from the Forestry Department before mining operations can commence.

TBR holds a valid IPPKH through to 11 January 2022 for an area of approximately 91.1 ha within the 175.63 ha SDP northern area. This area was approved on 12 June 2017 with an accompanying statement that production from this area must be used for the DMO.

Land compensation agreements are in place with the landowners and plantation operators which covers the entire SDP area.

SMGC HAS RELIED ON SENSITIVITY ANALYSIS TO TEST THE BOUNDARIES OF REASONABLE VARIATIONS IN FORWARD COAL PRICE

Summary of key parameters — **Table 1**

Parameter	Value SDP	Value BEK	Unit	Description
Waste mined	222.0	94.0	Mbcm	Total waste mine over life of mine including rehandle
Coal produced	64.9	14.0	Mt	Total coal produced over life of mine
Stripping ratio	3.3	6.6	bcm:t	Average stripping ratio of deposits (excludes rehandle)
Maximum production	12.0	1.0	Mtpa	Maximum production rate achieved over LOM
Years of production	6	14	Years	Number of years of coal production
Average CV (gar)	4,194	3,481	kcal/kg	Average gross as received CV of coal produced
Average coal price	40.23	24.44	USD/t	Average coal price received (real term)
Average operating cost	31.75	22.65	USD/t	Average operating cost over LOM FOB vessel
Total LOM capital expenditure	3.8	8.0	USD millions	All capital expenditure
Discount rate (nominal after tax)	6.2%	6.2%	% (nominal)	Considered equivalent to a real discount rate of 4.1% at an assumed inflation rate of 20% (SDP); Used for discount cash flow analysis (BEK)
Discount rate (real after tax)	4.1%	4.1%	% (real)	Calculated from nominal discount rate using fisher equation
Royalty rate	3.0%	3.0%	% of revenue	According to current regulation for IUP holders linked to the Coal CV gar
Corporate tax rate	25%	25%	% of earnings	Indonesian corporate tax rate
Rate of inflation	2.0%	2.0%	% per annum	Used to convert between real and nominal cash flows and applied to operating costs over the life of mine
Discount applied to inferred coal	0%	0%	%	Discount applied to cash flows attributable to inferred coal in the mining schedule. For SDP, inferred coal makes up 0.5% of total, so is not considered material. For BEK, no discount was applied to inferred coal

316 million bcm total waste mine over life of mine including rehandle

78.9 MT total coal produced over life of mine

3.3 - 6.6 bcm:t average stripping ratio of deposits (excluding rehandle)

Ruddy, Mine Manager who is responsible for all operations at site

COAL WITHIN THE SDP CONCESSION IS CHARACTERISED AS HIGH MOISTURE, VARIABLE ASH, LOW SULPHUR AND LOW ENERGY COAL

Geology and Exploration

A total of 209 boreholes have been drilled and used in the geological model for the SDP area. The proposed Resource area is characterised by the following features:

- small number of coal seams;
- thick parent coal seams (> 3 m);
- thick interburden;
- shallow dips averaging 5°;
- single generation of seam splitting; and
- some local washouts.

The main coal bearing lithology within the SDP area is the Dahor Formation. Coal in this formation generally shows a single phase of seam splitting. A total of 12 named parent coal seams have been intersected by exploration drilling within the SDP area. Of these 12 seams, six seams, have split into upper and lower members. In total 18 named seam plies have been identified and are included in the structural geological model.

Coal within the TBR concession is characterised as high moisture, variable ash, low sulphur and low energy coal. Ash content can vary within a seam and between seams. Modelled ash content ranges from 3.4 % to 10.8 % with a mean of 4.1 % on an air-dried basis.

Mining Operations

The TBR mine is an open pit mining operation using excavator and truck mining methods, typical of most Indonesian coal mining operations. The mining of waste and coal is performed by contractors. Waste material is mined using hydraulic excavators ranging up to 200 tonne class, loaded into standard rear tipping off-highway trucks and hauled to dumps near the pits or to in-pit dumps where possible. Coal is mined using hydraulic excavators and hauled out of the pit to the port stockpile using rigid body coal trucks.

Execution of the mine plan is dependent upon the mutual mining arrangement between TBR and its two eastern neighbours SDJ and AJE. These arrangements allow TBR to dump a considerable amount of waste into these two concessions.

Infrastructure and Logistics

After cleaning and mining, coal is hauled approximately 17.5 km from the pit to the port stockpile. Coal is loaded from the stockpiles onto barges using a standard mechanical reclaim and barge-loading system. Barges of 8,000 tonnes capacity can be loaded from the port. Coal is then barged approximately 18 km on the open ocean to the nearest anchorage.

Safety, Environment and Community

SMGC does not see any safety, environmental or community issues that are considered to have a material impact on the performance of the operation in the longer term.

Resources and Reserves

Resource and Reserve estimates for the TBR concession were completed by SMGC in February 2020. These estimates have been reported in accordance with SMGC's interpretation of the JORC Code and are stated as of 31 December 2019. The results of these estimates are shown in Table 3.

Economic Analysis

TBR is an operating mine with a detailed short-term mine plan that extends to a LOM at varying levels of engineering from operational down to pre-feasibility commensurate with the underlying geological support. Modifying factors are based on actual operating experience. Capital and operating costs were then estimated in real terms for SDP. Operating cost estimates were based on actual costs where available, existing contracts for the site and typical costs for coal mines in Kalimantan. All major infrastructure for SDP is already in place and only minor capital items are expected during the remaining mine life.

An allowance per hectare has been allowed for mine closure at the end of the mine life.

SDP produces high quality low rank coal, which is increasingly in demand as higher environmental concern promotes the need for high quality, low sulphur and low ash coals. In October 2018, Wood Mackenzie were engaged to prepare an unpublished draft report on the Indonesian coal industry for Geo Energy. This unpublished draft report included a forecast of the key thermal coal price brands. The forward coal price curve used for financial modelling of SDP was based on these Wood Mackenzie forecasts. SMGC has relied on sensitivity analysis to test the boundaries of reasonable variations in forward coal price. A summary of key parameters including financial parameters is shown in Table 1.

The economic model built for the project confirmed economic extraction could be reasonably justified for SDP after the application of all modifying factors.

BUMI ENGGANG KHATULISTIWA (BEK)

Tenure, Permits and Land Acquisition

Tenure for the Project is held under an operation production mining business licence (Izin Usaha Pertambangan - IUP Operasi Produksi) BEK. The BEK project area covers a total of 4,570 ha of land located in the Tering and Long Iram districts of the Kutai Barat regency in the Indonesian province of East Kalimantan. The validity of the BEK mining license is effective through to April 2031. The area is classified as APL and thus no IPPKH is required before mining operations can commence.

Land compensation has been settled for approximately half the required land for the complete mine plan. For the first 5 years of the mine plan, 42% of required land has been compensated. The outstanding land compensation areas for the first 5 years of the mine plan will need to be addressed promptly to avoid any delays in executing the mine plan.

Geology and Exploration

A total of 286 boreholes have been drilled and used for geological modelling at BEK. A recent exploration program conducted in January 2020 drilled 10 of these boreholes.

The proposed Resource area is characterised by the following features:

- moderate number of coal seams;
- medium to thick parent coal seams (0.7 to 3 m);
- medium to thick interburden;
- shallow dips averaging 1.4°; and
- single generation seam splitting.

The main coal bearing lithology within the BEK area is the Pamaluan Formation. This formation consists of quartz sandstone intercalated with claystone, shale, lignite, limestone and blackish to dark grey siltstone. Coal in this formation generally shows a single phase of seam splitting. In total, 10 named seam plies have been identified through borehole intercepts and are included in the structural geological model. Three of these 10 seams, have been modelled as father seams with son seams as splits. Coal within the BEK concession is characterised as high moisture, low ash, low sulphur and low energy coal.

Mining Operations

Mining operations commenced inside the project area in February 2012. The mining operation was then suspended in July 2014

THE BEK PROJECT AREA COVERS A TOTAL OF 4,570 HA OF LAND LOCATED IN THE TERING AND LONG IRAM DISTRICTS OF THE KUTAI BARAT REGENCY IN THE INDONESIAN PROVINCE OF EAST KALIMANTAN

due to the continuing fall in coal prices. Records indicate 2.2 Mt of coal and 10.7 Mbcm of waste were mined at a strip ratio of 1:4.9 during this period. Operations resumed for a short time from September to November 2017 when a small amount of waste and coal inventory were extracted. Approximately 11 kbcm of waste and 70 kt of coal were produced during this 3-month resumption of production in 2017. BEK operations were then suspended again with the Group deploying assets and focus to its other projects, SDJ and TBR.

The proposed re-start of operations would continue as an open pit mining operation using excavator and truck mining methods, typical of most Indonesian coal mining operations. The mining of waste and coal would be performed by contractors. Given the high proportion of interburden thicknesses greater than 10 m, waste material could be mined using medium sized hydraulic excavators ranging up to 100 tonne class loading into standard rear tipping off-highway trucks and hauled to dumps near the pits or to in-pit dumps where possible. Coal would be mined using hydraulic excavators and hauled out of the pit to the port stockpile using rigid body coal trucks. Coal is cleaned using smaller hydraulic excavators (40 t class) with flat-bladed buckets. Minimal dilution and greater recovery will be achievable due to the medium to thick nature of the coal seams with a very low dip. A fleet of small hydraulic excavators of 40 t class with standard coal buckets loading into 30 t dump trucks will be suitable for coal mining.

Infrastructure and Logistics

BEK hauled and shipped approximately 2.2 Mt of coal from February 2012 to July 2014 and a further 70 Kt of coal inventory was extracted during the temporary resumption of operations in September 2017.

The proposed re-start of operations would be a resumption of past practices. The coal would be hauled using rigid body on-highway trucks (25 t) directly to a crusher or a ROM stockpile located at the port at approximately 4.7 km from the mine. The coal is crushed to - 50 mm and kept at a separate product stockpile near the crusher area. The coal is loaded into 300 ft (8,000 t) barges through a bulk loading conveyor (BLC) located 1 km from the product stockpile. The barging distance down the Mahakam River to the Muara Jawa transhipment point is 458 km.

Safety, Environment and Community

SMGC does not see any safety, environmental or community issues that are considered to have a material impact on the performance of the operation in the longer term.

Resources and Reserves

Resource and Reserve estimates for the BEK concession were completed by SMGC during February 2020. These estimates have been reported according to JORC Code and are stated as of 31 January 2019. The results of these estimates are shown in Table 4.

Economic Analysis

BEK has been an operating mine with a LOM plan at varying levels of engineering from operational down to pre-feasibility commensurate with geological certainty. Modifying factors are based on actual operating experience. Capital and operating costs were then estimated in real terms for the life of the BEK project. Operating cost estimates were based on actual costs where available and typical costs for coal mines in Kalimantan. All major infrastructure for the BEK project is already in place and only minor capital items are expected during the remaining mine life. An allowance per hectare has been allowed for mine closure at the end of the mine life.

SMGC believes the coal from the concession is readily marketable. SMGC has assumed a flat forward price curve based on the Indonesian benchmark coal price adjusted for the annual scheduled qualities. SMGC has relied on sensitivity analysis to test the boundaries of reasonable variations in forward coal price. A summary of key parameters including financial parameters is shown in Table 1. The economic model built for the project confirmed economic extraction could be reasonably justified for BEK after the application of all modifying factors.

Competent Persons

Competent Persons	Qualification and Association[1]	Experiences
Keith Whitchurch, Principal Consultant	BE (Mining – Hons), MEngSc (Research) MAusIMM (CP), RPEQ, PERHAPI	Over 30 years of experience in the mining industry, planning, project costing and economics with significant experience in technical, due diligence and corporate aspect of commodities such as coal.
Joyanta Chakraborty, Principal Engineer	BE (Mining) MAusIMM	Over 18 years of experience in open cut mining in the areas of operations, reserves evaluation, pit optimisation, mine design, equipment selection, mine scheduling, project costing and economics.
David Wyllie, Principal Engineer	BE (Mining), Quarry Manager's Certificate of Competency (Western Australia) MAusIMM	Over 30 years of experience in mine planning, operations, blasting services, site management, mining consulting, reserve reporting and mine planning software implementations.
Abdullah Dahlan, Principal Geologist	BE (Geology) MAusIMM, PERHAPI	Over 19 years of experience in the coal and gold mining industries including exploration mapping, resource definition drilling, grade control, exploration program planning and supervision, project development, production monitoring, pit reconciliation and Resource estimation.
Debdutta Ganguly, Senior Mining Engineer	BE (Mining), MTech MAusIMM	More than 15 years of experience in the mining industry with experience in open pit optimisation, pit design, reserve estimation, mine scheduling,

(1) Recognised professional organisation as defined by the JORC Code. MAusIMM = Member of Australasian Institute of Mining and Metallurgy

SURYA TAMBANG TOLINDO (STT)

Tenure, Permits and Land Acquisition

Tenure for STT is held under an operation production IUP. The STT project area covers a total of 4,600 ha of land located in the Damai sub distruct of the Kutai Barat regency in the Indonesian province of East Kalimantan. The validity of the STT mining license is effective through to October 2032. The area is classified as 50 % APL and 50 % HP. An IPPKH will be required for all mining and exploration activities within the HP zone. At this early stage of the project, no information was available on land acquisition progress.

Geology and Exploration

A total of 112 boreholes have been drilled in the STT area. Quality samples were only taken from 7 of these boreholes. The proposed Exploration Target area is characterised by the following features:

- a moderate number of coal seams;
- thin coal seams (< 1 m);
- thick interburden;
- shallow dips averaging 10°; and
- a single generation seam splitting.

The main coal bearing lithology within the STT area is the Pulau Balang Formation. Coal in this formation shows a single phase of seam splitting. Fourteen named parent coal seams have been intersected by exploration drilling within the STT area. Of these 14 seams, one seam, the 200 has split into upper and lower members. In total, 15 named seam plies have been identified and are included in the structural geological model.

Coal within the STT concession is characterised as low moisture, low ash, high sulphur and high energy coal.

Estimated Quality of Marketable Coal

	In Situ Density In Situ (t/m3)	Total Sulphur adb (%)	Volatile Matter adb (%)	Inherent Moisture adb (%)	Total Moisture adb (%)	Ash adb (%)	Calorific Value gar (kcal/kg)
SDJ	1.26	0.2	40.8	16.1	35.5	4.9	4,127
TBR	1.27	0.3	39.7	19.2	34.5	4.1	4,261
BEK	1.29	0.2	33.9	31.3	42.6	6.4	3,472

Exploration Target

Exploration Target estimates for the STT concession were completed by SMGC in December 2019. These estimates have been reported according to SMGC interpretation of the JORC Code and are stated as of 31 December 2019. The results of these estimates are shown in Table 5.

Feedback from preliminary soundings of the Japanese coking coal market, has indicated STT coal could be accepted as a as semi soft/hard coking depending on the coke strength after reaction (CSR). A price penalty would be applied for the high sulphur. Further testing is being considered to better define the potential coking properties including fluidity, Maceral analysis and CSR.

Name of Asset/Country:
PT Surya Tambang Tolindo (STT) **Table 5**

Description	Units	Moisture Basis	Exploration Target Range Estimate[1]
Coal Quantity			
Tonnage	Mt	adb	1 – 25
Coal Quality			
Total Moisture	%	ar	3 – 13
Inherent Moisture	%	adb	2 – 5
Ash	%	adb	2 – 20
Volatile Matter	%	adb	36 – 44
Fixed Carbon	%	adb	42 – 55
Total Sulphur	%	adb	0.8 – 6
Calorific Value	kcal/kg	adb	6,445 – 8,065
		gar	6,197 – 7,934
CSN		adb	0 – 7

Name of Asset/Country: PT Sungai Danau Jaya (SDJ)

Table 2

Category	Mineral Type	Gross Attributable to License [1] Tonnes (millions)	Gross Attributable to License [1] Grade	Net Attributable to Issuer [4] Tonnes (millions)	Net Attributable to Issuer [4] Grade	Change from previous update [2] (%)	Remarks
Reserves [5]							
Proved	Coal	16.8	Sub-Bituminous Class C	16.6	Sub-Bituminous Class C	- 10%	Change due to production adjustment
Probable	Coal	7.0	Sub-Bituminous Class C	6.9	Sub-Bituminous Class C	- 5%	
Total	Coal	23.8	Sub-Bituminous Class C	23.6	Sub-Bituminous Class C	- 8%	
Resources [3] & [5]							
Measured	Coal	19.9	Sub-Bituminous Class C	19.7	Sub-Bituminous Class C	- 7%	Change due to production adjustment
Indicated	Coal	6.7	Sub-Bituminous Class C	6.6	Sub-Bituminous Class C	-11%	
Inferred	Coal	0.1	Sub-Bituminous Class C	0.1	Sub-Bituminous Class C	0%	
Total	Coal	26.7	Sub-Bituminous Class C	26.4	Sub-Bituminous Class C	- 8%	

Name of Asset/Country: PT Tanah Bumbu Resources (TBR)

Table 3

Category	Mineral Type	Gross Attributable to License [1] Tonnes (millions)	Gross Attributable to License [1] Grade	Net Attributable to Issuer [4] Tonnes (millions)	Net Attributable to Issuer [4] Grade	Change from previous update [2] (%)	Remarks
Reserves [5]							
Proved	Coal	37.2	Sub-Bituminous Class C	36.4	Sub-bituminous Class C	-11%	Change due to production adjustment
Probable	Coal	3.8	Sub-Bituminous Class C	3.7	Sub-bituminous Class C	-7%	
Total	Coal	40.9	Sub-Bituminous Class C	40.1	Sub-bituminous Class C	-11%	
Resources [3] & [5]							
Measured	Coal	44.9	Sub-Bituminous Class C	44.0	Sub-bituminous Class C	-10%	Change due to production adjustment
Indicated	Coal	9.7	Sub-Bituminous Class C	9.5	Sub-bituminous Class C	-2%	
Inferred	Coal	1.7	Sub-Bituminous Class C	1.7	Sub-bituminous Class C	0%	
Total	Coal	56.4	Sub-Bituminous Class C	55.1	Sub-bituminous Class C	-8%	

Name of Asset/Country: PT Bumi Enggang Khatulistiwa (BEK)

Table 4

Category	Mineral Type	Gross Attributable to License [1] Tonnes (millions)	Gross Attributable to License [1] Grade	Net Attributable to Issuer [4] Tonnes (millions)	Net Attributable to Issuer [4] Grade	Change from previous update [2] (%)	Remarks
Reserves [5]							
Proved	Coal	9.6	Lignite Class B	9.5	Lignite Class B	19%	Change due to new drilling
Probable	Coal	2.8	Lignite Class B	2.8	Lignite Class B	40%	
Total	Coal	12.4	Lignite Class B	12.3	Lignite Class B	23%	
Resources [3] & [5]							
Measured	Coal	14.4	Lignite Class B	14.2	Lignite Class B	27%	Change due to new drilling
Indicated	Coal	5.9	Lignite Class B	5.8	Lignite Class B	-18%	
Inferred	Coal	7.2	Lignite Class B	7.1	Lignite Class B	20%	
Total	Coal	27.5	Lignite Class B	27.2	Lignite Class B	12%	

Notes:

(1) License refers to Production Operation IUP of SDJ, TBR and BEK.
(2) Previous Coal Reserves and Coal Resources estimates were reported as at 31 December 2018.
(3) Resources are inclusive of Reserves.
(4) The results presented are rounded to reflect the accuracy of the estimates. Minor discrepancies are due to rounding and are not considered material by SMGC.
(5) Resources and Reserves are reported in accordance with SMGC's interpretation of the JORC Code 2012 Edition.

HIGHLIGHTS TEN YEARS
2008 - 2018

2014

Established S$300m MTN Programme and issued S$100m 7% Fixed Rate Notes due 18 January 2018 • Acquired 66% stake in SDJ mining concession • Awarded runner-up of the 15th SIAS Investors' Choice Awards (Most Transparent Company)

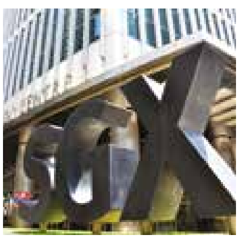
2015

Entered into life of mine mining services cooperation agreement with BUMA for SDJ • Completed acquisition of remaining 34% stake in SDJ and commenced SDJ production in December 2015 • Awarded runner-up of the 16th SIAS Investors' Choice Awards (Most Transparent Company) • Mr Tung Kum Hon appointed as Group Chief Executive Officer • First offtake agreement with ECTP for minimum of 1.5 million tonnes of coal

2018

Entered into life of mine mining services cooperation agreement with BUMA for TBR • Completed the first shipment of TBR's coal of over US$2 million for Indonesian Domestic Market Obligation • Adopted a dividend policy of at least 30% of the Group's profit attributable to Owners of the Company, subject to debt covenants and capital requirements needed to support growth and investments • Participated in the Run for Hope 2018 • Ranked 35th in the Corporate Governance and Transparency Index 2018 • Announced its intention for a dual primary listing on the Main Board of the Stock Exchange of Hong Kong Limited • Entered into a coal offtake agreement for life of mine with Macquarie Bank Limited for the supply of coal from TBR coal mine, a prepayment facility agreement and trade finance facility agreement as well as share and warrant subscription agreement • Completed the issuance and listing of 70 million Subscription Shares to Macquarie Bank • Presented the inaugural Sustainability Report 2017 in accordance with the Global Reporting Initiatives (GRI) Standards

AWARDED THE BEST IR CAMPAIGN AND SUCCESSFULLY PRICED US$ NOTES OFFERING FOR US$300M AT 8% COUPON DUE 4 OCTOBER 2022



2008

Incorporation of PT Geo Energy Coalindo and commenced provision of coal mining services

2012

Raised S$94m in IPO proceeds and listed on the mainboard of SGX on 19 October 2012 • Commencement of BEK's production

2013

Entered into mining services contracts and mining cooperation agreements for two concessions and signed additional working blocks • Awarded runner-up of the 14th SIAS Investors' Choice Awards (Most Transparent Company)

2016

Geo Energy completed transformation into a low cost coal producer • Clinched life of mine coal offtake agreement with ECTP worth over US$1.6b • Achieved record quarterly net profit in 4Q2016 – highest since IPO

2017

Completed the acquisition of TBR mining concession • Achieved a revenue of US$316m and underlying EBITDA of US$88m in 2017 • Won SBR Listed Companies Award 2017, Metals & Mining Category and the Bull Charger Award • Awarded the best IR Campaign • Successfully priced US$ Notes Offering for US$300m at 8% coupon due 4 October 2022 • IPO 5th Anniversary

CELEBRATING OUR ACHIEVEMENTS AND RECOGNITION FOR THE YEARS TOGETHER WITH OUR PEOPLE

HIGHLIGHTS OF THE YEAR

2019 - 2020 (March)

February 2019

- **Ranked 17th in the inaugural award for Singapore's Fastest Growing Companies 2019**, presented by the Straits Times and Statista, out of a long list of over 2000 shortlisted companies based on the strongest revenue growth in recent years. This award recognizes the increased scale of our business.

May 2019

- **Declared and paid a final dividend of S$0.004 per share** for 2018. This represents Geo's commitment to deliver returns to shareholders.

July 2019

- Won Gold Award for the Best Investor relations for SGX listed companies with market capitalisation less than S$300 million.

August 2019

- Announced the **submission of a non-binding proposal for the potential acquisition of new coal assets for a producing coal mine in East Kalimantan**, subject to further due diligence and other conditions.

September 2019

- Announced a **proposed acquisition of 100% stake in PT Titan Global Energy** and an **effective interest of 51%** (equity interest of 49%) in each of the two producing mines – **PT Bara Anugrah Sejahtera (BAS) and PT Banjarsari Pribumi (BP)** in South Sumatra, Indonesia.

THE GROUP APPOINTED TRAFIGURA AS THE NEW OFFTAKER FOR THE REMAINING LIFE OF MINE OF SDJ

January 2019

- Granted employee share options pursuant to the Geo Energy Share Option Scheme, with 24,850,000 of options granted at an exercise price of S$0.19 per share. The vesting period of the share options is one year. It is a recognition of the contributions made by key executives and Directors to the Group, to instill loyalty to the Group and reinforce a stronger identification with the long-term prosperity of the Group.

June 2019

- Engelhart CTP (Singapore) Pte Ltd and Geo Energy have mutually agreed to **end the existing SDJ offtake agreement** as ECTP streamlines its physical coal trading activities and will be exiting offtake arrangements, including with Geo Coal International Pte Ltd.

- The Group **appointed Trafigura Pte. Ltd. ("Trafigura") as the new offtaker for the remaining life of mine SDJ** less its domestic market obligations. The coal delivery has commenced in January 2020. The engagement with Trafigura will enable the Group to gain new markets.

October 2019

- Announced an update on the submission of a revised non-binding proposal for a potential acquisition of a new coal asset (producing mine) in East Kalimantan, Indonesia, whereby the Vendor informed that the process would be delayed.

- Mine site visit to BAS and BP by our board of directors, senior management and JORC consultants.

REPURCHASE OF THE NOTES IS AN EFFICIENT WAY TO IMPROVE SHAREHOLDERS' VALUE AND RETURN CASH TO THE HOLDERS OF THE NOTES

December 2019

- **Entry into amendment agreement** in relation to the proposed acquisition of PT Titan Global Energy mainly on the amendments on the conditional share purchase agreement and the updated proforma financial effect.

- Entered into a **coal purchase contract** with **PT Titan Infra Energy (TIE)** for the supply of approximately **300,000 metric tonnes of Indonesian steam coal** (operated by BAS, BP and/or PT Mustika Indah Permai, with whom TIE has coal offtake agreements) to Geo Coal International Pte. Ltd. (GCI) in **January and February 2020**. GCI made a **prepayment of US$10 million** to TIE for the coal purchase.

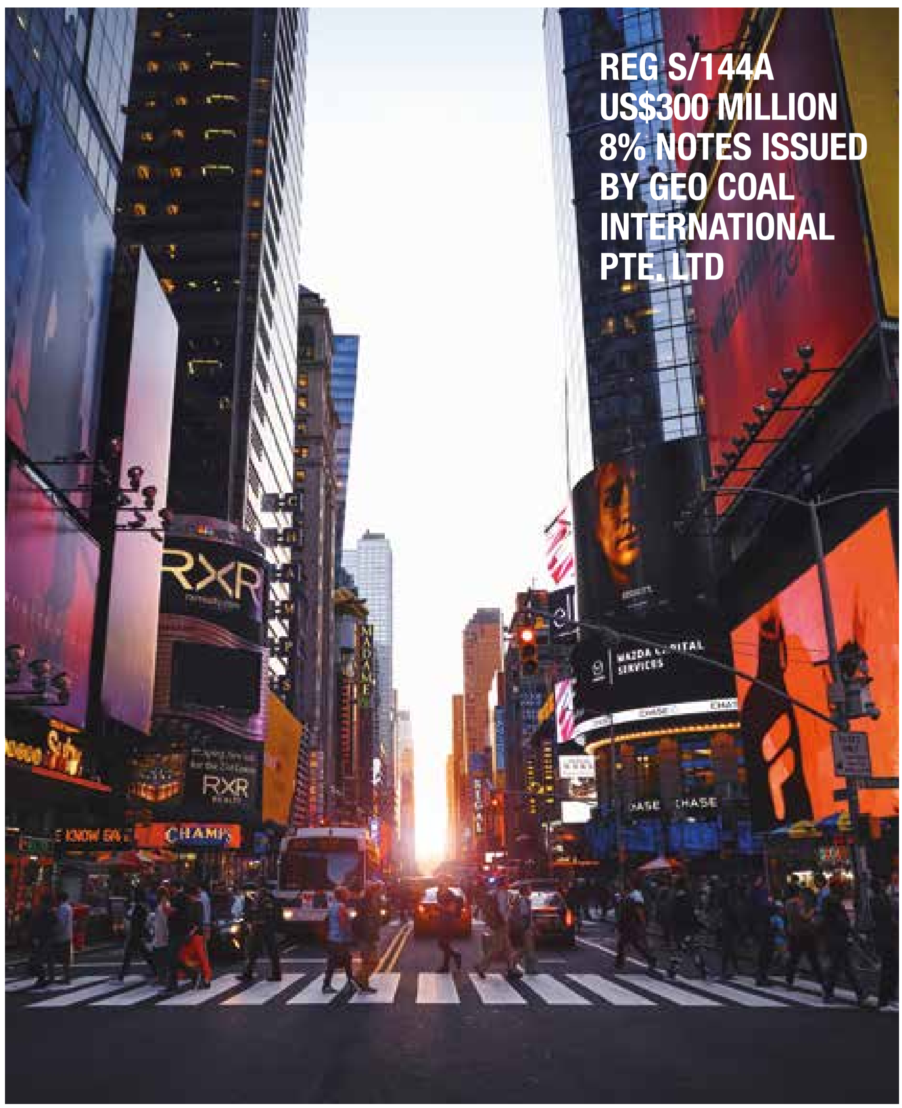
- **Repurchase of US$16,061,000** of US$300,000,000 8.0% **Notes** due 2022 issued by Geo Coal International Pte. Ltd. from open market transactions.

January 2020

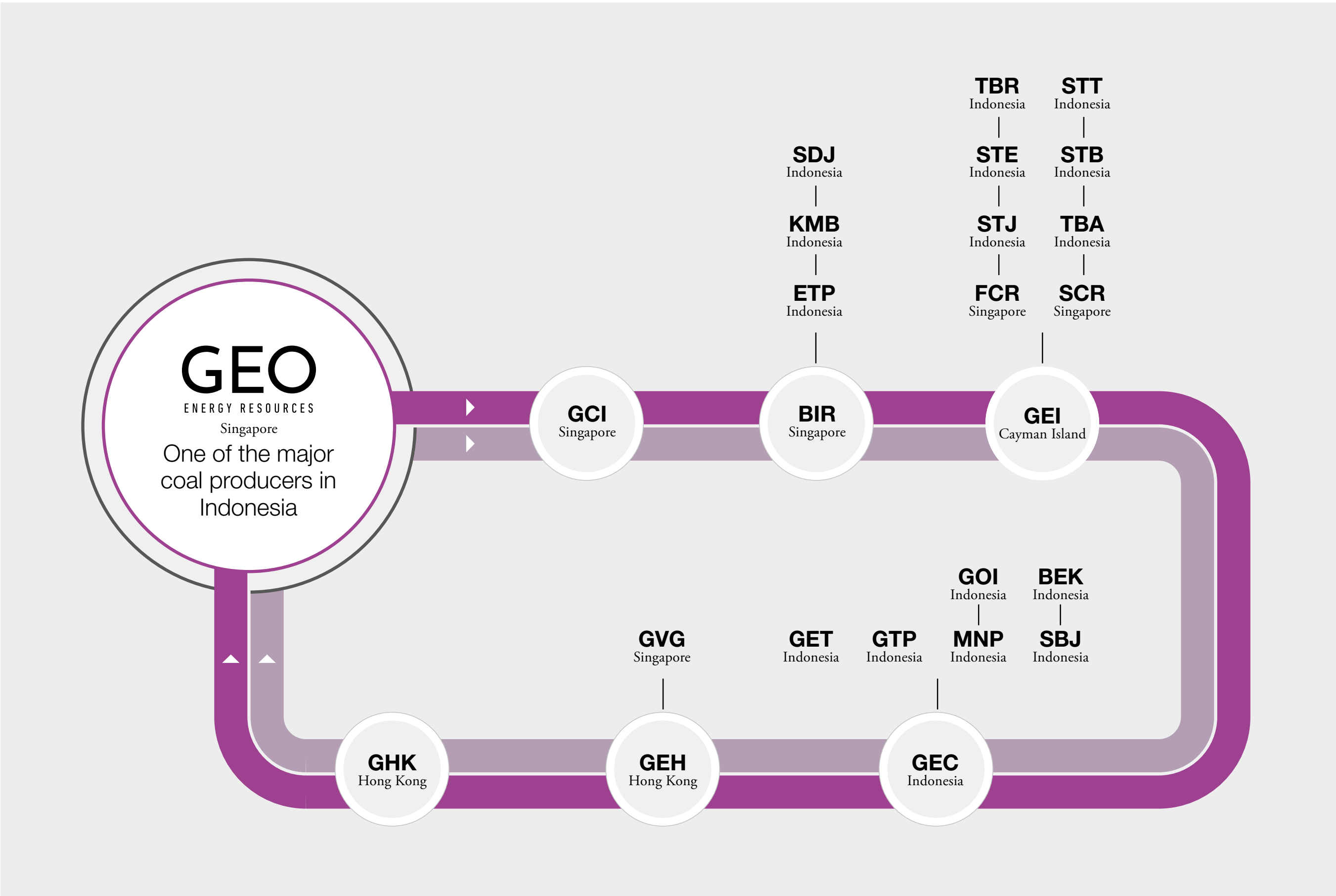
- Extension of long stop date for the proposed acquisition of the 100% stake in PT Titan Global Energy. The completion of the proposed acquisition has been extended to 31 March 2020 pending the receipt of certain regulatory and other approvals to be obtained by the Vendors.

March 2020

- **Repurchase of US$95,800,000** of US$300,000,000 8.0% **Notes** due 2022 issued by Geo Coal International Pte. Ltd. from open market transactions.



Group Structure



Geo Energy employs a relatively flat organisational and corporate structure, which allows the Group to employ a nimble business model that can react to economic movements and needs. It is also aligned with the Group's belief in not just being a "coal producing" business, but a "building people" business, as employees are more empowered to be self-starters and be involved directly in all aspects of the business.

The Group's corporate structure is set out in accordance to its business type, namely: Coal Trading, Coal Mining, and Others. The Group does its coal trading activities through Geo Coal International Pte. Ltd., which is under the Global Traders Programme by IE Singapore. It also has a trading company incorporated in Hong Kong, Geo Coal International (HK) Limited, an offshore coal trading company that was set up to give the Group flexibility as an additional option through which to conduct its coal trading activities, if required.

The Group's coal mining assets are held by separate companies for flexibility of corporate actions, such as offtake arrangements and joint venture opportunities. Having the coal mining assets held by separate entities also has the purpose of managing risks inherent to business operations.

The Group sets up PT Geo Tebo Power Inti to explore new opportunities in other business segments, such as power generation.

BUILDING A FOUNDATION FOR SUCCESS. A STRUCTURE IS ONLY AS GOOD AS THE PEOPLE WHO LIVE AND WORK IN IT

Investment Holding **BIR** - Borneo International Resources Pte. Ltd. • **GEI** - Geo Energy Investments Ltd. (Cayman Island) • **GEC** - PT Geo Energy Coalindo • **GEH** - Geo Energy International (HK) Limited • **SCR** - STT Coal Resources Pte. Ltd. • **SBJ** - PT Sumber Bara Jaya • **GVG** - Geo Ventures Global Pte. Ltd. • **ETP** - PT Era Tiga Putra • **KMB** - PT Karunia Mitra Berkat • **Coal Mining** **SDJ** - PT Sungai Danau Jaya • **TBR** - PT Tanah Bumbu Resources • **BEK** - PT Bumi Enggang Khatulistiwa • **STT** - PT Surya Tambang Tolindo • **Coal Trading** **GHK** - Geo Coal International (HK) Limited • **GCI** - Geo Coal International Pte. Ltd. • **FCR** - Fortune Coal Resources Pte. Ltd. • **Mining Services** **MNP** - PT Mitra Nasional Pratama • **Others** **GOI** - PT Geo Online Indonesia • **GET** - PT Geo Energy Trading • **GTP** - PT Geo Tebo Power Inti • **STJ** - PT Satui Jasabara • **TBA** - PT Tunas Bara Abadi Tolindo • **STB** - PT STT Tunas Bara • **STE** - PT Satui Energi

Corporate Information

CORPORATE INFORMATION

BOARD OF DIRECTORS

Charles Antonny Melati
(Executive Chairman)
Tung Kum Hon
(Executive Director & Chief Executive Officer)
Dhamma Surya
(Executive Director)
Huang She Thong
(Executive Director)
Soh Chun Bin
(Lead Independent Director)
Ong Beng Chye
(Independent Director)
Lu King Seng
(Independent Director)
James Beeland Rogers Jr.
(Independent Director)

AUDIT AND RISK COMMITTEE

Ong Beng Chye (Chairman)
Soh Chun Bin
Lu King Seng

REMUNERATION COMMITTEE

Lu King Seng (Chairman)
Soh Chun Bin
Ong Beng Chye

NOMINATING COMMITTEE

Soh Chun Bin (Chairman)
Ong Beng Chye
Lu King Seng
Charles Antonny Melati
Dhamma Surya

REGISTERED OFFICE

12 Marina Boulevard #16-01
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: +65 6702 0888
Fax: +65 6702 0880

COMPANY SECRETARY

Lee Wei Hsiung
Wang Shin Lin, Adeline

INDEPENDENT AUDITORS

Deloitte & Touche LLP
6 Shenton Way
OUE Downtown 2 #33-00
Singapore 068809
Partner-in-charge:
Ronny Chandra (since 2016)
(Public Accountants and Chartered Accountants)

INTERNAL AUDITOR

PricewaterhouseCoopers Risk Services Pte Ltd
7 Straits View
Marina One
East Tower
Singapore 018936

ENTERPRISE RISK MANAGEMENT

KPMG Services Pte. Ltd.

SUSTAINABILITY

PT ERM Indonesia

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01
Singapore Land Tower
Singapore 048623

LAWYERS

Sidley Austin LLP
Allen & Gledhill LLP
Ali Budiardjo, Nugroho, Reksodiputro
Aptus Law Corporation
Morgan Lewis Stamford
Hadiputranto, Hadinoto & Partners

INVESTOR RELATIONS

Financial PR
4 Robinson Road
#04-01 The House of Eden
Singapore 048543

PRINCIPAL BANKERS

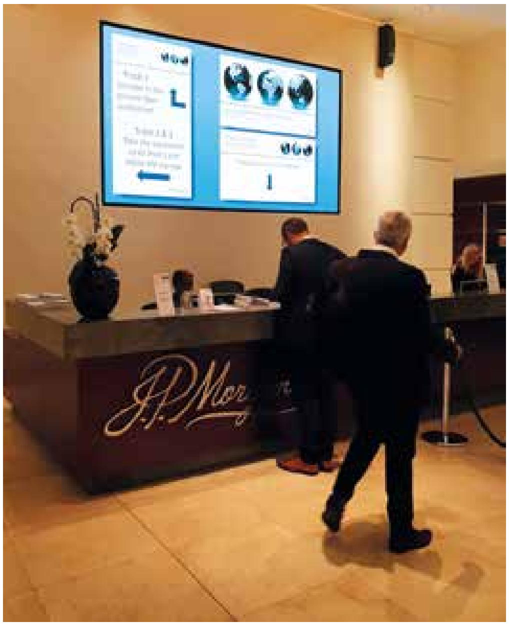
Singapore
United Overseas Bank Limited
Bank of China Limited
Oversea-Chinese Banking Corporation Limited
Maybank Singapore Limited
Standard Chartered Bank
PT Bank Mandiri (Persero) Tbk
MUFG Bank Ltd
Macquarie Bank Limited
Citibank N.A. Singapore
DBS Bank Ltd

Indonesia
PT. Bank Mandiri (Persero) Tbk
Permata Bank
Bank of Tokyo-Mitsubishi UFJ, Ltd.
PT. Bank Negara Indonesia (Persero) Tbk.
OCBC NISP
ICBC
Standard Chartered Bank
Bank Central Asia

LEVERAGING ON THE STRENGTHS OF OUR PARTNERS

Fostering strong relationships with our partners, bankers and other professional advisors, cooperate and support each other to achieve our vision

INVESTOR RELATIONS CORPORATE EVENTS



J.P. Morgan Emerging Markets Credit Conference, London

January 2019

- Sponsored and participated in the Run for Hope 2019 to build awareness and raise funds for cancer research in Singapore. This is the second year of running together for a good cause. We play an active role in the communities, societies and environments.

March 2019

- Attended UBS Hong Kong Credit Investors' briefing in Jakarta with investors such as BEA Union, Credit Suisse, FIL, Double Haven, Muzinich, Pinebridge and T Rowe Price, to present Geo's 2018 results and plan for the future.

- Meeting Citibank Hong Kong credit investors in Jakarta to present Geo's 2018 results and plan for the future to about 20 investors such as Galloway Capital, NY, Spinnaker Asia, China Everbright, GAM, London, AIA Indonesia and others.

April 2019

- J.P.Morgan credit investors meeting in Jakarta with investors such as Wellington, Eastspring, BNP AM, Nomura AM, Julius Baer, Varde, MUTB and JP Morgan.

- Attended investors meeting at BAML Indonesia Corporate Day, Jakarta to present Geo's business and performance. Investors participated in the meeting includes Allianz Global Investors (SG), Arkkan Capital (HK), Investec (London), Eastspring Investment (SG), Nomura (Taiwan), Oppenheimer (NY), Neuberger Breman (SG) and others.

- Invited Analysts and Financial Institutions to Geo's 4Q2018 results' presentation in Singapore.

May 2019

- Invited by Nomura International Hong Kong Limited for an investors' roadshow in Jakarta with investors such as BEA Union, HSBC AM, Value Partners, Three Stones, Serica, Greatwall and Avenue, to present Geo's 1Q2019 performance and plan for the future.

- Invited Analysts and Financial Institutions such as Phillip Securities, Jones Lang Lasalle, KGI Securities, Island Asset Management and Olijia Capital to Geo's 1Q2019 results' presentation in Singapore.

July 2019

- Won Gold Award for the Best Investor Relations Award for listed companies with market capitalisation of less than S$300 million as at 31 December 2018 at the 2019 Singapore Corporate Awards.

August 2019

- Presented our 2Q2019 results to analysts, private bankers, equity sales, investment management from Phillip Securities, KGI Securities, RHB Securities, Lim & Tan Securities, Goldman Sachs, UOB Kay Hian, HSBC and Providence Capital.

- Geo Energy lunch talk at RHB Securities to present Geo's 2Q2019 results to the traders and analysts, understanding their concern and view on Geo's business/ performance and Geo's plan going forward.

- Participated and sponsored a token for the Blue Charity Gala – Stand By Me event held at Resort World Sentosa. The Blue Charity Gala – Stand By Me seeks to celebrate the shared vision of empowering persons with disabilities and under-served children to maximise their development and potential.

September 2019

- Invited by J.P. Morgan to participate in the Emerging Markets Credit Conference held at the J.P. Morgan European headquarters in Canary Wharf, London. Geo met with participants from US, UK, Switzerland and Hong Kong and presented on Geo's business, performance and investment plans.

- Invited by Standard Chartered Bank to their Annual Indonesian Credit Investor Trip in Jakarta. Geo had presented an update on Geo Energy to investors from Hong Kong, London, New York, Amsterdam and Singapore such as Amundi, Lord Abbett & Co., Noah Holdings, PGGM, Alliance Bernstein, etc.

October 2019

- Joined the Habitat for Humanity Singapore for a one-day short-term house building programme in Batam. Our aim is to improve the standard of living for families through the reconstruction of new homes.
- Interview with SPH Money FM89.3.

Nomura's Asian High Yield Corporate Day 2019, Hong Kong


Investors' briefings in Singapore, Hong Kong and Jakarta

November 2019

- Presented Geo's financial performance, strategies, acquisitions plan and how the Group's managing the impact of low coal price at Nomura's Asian High Yield Corporate Day 2019 in Hong Kong. Investors presenting at the meeting were Guotai Junan Fund Management, Gaoteng Global Asset Management, Orfi Capital Limited, UBS Global Asset Management, Metlife Investments Asia Ltd, Value Partners Ltd, Trend Capital, BEA Union Investment Management, etc.

- Invited Analysts and Financial Institutions to Geo's 3Q2019 results' presentation in Singapore.

December 2019

- Geo Energy 2019-year end party at the White Rabbit, Singapore - "A Place Where Times Almost Stand Still". The party gathered our Directors, senior management, business partners, bankers and corporate advisors as part of the Company's appreciation towards their great support given to Geo Energy.

March 2020

- Invited by Singapore Institute of Technology (SIT) for their Leadership Appreciation Event. GEO Energy Bursary was established at SIT in 2018 to support financially disadvantaged and deserving students. In recognition of Geo's contribution, SIT held The Leadership Appreciation for the first time to honour its donors for their philantrophic leadership in nurturing SIT students through student financial aid tool such as non-bonded bursaries and study grant. Close to 200 people including donor and bursary recipients attended the afternoon's festival.

- Geo Energy was shortlisted for the 2020 Le Fonti Innovation Awards under the coal mining sector for corporate excellence, leadership, technological achievement and employee engagement.

仁人家园
Habitat for Humanity® Singapore


Proud to be a Habitat Volunteer

Dream Big Do Great Things

We have big aspirations. We learn from the past as we prepare for the future

Eka Mohamad Ali Iqbal, Operation Manager on Mount Bromo, East Java, Indonesia

MORE THAN 50 YEARS OF COMBINED EXPERIENCE IN THE COAL INDUSTRY, COMMODITIES TRADING, INVESTMENTS, MERGERS AND ACQUISITION, ACCOUNTING AND CORPORATE FINANCE

Mount Bromo, East Java, Indonesia

Part D
Our People

5

BOARD OF DIRECTORS

Invaluable experience in the industry

Charles Antonny Melati

Founder & Executive Chairman

Mr Melati, Executive Chairman of Geo Energy Resources, was appointed to the Board on 24 May 2010. He oversees the overall strategic directions and expansion plans for the growth and development of the Group. He was an entrepreneur in the property development, hotel industry and engaged in the manufacture of cast polypropylene for flexible food packaging in Jakarta, Indonesia. He was also involved in the setting up and operations of tug and barge business in Singapore and Indonesia and the Group's coal mining services business.

Tung Kum Hon

Executive Director & Chief Executive Officer

Mr Tung, CEO and Executive Director of Geo Energy Resources, was appointed to the Board on 1 November 2015. He is responsible for the overall business and general management of the Group. He has over 15 years of experience in public accountancy, business advisory and transaction services with PwC Hong Kong and Malaysia, and KPMG Singapore. He is an independent director of Tien Wah Press Holding (listed on Bursa Saham Malaysia and a subsidiary of SGX-ST company, New Toyo International Holdings Ltd). Prior to that, he was a special assistant to the executive chairman of New Toyo. His previous experience includes executive director and CEO of Bellzone Mining Plc (AIM), Group chief operating officer of a Hong Kong multinational group, executive director and chief financial officer of Shanghai Asia Holdings Ltd (listed on SGX-ST) and chief operating officer of Bintang Melawar Group, an MNC in Malaysia. He is a Certified Public Accountant, Chartered Accountant and a member of the Singapore Institute of Directors.

OUR LEADERS ARE INVALUABLE TO THE GROUP IN DRIVING GROWTH TO MEET STRATEGIC OBJECTIVES

Dhamma Surya

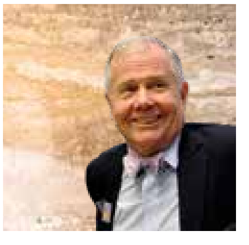
Founder & Executive Director

Mr Surya, Executive Director of Geo Energy Resources, was appointed to the Board on 24 May 2010. He is responsible for the business development of the Group. He was an entrepreneur in the property development and construction industry in Indonesia, a contractor cum household maintenance services business and worked with various business associates in constructing and developing shop houses and houses in Indonesia and started the Group's coal mining services business.

Huang She Thong

Founder & Executive Director

Mr Huang, Executive Director of Geo Energy Resources, was appointed to the Board on 15 June 2010. He is the Country Head of Indonesia and holds the position of Head of Marketing, where he oversees the sales targets of the Group, devises plans and implements marketing strategies to increase the Group's customer base and maximise sales. He was a sole proprietor, operating a furniture store, mini market and hotelier in Indonesia and a graduate of the Australian School of Tourism and Hotel Management with an Advanced Diploma of Hospitality Management in 2001.



James Beeland Rogers Jr.

Independent Director

Mr Jim Rogers, Independent Director of Geo Energy Resources, was appointed to the Board on 3 December 2012. He is the author of seven books and is a globally renowned financial commentator as well as a successful international investor. He is currently the Chairman of Beeland Interests, Inc and he holds several companies directorships.

In 1998, he started the Rogers International Commodity Index to track the value of commodities consumed in the global economy, ranging from agricultural to energy and metal products. He obtained a Bachelor's degree in History from Yale University in 1964 and a second Bachelor's degree in Philosophy, Politics and Economics from Balliol College, Oxford University in 1966.

LEADERSHIP IS THE CHALLENGE TO BE SOMETHING MORE THAN AVERAGE

Soh Chun Bin
Lead Independent Director

Mr Soh, Lead Independent Director of Geo Energy Resources, was appointed to the Board on 25 September 2012. He is an experienced corporate and commercial lawyer, with more than 20 years of experience in the corporate finance and legal sectors. He specialises in capital markets and mergers and acquisitions. He is currently a director at ZICO Insights Law LLC. He started his career as a corporate lawyer at a major law firm well known in Singapore for its expertise and moved on to be one of the early pioneering lawyers at a leading Singaporean law firm. In May 2012, he left the legal profession to act as the chief executive of various companies, including public listed companies. He has advised on many Singapore and international initial public offerings of corporations and real estate investment trusts, including secondary equity and debt fund raising by such entities. His expertise spans many diverse industries, including real estate, resources, infrastructure and technology. He has also advised on many cross-border transactions and has a broad network of clients spanning countries such as China, Indonesia and Malaysia.

Mr Soh has been recognised as a leading lawyer by legal publications such as Chambers and Partners, and Asialaw, and also sits on the boards of listed companies. He was also a contributor for "Mergers and Acquisitions in China", a book published by Thomson/Sweet & Maxwell Asia. He graduated from National University of Singapore with a Bachelor of Law (Honours) in 1999.

Lu King Seng
Independent Director

Mr Lu, Independent Director of Geo Energy Resources, was appointed to the Board on 25 September 2012. He has more than 24 years of commercial and audit experience in London, Singapore and Malaysia with Deloitte & Touche, Ernst & Young, Arthur Andersen, PriceWaterhouse and KPMG where he led audit engagements in various companies, assisting companies with, inter alia, initial public offerings and due diligence reviews in connection with proposed mergers and acquisitions. He is currently the managing director of Orion Advisory Pte Ltd. He is also an independent director of other companies listed on the SGX-ST and The Stock Exchange of Hong Kong. He was the chief financial officer in SinCo Technologies Pte Ltd and SinCo Group Holdings Pte Ltd., where he oversaw the accounting, treasury, legal and finance matters including group restructurings and mergers and acquisitions.

Mr Lu is a Fellow Member of the Association of Certified Chartered Accountants, a non-practising member of the Institute of Singapore Chartered Accountants and a member of the Singapore Institute of Directors. He obtained a professional qualification from the Association of Certified Chartered Accountants in 1995.

Ong Beng Chye
Independent Director

Mr Ong, Independent Director of Geo Energy Resources, was appointed to the Board on 25 September 2012. He has more than 26 years of experience in areas such as accounting, auditing, public listings, due diligence, mergers and acquisitions, and business advisory. He is currently the director of Appleton Global Pte Ltd (a business management and consultancy services firm) and the independent non-executive chairman of Hafary Holdings Limited (listed on SGX-ST) and ES Group Holdings Ltd (listed on SGX). He is also an independent director of other companies listed in Singapore, a shareholder and a director of a few private limited companies.

He is a Fellow of The Institute of Chartered Accountants in England and Wales, a Chartered Financial Analyst conferred by The Institute of Chartered Financial Analyst and a non-practising Chartered Accountant (Singapore). He obtained a Bachelor of Science (Honours) from City, University of London in 1990.

KEY MANAGEMENT

Adam Tan Mr Tan rejoins the Group on 1 April 2020, where he brings extensive international financial, accounting and operational leadership experience to the Group to work together with the Group for the expansion of Indonesian operations and global business. He was previously the Investment Director of the Company until he left in June 2019. He was the Chief Investment Director of a major Indonesian group with projects in Oil and Gas, Petrochemicals and Natural Resources across Asia. He has more than 8 years of experience in financial management, financial advisory, investment and corporate finance. He also has a track record for success and a keen understanding of energy-focused markets and financial and operational experience and talents. He holds a Bachelor of Business Administration (Honours) from the National University of Singapore and completed a finance program in New York University, Stern Business School, New York, USA. • **Ng See Yong** Mr Ng has been with the Group since 2012 and is responsible for overseeing and managing the corporate affairs of the Group as well as the Corporate Human Resource matters particularly pertaining to recruiting, benefits and employment relation. He is concurrently an entrepreneur in the hospitality industry in Batam and Tanjung Pinang, Kepri, Indonesia and Dumai, Riau Province, Indonesia and also as the proprietor of PT. Tri Ayu Lestari, and acts as the director of the Miracle Aesthetic Clinic in Batam, Indonesia. He has several directorships in Indonesia, which include The Emdee Skin Clinic (PT Citra Melati Selaras), PT Alexindo Grahapratama, which operates Mercure Hotel Batam (formerly known as Royal Batam Hotel), and PT Bintan Royal International Hotel, which operates the Comforta hotel. He graduated from the Australian School of Tourism and Hotel Management with a Diploma in Hospitality Management. • **Hendri Suwardi** Mr Hendri joined the Group in June 2019. He is responsible for overseeing the Group's investment activities such as merger and acquisitions, fundraising activities and investor relations. He has more than 10 years of experience in private equity and corporate finance, working in a sovereign wealth fund and Indonesian conglomerates. He had managed various transactions such as acquisition and debt restructuring across various industries and countries. He graduated from Imperial College with a Bachelor's degree in Engineering (Honours) and completed his CFA.

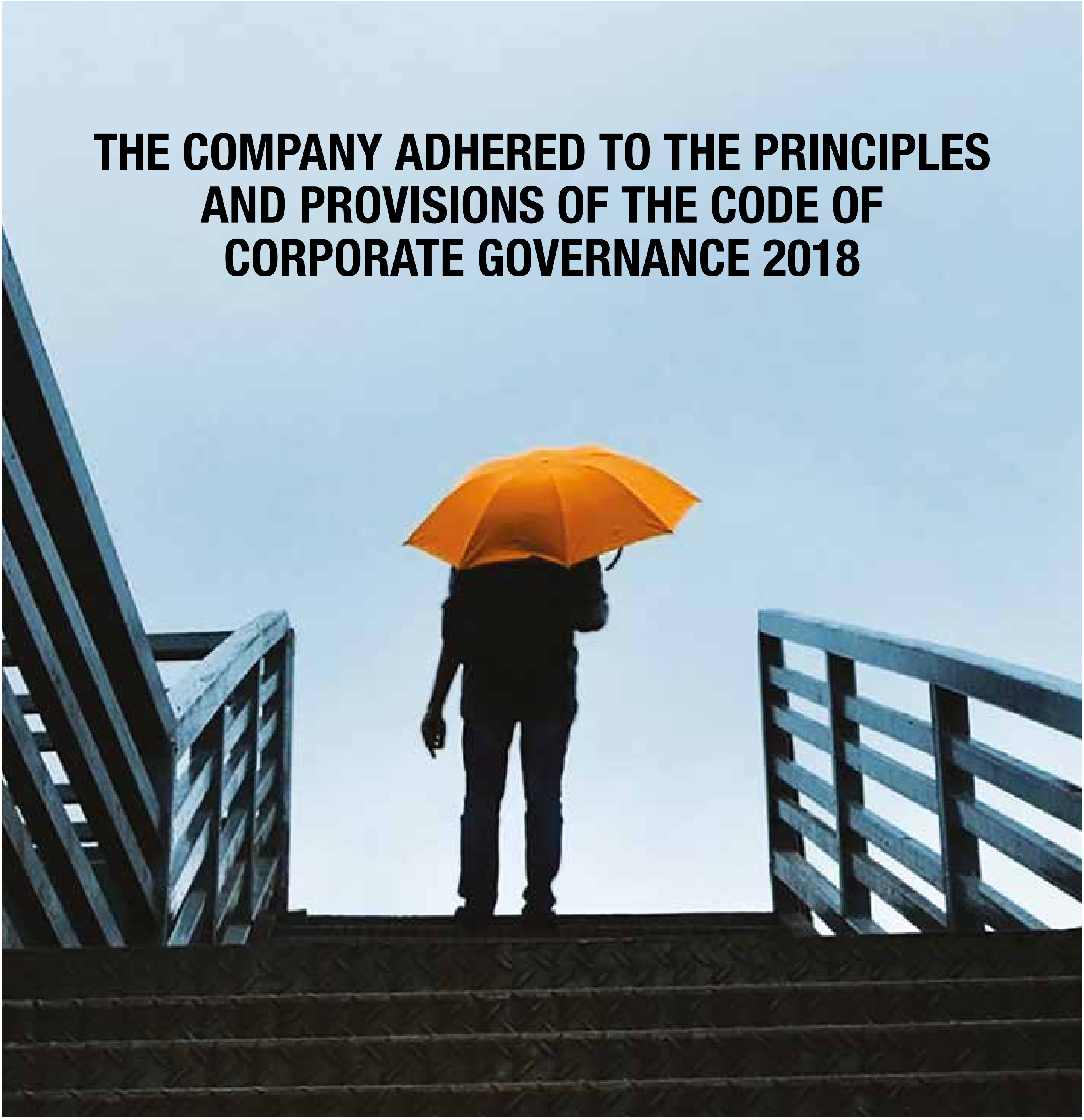
Junanto Mr Junanto has been with the Group since 2011. He was the Head of Marketing of the Group and was re-designated to Head of Production on 1 January 2020. His responsibility includes managing the cost of production to be within the Group's budget, working together with Management for the Group's business plan (short term and long term) to be in line with production/mine plan. Prior to his appointment, he was the managing director of PT Royal Energy Resources and Unipro CV & BV, a director of PT Royal Prime Resources, PT Royal Prince Travel, and PT Niaga Hijau Lestari, the general manager of PT Teluk Intan, the export manager of PT Sungai Budi and an account manager of Haga Bank. He graduated from University of Toledo with a Masters in Business Administration (Finance) and from Trisakti University with a Bachelor's degree in Science in Electrical Engineering.• **Karyono** Mr Karyono was appointed as the Group's Head of Operations in 1 June 2018 following his cessation as Independent Director of the Company on 1 June 2018. He was re-designated as the Head of Technical and Engineering on 1 January 2020. He has more than 22 years of experience in the coal mining industry including mining engineering academia. He managed the mine geology, mine plan and survey department. He was previously a Head of the Engineering, a senior mine engineer, a mine project coordinator, a mine engineering superintendent, a geotechnic, a mine planner and a technical and ventilation engineer with major mining companies in Indonesia, including PT Bukit Makmur Mandiri Utama (BUMA), where he was extensively involved in the monitoring and planning of mine operations and design, as well as mine rehabilitation. He was also a lecturer in the Mining Engineering study programme, Chief of the chemistry laboratory, Division Head of Administration and Student Affairs and Assistant Dean of the Engineering Faculty of Universitas Islam Bandung. He obtained a Masters in Geomechanics from the mining engineering department of the Bandung Institute of Technology, as well as a Bachelor's degree in Mining Engineering from Universitas Islam Bandung.

1. Adam Tan, Chief Financial Officer
2. Ng See Yong, Group Head, Corporate and Human Resource
3. Hendri Suwardi, Investment Director
4. Junanto, Head of Production
5. Karyono, Head of Technical and Engineering

WORKING WITH THE TEAM TO DO WHAT IS RIGHT, NOT WHAT IS EASY

A gathering of our people and business partners, advisors and bankers for the 2019 year end Christmas party at the White Rabbit, Dempsey Hill, Singapore

THE COMPANY ADHERED TO THE PRINCIPLES AND PROVISIONS OF THE CODE OF CORPORATE GOVERNANCE 2018



Sound corporate governance is an effective safeguard against fraud and dubious financial engineering, and hence helps to protect shareholders' interests

The Company strives for timeliness and consistency in its disclosures to shareholders and keep all shareholders informed of developments or changes

The Group has implemented a whistle-blowing policy to provide an avenue for employees and other persons to raise concerns

The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation

The Group provides investors with relevant information about the Company and its activities and seeking their views on the Company's financial performance and activities

The Group engaging the local communities where the Group operates and identifying and seeking to address their needs and concerns

Part E
Corporate Governance

6 CORPORATE GOVERNANCE

Maintaining a high standard of corporate governace

THE COMPANY IS COMMITTED TO MAINTAINING A HIGH STANDARD OF CORPORATE GOVERNANCE

Geo Energy Resources Limited (the "Company", and together with its subsidiaries, the "Group") is committed to maintaining a high standard of corporate governance. The Company understands that good corporate governance is an integral element of a sound corporation and enables it to be more transparent and forward-looking. In addition, sound corporate governance is an effective safeguard against fraud and dubious financial engineering, and hence helps to protect shareholders' interests. This also helps the Company to create long-term value and returns for its shareholders.

The Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST") requires all listed companies to describe in their Annual Reports their corporate governance practices with specific reference to the principles and the provisions of the Code of Corporate Governance 2018 (the "Code").

The Company is pleased to report on its corporate governance processes and activities as required by the Code. For easy reference, the principles and the provisions of the Code under discussion in this Annual Report are specifically identified. However, this Annual Report should be read as a whole as other principles and provisions of this Annual Report may also have an impact on the specific disclosures.

Statement of Compliance
The Board of Directors of the Company (the "Board") confirms that for the financial year ended 31 December 2019 ("2019"), the Company has adhered to the principles and provisions as set out in the Code, save as

otherwise highlighted in this report in relation to certain provisions of the Code.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1 (Conduct, ethics and culture)

The directors of the Company ("Directors") are fiduciaries who act objectively in the best interests of the Group and hold Management accountable for performance. The Board has put in place a code of conduct and ethics. It also sets the tone for the Group in respect of ethics, values and desired organisational culture, and ensures proper accountability within the Group. Any Director who faces a conflict of interest or a possible conflict of interest, in relation to a matter, must promptly declare his interest at a meeting of Directors or send a written notice to the Company containing details of his interest and the conflict and recuses himself from discussions and decisions on the matter.

Provision 1.2 (Duties, induction, training and development)

The Directors understand the Company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). New and existing Directors are provided with induction, training and the opportunities to develop and maintain their skills and knowledge at the Company's expense.

The principal functions of the Board, in addition to carrying out its statutory responsibilities, are as follows:

- overseeing the formulation of and approving the Group's overall long-term strategic objectives and directions, taking into consideration sustainability issues (eg. environmental and social factors);
- overseeing and reviewing the management of the Group's business affairs, financial controls, performance and resource allocation;
- establishing a framework of prudent and effective controls to assess and manage risks and safeguard shareholders' interests and the Group's assets;
- identifying the key stakeholder groups and recognising that their perceptions affect the Company's reputation; and
- setting the Company's values and standards (including ethical standards) and ensuring that obligations to shareholders and other stakeholders are understood and met.

The Company conducts orientation programmes to familiarise new Directors with the Group's business activities, strategic direction and policies, key business risks, the regulatory environment in which the Group operates and governance practices. Newly-appointed Directors also receive a formal letter explaining their duties and responsibilities.

The Directors are regularly updated on business and strategic developments, changing commercial risks and key changes in the regulatory environment and accounting standards. In addition, the Board recognises the importance of regular training for the Directors and encourages them to undergo continual professional development. The seminars and training programmes attended by the Directors in 2019, at the Company's expense, include the following:

- Institute of Singapore Chartered Accountants (ISCA) training such as tax and transfer pricing in supply chain, ethical issues in international tax and transfer pricing, tax due diligence for acquisitions and interpretations of financial reporting standards.

Provision 1.3 (Board approval)

The Board has adopted internal guidelines setting forth the matters reserved for the Board's decision and given clear directions to the Group's management ("Management") on matters that must be approved by the Board. The approval of the Board is required for matters such as corporate restructuring, mergers and acquisitions, appointment of directors, major investments and divestments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, approval of periodical financial results announcement and annual audited financial statements, declaration of interim dividends, proposal of final dividends and other return to shareholders and interested person transactions of a material nature.

Provision 1.4 (Board committees)

To assist in the execution of its responsibilities, the Board has established three Board committees comprising an Audit and Risk Committee ("ARC"), a Nominating Committee ("NC") and a Remuneration Committee ("RC") ("Board Committees"). These committees' function within clearly

THE BOARD HAS PUT IN PLACE A CODE OF CONDUCT AND ETHICS, VALUES AND DESIRED ORGANISATIONAL CULTURE, AND ENSURES PROPER ACCOUNTABILITY WITHIN THE GROUP

defined written terms of reference setting out their compositions, authorities and duties. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions and a summary of each committee's activities, are disclosed in this Annual Report.

Provision 1.5 (Board and board committee meetings)

The Board meets on a regular basis and ad-hoc Board meetings are convened when they are deemed necessary. The Directors attend and actively participate in Board and Board Committee meetings. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of the Company.

The number of Board, Board Committee and general meetings held in 2019 and each Director's attendances at such meetings are set out below:

	Board	ARC	NC	RC	GM
Number of meetings held	4	4	1	1	1
	Number of meetings attended				
Charles Antonny Melati	4	N/A	1	N/A	1
Tung Kum Hon	4	N/A	N/A	N/A	1
Dhamma Surya	4	N/A	1	N/A	1
Huang She Thong	4	N/A	N/A	N/A	1
Soh Chun Bin	4	4	1	1	1
Ong Beng Chye	4	4	1	1	1
Lu King Seng	4	4	1	1	1
Jim Rogers	3	N/A	N/A	N/A	-

Notes:
GM – general meetings of shareholders including the annual general meeting for the year
N/A – not applicable

Provision 1.6 (Access to information)

Management provides Directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

Directors are from time to time furnished with detailed information concerning the Group to support their decision-making process. Prior to each Board meeting, members of the Board are each provided with the relevant documents and information necessary for them to comprehensively understand the issues to be deliberated upon and make informed decisions thereon. Such information includes budgets, forecasts, quarterly unaudited financial statements, related materials, facts, risk analysis, financial impact, expected outcomes, conclusions and recommendations.

THE BOARD MEETS ON A REGULAR BASIS AND AD-HOC BOARD MEETINGS ARE CONVENED WHEN THEY ARE DEEMED NECESSARY. THE DIRECTORS ATTEND AND ACTIVELY PARTICIPATE IN BOARD AND BOARD COMMITTEE MEETINGS

As a general rule, notices are sent to the Directors at least one week in advance of Board meetings, followed by the Board papers, in order for the Directors to be adequately prepared for the meetings.

Provision 1.7 (Access to management, company secretary and advisers)

The Board (whether individually or as a whole) has separate and independent access to the Management and the company secretary at all times, and may seek independent professional advice, if necessary, at the expense of the Company. The appointment and removal of the company secretary is subject to the approval of the Board. The company secretary attends all Board meetings and ensures that all Board procedures are followed. Where the company secretary is unable to attend any Board meeting, he ensures that a suitable replacement is in attendance and that proper minutes of the same are taken and kept.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1 ("independent" Director)

The Board considers an "independent" Director to be one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

Provision 2.2 (Independent directors make up a majority of the Board)

With the retirement of Mr Huang She Thong as a Director at the forthcoming annual general meeting, independent Directors make up a majority of the Board. The Board exercises independent judgment on corporate affairs and provides the Management with a diverse and objective perspective on issues.

Provision 2.3 (Non-executive directors make up a majority of the Board)

With the retirement of Mr Huang She Thong as a Director at the forthcoming annual general meeting, non-executive Directors make up a majority of the Board.

The non-executive Directors constructively challenge and assist in the development of business strategies and assist the Board in reviewing the performance of the Management in meeting goals and objectives and monitoring the reporting of performance.

Provision 2.4 (Board size and diversity)

As at the date of this Annual Report, the Board comprises the following members, all of whom have the appropriate core competencies and diversity of experience needed to enable them to effectively contribute to the Group.

Charles Antonny Melati	Executive Chairman
Tung Kum Hon	Chief Executive Officer and Executive Director
Dhamma Surya	Executive Director
Huang She Thong	Executive Director
Soh Chun Bin	Lead Independent Director
Ong Beng Chye	Independent Director
Lu King Seng	Independent Director
James Beeland Rogers Jr ("Jim Rogers")	Independent Director

The profiles of the Directors are set out in the "Board of Directors" section of this Annual Report.

The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise, experience, balance, diversity and knowledge of the Company and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The Board as a group comprises members with core competencies in accounting and finance, business and management experience, industry knowledge, strategic planning and customer-based experience and knowledge. Of the four non-executive Directors on the Board, two have experience in accounting and finance, one has knowledge of the resources/mining industry and one with legal, business and management experience.

The Board has examined its and its Board Committees' size and is of the view that they are of an appropriate size, taking into account the scope and nature of the operations of the Company, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and the Board Committee.

The Board and the Board Committee comprise Directors who as a group provide the appropriate balance and mix of skills, knowledge and experience so as to avoid groupthink and foster constructive debate for effective decision-making. There is no individual or small group of individuals who dominates the Board's decision-making.

The Company adopted a board diversity policy which recognises the importance of having an effective and diverse Board. The main objective of the policy is to have the appropriate balance of skills, experience, knowledge and other aspects of diversity (eg. gender, age and nationality) on the Board to support the long-term success of the Group. Under the policy, the NC is responsible for recommending to the Board the relevant practices to promote and achieve diversity on the Board. The Board is making progress on the implementation of the board diversity policy. For instance, the Board is placing more emphasis on diversity when identifying persons for appointment to the Board.

Provision 2.5 (Non-executive directors meet regularly without the presence of Management)

Where necessary or appropriate including before or after each quarterly meeting of the Board, the independent Directors meet without the presence of the Management. The chairman of such meetings provides feedback to the Board and/or the Chairman as appropriate.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

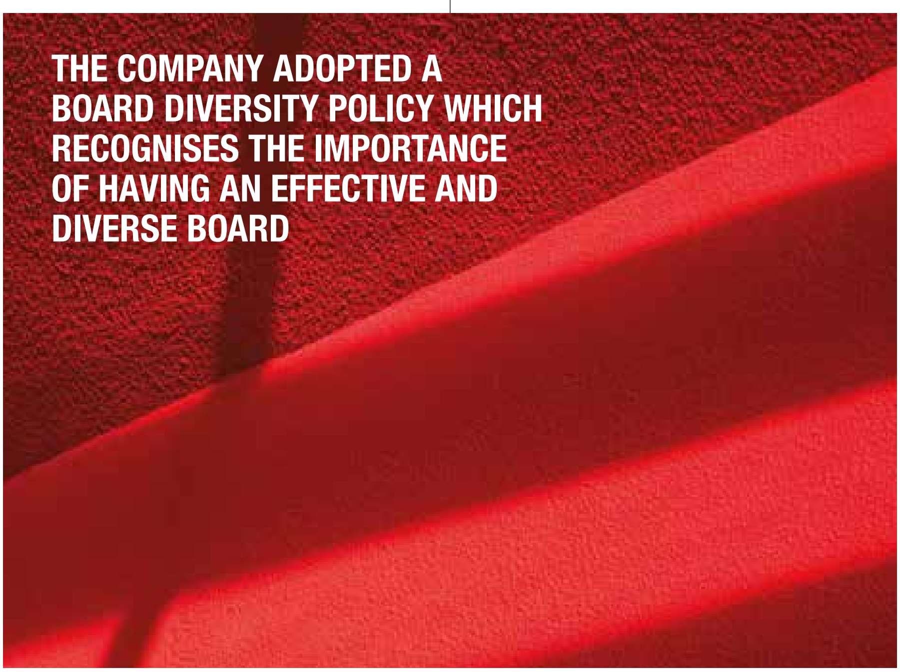
Provision 3.1 (The Chairman and the Chief Executive Officer are separate persons)

The positions of Executive Chairman and Chief Executive Officer are held by separate individuals to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for objective decision-making.

Provision 3.2 (Division of responsibilities)

The Board establishes and sets out in writing the division of responsibilities between the Executive Chairman and the Chief Executive Officer.

Mr Charles Antonny Melati is the Executive Chairman and oversees the overall strategic directions and expansion plans for the growth and development of the Group. With the assistance of the company secretary, he also ensures that Board meetings are held



The Board as a group comprises members with core competencies in accounting and finance, business and management experience, industry knowledge, strategic planning and customer-based experience and knowledge

Independent Directors - Mr Soh Chun Bin (Lead), Mr Lu King Seng and Mr Jim Rogers

THE BOARD HAS A LEAD INDEPENDENT DIRECTOR TO PROVIDE LEADERSHIP IN SITUATIONS WHERE THE EXECUTIVE CHAIRMAN IS CONFLICTED, AND ALSO PROVIDES FEEDBACK TO THE EXECUTIVE CHAIRMAN AFTER MEETINGS OF INDEPENDENT DIRECTORS

as and when required, sets the agenda for the Board meetings and ensures the quality, quantity and timeliness of the flow of information between the Management, the Board and the shareholders.

Mr Tung Kum Hon is the Chief Executive Officer who executes the Company's long-term strategy and implements its long and short term plans with a view to creating shareholder value. He oversees the overall business and general management of the Group including spearheading its operations, optimising capital assets and human resources, identifying business opportunities, developing new markets, driving growth, managing business risks, establishing robust business disciplines and processes and managing relationships with customers, suppliers, bankers, business associates, advisors, government agencies, shareholders and the public at large. He also ensures that the Company maintains high standards of corporate governance and social responsibility wherever it does business and integrity of all its public disclosures.

Provision 3.3 (Lead independent director)

The Board has a lead independent Director to provide leadership in situations where the Executive Chairman is conflicted. The lead independent Director also provides feedback to the Executive Chairman after meetings of independent Directors. Mr Soh Chun Bin is the lead independent Director. He is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Executive Chairman or the Management is inappropriate or inadequate.

Board Membership

Principle 4. The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1 (Terms of reference of the Nominating Committee)

The written terms of reference of the Nominating Committee ("NC") have been approved and adopted, and they include the following:

(a) making recommendations to the Board on relevant matters relating to:

- (i) the review of succession plans for Directors, in particular, the appointment and/or replacement of the Executive Chairman, the Chief Executive Officer and key management personnel;
- (ii) the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;
- (iii) the review of training and professional development programmes for the Board and its Directors; and
- (iv) the appointment and re-appointment of Directors (including alternate Directors, if any);

(b) considering important issues as part of the process for the selection, appointment and re-appointment of Directors including the composition and progressive renewal of the Board and each Director's

competencies, commitment, contribution and performance (eg. attendance, preparedness, participation and candour) including, if applicable, as an independent Director. All Directors will be required to submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years;

(c) determining annually, and as and when circumstances require, whether a Director (including an alternate Director) is independent, bearing in mind the circumstances set forth under the Code and any other salient factors;

(d) assessing whether a Director is able to perform and has been adequately carrying out his duties as a director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments and where necessary recommending to the Board guidelines to address the competing time commitments that are faced when Directors serve on multiple boards;

(e) assessing and determining the independence status of the independent Directors;

(f) reviewing vigorously the independence status of any independent Director serving the Board beyond nine years from the date of his first appointment;

(g) working with the Board to assess the effectiveness of the Board as a whole and the Board Committee and the contribution by each Director to the effectiveness of the Board; and

(h) recommending to the Board how the Board's performance may be evaluated and proposing objective performance criteria.

Provision 4.2 (Composition of the NC)

The NC comprises Mr Soh Chun Bin, Mr Ong Beng Chye, Mr Lu King Seng, Mr Charles Antonny Melati and Mr Dhamma Surya, the majority of whom, including the NC Chairman, are independent. The NC Chairman is Mr Soh Chun Bin, the lead independent Director.

Provision 4.3 (Process for the selection, appointment and re-appointment of Directors)

With respect to the selection and appointment of new Directors to the Board, the Company procures search services, contacts and recommendations for the purposes of identifying suitably qualified and experienced candidates. The NC reviews the resume of the candidates and considers their skills, knowledge and experience, interviews the short-listed candidates and recommends the most suitable candidate(s) to the Board for approval.

Board appointments are made by way of a board resolution after the NC has, upon reviewing the resume of the proposed Director(s), conducting appropriate interviews and having regard to the Board diversity policy, recommended the proposed appointment(s) to the Board. Pursuant to the constitution of the Company, each Director is required to retire at least once every three years by rotation, and all newly appointed Directors who are appointed by the Board are required to retire at the next annual general meeting of the Company following their appointment. The retiring Directors are eligible to offer themselves for re-election.

The dates of initial appointment and last re-election of the Directors, together with their directorships in other listed companies and their principal commitments, are set out beside.

Key information regarding the Directors, including their shareholdings in the Company, is set out in the "Board of Directors" section and "Report of the Directors" section of this Annual Report.

The NC, in determining whether to recommend a Director for re-appointment, would have regard to the Director's performance and contribution to the Group and whether the Director has adequately carried out his or her duties as a director.

Mr Charles Antonny Melati, Mr Huang She Thong and Mr Soh Chun Bin will retire by rotation at the forthcoming annual general meeting. The NC has nominated Mr Charles Antonny Melati and Mr Soh Chun Bin for re-election by the Company's shareholders at the forthcoming annual general meeting. Mr Huang She Thong does not wish to seek re-election as a Director.

Director	Position	Date of Initial Appointment	Date of Last Re-election	Directorships in other listed companies	Other Principal Commitments
Charles Antonny Melati	Executive Chairman	24 May 2010	23 April 2018	–	–
Tung Kum Hon	Chief Executive Officer	1 November 2015	25 April 2019	Tien Wah Press Holdings Berhad	–
Dhamma Surya	Executive Director	24 May 2010	23 April 2018	–	–
Huang She Thong	Executive Director	15 June 2010	28 April 2017	–	–
Soh Chun Bin	Lead Independent Director	25 September 2012	28 April 2017	Triyards Holdings Limited ISOTeam Ltd. Lorenzo International Limited	<u>Director</u> ZICO Insights Law LLC
Ong Beng Chye	Independent Director	25 September 2012	25 April 2019	Hafary Holdings Limited ES Group (Holdings) Ltd IPS Securex Holdings Ltd. CWX Global Limited	<u>Director</u> Appleton Global Private Limited
Lu King Seng	Independent Director	25 September 2012	23 April 2018	TLV Holdings Limited JLogo Holdings Limited	<u>Managing Director</u> Orion Advisory Pte Ltd Orion Business Advisory Pte Ltd
Jim Rogers	Independent Director	3 December 2012	25 April 2019	PJSC PhosAgro Sirius International Insurance Group Ltd Ananti Inc. Nanomedics Co. Ltd Virtus Total Return Fund Inc. Duff & Phelps Select Energy MLP Fund Inc.	<u>Director</u> Beeland Interests, Inc. Beeland Enterprises, Inc Beeland Holdings Pte Ltd JSC AgroGard-Finance Virtus Global Multi-Sector Income Fund <u>Advisory</u> Spanish Mountain Gold Genagro Limited Forbes & Manhattan Santiago Gold Fund

Provision 4.4 (Determining the independence of a Director)

As at the date of this Annual Report, the Board comprises eight Directors, of whom four are independent, namely, Mr Soh Chun Bin, Mr Ong Beng Chye, Mr Lu King Seng and Mr Jim Rogers.

The Directors are required to disclose to the Board their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence. If the Board, having taken into account the views of the NC, determines that such Directors are independent notwithstanding the existence of such relationships, the Company will disclose the relationships and its reasons in the Annual Report.

The independence of each Director is reviewed annually by the NC. Each independent Director is required to complete a checklist annually to confirm his independence based on the guidelines as set out in the Code. The independence of any Director who has served on the Board beyond nine years from the date of his first appointment will be subject to more rigorous review, taking into account the need for progressive refreshing of the Board. As of the date of this Annual Report, there is no independent Director who has been appointed for more than nine years from the date of his first appointment.

Having carried out its review, the NC is of the view that Mr Soh Chun Bin, Mr Ong Beng Chye, Mr Lu King Seng and Mr Jim Rogers have satisfied the criteria for independence.

Provision 4.5 (Duties and obligations of the Directors)

The NC ensures that new Directors are aware of their duties and obligations. The NC also decides if a Director is able to and has been adequately carrying out his or her duties as a director of the Company taking into consideration the Director's number of listed company board representations and other principal commitments. Such other listed company directorships and principal commitments of each Director are disclosed in the table under Provision 4.3 above.

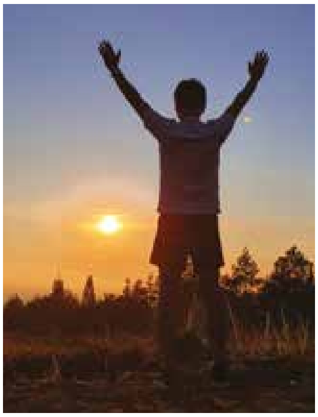
The NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company, notwithstanding other listed company directorships and/or principal commitments of some Directors.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provision 5.1 (Performance criteria)

The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness



The RC considers all aspects of remuneration including but not limited to director fees, salaries, allowances, bonuses, etc and termination terms to ensure they are fair

of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Board Chairman and each individual Director to the Board. Such criteria, which align with shareholder interest and allow for comparison with industry peers, include return on assets, return on equity, return on investment and total shareholder return as well as the Company's share price performance over a period of time.

Provision 5.2 (Assessment process)

A formal assessment process is in place to assess the effectiveness of the Board, the Board Committee and each Director annually. To-date, the Board does not require the assistance of an external facilitator in relation to the assessment process.

In carrying out the assessment, each Director completes an assessment and evaluation form which contains objective performance criteria and factors such as the compositions and effectiveness of the Board and the Board Committees, conduct of meetings, corporate strategy and planning, risk management and internal control, recruitment and evaluation, compensation, financial reporting, communication with shareholders and a Director's skills, knowledge, experience and contributions. Assessment results are analysed and key areas for improvement and follow-up actions are highlighted and discussed at the Board meeting.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.1 (Terms of reference of the Remuneration Committee)

The terms of reference of the Remuneration Committee ("RC") have been approved and adopted. The functions of the RC include the following:

(a) reviewing and recommending to the Board a framework of remuneration for the Board and key management personnel;

(b) reviewing and recommending to the Board the specific remuneration packages for each Director as well as for the key management personnel;

(c) reviewing and recommending to the Board the terms of renewal of the service contracts of Directors;

(d) reviewing and recommending to the Board whether Executive Directors and key management personnel should be eligible for benefits under long-term incentive schemes, and evaluating the costs and benefits of long-term incentive schemes; and

(e) reviewing the Company's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses.

Provision 6.2 (Composition of the RC)

The RC comprises Mr Lu King Seng, Mr Soh Chun Bin and Mr Ong Beng Chye, all of whom are non-executive and independent Directors. The chairman of the RC is Mr Lu King Seng.

Provision 6.3 (Remuneration terms)

The RC considers all aspects of remuneration including but not limited to director fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination terms to ensure they are fair.

Provision 6.4 (Remuneration consultants)

The members of the RC are familiar with executive compensation matters as they manage their own businesses and/or are holding other directorships, and therefore do not currently need the assistance of an external expert. Nonetheless, the RC has access to appropriate external expert advice in the field of executive compensation, if required. The RC's recommendations are submitted to the Board for endorsement. No Director is involved in deciding his own remuneration.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

A FORMAL ASSESSMENT PROCESS IS IN PLACE TO ASSESS THE EFFECTIVENESS OF THE BOARD, THE BOARD COMMITTEE AND EACH DIRECTOR ANNUALLY

Provision 7.1 (Performance-related remuneration)

A significant and appropriate proportion of Executive Directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.

In setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors and key management personnel.

Remuneration for the Executive Directors includes a basic salary component, allowances together with other benefits in kind and a variable component based on the performance of the Group as a whole. The Company has entered into service agreements with its Executive Chairman, Mr Charles Antonny Melati, its Chief Executive Officer and Executive Director, Mr Tung Kum Hon and its Executive Directors, Mr Dhamma Surya and Mr Huang She Thong. Either party may terminate the service agreements at any time by giving the other party two to six months' notice in writing, or payment in lieu of notice.

Provision 7.2 (Non-executive Directors)

Non-executive Directors receive director fees for their effort and time spent, responsibilities and contributions to the Board, subject to shareholders' approval at annual general meetings. Given the size and operations of the Group, the RC considers the current fees adequately compensate the non-executive Directors, without over-compensating them as to compromise their independence.

Provision 7.3 (Attract, retain and motivate)

The Company has remuneration schemes (including the Geo Energy Share Option Scheme and the Geo Energy Performance Share Plan) to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1 (Policy, criteria and breakdown)

Having regard to the nature of the business, structure and requirement of the Group, the Company has established a performance-based remuneration system for Executive Directors and key management personnel that is flexible and responsive to the market, comprising a base salary, other fixed allowances, together with benefits in kind, as well as a performance bonus which is based on the Group's performance and the individual's performance. For instance, Mr Charles Antonny Melati, the Executive Chairman, and Mr Tung Kum Hon, the Chief Executive Officer and Executive Director, are entitled to receive a performance bonus based on the audited consolidated profit before tax of the Group in each financial year.

The Company has remuneration schemes (including the Geo Energy Share Option Scheme and the Geo Energy Performance Share Plan) to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term

The level and mix of remuneration paid or payable to the Directors and key management personnel for 2019 are set out beside.

Directors (in remuneration bands)	Salary & CPF %	Bonus & CPF %	Director's Fee %	Other Benefits %	Total %
Chief Executive Officer and Executive Director S$1,200,001 to S$1,350,000					
Tung Kum Hon	55	5	–	40	100
Executive Chairman S$750,001 to S$900,000					
Charles Antonny Melati[1]	87	7	–	6	100
Executive Director S$600,001 to S$750,000					
Dhamma Surya	83	7	–	10	100
Executive Director S$450,001 to S$600,000					
Huang She Thong[1]	89	7	–	4	100
Non-Executive and Independent Director S$150,001 to S$300,000 Soh Chun Bin	–	–	73	27	100
Non-Executive and Independent Director S$150,001 to S$300,000 Ong Beng Chye	–	–	73	27	100
Non-Executive and Independent Director S$150,001 to S$300,000 Lu King Seng	–	–	72	28	100
Non-Executive and Independent Director S$150,001 to S$300,000 Jim Rogers	–	–	79	21	100
Key Management Personnel (in remuneration bands)					
S$300,001 to S$450,000 Philip Hendry[2]	93	7	–	–	100
S$150,001 to S$300,000 Ng See Yong[1]	93	7	–	–	100
S$150,001 to S$300,000 Junanto	75	6	–	19	100
S$150,001 to S$300,000 Karyono	70	6	–	24	100
S$0 to S$150,000 Tan Sheng Hua, Adam[3]	100	–	–	–	100
S$0 to S$150,000 Hendri Suwardi[3]	93	7	–	–	100

Notes:
1 Mr Charles Antonny Melati, Mr Huang She Thong and Mr Ng See Yong are brothers.
2 Mr Philip Hendry resigned as Chief Financial Officer on 3 January 2020.
3 Mr Hendri Suwardi was appointed as Investment Director on 10 June 2019 in place of Mr Tan Sheng Hua, Adam (who resigned on 30 June 2019).
S$ – Singapore Dollars
CPF – Central Provident Fund contribution
Other Benefits – includes shares option and other share-based payment

THE COMPANY ADOPTED THE GEO ENERGY SHARE OPTION SCHEME AND THE GEO ENERGY PERFORMANCE SHARE PLAN

The aggregate total remuneration (including CPF contributions and bonuses) paid to the six key management personnel of the Group (who are not Directors or the Chief Executive Officer) for 2019 amounted to approximately S$1,088,321.

The Board is of the view that full disclosure of the specific remuneration of each individual Director and key management personnel (who are not Directors or the Chief Executive Officer) is not in the best interests of the Company, taking into account the sensitive nature of the subject, the competitive business environment the Group operates in and the potential negative impact such disclosure will have on the Group.

Provision 8.2 (Related employees)

Save for the above key management personnel and the following employees, there was no employee in the Group who was a substantial shareholder of the Company or an immediate family member of a Director, the Chief Executive Officer or a substantial shareholder of the Company, and whose remuneration exceeded S$100,000 during 2019:

Remuneration Band	Employee	Relationship
S$100,001 to S$150,000	Yanti Ng	Ms Yanti Ng is the sister of Mr Charles Antonny Melati (Executive Chairman) and Mr Huang She Thong (Executive Director).
S$100,001 to S$150,000	Lim Kok Wah, Eric	Mr Lim Kok Wah, Eric is the brother-in-law of Mr Charles Antonny Melati (Executive Chairman) and Mr Huang She Thong (Executive Director).
S$50,000 to S$100,000	Ruddy	Mr Ruddy is the nephew of Mr Dhamma Surya (Executive Director).

Provision 8.3 (Forms of remuneration)

During 2019, the Group paid basic salaries, allowances, CPF contributions and performance/variable bonuses as well as granted share options under the Geo Energy Share Option Scheme to Executive Directors, Chief Executive Officer and key management personnel.

The Company adopted the Geo Energy Share Option Scheme and the Geo Energy Performance Share Plan (together, the "Schemes") on 23 April 2018. The Schemes remain in force for a maximum of 10 years

The Group's internal controls and systems are designed to provide reasonable assurance as to the integrity and reliability of the financial information

THE BOARD RECOGNISES THE IMPORTANCE OF SOUND INTERNAL CONTROLS AND RISK MANAGEMENT PRACTICES IN SAFEGUARDING SHAREHOLDERS' INTERESTS AND THE GROUP'S ASSETS

unless extended. The RC oversees and administers the Schemes in accordance with their terms. For additional details on the Schemes, please refer to the section of the Directors' Statement entitled "Share Incentive Schemes" on page 79 set out in this Annual Report.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board recognises the importance of sound internal controls and risk management practices in safeguarding shareholders' interests and the Group's assets. The Group's internal controls and systems are designed to provide reasonable assurance as to the integrity and reliability of the financial information, and to safeguard and maintain accountability of assets. Procedures are in place to identify major business risks and evaluate potential financial implications, as well as for the authorisation of capital expenditure and investments.

The Board has formed an Enterprise Risk Management ("ERM") Working Group, comprises the CFO, investment director and various business heads, to devise and implement an ERM framework, in consultation with the Company's ERM consultant, KPMG Services Pte. Ltd. ("KPMG"). The ERM Working Group, reviews and identifies the operational, financial, compliance and information technology risks faced by the Group and sets out the appropriate mitigating actions and monitoring mechanisms to respond to these risks and changes within the Group and the external business environment to safeguard shareholders' interests and the Group's assets. The ERM framework which was established to facilitate the Board's assessment on the adequacy and effectiveness of the Group's risk management system, lays out the governing policies, processes and systems pertaining to each of the key risk areas of the Group. The assessments that is made on the adequacy and effectiveness of the Group's risk management and internal control system in managing each of these key risk areas, is approved by the Board, taking into consideration the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives. On an on-going basis, the ERM Working Group reviews all significant risks, control policies and procedures and highlights all significant risks issues, material matters, findings and recommendations to the Board and the ARC.

The Group internal auditors, Pricewaterhouse-Coopers Risk Services Pte Ltd (PWC), evaluated the related internal controls as part of the internal audit plan approved by the ARC. Any material non-compliance or weakness, including recommendations for improvements, is reported to the ARC. The ARC also reviews the effectiveness of actions taken by the Management on the recommendations made by the internal auditors in this respect.

In addition to the work performed by the internal auditors, the external auditors, Deloitte & Touche LLP, also perform tests of certain controls relevant to the preparation of the Group's financial statements. The external auditors report any significant deficiencies of such internal controls to the ARC.

A risk assessment workshop was conducted by KPMG, together with the Board, the ERM Working Group, identify and prioritise the top risks affecting the Group and providing counter-measures for the risks identified. The Board and management have also reviewed the adequacy, effectiveness and integrity of the Group's risk management including financial, operational, compliance and information technology controls. The Board has also received the assurance referred to in Provision 9.2 (Assurance) below.

Based on the ERM framework and internal controls established and maintained by the Group, the work performed by the internal and external auditors, the ERM consultant, and reviews performed by the Management and the ARC, the Board, with the concurrence of the ARC, is of the opinion that the risk management and internal control systems in place as at 31 December 2019 are adequate and effective to address in all material respects the financial, operational, compliance and information technology risks within the current scope of the Group's business operations.

The Board notes that no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, fraud or other irregularities. The Board will continue its risk assessment process, which is an on-going process, with a view to improving the Group's internal controls system.

Provision 9.1 (Risk Committee)

The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. To better reflect its roles and responsibilities in the governance of risk management matters, the Audit Committee has been renamed the Audit and Risk Committee.

Provision 9.2 (Assurance)

The Board has received assurance from:

(a) the Chief Executive Officer and the Group Financial Controller (Acting Chief Financial Officer) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(b) the Chief Executive Officer and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

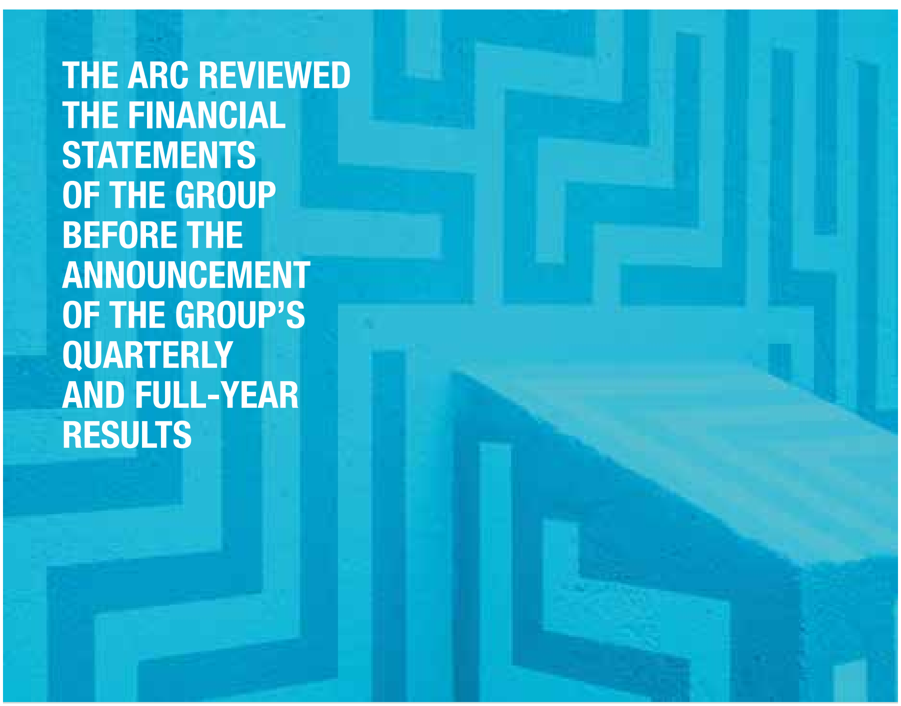
The ARC will commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position.

The ARC has full authority to investigate any matter within its terms of reference, full access to and cooperation from the Management, and full discretion to invite any director, key management personnel or other employee of the Group to attend its meetings and is given reasonable resources to enable it to discharge its functions properly and effectively.

During the year, the ARC reviewed the financial statements of the Group before the announcement of the Group's quarterly and full-year results. In the process, the ARC reviewed the key areas of Management's estimates and judgement applied for key financial issues including revenue recognition, impairment testing, provisioning policies, critical accounting policies and any other significant matters that might affect the integrity of the financial statements. The ARC also considered the report from the external auditors, including their findings on the significant risks and audit focus areas. Significant matters that were discussed with Management and the external auditors have been included as Key Audit Matters ("KAMs") in the audit report for the financial year ended 31 December 2019. Please refer to pages 82 to 84 of the Annual Report.

In assessing each KAM, the ARC took into consideration the approach and methodology applied in the valuation of assets, as well as the reasonableness of the estimates and key assumptions used. In addition to the views from the external auditors, subject matter experts, such as independent valuers, were consulted where necessary. The ARC concluded that Management's accounting treatment and estimates in each of the KAMs were appropriate.

During the year, the ARC considered and approved the 2019 Audit Plan and the 2019



The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation

Internal Audit ("IA") Plan. In addition, the ARC reviewed the adequacy of internal control procedures, interested person transactions and the issues raised in IA reports. It also considered the reappointment of the external auditors as well as their remuneration.

The external auditors update the ARC on any changes in accounting standards impacting the financial statements of the Group before an audit commences.

The fees paid by the Group to the external auditors in 2019 for audit and non-audit services amounted to S$533,114 and S$99,652, respectively. The ARC, having undertaken a review of all non-audit services provided by the external auditors, is of the opinion that such services would not affect the independence of the external auditors.

The Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual in relation to its external auditors.

Provision 10.1 (Duties)

The written terms of reference of the Audit and Risk Committee ("ARC") have been approved and adopted. The main duties and functions of the ARC include:

- reviewing the annual consolidated financial statements and the external auditors' report on those financial statements, and discussing any significant adjustments, major risk areas, changes in accounting policies, compliance with the financial reporting standards in Singapore, concerns and issues arising from their audits, including any matters which the auditors may wish to discuss in the absence of the Management, where necessary, before submission to the Board for approval;

- reviewing the periodic consolidated financial statements comprising the statements of comprehensive income and statements of financial position and such other information required by the SGX-ST Listing Manual, before submission to the Board for approval;

- reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

- reviewing the assurance from the Chief Executive Officer and the Chief Financial Officer on the financial records and financial statements;

- reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);

- reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;

- making recommendations to the Board on (i) the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and (ii) the remuneration and terms of engagement of the external auditors;

THE ARC CONSIDERED AND APPROVED THE 2019 AUDIT PLAN AND THE 2019 IA PLAN, REVIEWED THE ADEQUACY OF INTERNAL CONTROL PROCEDURES, INTERESTED PERSON TRANSACTIONS AND THE ISSUES RAISED IN IA REPORTS

- meeting with the external auditors, and with the internal auditors, in each case without the presence of the Company's Management, at least annually;

- reviewing the policy and arrangements by which employees of the Group and any other persons may, in confidence, raise concern to the chairman of the ARC about possible improprieties in matters of financial reporting or other matters. ARC will ensure that there are arrangements in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;

- ensuring robust internal controls to mitigate the Group internal controls weaknesses and to oversee the annual internal audit procedures and follow up on the audit findings;

- reviewing the audit plans of the external auditors and internal auditors, and the results of the external and internal auditors' review and evaluation of the Group's system of internal controls;

- approving the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced;

- reviewing any interested person transactions falling within the scope of Chapter 9 of the SGX-ST Listing Manual;

- reviewing any potential conflicts of interest;

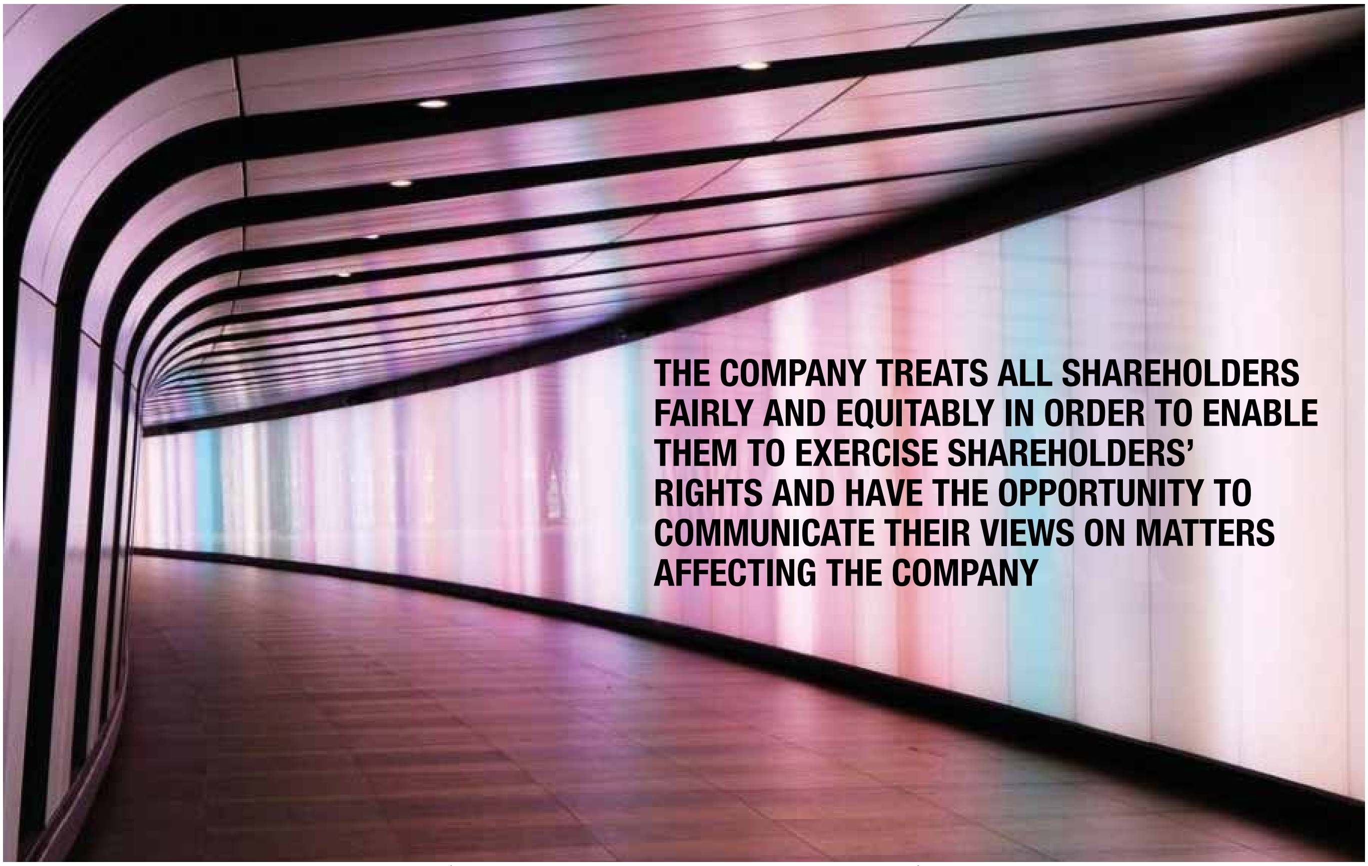
- approving internal control procedures and arrangements for all interested person transactions;

- reviewing and recommending hedging policies and instruments, if any, to be implemented by the Company to the Board;

- enquiring the status of the existing Qualifying Assets (as defined in the Company's prospectus dated 10 October 2012 (the "Prospectus")) and determining if any of the Qualifying Assets should be removed from the QA List (as defined in the Prospectus);

- reviewing and approving the Promoter Interest Register (as defined in the Prospectus);

- undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the ARC; and



- undertaking generally such other functions and duties as may be required by law or the SGX-ST Listing Manual, and by such amendments made thereto from time to time.

The Group has implemented a whistle-blowing policy. The existence of such policy has been communicated to the employees. The policy aims to provide an avenue for employees and other persons to raise concerns about improprieties in matters of financial reporting or other matters and at the same time assure them that they will be protected from reprisals or victimisation for whistle-blowing in good faith. Anonymous disclosures will be accepted, and anonymity honoured. Cases that are significant are reviewed by the ARC for adequacy of investigative action and resolution. The outcome of each investigation is reported to the ARC. Contact details of the ARC chairman have been made available to all employees. No whistle blowing reports were received in 2019.

Provision 10.2 (Composition of the ARC)

The ARC comprises Mr Ong Beng Chye, as the chairman, and Mr Soh Chun Bin and Mr Lu King Seng, as members, all of whom are non-executive and independent Directors. At least two members, including the chairman of the ARC, have recent and relevant accounting or related financial management expertise or experience.

Provision 10.3 (No interest in auditing firm)

No former partner or director of the Company's existing auditing firm is or can be a member of the ARC.

Provision 10.4 (Internal audit)

The Company outsources the internal audit function to an external professional firm, PWC. The primary reporting line of the internal audit function is to the ARC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the Company's documents, records, properties and personnel, including the ARC, and has appropriate standing within the Company.

Provision 10.5 (Meeting without presence of Management)

On an annual basis, the ARC meets with the external auditors and the internal auditors without the presence of Management.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1 (Shareholder participation)

The Company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders. Shareholders are informed of general meetings through notices published in the newspapers, through reports or circulars sent to all shareholders and via SGXNET. The Company encourages shareholders' participation during the general meetings. Resolutions are passed through a process of voting and shareholders are entitled to vote in accordance with established voting rules and procedures.

Provision 11.2 (Separate resolutions)

The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

Provision 11.3 (Director attendance)

All Directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed on page 50 of this Annual Report.

Provision 11.4 (Absentia voting)

The Company's constitution allows for absentia voting at general meetings of shareholders.

Provision 11.5 (Minutes)

The Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

Provision 11.6 (Dividend Policy)

The Company has adopted a dividend policy to declare dividends of at least 30% of the Group's net profit attributable to owners of the Company, subject to debt covenants and capital requirements needed to support growth and investments. In view of the Group's performance, the Board does not recommend any dividends for 2019.

Engagement with Shareholders

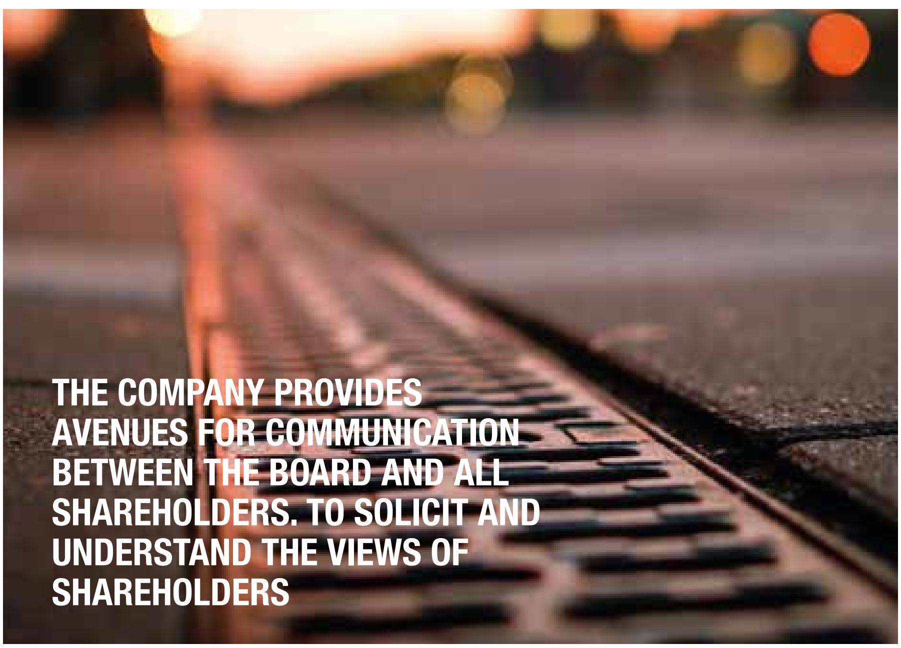
Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1 (Communication)

The Company provides avenues for communication between the Board and all shareholders. To solicit and understand the views of shareholders, the Company seeks to maintain regular dialogue with its shareholders through briefings and by allowing them to share with Directors or senior management from time to time their views and concerns. The Company works with a professional firm in respect of its investor relation activities.

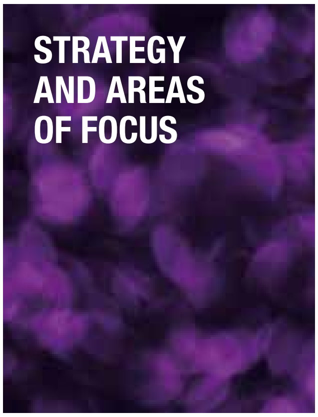
Provision 12.2 (Investor relations policy)

The Company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.



The Company has adopted a dividend policy to declare dividends of at least 30% of the Group's net profit attributable to owners of the Company, subject to debt covenants and capital requirements

The Company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders



Briefing sessions for the media and analysts are conducted from time to time

THE COMPANY'S INVESTOR RELATIONS POLICY SETS OUT THE MECHANISM THROUGH WHICH SHAREHOLDERS MAY CONTACT THE COMPANY WITH QUESTIONS

Briefing sessions for the media and analysts are conducted from time to time. Press statements and financial results are published on the Company website and SGXNET. An investor relations team supports the Chief Executive Officer in implementing the investor relations policy.

The Company strives for timeliness and consistency in its disclosures to shareholders. It is the Company's policy to keep all shareholders informed of developments or changes that are likely to have a material impact on the price or value of the Company's securities, through announcements via SGXNET. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not practicable.

Provision 12.3 (Mechanism)

The Company's investor relations policy sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions. As part of the policy, the Company regularly conveys pertinent information, gathers views or input, and addresses shareholders' concerns. In this regard, the Company provides timely information, including disclosure on corporate developments, to its shareholders via SGXNET announcements, news releases and its website and ensures that price-sensitive information is publicly released and is announced within the mandatory period. The Company does not practise selective disclosure. The views of shareholders are gathered at shareholder meetings where shareholders are permitted to ask questions and seek a better understanding of the Group.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1 (Engagement with stakeholders)

The Company identifies its investors, customers, employees, mining and infrastructure service providers, local communities and regulators as material stakeholders who may materially impact or be directly impacted by the Group's activities. Therefore, the Company has arrangements in place to engage with these material stakeholders and manage its relationships with them.

Stakeholder relations are managed by various departments at the corporate level and the investor relations team of the Group. Engagement includes periodic roadshow presentations and analyst briefings with investors, regular meetings with and feedback from contractors, customers and service providers, regular monthly management meetings and the employee feedback scheme as well as regular meetings with representatives of local communities to discuss the Group's corporate social responsibility activities.

Provision 13.2 (Strategy and key areas of focus)

The Company's strategy and key areas of focus in relation to the management of stakeholder relationships during 2019 were as follows:

- providing investors with relevant information about the Company and its activities and seeking their views on the Company's financial performance and activities;

- interacting with customers and mining and infrastructure service providers regularly to better understand each other's concerns and needs and working with them to address these concerns and needs;

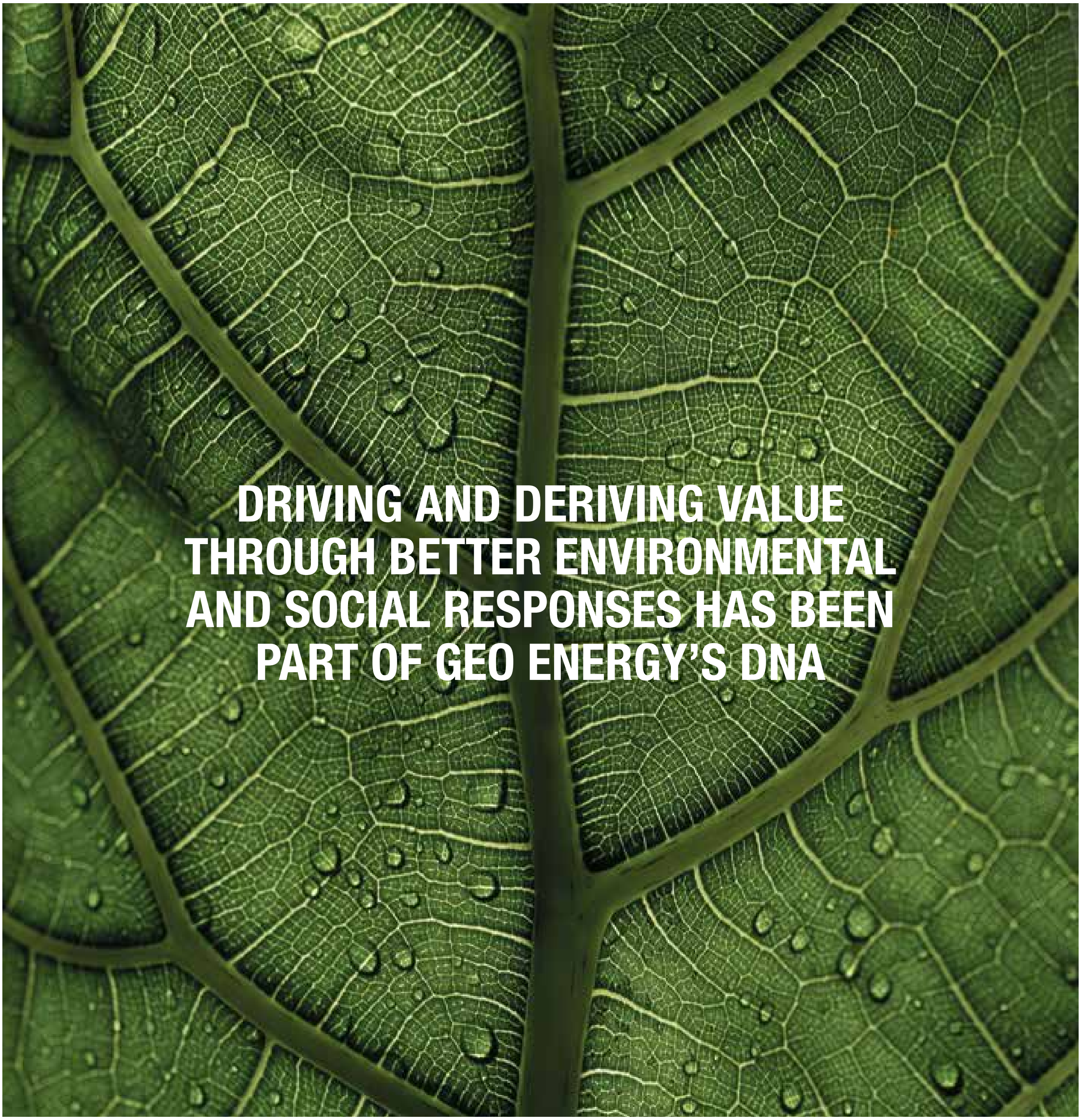
- communicating with the Group's employees in various ways to ensure that the Company knows their concerns and that they are aligned with the Company's strategies;

- engaging the local communities where the Group operates and identifying and seeking to address their needs and concerns; and

- providing feedback to and complying with the regulations and policies of regulators.

Provision 13.3 (Website)

The Company currently maintains a corporate website at www.geocoal.com to communicate and engage with stakeholders.



Creating sustainable shareholder value

Optimising our operation for long-term economic, social and environmental benefit

Continuous improvements in the health and safety standards

Non-discrimination, diversity and equal opportunity to our employees

Creating a positive and lasting impact on the communities we operate in

Mutual respect, transparent behaviour and open dialogue with our stakeholders

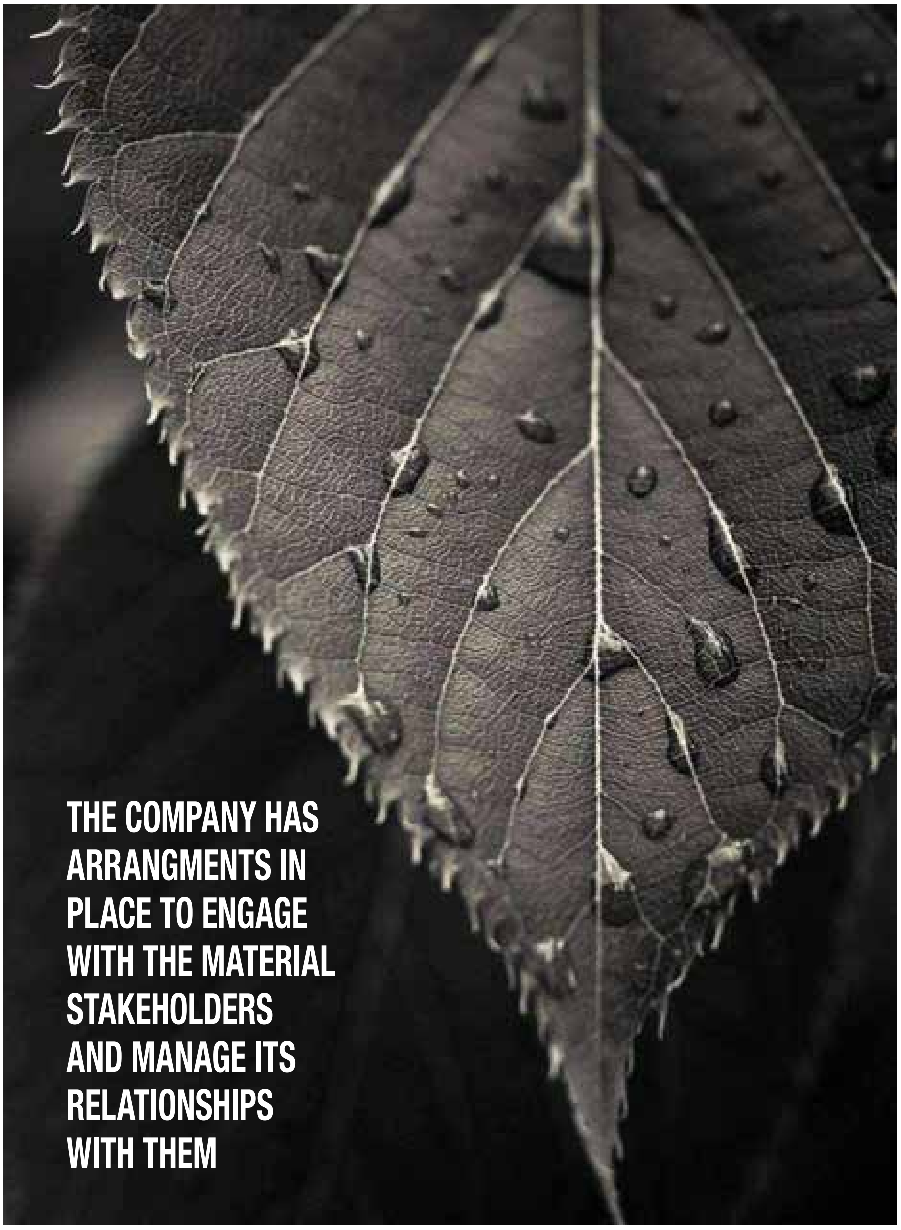
Creation of economic values for stakeholders

Part F
Sustainability

7 SUSTAINABILITY

We publish a standalone sustainability report annually

Our Sustainability Framework comprises an Enterprise Risk Management (ERM) Working Group	Health and Safety • Zero Fatalities in 2019 • Zero occupational-related illness • Zero reported incidents	Sustainability report based on the Global Reporting Initiatives (GRI) Standards	Upholding ethical and integrity principles in our business and throughout our operation is fundamental to how we operate



2019 HIGHLIGHTS

Sustainability Highlights

Health and Safety

- Zero Fatalities in 2019
- Zero occupational-related illness
- Zero reported incidents

We engaged an independent global consultant, PT ERM Indonesia to develop our new integrated approach in our environmental and social management.

Employees

- 667 training hours to employees
- Achieved equal male-to-female ratio at our Singapore office

Community

- Invested a total of US$400,000 towards community wellbeing in 2019
- Focused on supporting community through education and public infrastructure

Environment

- Reduction of total scope 1 emissions and intensity by 26% and 19%
- Reduction of energy consumption and intensity of 26% and 25%
- Increase of 48% land reclaimed from previous year

Shared Economic Value

Geo Energy understands that to achieve sustainability, we toned to provide what we can to all of our stakeholders including shareholders and communities where we operate. Regarding the creation of economic values for stakeholders, we paid dividends to our shareholders while paying taxes and fees to the government or local authorities. We also maximise the employment of local workers and suppliers as well as investing in community.

We are committed to our employee and contractor's welfare as we still pay bonuses for those who perform well.

APPROACH TO SUSTAINABILITY

Driving and deriving value through better environmental and social responses has been part of Geo Energy's DNA since the founding of our Group. This 2019 sustainability statement marks our three-year journey of integrating social and environmental considerations into our business strategy, culture, operations, and decision-making processes.

As a resource-based company, we are fully aware of our impacts to the society and environment. At any time, we assess the risks and impacts of associated activities in our operations. We always try to prevent, reduce, and mitigate risks as much as possible through our internal Environmental, Social, and Governance ("ESG") risks assessment.

Sustainability Strategy and Management

Our business strategy is to create innovative products, meet shareholder expectations, and operate in a socially and environmentally responsible manner. Our Sustainability Framework comprises an Enterprise Risk Management ("ERM") Working Group that identifies the sustainability opportunities and risks across our operations enabling us to deliver tailored solutions to help us realise our objectives.

We work collaboratively with stakeholders to ensure that we keep channels of communication open and talk about issues that are important to our stakeholders. To ensure the longevity of our business, we recognise that communicating with our stakeholders is imperative. We ensure continual communication with regulators and investors, which is central to our ambition to be our industry's trusted partner.

Our Materiality

We undertook our first materiality assessment in 2017 and mapped out key ESG issues that are important to our stakeholders and us. Since then, we have reported our material issues in our sustainability report based on the Global Reporting Initiatives ("GRI") Standards and followed the AccountAbility ("AA") 1000's recommended guidelines.

In 2017, Geo Energy undertook a comprehensive materiality assessment to identify and map out key ESG issues that are important to our stakeholders and us. We first identified the sustainability material issues relevant to our industry and stakeholders affected by our business. We then defined and engaged these issues to relevant stakeholder groups through direct interviews. Criteria were set out to gauge the priorities of how each group perceive the importance for each material issue. The consultation was then scored based on the issue's influence on business success (internal) or importance to external stakeholders. The result of the stakeholder engagement were then processed to produce our materiality matrix.

Materiality Results

- Compliance
- Economic Performance
- Ethics and Integrity
- Effluents and Waste
- Employment Practices
- Health and Safety
- Human Rights
- Community Wellbeing
- Water and Effluent
- Biodiversity
- Energy and Climate Change
- Procurement Practices

In 2019, we engaged PT ERM Indonesia, a global sustainability consulting company, to review and validate the relevance of our material issues. Each material issue was benchmarked against industry peers in Indonesia and the Dow Jones Sustainability Index ("DJSI") Gold Award. The study informed us that our identified material issues are still relevant to our business today, however, there have been minor changes in how we categorise our material issues, and these changes include:

- Increasing the significance of biodiversity to Top Tier, which includes mine rehabilitation.
- Changing material issue name of Energy Efficiency and Climate Change into Energy and Climate Change and re-categorised as Second Tier material issue.

As a resource-based company, we are fully aware of our impacts to the society and environment

- Merging Employment, Labour Management Relations, and Training and Education into Employment Practice.
- Changing material issue name of Local Communities to Community Wellbeing.

CORPORATE GOVERNANCE

Management Approach and Commitment

At Geo Energy, we are committed to protect our stakeholders' interests and create long-term sustainable value. At the corporate level, we implement best practice standards in Good Corporate Governance ("GCG") to safeguard our commitment in transparency and accountability. We strongly believe that our approach and commitment will create long-term value to our business and stakeholders' sustainability.

GCG Principles and Framework

Our corporate governance principles and framework are aimed at ensuring accountability and transparency throughout our business operation. We believe it will foster long term value and sustainable growth for the benefit of our partners. We constantly review and evaluate our corporate governance in accordance with applicable national regulations. We adhere to the Singapore regulation as set by Monetary Authority of Singapore ("MAS"), applicable Indonesian Mining Regulation, and the SGX-ST requirements.

The Principles and Practice Guidance set forth in the Code of Corporate Governance 2018 (the "Code") established by SGX-ST serves as a guidance to our corporate governance framework. As detailed in the Code, our Board of Director (the "Board") has the dual role of setting strategic direction and setting the company's approach to governance. This includes establishing an appropriate culture, values and ethical standards of conduct at all levels of the company.

The Board confirms that for the financial year ended 31 December 2019, Geo Energy has adhered to the principles and guidelines as set out in the Code.

Beginning in January 2019, we undertook major review of our operations and governance, resulted in the development of an overarching Environment and Social Management System ("ESMS") in accordance to International Finance Corporation ("IFC") Performance Standards.

The ESMS states our commitment to environmental and social management. It elaborated procedures for identifying, assessing and managing our environmental and social risk. Our Head of Technical and Engineering led implementation of the ESMS across our operation.

Ethics and Integrity

Upholding ethical and integrity principles in our business and throughout our operation is fundamental to how we operate and underpins stakeholder and shareholder trust. The Code 2018 Principles and Practice Guidance guides our ethics and integrity principles. Our Board is ultimately accountable for the implementation while fully supported by our Audit and Risk Committee.

Our Code of Ethics and Conduct clearly set out the principles and expected standard in our day-to-day actions, decisions and interactions. Our focus in upholding business integrity is enforcement of zero tolerance of fraud, bribery and corruption. Regardless of positions, all employees face prompt disciplinary action or termination should they breach our strong stance in anti-corruption and bribery policy.

We are proud to report that we have zero confirmed cases of corruption and bribery in 2019.

Early childhood education is the cornerstone of developing the younger generation. We have built classrooms for early childhood education to increase interest in learning for children

Whistleblowing Policy

Our whistleblowing policy aims to provide a confidential channel for employees and external parties, to raise concerns of business ethics and non-compliance. We protect the whistle-blowers' confidentiality and anonymity with the utmost care.

Our Audit and Risk Committee ("ARC") reviews significant report to ensure adequate and timely manner of investigative action and resolution. This mechanism ensures that we continue to maintain our business ethics and integrity, while protecting our employees. Our ARC received zero whistleblowing reports during this reporting period.

Risk Management

We implement a clear and robust Enterprise Risk Management (ERM) Framework to safeguard the company against risks. As a mining company, we are involved in high risk operations at our mining sites. This risk framework helps us minimise risks and non-compliance with applicable law and regulations.

Our ERM Working Group and our Board reviews all significant control policies and procedures on an ongoing basis and highlights all significant matters to the Board.

We conduct rigorous cyclical risk identification and assessment along with monitoring and reporting across all aspects of our operations:

- At the operational level, key management personnel of the respective business units – the risk owners, together with the ERM working Group – identify potential risks through conducting.
- An annual risk workshop and prioritising the top risks affecting the Group as well as to provide countermeasures for the risks identified. All identified risks are assessed, analysed and prioritised by their level of importance.
- The ERM Working Group then outlines a course of action to minimise the impact from these risks as well as the expected costs incurred in relation to the mitigating action.
- Each prioritised risk is then assigned to its respective Risk Owner who is responsible for monitoring, controlling and reporting on the status and effectiveness of each risk response action to the ERM Working Group.
- The identified top risks will be presented to the Board for review and approval for the adequacy and effectiveness of the Group's risk management and internal control.

Human Rights

Geo Energy respects the human rights of our employees and contract workers regardless of their working status, in line with international human rights conventions such as the International Labour Organisation ("ILO") Conventions.

Geo Energy SIT Bursary

The Geo Energy SIT Bursary was established to support financially disadvantaged and deserving undergraduates enrolled in full-time Information Communications Technology or Allied Health degree programmes at the Singapore Institute of Technology (SIT). The Bursary is to be used for the Recipients' tuition fees and miscellaneous fees only.

Financial contribution of S$60,000 over 4 years (2018-2021) to be given to financially disadvantaged and deserving students from SIT.

3 Bursaries to be awarded annually over a period of 4 years commencing from Academic Year 2018. Each Bursary is applicable for one Academic Year.

Bursary will be awarded to students who are

- pursuing the Information Communications Technology degree or Allied Health undergraduate degree programmes offered by the Institute;
- Singapore citizens or Singapore Permanent Residents; and
- Have a household per capita income of no more than S$1,000.

Our programs focus on early childhood education to encourage the younger generation and contribute to a sustainable future

WE RECRUIT AND DEVELOP PEOPLE REGARDLESS OF RACE, COLOUR, RELIGION, GENDER, AGE AND DISABILITY

We are working towards improving the human rights aspects of our operations. During the 2019 reporting period, there were no significant investment agreements and contracts that included human rights clauses or underwent human rights screening.

Procurement Practices

We have established robust process, policies and governance structure in our procurement practices. Our aim is to provide clear guidance on all our purchasing activities while also serve as effective safeguard against all form of unethical behaviours. We believe having well developed procurement policies will also foster conducive financial conditions that support local communities to improve their standard of living. In 2019, TBR and SDJ sourced most of their site products locally from vendors located in South Kalimantan Province.

Our procurement policies include:

- Criteria and processes for purchases and payables;
- Selection and annual evaluation of vendors; and
- Local recruitment and procurement plan.

OUR EMPLOYERS

Management Approach and Commitment

At Geo Energy, we believe the key success of our Goup is in our people. We strive to engage and develop our people by offering them career progression opportunities and competitive compensation on top of protecting their health and safety. Our focus is to recruit and retain diverse talents who can support our vision, mission, and values. We are fully committed to diversity and inclusion in our business and operations by providing equal opportunities in all roles of our company. Our company recruit and develop people regardless of race, colour, religion, gender, age, and disability.

We are committed to comply with all applicable labour law and regulations and we aim to go beyond this by providing the best services to our people. Although mining operators are not within our boundary, we make sure that all our procedures in labour relations and human resources are aligned with best practice standards and applicable regulations. Our human resource policy and procedures ensure that all our employees' rights are protected regardless of their locations.

Our People at a Glance

During this period, we saw a disruption in the coal market and it affected our human resources operation. However, we managed to prioritise the wellbeing of our employees and frontline workers.

In 2019, 169 out of 188 employees are based in Indonesia, where our mining operations are located, with 19 employees based in our Singapore office. Most of our Indonesian employees are in non-executive positions at 66% of total employees. Furthermore, we have talented young individuals working for our Indonesian operations with 33% aged less than 30 years old.

We are pleased to achieve an equal gender ratio in our Singapore office.

In total, we employed a female-to-male ratio of about 1:3 in our operations. The nature of our business operations meant that we have more male employee candidates than female. For instance, our mining operations in Indonesia have 128 males and 41 females, and we recognised that we can do more to contribute to women Science, Technology, Engineering, and Mathematics ("STEM"). Our Group is always open to female applicants as we are committed to a non-discriminatory workplace environment.

Looking forward, we are committed to improve our human resources performance by streamlining communication between executives and non-executives' levels.

Talent Attraction and Retention

We always seek qualified talents wherever we operate and provide equal opportunities to men and women based on individual merits. In 2019, we hired a total of 19 new employees, 25% of whom were female. Furthermore, we maintained an approximate turnover rate of 10% across our operations to keep a healthy and diverse talent pool.

At Geo Energy, we can retain a healthy talent pool due to the provision of competitive remuneration and benefits including annual bonuses dependant on individual performance. For instance, at our Singapore office we provide healthcare and life insurance, disability coverage, and stock ownership should they pursue it. In our Indonesia office, we provide good healthcare, disability coverage, and retirement provision to all our full-time employees.

As part of our human resource strategy, we conduct an annual company-wide engagement survey to express their opinions relating to work conditions and concerns. This ensures that we can manage our employees' expectations so that we can manage a sustainable relationship.

Human Capital Development

The development of our employees is fundamental to our business sustainability. It is very critical that we provide training and education for our employees to maintain and grow the best talents. All of our employees receive equal opportunities in receiving professional development and career progression. Supervisors conduct performance reviews for employees to acknowledge and encourage development and discuss valuable feedbacks in achieving work-related goals. We tailor the training and education of our employees based on their roles and responsibilities to make the greatest impacts.

HEALTH AND SAFETY

Management Approach and Commitment

Geo Energy believes that health and safety of our employees, contractors, and communities where we operate are essential to our business. It is our responsibility to ensure that the working place are in safe condition and everyone is encouraged to implement safety behaviour to minimise risk of accidents, injuries and occupational illnesses. To achieve this goal, we have established Occupational Safety, Health and Environment ("OHSE") Policy for all of our mine operations. Our policy is a guideline that outlining our commitment to protect our employees, contractors, and communities and to comply with applicable legislation.

Health and Safety Compliance

As a good corporate citizen, we adhere to national laws related to health and safety as the minimum requirement to protect our employee. Our health and safety management programs are based on applicable local law and regulation. On top of this, we also follow international best practice framework such as OHSAS 18000 as well as various international and financing standards that are applicable to us. We are in the middle of migrating to another international best practice standards in occupational health and safety ("OH&S"), the ISO 45001. The new management system would ensure that our people are protected.

Health and Safety Management System

In 2019, we established Environmental, Health and Safety, and Social Management System ("EHS&SMS") which sets out the identification and evaluation of risks, hazards, and impacts; and the controls and mitigation measures required.

Our EHS&SMS sets out the health and safety management plans, procedures, and provision on monitoring review. We developed the EHS&SMS based on relevant national regulations, international financing standards such as the International Finance Corporations ("IFC") Performance Standard ("PS") and international standards for management systems: OHSAS 18001:2007 (Occupational Health and Safety Assessment Series).

As part of the EHS&SMS implementation, we also commit to conduct monitoring and review process to maintain our continual improvement, performance and effectiveness management system in accordance with the Plan-Do-Check-Act ("PDCA") model.

Contractor Health, Safety, and Environment Management System

As our partner and mining operator, BUMA works together with us on our employees' safety. Contractor management system plays an important role given the number of employees working at our mining sites, which is around 3,000 workers. To support this, we have developed the Contractor HSE Evaluation Policy (2018), a framework that enables us to effectively supervise, monitor, oversee and manage our contractor selection appointment process, and to evaluate the existing contractors appointed in terms of HSE requirements.

We support public infrastructure development to increase the communities' quality of life and prosperity

Apart from our Contractor HSE Evaluation Policy, BUMA itself has developed robust policies and programs which strengthening our health and safety management system such as JOSHE (Joint Observation Safety Health and Environment), ZIAP (Zero Incident Awareness Programme), and a daily 5 minutes safety meeting before the start of operations (P5M).

Operational Health and Safety Performance

Monitoring our health and safety performance is a key factor to evaluate that our health and safety programs are well implemented. In 2019, we are grateful to achieve zero fatalities and work-related injuries from about 2 million hours in SDJ mine and 4 million hours in TBR mine. We are also proud no occupational illness occurred during this reporting period.

We successfully increase our health and safety performance from last year. In 2018 we regretfully had 3 people experienced work-related injuries in the SDJ mine.

We took an evaluation seriously of our health and safety system and successfully achieved zero fatalities and work-related injuries later in this year. Through our high commitment and health and safety programs, we successfully maintain our zero fatalities and work-related injuries in 2019.

Occupational Health & Safety Programs

Our health and safety programs are established to increase not only awareness but also the safety culture of our operations. Excellent teamwork is necessary to achieve our health and safety objectives. The programs aim to prevent accidents by minimising the occurrence of unsafe conditions and unsafe actions, which are a direct cause of the accident's occurrence.

Internal Safety Training

To enhance the safety culture within our mine area, we often organise internal safety trainings such as basic occupational health and safety, housekeeping, fire prevention, first aid, working at height, and working near water, etc. This internal training is carried out based on Training Need Analysis according to each worker's position and exposure to potential hazards. The schedules will be made for implementation and monitoring of competency fulfilment for each worker. A minimum pass test score of 80 is made to ensure the understanding of the training participants.

OUR HEALTH AND SAFETY PROGRAMS ARE ESTABLISHED TO INCREASE NOT ONLY AWARENESS BUT ALSO THE SAFETY CULTURE OF OUR OPERATIONS

SUPPORTING COMMUNITY WELLBEING

Management Approach and Commitment

Mirroring our strong commitment to our stakeholder in creating long-term sustainable value, we are highly committed to creating a positive and lasting impact to the community where we operate. We believe that strong relationships are built on trust and respect, as such obtaining and maintaining community support and social license to operate is key for our continued success. Proactive approach toward community needs is always our focus in running our business.

We strive to implement our Stakeholder Engagement Policy in all our operational area. In line with building and maintaining a constructive relationship with stakeholders, we have developed a Stakeholder Engagement Plan ("SEP") that provides guidance for consultation and information disclosure with all our stakeholders.

Stakeholder Engagement

Our stakeholder engagement process is initiated by identifying and mapping relevant parties to form the foundation of our plans and strategies for engagement activities. We utilise various tools to engage with our stakeholders such as websites, presentations, and interviews.

The process extends from information sharing and consultation, to participation, negotiation, and information of partnerships. This two-ways approach means that stakeholders can provide feedbacks through our communication channels to ensure that feedbacks are recorded and handled as required.

As part of our SEP, we have developed a grievance mechanism process for affected stakeholder to raise their concerns associated with our operations. This process is designed to provide effective engagement and disclosure program. As such, we regularly monitor our grievance redress to identify and pinpoint areas of improvement to better engage and support our affected stakeholders.

In 2019, we identified rooms for improvement in our stakeholder management approach. As such, we employed PT ERM Indonesia to support us develop international best practices standards based on the International Finance Corporations ("IFC") Performance Standards. With their support, we are excited and motivated to implement our refreshed approach in better engaging our communities.

Supporting Community Livelihoods

In all our community activities, we strive to support community involvement in our operation area. We support community development through programs of employment, business opportunities, training and capacity building. It is within our effort to improve the livelihood and raise the living standards of the local communities.

Our local corporate social responsibility ("CSR") teams frequently engage with the village heads, local government authority and agencies enquire them on what their problems are and what we can do to assist in a collaborative manner. Regular meetings are held with representatives from surrounding villages to discuss the progress and implementation of our community assistance plans as well as to address any issues, concerns or complaints that may have arisen and to discuss best practical

Run For Hope (RFH) is an annual run organised by Four Seasons Hotel Singapore and the National Cancer Centre Singapore (NCCS) to raise much-needed awareness and support for cancer research.

activities of CSR program implementation. This approach enables all parties the opportunity to exchange views and information.

We engage and support local communities through beneficial social investment programmes. Our methodologically approach for the programmes is by conducting Social Mapping to every operations that are in line with the Musyawarah Rencana Pembangunan/Deliberation on Development Plans in the area. It is our pleasure to support the needs of the villages, where we provided US$400,000 to contribute to the welfare of the communities in seven villages located around our mining operations.

Community Development Programs

Project	Activities	Location
Education	• Teacher Development • Building Tahfids Class • Building Classroom	• Tanah Bumbu District • Sumber Baru Village • Dermaga Village, Purwodadi, Village, Makmur Village
Public Infra-structure	• Pier • Road development	• Angsana Village • Bayansari Village

Education

We believe education is the foundation of sustainable development for community wellbeing. Our operations support the local communities through education initiatives such as teacher development program and improving educational infrastructure. Many of our programs focuses on early childhood education to encourage the younger generation and contribute to a sustainable future.

1,000 Outstanding Teachers Program

Geo Energy in collaboration with Surya Institute Foundation supported the Tanah Bumbu District Education Department Program for the selected "1,000 Outstanding Teachers". By investing IDR625,000,000 to the program, we facilitated teacher training to increase the teacher's competency and equipped them to prepare students to participate in the national and international Olympics. From this program, we are proud to receive an award from the Regent of Tanah Bumbu.

Classrooms

Early childhood education is the cornerstone of developing the younger generation. The educational infrastructure plays a role to influence fluency, comfort, safety as well as the success of teaching and learning activities.

We have built classrooms for early childhood education to increase interest in learning for children. This has also support to increase the number of student admission, so the capacities of the class division are according to standards.

Tahfidz

The community surrounding our operation area consider religion as an important aspect of life, where majority believe in Islam. Aligning with the local government initiative of "1 Village 1 Tahfidz House" we support this initiative by constructing a tahfidz house for the community. Knowing the importance of religion in the community, we hope the program can enhance their quality of life and community wellbeing.

Public Infrastructure

The largely rural population near our operation area means that we can further improve their livelihoods and the local economy. We support public infrastructure development to increase the communities' quality of life and prosperity. We enhance community wellbeing by investing in the local public infrastructure.

Road

We managed to enhance local public infrastructure by improving the access road in the villages surrounding our operation area.

Pier

Angsana Village is a potential location for local economy development with Angsana Beach near the location. The area has several tourist facilities that support the local economy. Through local public consultation, we identified opportunities to improve the community's economy by facilitating access for fishing boats and passenger ships to the tourist sites.

Batam Build

Batam Build is a series of short-term trips designed to provide an opportunity for participants who are keen to volunteer on a build trip but are unable to travel for long periods of time with the aims to improve the standard of living for 1,000 families through the reconstruction of new homes, improving the current water, drainage and electricity system.

We, together with Habitat of Humanity Singapore, joined the current stage of houses construction that was assigned to us such as the early phase of laying the foundation. Our aim is to improve the standard of living for families through the reconstruction of new homes.

Run for Hope 2019

Run For Hope ("RFH") is an annual run organised by Four Seasons Hotel Singapore and the National Cancer Centre Singapore ("NCCS") to raise much-needed awareness and support for cancer research. This is the 2nd year of our sponsorship and donation. We will continue to support and commit further resources as we believe in creating sustainable value through good ESG practices and corporate governance.

ENVIRONMENT MANAGEMENT

Management Approach and Commitment

At Geo Energy, we are committed to minimising environmental risks and upholding high environmental standards wherever we operate. We always seek to manage our environmental footprints by employing best environmental management practices. As a resource-based company, we realise that we have considerable environmental impacts and that it is imperative for us to carefully manage these impacts.

The complexity of environmental issues mean that we have to implement integrated environmental management approach from – from water and waste management, to land rehabilitation. We always focus on avoiding and preventing negative impacts. Where negative environmental impacts are unavoidable, we maximise our effort in mitigating and remediating environmental impacts. We take environmental stewardship seriously to maintain good stakeholder relationships. Our approach is Environmental Management Systems ("EMS"). Wherever we operate, we always strive to comply with applicable environmental law and regulations. In order to effectively manage and comply with all environmental requirements, we have implemented an integrated environmental management approach based on ISO 14001: 2015 on EMS. Our ISO 14001: 2015 certification shows our commitment in upholding the best international standards in EMS.

In 2019, we underwent an Environmental and Social Due Diligence to develop an overarching Environmental and Social Management System across all our assets. Based on this, we are trying to align our environmental management approach to other international best practice standards such as the Equator Principles and International Finance Corporations (IFC) Performance Standards. Looking forward, we are excited to implement these results and further improve our future environmental performance for a sustainable business.

We are proud to say that we have zero case of non-compliance with environmental laws and regulations in 2019 and will always be committed to uphold this in all our assets.

Land Reclamation and Rehabilitation

We believe that a strategic approach to post-mining reclamation is cornerstone to good environmental management in our industry. Our coal reserves are located underneath a previous palm oil plantation where we have agreed with the landowner to borrow, use, and return the land once mining activities completed. This means that every time we initiate mining activities, we excavate and store the topsoil for land reclamation purposes. We are fortunate that due to previous land use activities, the impacts of our operations to local biodiversity is kept at a minimum.

Together with BUMA, we employ industry standard approach in land reclamation by preserving materials above the coal seam or ore body. Once a mining activity is completed, we return the preserved materials and rehabilitate the landscape by spreading topsoil and cover crop to improve soil quality and reduce soil erosion.

In 2019, we have started our land reclamation process in TBR and resulted in 95 ha of reclaimed land. This is an increase of 48%

total land reclaimed from previous year. As part of our land reclamation plan, we proactively reclaim and rehabilitate land once an operation in particular area has finished. In this way, we can minimise and mitigate our impacts swiftly.

Energy and Climate Change

At Geo Energy, we recognise that our business is energy intensive and emit greenhouse gas ("GHG"). We are always committed to manage these impacts through best practice EMS approach and take operational initiatives where possible. As such, our focus is to always minimise these impacts through best practice approach and complying with applicable environmental regulations.

Energy Performance

We always monitor our energy consumption, which includes fuel sources used to power our mobile and operational equipment. We also regularly monitor our electricity consumption and fuel gas used for our supporting facilities. Our operations employ energy efficiency measures such as reducing lighting and air conditioner usage when not in used and utilising energy efficient equipment for our supporting facilities.

We also conduct yearly campaign to improve the awareness to conserve energy consumption by reducing fuel consumption use for our mobile equipment.

In 2019, we saw a decrease for both of our total energy consumption and intensity at our operations by 26% and 25% respectively. The decrease of total energy consumption can be attributed to our non-renewable fuel use reduction in our SDJ site by more than 50%, which accounted for almost 100% of our energy consumption at the site. Although there is an increase of 20% energy consumption at our TBR site, we have managed to decrease the energy intensity at both of our sites.

Batam Build with Habitat for Humanity and Geo Energy

GHG Emissions Performance

We calculate our scope 1 emissions based on our diesel-fuel consumption and the small amount of fuel gas used for our supporting facilities. Whereas scope 2 emissions are calculated based on the electricity purchased from the national grid for our site offices. Emission factors of all sources are considered based on best measurement practice.
In 2019, we managed to reduce our total scope 1 emissions and scope 1 emissions intensity by 26% and 19% respectively.
In number, we have reduced a total of 35,110 tCO2eq direct emissions from our operations. As our scope 1 emissions are largely based on our direct diesel-fuel and fuel gas consumption, our direct emissions reflect significantly from our energy performance.
In our scope 2 performance, we observed an increase of 5% and 23% for our total emissions and emissions intensity. This increase can be attributed to the intensifying operational activities at our TBR office sites, which accounts for 60% of our total electricity grid consumption. We will continue our efforts in reducing our electricity consumptions by implementing more energy efficient equipment at our site offices.

Water and Effluent

Our operations employ water and wastewater management based on best management standards and applicable water quality regulations. Measuring, monitoring, and evaluating water quality is a part of our standard procedure to ensure that every wastewater discharge complies with applicable water quality standards. All our operations source its water from municipal suppliers and a wellbore in our operation area.

Geo Energy understands the impact that water have for ecosystem services and that is why we conduct stringent management implementation to ensure we minimise our impacts to water resources.

With the intensification of TBR operations, we saw an increase of all our water performance. For instance, we saw two times increase of our water withdrawal at our TBR site, whereas there was a reduction of 14% in our SDJ site During this period, we also saw an increase of 22% in our water consumption. This trend is quite common throughout our environmental performance because of TBR's production intensification.

We conduct daily and monthly monitoring for our effluent water and apply treatment to ensure its water quality are up to standards before discharge. Our treatment process involves the removal of hazardous pollutants, normalisation of pH, and required treatments as per applicable water quality regulations at our settling pond before release. We have discharged a total of 45,000 m3 effluent water in 2019, two times the amount of discharge in 2018.

Waste Management

Our operations strictly implement an international guideline on waste management, on top of complying with applicable local regulations. The Material Safety Data Sheet ("MSDS") inform the foundation of our waste management and streamline its processes. The handling and disposal of all our waste are managed by an approved waste management contractor where they have strict adherence to industry standards and local environmental regulation.

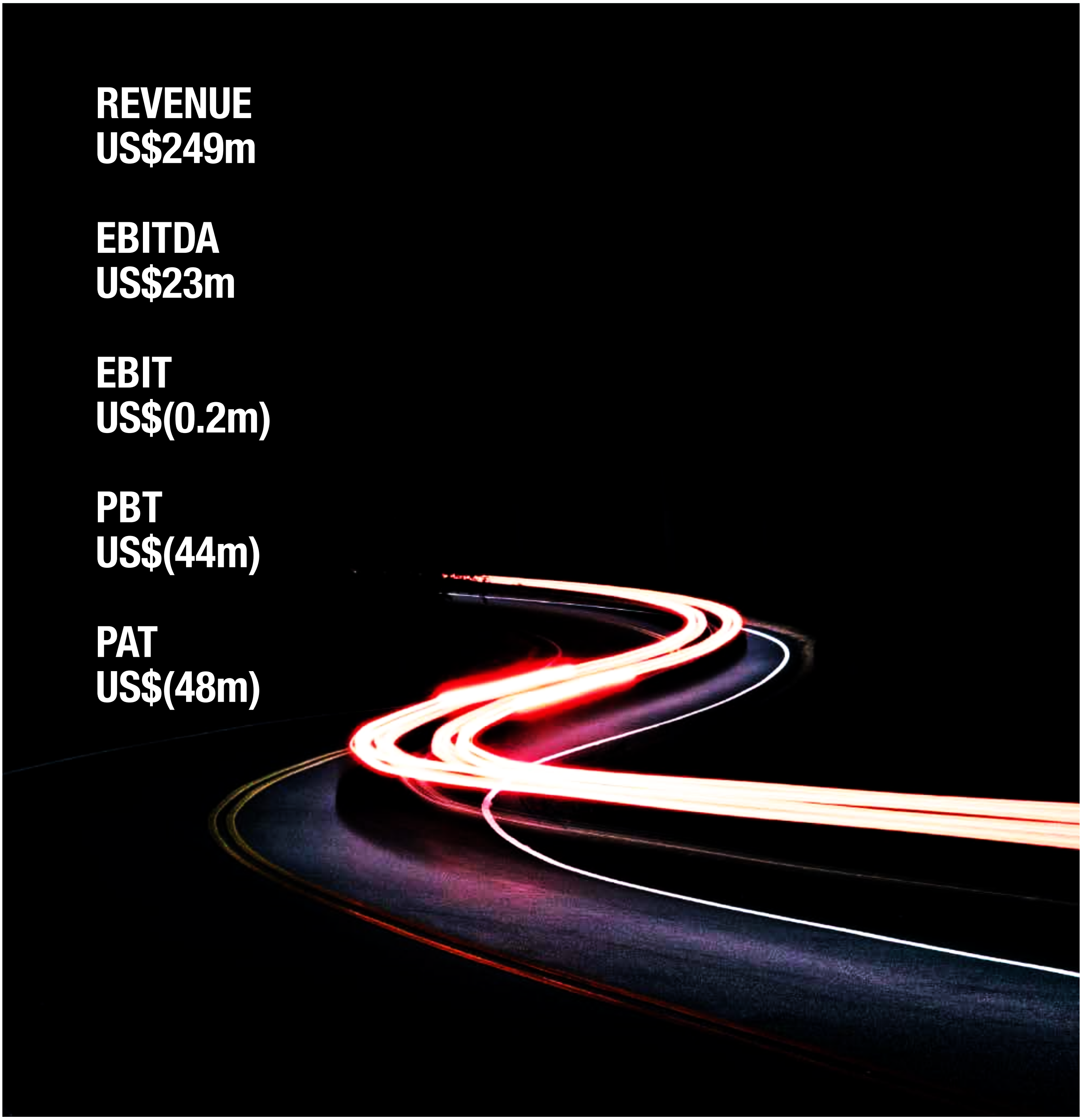
Our mining operations deal with many forms of waste in daily basis from liquid to solid waste. The MSDS streamlines our management in handling and storing the waste of our production by-products.
With our employee's safety as our top priority, we provide appropriate personal protective equipment ("PPE") and training in handling hazardous waste.

Hazardous Waste

In 2019, we have reduced a total of 28% hazardous waste generated and transported to the approved contractor. The 152 tonnes total reduction is due to less waste generated in our SDJ site, however, our TBR site generated 69 tonnes more hazardous waste than previous year.

Non-Hazardous Waste

Our non-hazardous waste mainly comes from our domestic waste, which includes kitchen waste, paper, wood, rubber, plastic, and glass. All of non-hazardous waste are transported and disposed by our waste contractor where they send it to approved landfills.



THE DIRECTORS PRESENT THEIR STATEMENT TOGETHER WITH THE AUDITED STATEMENTS OF FINANCIAL POSITION, STATEMENT OF PROFIT OR LOSS, AND STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Geo Energy's Audited Consolidated Financial Statements

Part G
Financial Statements

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of Geo Energy Resources Limited (the "Company") and its subsidiaries (collectively, the "Group") and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2019.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 86 to 129 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Charles Antonny Melati
Tung Kum Hon
Dhamma Surya
Huang She Thong
Soh Chun Bin
Ong Beng Chye
Lu King Seng
James Beeland Rogers Jr

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital, share options, warrants and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act except as follows:

Name of directors and companies in which interests are held	Shareholdings registered in name of directors		Shareholdings in which directors are deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
Ordinary shares of the Company				
Charles Antonny Melati [a]	293,345,406	293,345,406	-	-
Tung Kum Hon [b]	10,000,000	10,000,000	-	-
Dhamma Surya [a]	57,159,453	57,159,453	-	-
Huang She Thong [c]	29,825,620	29,825,620	218,326,287	218,326,287
Ong Beng Chye	400,000	400,000	-	-
Lu King Seng	300,000	300,000	-	-
James Beeland Rogers Jr [a]	3,400,000	3,400,000	2,000,000	2,000,000
Ordinary shares of subsidiaries				
PT Mitra Nasional Pratama				
Huang She Thong	1	1	-	-
PT Sumber Bara Jaya				
Huang She Thong	1	1	-	-
PT Bumi Enggang Khatulistiwa				
Huang She Thong	1	1	-	-
PT Sungai Danau Jaya				
Huang She Thong	1	1	-	-
PT Karunia Mitra Berkat				
Huang She Thong	1	1	-	-
PT Era Tiga Putra				
Huang She Thong	120	120	-	-
PT Geo Tebo Power Inti				
Huang She Thong	10	10	-	-
PT Tunas Bara Abadi Tolindo				
Huang She Thong	12	12	-	-
PT STT Tunas Bara				
Huang She Thong	1	1	-	-
PT Surya Tambang Tolindo				
Huang She Thong	1	1	-	-
PT Geo Energy Trading				
Huang She Thong	1	1	-	-

[a] Charles Antonny Melati ("CAM") and James Beeland Rogers Jr ("JR") entered into an agreement dated 3 January 2013 to grant JR, on the day after the expiry of CAM's one-year share moratorium (given in connection with the Company's initial public offering) a call option over 2,000,000 shares of the Company (owned or to be owned by CAM). The call option's exercise price is S$0.35 per share, with exercise period of 10 years, commencing 1 January 2015. The call option is exercisable in whole or in part and subject to conditions precedent. The number of shares under the call option is subject to adjustment provisions. Dhamma Surya has provided an undertaking, guaranteeing the obligations of CAM under the aforesaid agreement to grant a call option to JR over 2,000,000 shares.

[b] On 13 January 2017, Master Resources International Limited ("Master Resources") entered into an agreement with Tung Kum Hon for the transfer of 10,000,000 ordinary shares of the Company held by it for a consideration of S$1.00.

[c] The Company's Executive Director, Huang She Thong, holds 26.4% of the shares in Master Resources. As such, Huang She Thong is deemed to have interest in the 218,326,287 shares held by Master Resources and have interest in all the related corporations of the Company by virtue of section 7 of the Singapore Companies Act.

The directors' interests in the shares of the Company at 21 January 2020 were the same as at 31 December 2019.

4 SHARE OPTIONS

Warrants

On 19 November 2018, the Company issued to Macquarie Bank Limited 74,000,000 non-listed, transferable, free warrants exercisable within two years from the date of issue with each warrant carrying the right to subscribe for one ordinary share in the Company at an exercise price of S$0.33 per ordinary share. No warrants were exercised as at 31 December 2019.

Share Incentive Schemes

The Geo Energy Share Option Scheme (the "Share Option Scheme") and the Geo Energy Performance Share Plan (collectively the "Schemes") were approved and adopted by the shareholders of the Company at the Extraordinary General Meeting held on 23 April 2018.

The Schemes are administered by the Remuneration Committee in accordance with their terms. The members of the Remuneration Committee are:

Lu King Seng (Chairman)
Ong Beng Chye
Soh Chun Bin

The Schemes shall remain in force for a maximum period of 10 years unless extended with the approval of the shareholders of the Company.

The aggregate number of shares issued or issuable under the two Schemes shall not exceed 15% of the total number of issued shares in the Company (excluding treasury shares, if any) from time to time.

Controlling shareholders of the Company and their associates are not eligible to participate in the Schemes.

Subject to the rules of the Share Option Scheme (the "Rules"), options granted under the Share Option Scheme shall be exercisable as follows:

(a) in the case of options exercisable at a price equal to the average of the last dealt prices for the shares of the Company on The Singapore Exchange Securities Trading Limited over the five consecutive market days immediately preceding the date of offer of the options (the "Market Price"), a period commencing after the first anniversary of the date of offer and expiring on the tenth anniversary of the date of offer; and

(b) in the case of options exercisable at a discount to the Market Price (subject to a maximum discount of 20% of the Market Price), a period commencing after the second anniversary of the date of offer and expiring on the tenth anniversary of the date of offer,

provided that options shall be exercised, in the case where the options are granted to employees of the Company and its subsidiaries, before the end of ten years from the date of offer or in the case where the options are granted to non-executive directors of the Company and employees of any associated company, before the end of five years from the date of offer.

On 11 January 2019, the Company granted an aggregate 24,850,000 share options to eligible directors and selected employees of the Company and its subsidiaries pursuant to the Share Option Scheme at an exercise price of S$0.19 per share. The grant of such options and the exercise thereof are subject to the Rules. During the year, 1,750,000 share options granted were forfeited as the option holders ceased to be full-time employees of the Company. No employee of the Company and its subsidiaries has received 5% or more of the total options available under the Share Option Scheme. No options have been granted at a discount.

The information on directors of the Company participating in the Schemes is as follows:

	At beginning of financial year	Options granted during the financial year	At end of financial year
Tung Kum Hon	-	2,000,000	2,000,000
Dhamma Surya	-	1,500,000	1,500,000
Soh Chun Bin	-	1,500,000	1,500,000
Ong Beng Chye	-	1,500,000	1,500,000
Lu King Seng	-	1,500,000	1,500,000
James Beeland Rogers Jr	-	1,500,000	1,500,000
	-	9,500,000	9,500,000

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

5 AUDIT AND RISK COMMITTEE

The members of the audit and risk committee of the Company (the "Audit and Risk Committee") as at the date of this statement are:

Ong Beng Chye	(Chairman of the Audit and Risk Committee and Independent Director)
Soh Chun Bin	(Lead Independent Director)
Lu King Seng	(Independent Director)

The Audit and Risk Committee carries out the functions specified in section 201B (5) of the Singapore Companies Act. The main functions of the Audit and Risk Committee includes the following:

(i) review the annual consolidated financial statements and the external auditors' report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Financial Reporting Standards in Singapore, concerns and issues arising from their audits, including any matters which the auditors may wish to discuss in the absence of management, where necessary, before submission to the board of directors (the "Board") for approval;

(ii) review the periodic consolidated financial statements comprising the statements of comprehensive income and statements of financial position and such other information required by the Singapore Exchange Securities Trading Limited Listing Manual (the "SGX-ST Listing Manual"), before submission to the Board for approval;

(iii) make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors;

(iv) review any interested person transactions falling within the scope of Chapter 9 of the SGX-ST Listing Manual;

(v) review any potential conflicts of interest;

(vi) review the policy and arrangements by which employees of the Group and any other persons may, in confidence, raise concern to the Chairman of the Audit and Risk Committee about possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken. To disclose the existence of a whistle-blowing policy in the Annual Report and disseminate the procedures and channel for raising such concerns;

(vii) undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the Audit and Risk Committee;

(viii) review and recommend hedging policies and instruments, if any, to be implemented by the Company to the Board;

(ix) enquire the status of the existing Qualifying Assets (as defined in the Company's prospectus dated 10 October 2012 (the "Prospectus")) and determine if any of the Qualifying Assets should be removed from the QA List (as defined in the Prospectus);

(x) review and approve the Promoter Interest Register (as defined in the Prospectus); and

(xi) undertake generally such other functions and duties as may be required by law or the SGX-ST Listing Manual, and by such amendments made thereto from time to time.

The Audit and Risk Committee has recommended to the directors that Deloitte & Touche LLP be nominated for re-appointment as external auditors of the Group at the forthcoming annual general meeting of the Company.

6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Charles Antonny Melati

Tung Kum Hon

30 March 2020

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Geo Energy Resources Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 86 to 129.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the matter was addressed in the audit
Appropriateness of carrying amounts of mining properties and deferred stripping costs	
As at 31 December 2019, mining properties (Note 13) and deferred stripping costs (Note 12) amounting to US$150,018,525 and US$61,257,435 respectively, represent 82.5% of total non-current assets and 43.0% of total assets in the Group's statement of financial position. Due to the volatility in coal prices, there is a risk that the recoverable amounts of the mining properties and deferred stripping costs are lower than the carrying amounts, resulting in potential impairment to be recognised.	Our audit procedures on the assessment of recoverable amounts of the mining properties and deferred stripping costs was led by the Group audit team, supplemented by specific procedures by the component auditor, which included, among others: • We evaluated the design and implementation of management's controls over the impairment assessment process, including the identification of indicators of impairment, determination of cash generating units ("CGU") and estimation of recoverable amounts for each CGU. • We assessed the competency, reputation and objectivity of the independent qualified person appointed by the Group in providing the Reports and considered the appropriateness of the valuation methodology used.

Key audit matters	How the matter was addressed in the audit
Appropriateness of carrying amounts of mining properties and deferred stripping costs (cont'd)	
Management has obtained the Resource and Reserve reports and Exploration Target report (the "Reports") for all mines held by the Group which give an indication of the reserve volumes used in the value in use calculations. These Reports are issued by an independent qualified person in accordance with The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Using the above Reports, management's assessment of the recoverable amounts of the mining properties and deferred stripping costs, determined based on the value in use calculations of the underlying mines, is a judgmental process which requires the estimation of the forecasted coal prices, projected production volumes and discount rates. Inappropriate management estimates made in the impairment assessment may result in a significant impact on the carrying amounts of the mining properties and deferred stripping costs. During the year, an impairment of US$6,399,574 was recognised in view of the decline in the recoverable amounts of one of the Group's mining properties below its carrying amount. The Group has made disclosures on the above critical judgement and key sources of estimation uncertainty in Notes 3(i) and 3(e) to the consolidated financial statements respectively.	• We obtained the Reports issued by an independent qualified person appointed by the Group and based on the Reports, assessed if there is any unexpected reduction in reserve volumes used in the value in use calculations. • We obtained and challenged the assumptions used in the value in use calculations of the underlying coal mines (forecasted coal prices, projected production volumes and discount rates) and evaluated the reasonableness of these assumptions by comparing them to available industry, economic and financial data. • We engaged our internal valuation specialist to review the appropriateness of the discount rates used by management in the value in use calculations. • We reviewed management's budget process by comparing the actual financial performance against previously forecasted results. • We performed independent sensitivity analysis in regards to the discount rates and forecasted coal prices as these are the significant key assumptions in the value in use calculations. We have also assessed and validated the adequacy and appropriateness of the disclosures made in the consolidated financial statements.
Recoverability of trade and other receivables under Cooperation Agreement	
In January 2018, the Group signed a Cooperation Agreement with certain debtors to conduct joint mining activities to recover the outstanding debts. The trade and other receivables balances from these debtors, amounted to US$20,682,261 [Note 8(a)], of which US$9,668,564 has been impaired during the year as a result of the decline in the recoverable amounts of the underlying coal mines under the Cooperation Agreement. The joint mining activities was expected to commence after the completion of due diligence on the economical and technical feasibility of the underlying coal mines. Accordingly, the recoverability of the above balances with these debtors is dependent on the value in use of the underlying coal mines under the Cooperation Agreement.	Our audit procedures on the recoverability of trade and other receivables under the Cooperation Agreement was led by the Group audit team, supplemented by specific procedures performed by the component auditor, which included, among others: • We evaluated the design and implementation of management's controls over the recoverability assessment process, including the valuation of recoverable amounts.

Key audit matters	How the matter was addressed in the audit
Recoverability of trade and other receivables under Cooperation Agreement (cont'd) During the year, the Group signed an amendment to the Cooperation Agreement to extend the period for the completion of due diligence to September 2019. In July 2019, the debtors obtained the renewal of the mining license in respect of one of its mines and is in the process of obtaining the production quota from the relevant authority. The due diligence was further extended to March 2020 pursuant to a master agreement (the "Master Agreement") signed by the Group and the debtors in September 2019 in view of the pending approval of production quota by the relevant authority. Key terms of the Master Agreement includes mining services project management to be provided by the Group and coal offtake of the underlying coal mines by the Group, amongst others. Given that the due diligence work is still on-going and that the computation of the coal mines' value in use involves significant judgment and management estimates on forecasted coal prices, projected production volumes and discount rates, there is a risk that the Group's trade and other receivables (under the Cooperation Agreement) may not be recoverable resulting in potential impairment loss. Management has also performed an internal due diligence on the ownership, economical and technical feasibility of the underlying coal mines to obtain an indication of the reserve volumes used in the value in use calculations. The Group has made disclosures on the key sources of estimation uncertainty in Note 3(c) to the consolidated financial statements.	• We performed the following procedures to assess the reasonableness of management's estimation of the recoverable amounts of the underlying coal mines under the Cooperation Agreement: - Obtained and reviewed the Cooperation Agreement, amendment to Cooperation Agreement and the Master Agreement. - Obtained and reviewed management's internal due diligence on the ownership, economical and technical feasibility of the underlying coal mines and correspondences on the application of production quota. - Obtained and challenged the assumptions used in the value in use calculations of the underlying coal mines (forecasted coal prices, projected production volumes and discount rates) and evaluated the reasonableness of these assumptions by comparing them to available industry, economic and financial data. - Engaged our internal valuation specialist to review the appropriateness of the discount rates used by management. - Performed independent sensitivity analysis in regards to the discount rates and forecasted coal prices as these are the significant key assumptions in the value in use calculations. We have also assessed the classification and validated the adequacy and appropriateness of the disclosures made in the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner responsible for the audit resulting in this independent auditor's report is Ronny Chandra.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

30 March 2020

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019

	Note	Group 2019 US$	Group 2018 US$	Company 2019 US$	Company 2018 US$
<u>**ASSETS**</u>					
Current assets					
Cash and bank balances	7	**138,996,173**	202,590,402	**10,150,757**	28,933,622
Trade and other receivables	8	**26,809,630**	25,043,611	**49,009,479**	57,493,923
Deposits and prepayments	9	**57,204,960**	23,631,249	**196,287**	962,907
Inventory	10	**12,232,738**	14,823,301	**-**	-
Total current assets		**235,243,501**	266,088,563	**59,356,523**	87,390,452
Non-current assets					
Trade and other receivables	8	**11,013,697**	20,216,791	**3,140,278**	3,144,300
Restricted cash deposits	7(d)	**4,288,088**	3,435,846	**-**	-
Deposits and prepayments	9	**23,282,989**	25,238,521	**105,397**	105,420
Investment in subsidiaries	11	**-**	-	**178,745,819**	185,877,305
Deferred stripping costs	12	**61,257,435**	57,899,708	**-**	-
Property, plant and equipment	13	**152,856,916**	172,128,800	**30,523**	105,642
Right-of-use assets	14	**1,248,349**	-	**961,750**	-
Deferred tax assets	21	**1,971,539**	3,420,792	**362,284**	11,954
Other non-current asset	15	**153,698**	153,698	**153,698**	153,698
Total non-current assets		**256,072,711**	282,494,156	**183,499,749**	189,398,319
Total assets		**491,316,212**	548,582,719	**242,856,272**	276,788,771
<u>**LIABILITIES AND EQUITY**</u>					
Current liabilities					
Trade and other payables	16	**81,245,997**	74,390,700	**140,041,499**	151,264,683
Current portion of lease liabilities	17	**458,951**	-	**392,672**	-
Current portion of finance leases	17	**-**	152,325	**-**	18,598
Financial guarantee liability	18	**-**	-	**1,580,855**	1,576,536
Income tax payable		**970,700**	2,137,945	**-**	1,162,081
Total current liabilities		**82,675,648**	76,680,970	**142,015,026**	154,021,898
Non-current liabilities					
Trade and other payables	16	**1,939,667**	2,185,207	**-**	-
Lease liabilities	17	**571,312**	-	**558,362**	-
Finance leases	17	**-**	89,451	**-**	13,396
Notes payable	18	**277,292,469**	290,497,081	**-**	-
Provisions	20	**2,245,975**	1,753,433	**109,747**	105,540
Financial guarantee liability	18	**-**	-	**2,772,976**	4,353,831
Deferred tax liabilities	21	**3,309,309**	3,273,809	**-**	-
Total non-current liabilities		**285,358,732**	297,798,981	**3,441,085**	4,472,767
Capital, reserves and non-controlling interests					
Share capital	22	**106,513,187**	106,513,187	**106,513,187**	106,513,187
Capital and other reserves	23	**2,829,180**	2,019,246	**5,075,236**	4,265,302
Translation reserve	24	**5,131,676**	4,865,233	**4,464,506**	4,464,506
Retained earnings (Accumulated losses)		**8,864,033**	60,524,888	**(18,652,768)**	3,051,111
Equity attributable to owners of the Company		**123,338,076**	173,922,554	**97,400,161**	118,294,106
Non-controlling interests		**(56,244)**	180,214	**-**	-
Total equity		**123,281,832**	174,102,768	**97,400,161**	118,294,106
Total liabilities and equity		**491,316,212**	548,582,719	**242,856,272**	276,788,771

See accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2019

		Group	
	Note	2019 US$	2018 US$
Revenue	26	**249,108,854**	299,241,768
Cost of sales		**(245,858,782)**	(232,398,770)
Gross profit		**3,250,072**	66,842,998
Other income	27	**11,414,405**	5,306,022
General and administrative expenses		**(12,969,952)**	(12,506,605)
Other expenses	28	**(19,387,342)**	(4,310,954)
Finance costs	29	**(26,863,466)**	(26,537,070)
(Loss) Profit before income tax		**(44,556,283)**	28,794,391
Income tax expense	30	**(3,161,340)**	(10,793,018)
(Loss) Profit for the year	31	**(47,717,623)**	18,001,373
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	25	**276,346**	(497,725)
Item that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit obligations	25	**(99,048)**	336,510
Other comprehensive income for the year, net of tax		**177,298**	(161,215)
Total comprehensive income for the year		**(47,540,325)**	17,840,158
(Loss) Profit attributable to:			
Owners of the Company		**(47,471,262)**	18,020,537
Non-controlling interests		**(246,361)**	(19,164)
		(47,717,623)	18,001,373
Total comprehensive income attributable to:			
Owners of the Company		**(47,303,867)**	17,848,809
Non-controlling interests		**(236,458)**	(8,651)
		(47,540,325)	17,840,158
(Loss) Earnings per share:	33		
Basic (cents)		**(3.39)**	1.35
Diluted (cents)		**(3.39)**	1.35

See accompanying notes to the financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2019

	Share capital	Capital and other reserves	Translation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	US$	US$	US$	US$	US$	US$	US$
	(Note 22)	(Note 23)	(Note 24)				
<u>Group</u>							
Balance at 1 January 2018	95,069,461	871,762	5,373,471	51,819,138	153,133,832	1,312,376	154,446,208
Total comprehensive income for the year:							
Profit for the year	-	-	-	18,020,537	18,020,537	(19,164)	18,001,373
Other comprehensive income for the year	-	-	(508,238)	336,510	(171,728)	10,513	(161,215)
Total	-	-	(508,238)	18,357,047	17,848,809	(8,651)	17,840,158
Transactions with owners, recognised directly in equity:							
Issue of share capital	11,443,726	-	-	-	11,443,726	-	11,443,726
Issue of warrants	-	713,786	-	-	713,786	-	713,786
Dividends (Note 32)	-	-	-	(9,651,297)	(9,651,297)	-	(9,651,297)
Deemed capital contribution	-	433,698	-	-	433,698	-	433,698
Disposal of a subsidiary (Note 38)	-	-	-	-	-	(1,123,511)	(1,123,511)
Total	11,443,726	1,147,484	-	(9,651,297)	2,939,913	(1,123,511)	1,816,402
Balance at 31 December 2018	106,513,187	2,019,246	4,865,233	60,524,888	173,922,554	180,214	174,102,768
Total comprehensive income for the year:							
Loss for the year	-	-	-	(47,471,262)	(47,471,262)	(246,361)	(47,717,623)
Other comprehensive income for the year	-	-	266,443	(99,048)	167,395	9,903	177,298
Total	-	-	266,443	(47,570,310)	(47,303,867)	(236,458)	(47,540,325)
Transactions with owners, recognised directly in equity:							
Dividends (Note 32)	-	-	-	(4,090,545)	(4,090,545)	-	(4,090,545)
Deemed capital contribution	-	331,371	-	-	331,371	-	331,371
Share-based payment (Note 36)	-	478,563	-	-	478,563	-	478,563
Total	-	809,934	-	(4,090,545)	(3,280,611)	-	(3,280,611)
Balance at 31 December 2019	106,513,187	2,829,180	5,131,676	8,864,033	123,338,076	(56,244)	123,281,832

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2019

	Share capital US$ (Note 22)	Capital and other reserves US$ (Note 23)	Translation reserve US$ (Note 24)	Retained earnings (Accumulated losses) US$	Total equity US$
<u>Company</u>					
Balance at 1 January 2018	95,069,461	495,570	4,464,506	(2,528,685)	97,500,852
Profit for the year, representing total comprehensive income for the year	-	-	-	15,231,093	15,231,093
Transactions with owners, recognised directly in equity:					
Issue of share capital	11,443,726	-	-	-	11,443,726
Issue of warrants	-	3,336,034	-	-	3,336,034
Dividends (Note 32)	-	-	-	(9,651,297)	(9,651,297)
Deemed capital contribution	-	433,698	-	-	433,698
Total	11,443,726	3,769,732	-	(9,651,297)	5,562,161
Balance at 31 December 2018	106,513,187	4,265,302	4,464,506	3,051,111	118,294,106
Loss for the year, representing total comprehensive income for the year	-	-	-	(17,613,334)	(17,613,334)
Transactions with owners, recognised directly in equity:					
Dividends (Note 32)	-	-	-	(4,090,545)	(4,090,545)
Deemed capital contribution	-	331,371	-	-	331,371
Share-based payment (Note 36)	-	478,563	-	-	478,563
Total	-	809,934	-	(4,090,545)	(3,280,611)
Balance at 31 December 2019	**106,513,187**	**5,075,236**	**4,464,506**	**(18,652,768)**	**97,400,161**

See accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2019

	Group	
	2019	2018
	US$	US$
Operating activities		
(Loss) Profit before income tax	**(44,556,283)**	28,794,391
Adjustments for:		
Depreciation of property, plant and equipment	**15,606,930**	11,909,782
Depreciation of right-of-use assets	**359,599**	-
Amortisation of deferred stripping costs	**7,219,234**	1,738,309
(Gain) Loss on disposal of property, plant and equipment	**(8,791)**	8,433
(Reversal of) Loss on financial asset carried at amortised cost	**(41,802)**	577,564
Share-based payment expense	**809,934**	433,698
Amortisation of deferred gain	**(284,986)**	-
Allowance for inventory written-down	**1,382,168**	193,069
Inventory loss written-off	**3,858,366**	-
Allowance for impairment of trade receivables	**10,128,103**	-
Impairment allowance on property, plant and equipment	**6,399,574**	-
Gain on redemption of the Notes	**(5,340,774)**	-
Amortisation of transaction costs of the Notes	**2,856,388**	2,468,792
Interest expense	**24,007,078**	24,068,278
Interest income	**(5,151,671)**	(4,561,358)
Retirement benefit obligations	**336,439**	393,006
Net foreign exchange gains	**(757,321)**	(424,958)
Operating cash flows before movements in working capital	**16,822,185**	65,599,006
Trade and other receivables	**4,121,421**	4,877,736
Deposits and prepayments (Note A)	**(28,058,607)**	(20,704,029)
Inventories (Note B)	**(3,613,943)**	(4,913,167)
Trade and other payables (Notes C, D and E)	**23,223,681**	(34,389,733)
Cash from generated from operations	**12,494,737**	10,469,813
Income tax paid	**(9,402,222)**	(18,477,557)
Income tax refund	**170,133**	-
Retirement benefit obligation paid	**(2,536)**	(49,649)
Net cash from (used in) operating activities	**3,260,112**	(8,057,393)
Investing activities		
Interest received	**5,318,332**	3,990,367
Refundable deposit paid for proposed acquisition of subsidiaries	**(2,500,000)**	-
Addition to deferred stripping costs (Note D)	**(26,659,799)**	(36,113,352)
Advance payments for purchase of property, plant and equipment	**(1,355,360)**	(523,584)
Purchase of property, plant and equipment (Note C)	**(1,797,671)**	(3,931,425)
Proceeds from disposal of property, plant and equipment	**26,426**	42,835
Net cash used in investing activities	**(26,968,072)**	(36,535,159)
Financing activities		
Decrease (Increase) in deposits pledged	**400,000**	(2,091,983)
(Increase) Decrease in restricted cash deposits	**(698,332)**	510,081
Interest paid for the Notes	**(24,000,000)**	(24,000,000)
Interest paid for lease liabilities	**(30,635)**	(18,081)
Repayment of obligations under lease liabilities	**(394,870)**	-
Repayment of obligations under finance leases	**-**	(148,872)
Redemption of the Notes	**(10,720,226)**	-
Proceeds from issuance of shares	**-**	14,779,760
Dividend paid	**(4,090,545)**	(9,651,297)
Net cash used in financing activities	**(39,534,608)**	(20,620,392)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2019

	Group	
	2019 US$	2018 US$
Net decrease in cash and cash equivalents	**(63,242,568)**	(65,212,944)
Cash and cash equivalents at beginning of year	**197,190,402**	262,462,723
Effect of exchange rate changes on the balance of cash held in foreign currencies	**48,339**	(59,377)
Cash and cash equivalents at end of year (Note 7)	**133,996,173**	197,190,402

Notes to consolidated statement of cash flows:

A) During the year, the Group made advance payments for purchase of coal of US$32,500,000 (2018 : US$Nil) to a coal mine owner [Note 9(a)].

B) During the year, the Group capitalised US$1,760,290 (2018 : US$2,644,598) of depreciation of property, plant and equipment (Note 13) and US$495,057 (2018 : US$574,721) of amortisation of deferred stripping costs as inventory (Note 12).

C) In 2019, the Group acquired property, plant and equipment amounting to US$2,257,962 of which US$523,584 was acquired through utilisation of advance payment for purchase of property, plant and equipment paid in prior year. In addition, the Group further paid US$63,293 being the unpaid portion from 2018 that was included as part of trade and other payables (Note 16) as at 31 December 2018.

In 2018, the Group acquired property, plant and equipment amounting to US$4,466,490 of which US$28,589 was acquired through utilisation of advance payment for purchase of property, plant and equipment paid in prior year, US$137,701 through finance lease arrangements, with US$368,775 remaining unpaid. The unpaid portion was included as part of trade and other payables (Note 16) and provisions [Note 20(B)], amounting to US$178,108 and US$190,667 respectively.

D) In 2018, the Group incurred costs of US$52,275,854 recognised as addition to deferred stripping costs (Note 12) of which US$16,162,502 remained unpaid and was included as part of trade and other payables (Note 16). This has been paid in 2019.

E) During the year, the Group received US$20,000,000 in advances from a coal off-taker and utilised US$411,995 relating to brought-forward advances received in 2018 [Note 16(b)]. In 2018, the Group received US$25,000,000 in advances from a coal off-taker and utilised US$42,050,000 relating to brought-forward advances received in 2017 [Note 16(b)].

See accompanying notes to the financial statements.

1 GENERAL

The Company (Registration No. 201011034Z) is incorporated in Singapore with its principal place of business and registered office at 12 Marina Boulevard, #16-01 Marina Bay Financial Centre Tower 3, Singapore 018982. The Company is listed on the Singapore Exchange Securities Trading Limited.

The consolidated financial statements are expressed in United States dollars to enhance the comparability of the Group's financials to other companies in the coal mining industry.

The principal activity of the Company is that of investment holding and provision of management support services.

The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2019 were authorised for issue by the Board of Directors on 30 March 2020.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act, Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs"). SFRS(I) is identical to the IFRS as issued by the International Accounting Standards Board.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

c) Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - On 1 January 2019, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as disclosed below.

SFRS(I) 16 *Leases*

SFRS(I) 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, with exemption for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of SFRS(I) 16 on the Group's consolidated financial statements is described below.

The date of initial application of SFRS(I) 16 for the Group is 1 January 2019.

The Group has applied SFRS(I) 16 using the cumulative catch-up approach which:

- requires the Group to recognise the cumulative effect of initially applying SFRS(I) 16 as an adjustment to the opening balance of retained earnings at the date of initial application; and
- does not permit restatement of comparatives, which continue to be presented under SFRS(I) 1-17 and SFRS(I) INT 4.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impact of the new definition of a lease
The Group has made use of the practical expedient available on transition to SFRS(I) 16 not to reassess whether a contract contains a lease. Accordingly, the definition of a lease in accordance with SFRS(I) 1-17 and SFRS(I) INT 4 continue to be applied to those entered or changed before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. SFRS(I) 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies the definition of a lease and related guidance set out in SFRS(I) 16 to all lease contracts entered into or modified on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract). The new definition in SFRS(I) 16 does not change significantly the scope of contracts that meet the definition of a lease for the Group.

Impact on lessee accounting

Former operating leases
SFRS(I) 16 changes how the Group accounts for leases previously classified as operating leases under SFRS(I) 1-17, which were off-balance-sheet.

Applying SFRS(I) 16, for all leases (except as noted below), the Group:

a) Recognises right-of-use assets and lease liabilities in the statements of financial position, initially measured at the present value of future lease payments;

b) Recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss; and

c) Separates the total amount of cash paid into a principal portion and interest (both presented within financing activities) in the consolidated statement of cash flows.

Lease incentives (e.g. free rent period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under SFRS(I) 1-17 they resulted in the recognition of a lease incentive liability, amortised as a reduction of rental expense on a straight-line basis.

Under SFRS(I) 16, right-of-use assets are tested for impairment in accordance with SFRS 1-36 *Impairment of Assets*.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes tablets and personal computers, small items of office furniture and telephones), the Group has opted to recognise a lease expense on a straight-line basis as permitted by SFRS(I) 16. This expense is presented within other "general and administrative expenses" in the consolidated statement of profit or loss.

The Group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying SFRS(I) 1-17:

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Group has adjusted right-of-use asset at the date of initial application by the amount of provision for onerous leases recognised under SFRS(I) 1-37 in the statement of financial position immediately before the date of initial application as an alternative to performing an impairment review.
- The Group has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.
- The Group has excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application.
- The Group has used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Former finance leases
For leases that were classified as finance leases applying SFRS(I) 1-17, the carrying amount of the leased assets and obligations under finance leases measured applying SFRS(I) 1-17 immediately before the date of initial application is reclassified to right-of-use assets and lease liabilities respectively without any adjustments, except in cases where the Group has elected to apply the low-value lease recognition exemption.

The right-of-use asset and the lease liability are accounted for applying SFRS(I) 16 from 1 January 2019.

Impact on lessor accounting
SFRS(I) 16 does not change substantially how a lessor accounts for leases. Under SFRS(I) 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, SFRS(I) 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial impact of initial application of SFRS(I) 16
The Group applied the available exemption within SFRS(I) 16 relating to short-term leases and leases of low value assets, accordingly there is no financial impact to the Group and the Company on initial adoption of SFRS(I) 16 except for the reclassification of former finance leases from property, plant and equipment to right-of-use assets with a cost of US$702,301 and accumulated depreciation of US$249,148 and finance lease obligations to lease liabilities of US$241,776 as of 1 January 2019.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with the changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets
Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the "other income" line item.

<u>Foreign exchange gains and losses</u>
The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. For financial assets measured at amortised cost, exchange differences are recognised in profit or loss in the "other income" or "other expenses" line item.

<u>Impairment of financial assets</u>
The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade and other receivables. The expected credit losses on these financial assets are estimated using a simplified approach based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ("12m") ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations, namely the coal mining industry.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default
The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower; or

b) a breach of contract, such as a default or past due event; or

c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy
The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with SFRS(I) 16 *Leases*.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial;
- Past-due status;
- Nature, size and industry of debtors;
- Nature of collaterals for finance lease receivables; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12m ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

<u>Derecognition of financial assets</u>
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity
Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Warrants
Warrants issued are classified as equity. Warrants are measured at fair value at the date of grant and the proceeds are apportioned to warrants using the relative fair value approach.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost
Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contracts
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group have a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

LEASES (Before 1 January 2019)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The Group as lessee
Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below).

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

LEASES (From 1 January 2019)

The Group as lessee
The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct cost. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2 - Impairment of Tangible and Intangible Assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

INVENTORY - Inventories are classified as follows:

- Coal: These are coals that are extracted from mining activities and available for sale.
- Marketing coal: These are coals purchased with the intention to sell in the near future.

Coal inventories are stated at the lower of cost and net realisable value. The cost of coal inventories is determined using the weighted average cost method. Costs include direct material, overburden removal (deferred stripping costs), mining, processing, labour incurred in the extraction process and an appropriate proportion of variable and fixed overhead costs directly related to mining activities. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

Marketing coal inventories are recorded at fair value less costs of disposal. Unrealised gains and losses from the changes in fair values are reported in cost of goods sold.

DEFERRED STRIPPING COSTS - Overburden and other mine waste materials are often removed during the initial development of a mine site in order to access the mineral deposit. This activity is referred to as development stripping. The directly attributable costs are capitalised under mining properties. Capitalisation of development stripping costs ceases at the time that saleable material begins to be extracted from the mine.

Production stripping commences from the point saleable materials are being extracted from the mine. Stripping costs incurred during the production phase might benefit current period production and improve access to ore bodies in future periods. Where benefits are realised in the form of inventory produced in the current period, these costs are accounted for as part of the cost of producing inventory. Where a benefit of improved access exists, the costs are recognised as part deferred stripping costs when the following criteria are met:

- It is probable that the future economic benefits (improved access to the coal body) associated with the stripping activity will flow to the entity;
- The entity can identify the component of the coal body for which access has been improved; and
- The costs relating to the stripping activity associated with that component can be measured reliably.

In identifying the components of the ore body, mining operations personnel will analyse the Group's mine plans. Generally, a component will be subset of the total ore body and a mine may have several components, for example, certain quantities of coal within separate mining pits.

The deferred stripping costs is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improve access to the identified component of ore, plus an allocation of directly attributable overhead costs.

When the costs of stripping to improve access to an ore body are not clearly distinguishable from the costs of producing current inventories, i.e. there is a mixture of waste and ore being removed, the stripping costs are allocated based on a relevant measure of production. This production measure is calculated for the identified component of the ore body. The Group uses the expected volume of waste extracted compared with the actual volume for a given volume of ore production.

The deferred stripping costs is subsequently amortised using the unit-of-production method over the life of the identified component of the ore body for which access has been improved. Economically recoverable reserves, which comprise proven and probable reserves, are used to determine the expected useful life of the identified component of the ore body. The deferred stripping costs is then carried at cost less depreciation and impairment losses, if any.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Construction-in-progress for qualifying assets, includes borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost of assets, other than construction-in-progress, over their estimated useful lives, using the straight-line method, on the following bases:

	Number of years
Leasehold property	Over terms of lease
Temporary housing facility	2
Jetty	4
Machineries	4
Motor vehicles	4
Equipment and furniture	4
Computer and software	4

Fully depreciated assets still in use are retained in the financial statements.

Mining properties are classified as an asset under property, plant and equipment. Mining properties include mining rights and costs capitalised to develop the mine up to the production phase. The economic benefits from the assets are consumed in a pattern which is linked to the production level. These assets are depreciated on a unit-of-production basis. Depreciation starts from the date when commercial production commences.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The estimated useful lives, mining reserves, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

CLUB MEMBERSHIP - Club membership with indefinite useful life is not amortised, is classified as other non-current asset and is stated at cost less any accumulated impairment loss.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS - At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

SHARE-BASED PAYMENTS - Equity-settled share-based payments are measured at fair value of the equity instrument at the date of the grant. Details regarding the determination of the fair value of equity-settled share-based payments are set out in Note 36. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At the end of the reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the other reserve.

REVENUE RECOGNITION - The Group recognises revenue from the following major sources:

- Sales of coal; and
- Mining services.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Sale of coal
Revenue from the sale of coal (coal mining and coal trading) is recognised when control of the coal has transferred to the customer. Revenue is recognised at the point in time when the coal has been delivered to a contractually agreed location. Following the transfer of control, the customer has full discretion over the manner of distribution and price to sell the coal, has the primary responsibility when on selling the coal and bears the risks of obsolescence and loss in relation to the coal. Consequentially, a receivable is recognised by the Group as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. A contract liability arises from advances received from third party customers.

Mining services
The Group provides mining contracting and project management services for mining activities conducted at third party mines. Such services are of short duration and recognised as a performance obligation satisfied over time, in the period in which the services are provided by the Group.

OTHER INCOME - The Group recognises other income from the following major sources:

Rental services
Rental services are recognised on a straight-line basis over the term of the relevant lease.

Interest income
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Marketing fee
Revenue from marketing services rendered to third parties for their sales of coal is recognised when the corresponding sales is completed. Consequently, a receivable is recognised by the Group as this represents service completion and the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

The cost of providing defined post-employment benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment.

The retirement benefits obligation recognised in the statement of financial position represents the present value of the defined benefit obligation.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Except for investment properties measured using the fair value model, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in United States dollars, which is not the functional currency of some entities within the Group.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of translation reserve.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise cash on hand and at banks and deposits and are subject to an insignificant risk of changes in value.

SEGMENT REPORTING - An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components.

Operating segments are reported in a manner consistent with the internal reporting provided to members of management and the chief operating decision makers who are responsible for allocating resources and assessing performance of the operating segments.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) Coal reserves
Management has obtained the Resource and Reserve reports and Exploration Target report (the "Reports") for all mines held by the Group which give an indication of the reserve volumes used in the value in use calculations. These Reports are issued by an independent qualified person in accordance with The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

As the economic assumptions used may change and as additional geological information is obtained during the operation of a mine, estimates of coal reserves may change. Such changes may impact the Group's reported financial position and results, including amongst others, on items such as (i) impairment assessment of the Group's mining properties and deferred stripping costs; (ii) depreciation and amortisation charges; and (iii) inventory cost.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

a) Useful lives of property, plant and equipment
As described in Note 2 to the financial statements, the Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the financial year, management determined that the useful lives of property, plant and equipment are based on the industry practice and the Group's operational environment.

b) Depreciation of mining properties
The amounts recorded for depreciation as well as the recovery of the carrying value of mining properties depends on the estimates of coal reserves and the economic lives of future cash flows from related assets. The primary factors affecting these estimates are technical engineering assessments of producible quantities of coal reserves in place and economic constraints such as the assumptions related to anticipated commodity prices and the costs of development and production of the reserves. The carrying amounts of the Group's mining properties are disclosed in Note 13 to the financial statements.

c) Calculation of loss allowance for trade and other receivables
When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. During the year, the Group made an allowance of US$459,539 (2018 : US$Nil) in respect of its trade receivables. Details of the loss allowance on aged trade receivables are disclosed in Note 8 to the financial statements.

In addition to the above, for certain debtors under the Cooperation Agreement, as disclosed in Note 8(a), the review of the recoverability of these balances are based on the value in use of the underlying coal mines, as recoverability of these trade and other receivables under the Cooperation Agreement is dependent on the production volume and eventual sale of mined products at the specific mines. During the year, the Group made on allowance of US$9,668,564 (2018 : US$Nil) in respect of its trade receivables under the Cooperation Agreement.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

c) Calculation of loss allowance for trade and other receivables (cont'd)

The calculation of value in use is most sensitive to the following assumptions:

- Discount rates
- Forecasted coal prices
- Projected production volumes

The future cash flows are discounted to the value in use based on the discount rate of 12.0% (2018 : 12.8%) which reflects the current market assessment of the time value of money and the risks specific to the asset.

As at 31 December 2019, the impacts of the possible changes in a key assumption, with all other variables held constant, to the Group's allowance for impairment loss in respect of the trade receivables under the Cooperation Agreement is as follows:

	80 basis points increase in discount rate	3% decrease in forecasted coal prices
	2019	2019
	US$	US$
Impairment loss of trade receivables	**181,727**	**1,549,872**

As at 31 December 2018, any reasonably possible changes to the key assumptions applied above was not likely to cause the recoverable amounts of the trade and other receivables balances under the Cooperation Agreement to be below the respective carrying amounts.

The carrying amounts of trade and other receivables are disclosed in Note 8 to the financial statements.

d) Deferred stripping costs

Certain mining costs, principally those that relate to the stripping of waste and which relate to future economically recoverable coal to be mined, are included in deferred stripping costs. These costs are deferred and subsequently taken to the cost of producing inventory by way of amortisation of deferred stripping costs. The estimated waste incurred to improve access to remaining ore reserves, estimates of coal reserves and the remaining life of the mine are regularly assessed by the management to ensure the carrying value and rate of deferral is appropriate taking into consideration the available facts and circumstances from time to time.

The carrying amounts of the Group's deferred stripping costs are disclosed in Note 12 to the financial statements.

e) Impairment review of deferred stripping costs and mining properties

The Group assesses annually whether its deferred stripping costs and mining properties exhibit any indication of impairment. Should there be any indicator of impairment, the Group then estimates the recoverable amount based on value in use calculations. These calculations require the use of judgement and estimates.

The carrying value of deferred stripping costs and mining properties are reviewed regularly during the financial year, taking into consideration the available facts and circumstances, and to the extent to which the capitalised value exceeds its recoverable value, the excess is provided for or written-off in the financial year in which this is determined.

As discussed in Note 3(i), the Group has engaged an independent qualified person to estimate the proved and probable coal reserves. Management uses the reserves to form the basis for their impairment review, and may adjust such valuation with other estimates which may include discount rates and production volumes that are not covered by the independent qualified person.

Management has carried out a review of the recoverable amount of the deferred stripping costs and mining properties based on the higher of fair value less costs of disposal and value in use.

The calculation of value in use is most sensitive to the following assumptions:

- Discount rates
- Forecasted coal prices
- Projected production volumes

The future cash flows are discounted to the value in use based on discount rates ranging from 11.1% to 12.0% (2018 : 11.9% to 12.8%) which reflect the current market assessment of the time value of money and the risks specific to the asset.

As at 31 December 2019, the impacts of the possible changes in a key assumption, with all other variables held constant, to the Group's allowance for impairment loss in respect of one of the mining properties is as follows:

	80 basis points increase in discount rate	3% decrease in forecasted coal prices
	2019	2019
	US$	US$
Impairment loss of a mining property increases by	**740,357**	**2,333,632**

As at 31 December 2019, any reasonably possible changes to the key assumptions applied above is not likely to cause the deferred stripping costs and the Group's other mining properties (2018 : all mining properties) to be below their respective carrying amounts.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

e) Impairment review of deferred stripping costs and mining properties (cont'd

The carrying amounts of the Group's deferred stripping costs and mining properties are disclosed in Notes 12 and 13 to the financial statements respectively.

f) Income taxes

The Group is subject to income taxes in Singapore and Indonesia. In determining the income tax liabilities, management is required to estimate the amount of capital allowances and deductibility of certain expense in each jurisdiction. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management estimate is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The carrying amounts of the Group's and the Company's current tax and deferred tax provision are disclosed in Note 21 to the financial statements.

g) Impairment of investment in subsidiaries and amounts due from subsidiaries

Management has carried out a review of the recoverable amount of the investment in subsidiaries and the amounts due from subsidiaries, having regard to the existing performance of the relevant subsidiaries and the carrying value of the net tangible assets in these subsidiaries.

Management has estimated the recoverable amount based on the higher of value in use and fair value less costs of disposal. The fair value less costs of disposal is determined by reference to the estimated realisable values of the net tangible assets of the subsidiaries. An impairment loss of US$7,131,486 (2018: US$Nil) was recognised for investment in subsidiaries while an impairment loss of US$8,598,520 (2018 : US$Nil) was recognised for amount due from a subsidiary during the year.

The carrying amounts of the investment in subsidiaries and amounts due from subsidiaries are disclosed in Notes 11 and 8 to the financial statements respectively.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2019	2018	2019	2018
	US$	US$	US$	US$
Financial assets				
At amortised cost	**179,512,644**	256,330,807	**62,405,911**	89,677,265
Financial liabilities				
At amortised cost	**312,838,828**	338,710,583	**139,998,124**	151,127,870
Lease liabilities (2018 : Finance leases)	**1,030,263**	241,776	**951,034**	31,994
Financial guarantee liability	**-**	-	**4,353,831**	5,930,367
	313,869,091	338,952,359	**145,302,989**	157,090,231

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

The Group and Company do not have any financial instruments which are subjected to offsetting, enforceable master netting arrangements or similar netting agreements.

(c) Financial risk management policies and objectives

The Group's and the Company's overall financial risk management policies and objectives seek to minimise potential adverse effects on the financial performance of the Group and Company. Management regularly reviews the Group's and the Company's business and operational activities to identify areas of significant business risks, as well as appropriate measures through which to control and mitigate these risks. On an on-going basis, management reviews all significant control policies and procedures, and highlights all significant matters to the Board of Directors and the audit and risk committee. There has been no significant change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

The Group and Company do not hold or issue derivative financial instrument for speculative purposes. Market risk exposures are measured using sensitivity analysis indicated below.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(i) Foreign exchange risk management

The Group's and the Company's foreign currency exposure during the year arises from United States dollars, Indonesia rupiah and Singapore dollars. The Group and Company do not hedge against foreign exchange exposure as the exposure is managed primarily by using natural hedges that arise from offsetting assets and liabilities that are denominated in the same foreign currencies.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currency other than the respective Group entities' functional currencies are as follows:

	Liabilities		Assets	
	2019 US$	2018 US$	2019 US$	2018 US$
Group				
United States dollars	**20,144,789**	20,574,789	**11,620,513**	21,773,373
Indonesia rupiah	**62,181,280**	69,818,030	**50,119,847**	50,469,393
Singapore dollars	**3,189,173**	3,070,077	**2,679,072**	2,608,973
Company				
Indonesia rupiah	**-**	-	**140,278**	134,659
Singapore dollars	**1,012,116**	714,946	**2,457,401**	2,358,974

Foreign currency sensitivity

The following table details the sensitivity to a 5% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where they gave rise to an impact on the Group's and the Company's profit.

If the relevant foreign currency weakens by 5% against the functional currency of each Group entity, the Group's and the Company's loss before income tax will (decrease) increase [2018: profit before income tax (decrease) increase] by:

	2019 US$	2018 US$
Group		
United States dollars	**(426,214)**	(59,929)
Indonesia rupiah	**(603,072)**	967,432
Singapore dollars	**(25,505)**	23,055
Company		
Indonesia rupiah	**7,014**	(6,733)
Singapore dollars	**72,264**	(82,201)

If the relevant foreign currency strengthens by 5% there would be an equal and opposite impact on the Group's and the Company's profit or loss shown above, on the basis that all other variables remain constant.

(ii) Interest rate risk management

The Group's and the Company's exposure to interest rate risk are restricted to their interest bearing bank balances and deposits, lease liabilities and notes payable as disclosed in Notes 7, 17 and 18 to the financial statements respectively.

No interest rate sensitivity was performed since the Group's and the Company's exposure to interest rate on their variable rate borrowing is not significant.

(iii) Overview of the Group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 December 2019, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the maximum amount the Group would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised as disclosed in Note 4(c)(iv). The related loss allowance is disclosed in the respective notes to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(iii) Overview of the Group's exposure to credit risk (cont'd)

The Group minimises credit risk via advance payments from customers, sales secured by letters of credit, strict credit terms and regular monitoring of customers' financial standing.

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's and the Company's current credit risk framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default.	Trade and other receivables: Lifetime ECL - not credit-impaired Other financial assets: 12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The table below detail the credit quality of the Group's and the Company's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				US$	US$	US$
Group						
2019						
Trade and other receivables	**8**	**Performing**	**Lifetime ECL**	**16,026,730**	**-**	**16,026,730**
Trade and other receivables	**8**	**In default**	**Lifetime ECL**	**1,769,436**	**(1,769,436)**	**-**
Trade and other receivables under Cooperation Agreement	**8**	**Performing**	**Lifetime ECL**	**11,013,697**	**-**	**11,013,697**
Trade receivables under Cooperation Agreement	**8**	**In default**	**Lifetime ECL**	**9,668,564**	**(9,668,564)**	**-**
Deposits	**9**	**Performing**	**12-month ECL**	**11,687,956**	**-**	**11,687,956**
					(11,438,000)	
2018						
Trade and other receivables	8	Performing	Lifetime ECL	21,127,732	-	21,127,732
Trade and other receivables	8	In default	Lifetime ECL	1,302,359	(1,302,359)	-
Trade and other receivables under Cooperation Agreement	8	Performing	Lifetime ECL	20,216,791	-	20,216,791
Deposits	9	Performing	12-month ECL	8,960,036	-	8,960,036
					(1,302,359)	
Company						
2019						
Other receivables	**8**	**Performing**	**Lifetime ECL**	**3,146,631**	**-**	**3,146,631**
Amount receivable from subsidiaries	**8**	**Performing**	**12-month ECL**	**49,003,126**	**-**	**49,003,126**
Amount receivable from a subsidiariy	**8**	**In default**	**12-month ECL**	**8,598,520**	**(8,598,520)**	**-**
Deposits	**9**	**Performing**	**12-month ECL**	**105,397**	**-**	**105,397**
					(8,598,520)	
2018						
Other receivables	8	Performing	Lifetime ECL	3,228,792	-	3,228,792
Amount receivable from subsidiaries	8	Performing	12-month ECL	57,409,431	-	57,409,431
Deposits	9	Performing	12-month ECL	105,420	-	105,420
					-	

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(iv) Credit risk management

The Group minimises credit risk by adopting a policy of dealing with creditworthy counterparties. The Group uses its own trading records to rate its major customers and other debtors and continuously monitors its exposures and credit ratings of its counterparties.

As at 31 December 2019, 51% (2018 : 81%) of the Group's revenue are derived from customers in People's Republic of China, which represent concentration risk within this geographical location. There is concentration of credit risk as 94% (2018 : 95%) of the Group's trade receivables, excluding those under Cooperation Agreement, at the end of the financial year relate to five customers (2018 : five customers).

During the year, the Group made advance payments to a coal mine owner for purchase of coal in 2020 amounting to US$32,500,000. The contractually outstanding advance payments relate to coal offtake arrangement with the coal mine owner, and decreases with the volume of coal sold, until maturity. Once the contractually agreed volume of coal has been fully sold, the coal offtake agreement falls away leaving no remaining contractual obligations on the Group or the coal mine owner. The Group is exposed to credit risk if the counterparty to the coal offtake agreement fails to meet its contractual obligation. The maximum exposure for the Group relating to these advance payments as of 31 December 2019 is US$32,500,000 (2018 : Nil), without considering the personal guarantee obtained from a Director of the coal mine owner.

In determining the recoverability of a receivable, the Group considers any change in the credit quality of the receivable from the date credit was initially granted up to the end of reporting period.

The Company has an amount due from a subsidiary which accounted for 37% (2018 : 24%) of the Company's other receivables.

The Group and Company place their bank balances with creditworthy financial institutions.

The maximum amount the Company could be forced to settle under the financial guarantee, if the full guaranteed amount is claimed by the counterparty to the guarantee is US$283.9 million (2018 : US$300 million). Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The carrying amount of financial assets and the exposure to defaults from financial guarantees above, represents the maximum credit risk exposure of the Group and Company.

Further details of credit risk on trade and other receivables are disclosed in Note 8 to the financial statements.

(v) Liquidity risk management

Liquidity risk is the risk that the Group and Company will not be able to meet their financial obligations as they fall due. The Group and Company have been able to service all its debts obligations and fund their operations through internal funds, finance leases, bank borrowings and notes payable.

The Group and Company closely monitor the working capital requirements and minimises its liquidity risk by ensuring sufficient available funds and credit lines.

As at 31 December 2019, the Company has net current liabilities of US$82,658,503 mainly due to intercompany payables of US$139,351,207. The financial statements have been prepared on a going concern basis because the Company has the ability to control the receipts and payments to its subsidiaries.

Liquidity risk analysis

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial liability on the statements of financial position.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(v) Liquidity risk management (cont'd)

Liquidity risk analysis (cont'd)
Non-derivative financial liabilities (cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Adjustment	Total
	%	US$	US$	US$	US$
Group					
2019					
Non-interest bearing	**-**	**35,546,359**	**-**	**-**	**35,546,359**
Lease liabilities (fixed rate)	**4.33 to 7.46**	**485,227**	**583,424**	**(38,388)**	**1,030,263**
Notes payable (fixed rate)	**9.16**	**22,715,120**	**329,369,240**	**(74,791,891)**	**277,292,469**
Total		**58,746,706**	**329,952,664**	**(74,830,279)**	**313,869,091**
2018					
Non-interest bearing	-	48,213,502	-	-	48,213,502
Finance leases (fixed rate)	4.33 to 7.46	163,838	111,632	(33,694)	241,776
Notes payable (fixed rate)	9.16	24,000,000	372,000,000	(105,502,919)	290,497,081
Total		72,377,340	372,111,632	(105,536,613)	338,952,359
Company					
2019					
Non-interest bearing	**-**	**139,998,124**	**-**	**-**	**139,998,124**
Lease liabilities (fixed rate)	**4.33**	**416,175**	**570,285**	**(35,426)**	**951,034**
Financial guarantee liability	**-**	**1,580,855**	**2,772,976**	**-**	**4,353,831**
Total		**141,995,154**	**3,343,261**	**(35,426)**	**145,302,989**
2018					
Non-interest bearing	-	151,127,870	-	-	151,127,870
Finance lease (fixed rate)	4.33	18,203	18,173	(4,382)	31,994
Financial guarantee liability	-	1,576,536	4,353,831	-	5,930,367
Total		152,722,609	4,372,004	(4,382)	157,090,231

The maximum amount that the Company could be forced to settle under the financial guarantee contract, if the full guaranteed amount is claimed by the counterparty to the guarantee, is US$283.9 million (2018 : US$300 million). The earliest period that the guarantee could be called is within one year from the end of the reporting period. As mentioned in Note 4(c)(iv), the Company considers that it is more likely than not that no amount will be payable under the arrangement.

Non-derivative financial assets
All the financial assets of the Group and Company as at 31 December 2019 and 2018 are repayable on demand or due within one year from the end of the reporting period, except for restricted cash deposits, non-current trade and other receivables, and non-current deposits as disclosed in Notes 7(d), 8 and 9 to the financial statements respectively.

(vi) Fair value of financial assets and financial liabilities
The carrying amounts of financial assets and financial liabilities recorded at amortised cost approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and financial liabilities are disclosed in the respective notes to the financial statements.

(d) Capital management policies and objectives
The Group and Company manage their capital to ensure that the Group and Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structures of the Group consist of debt, which includes the lease liabilities (Note 17) and notes payable (Note 18), and equity attributable to owners of the Company, which comprises issued capital, reserves and retained earnings.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(d) Capital management policies and objectives (cont'd)

The capital structures of the Company consist of debt, which includes the lease liabilities (Note 17), and equity attributable to owners of the Company, which comprises issued capital, reserves and accumulated losses.

Management regularly monitors compliance with the financial covenants imposed by financial institutions for the facilities granted to the Group. As at the end of the reporting period, the Group is in compliance with externally imposed financial covenants requirements.

The Group's net debt to equity ratio as at the end of the reporting period is as follows:

	Group	
	2019	2018
	US$	US$
Total debt [i]	**284,099,034**	296,584,505
Cash and bank balances	**(138,996,173)**	(202,590,402)
Net debt	**145,102,861**	93,994,103
Equity attributable to the owners of the Company	**123,338,076**	173,922,554
Net debt to equity ratio	**118%**	54%

(i) Total debt is defined as long-term and short-term borrowings (including interest payable recorded in other payables), as described in Notes 16, 17 and 18.

The Group's and the Company's overall strategy remains unchanged from prior year.

5 RELATED COMPANIES TRANSACTIONS

Related companies in these financial statements refer to members of the Company's group of companies.

Transactions between the Company and its subsidiaries, which are related companies of the Company, have been eliminated on consolidation and are not disclosed. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

6 OTHER RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

There are no significant transactions between the Group and related parties, other than those disclosed in the financial statements and the accompanying notes.

Compensation of directors and key management personnel

The remuneration of directors and other members of key management personnel are as follows:

	Group	
	2019	2018
	US$	US$
Short-term benefits	**3,162,946**	3,668,731
Post-employment benefits	**49,852**	70,916
Share-based payment	**580,165**	433,698
Total	**3,792,963**	4,173,345

The remuneration of directors and other key management personnel is determined by the performance of individuals and market trends.

7 CASH AND BANK BALANCES AND RESTRICTED CASH DEPOSITS

	Group		Company	
	2019	2018	2019	2018
	US$	US$	US$	US$
Cash on hand	**3,683**	3,226	**112**	98
Cash at banks [a]	**113,992,490**	39,187,176	**10,150,645**	2,933,524
Deposits [b]	**25,000,000**	163,400,000	**-**	26,000,000
Total cash and bank balances	**138,996,173**	202,590,402	**10,150,757**	28,933,622
Restricted cash deposits (non-current)	**4,288,088**	3,435,846	**-**	-
Less: Deposit pledged [c]	**(5,000,000)**	(5,400,000)	**-**	-
Less: Restricted cash deposits (non-current) [d] [e]	**(4,288,088)**	(3,435,846)	**-**	-
Cash and cash equivalents in the consolidated statement of cash flows	**133,996,173**	197,190,402	**10,150,757**	28,933,622

(a) The average effective interest rate of the cash at banks was 1.50% (2018 : 1.40%) per annum.

(b) The effective interest rate of the fixed deposits ranged from 1.78% to 3.19% (2018 : 0.61% to 2.99%) per annum, with a maturity of one to three months, and readily convertible into cash with insignificant loss in value.

7 CASH AND BANK BALANCES AND RESTRICTED CASH DEPOSITS (cont'd)

(c) As at 31 December 2019, the Group pledged deposits totalling US$5,000,000 (2018 : US$5,400,000) relating to the issuance of banker's guarantees to a third party, for the purpose of securing the right to use a third party's land for the Group's mining activities.

(d) As at 31 December 2019, the Group placed restricted cash deposits totalling US$4,288,088 (2018 : US$3,435,846) with relevant government authorities for the purpose of ensuring fulfilment of compliance in respect of the Group's reclamation and rehabilitation obligations.

(e) The effective interest rate of the restricted cash deposits ranged from 4.29% to 5.53% (2018 : 4.23% to 6.95%) per annum.

Management considered that the ECL for bank balances and pledged bank deposits is insignificant as at 31 December 2019.

8 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019	2018	2019	2018
	US$	US$	US$	US$
Current assets:				
Trade receivables from:				
- Third parties	**11,149,410**	15,802,563	**-**	-
Less: Loss allowance (b)	**(1,036,694)**	(585,470)	**-**	-
	10,112,716	15,217,093	**-**	-
Other receivables comprise of:				
- Subsidiaries (Note 5)	**-**	-	**57,601,646**	57,409,431
- Third parties (c)	**6,610,320**	6,238,337	**6,353**	7,181
Less: Loss allowance (b)	**(732,742)**	(716,889)	**(8,598,520)**	-
	5,877,578	5,521,448	**49,009,479**	57,416,612
- Goods and Services Tax ("GST") receivables	**199,860**	301,456	**-**	-
- Prepaid income tax	**10,583,040**	3,614,423	**-**	-
- Interest receivables	**36,436**	389,191	**-**	77,311
Total	**26,809,630**	25,043,611	**49,009,479**	57,493,923
Non-current assets:				
Trade and other receivables under Cooperation Agreement (a)	**20,682,261**	20,216,791	**3,140,278**	3,144,300
Less: Loss allowance	**(9,668,564)**	-	**-**	-
Total	**11,013,697**	20,216,791	**3,140,278**	3,144,300

The credit period granted to customers is generally between 30 to 60 days (2018 : 30 to 60 days). No interest is charged on the outstanding balances, except for certain debtors under Cooperation Agreement, where interest is charged at the rate of Indonesia Deposit Insurance Corporation + 0.5% per annum effective from 1 January 2019. Loss allowance for trade receivables has been measured at an amount equal to lifetime expected credit losses ("ECL").

In determining the ECL, the Group and Company considers the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Accordingly, the Group and the Company made a loss allowance of US$10,128,103 (2018: US$Nil) and US$8,598,520 (2018: US$Nil) respectively during the year.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. No trade and other receivables have been written-off.

The following table details the risk profile of trade and other receivables with customers and other debtors, based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base:

	Trade and other receivables – days past due			
Group	Current	30 – 90 days	> 90 days	Total
	US$	US$	US$	US$
2019				
Estimated total gross carrying amount at default	**15,951,375**	**75,355**	**22,451,697**	**38,478,427**
Lifetime ECL	**-**	**-**	**(11,438,000)**	**(11,438,000)**
				27,040,427
2018				
Estimated total gross carrying amount at default	18,850,094	1,779,754	22,017,034	42,646,882
Lifetime ECL	-	-	(1,302,359)	(1,302,359)
				41,344,523

The Company's other receivables measured at lifetime ECL of US$3,146,631 (2018 : US$3,228,792) are aged more than 90 days (2018 : 90 days) as at the end of the reporting period in which loss allowance are not made.

8 TRADE AND OTHER RECEIVABLES (cont'd)

(a) In January 2018, the Group entered into a Cooperation Agreement with certain debtors' related corporations and a third party (the "Vendors") and a common controlling shareholder of the Vendors to conduct joint mining activities on the two coal mines owned by the Vendors' related corporations. The joint mining activities was expected to commence after the completion of due diligence on the economical and technical feasibility of the underlying coal mines. Based on the Cooperation Agreement, a portion of the cash profit from the sale of coal shall be used by the Vendors to settle the outstanding trade and other receivables of US$20,682,261 (2018 : US$20,216,791).

The Cooperation Agreement is secured by the shares of the Vendors' related corporations and a personal guarantee of the controlling shareholder of the Vendors.

In January 2019, the Group signed an amendment to the Cooperation Agreement with the Vendors' related corporations and common controlling shareholder of the Vendors to extend the period for the completion of due diligence to September 2019. In July 2019, the Vendor obtained the renewal of the mining license in respect of one of its mines and is in the process of obtaining production quota from the relevant authority.

The balance bears an interest rate of Indonesia Deposit Insurance Corporation interest rate + 0.5% per annum effective from 1 January 2019. The interest charged in 2019 of US$469,493 (2018: US$Nil) is included as part of the balance of other receivables under Cooperation Agreement.

In September 2019, the Group signed a master agreement (the "Master Agreement") with the Vendors' related corporations and common controlling shareholder of the Vendors to extend the period for the completion of due diligence to March 2020 in view of the pending approval of production quota by the relevant authority. Other conditions included in the Master Agreement, and subjected to the completion of due diligence, includes subscription of new shares, comprising of 85% interest, in one of the Vendors' related corporation for US$1,000,000; mining services project management to be provided by one of the Group entities; and coal offtake of the underlying coal mines by a subsidiary of the Company.

As per Note 3(c), the recoverability of these balances are based on the value in use calculations of the underlying coal mines, as cash profit generated from the sale of coal mined from the mines under the Cooperation Agreement will be used to settle the outstanding trade and other receivables balances owed by the Vendors. Based on the management's assessment, an allowance for impairment loss of US$9,668,564 has been made during the year as a result of the decline in the recoverable amounts of the underlying coal mines under the Cooperation Agreement.

(b) The table below shows the movement in lifetime ECL that has been recognised for trade and other receivables in accordance to SFRS(I) 9:

	Lifetime ECL - credit-impaired
	US$
Group	
Balance as at 1 January 2018	1,332,028
Exchange differences	(29,669)
Balance as at 31 December 2018	1,302,359
Addition	10,128,103
Exchange differences	7,538
Balance as at 31 December 2019	**11,438,000**

The Group's trade and other receivables that are determined to be impaired at the end of the reporting period relate to debtors that have defaulted on payments. These trade and other receivables are not secured by any collateral or credit enhancements.

Management determined that an impairment loss of US$8,598,520 (2018: US$Nil) was required in respect for the Company's amount due from a subsidiary.

(c) Included in this balance is an amount provided by a subsidiary of the Company, PT Mitra Nasional Pratama ("MNP"), to a third party of US$5,503,197 (2018 : US$5,282,784) to assist in its exploration and drilling activities and for permit approval process. The third party was in the process of upgrading its license and sourcing for investors. The third party has pledged 60% of its shares to MNP and MNP has the irrevocable rights to sell the shares in the event that it defaults on its payment after 6 months from date of agreement of 3 December 2018. This was subsequently extended to 31 December 2020.

9 DEPOSITS AND PREPAYMENTS

	Group		Company	
	2019 US$	2018 US$	2019 US$	2018 US$
Current assets:				
Prepayments	**24,704,960**	23,631,249	**196,287**	962,907
Advance payments for purchase of coal [(a)]	**34,065,842**	1,503,127	**-**	-
Less: Impairment loss on advance payment for purchase of coal [(d)]	**(1,565,842)**	(1,503,127)	**-**	-
	32,500,000	-	**-**	-
Total	**57,204,960**	23,631,249	**196,287**	962,907
Non-current assets:				
Deposits [(b) (c)]	**11,687,956**	8,960,036	**105,397**	105,420
Prepayments	**10,230,319**	15,745,547	**-**	-
Advance payments for purchase of property, plant and equipment	**1,364,714**	532,938	**-**	-
Total	**23,282,989**	25,238,521	**105,397**	105,420

(a) In 2019, the Group made advance payments for purchase of coal to a coal mine owner of US$32,500,000 (2018 : US$Nil). The contractually outstanding advance payments relate to coal offtake arrangement with the coal mine owner, and decreases with the volume of coal sold, until maturity. Once the contractually agreed volume of coal has been fully sold, the coal offtake agreement falls away leaving no remaining contractual obligations on the Group or the coal mine owner. The Group monitors the commodity prices in relation to the coal offtake contracts and manages the credit risk together with its financial assets as described in Note 4(c)(iv). Interest on the advance payments of 11% per annum is added to this balance if the counterparty fails to make full repayment on the advance payment on maturity date.

(b) Included in this balance is a deposit for land use right, held at amortised costs of US$9,081,373 (2018 : US$8,853,477).

Movement in deposits for land use right are as follows:

	Group		Company	
	2019 US$	2018 US$	2019 US$	2018 US$
At beginning of year	**8,853,477**	5,858,437	**-**	-
Additions during the year		3,383,965	**-**	-
Less: Loss on financial asset carried at amortised cost charged to profit or loss (Note 28)	**-**	(577,564)	**-**	-
Add: Reversal of loss on financial assets carried at amortised cost credited to profit or loss	**41,802**	-	**-**	-
Add: Interest income on financial assets carried at amortised cost credited to profit or loss (Note 27)	**186,094**	188,639	**-**	-
At end of year	**9,081,373**	8,853,477	**-**	-

Management considered that the ECL for deposits for land use right is insignificant as at 31 December 2019.

(c) Included in this balance is a deposit of US$2,500,000 (2018 : US$Nil) for a proposed acquisition of a business. Subsequent to the end of the reporting period, the Group announced that the conditions precedent as set out in the conditional sale and purchase agreement (the "CSPA") has not been met as of the date of these financial statements. Should the conditions precedent remained unsatisfied on 31 March 2020, the Group is entitled to terminate the CSPA.

For purpose of impairment assessment, deposits and the Company's other receivables due from subsidiaries and third parties (Note 8) are considered to have low credit risk as the majority is not due for payment at the end of the reporting period and there has been no significant increase in the risk of default since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12m ECL.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation technique or significant assumptions made during the current reporting period in assessing the loss allowance for receivables.

(d) Movement in impairment loss on advance payments for purchase of coal are as follows:

	Group	
	2019	2018
	US$	US$
At beginning of year	**1,503,127**	1,606,642
Exchange differences	**62,715**	(103,515)
At end of year	**1,565,842**	1,503,127

10 INVENTORY

	Group	
	2019	2018
	US$	US$
Coal	**12,232,738**	14,823,301

The cost of inventory recognised as an expense includes US$1,382,168 (2018: US$193,069) in respect of allowance for inventory written-down (Note 31) and US$3,858,366 (2018 : US$Nil) in respect of inventory loss written-off (Note 31).

11 INVESTMENT IN SUBSIDIARIES

	Company	
	2019	2018
	US$	US$
Unquoted equity shares, at cost	**80,980,515**	80,980,515
Less: Allowance for impairment [(a)]	**(7,131,486)**	-
	73,849,029	80,980,515
Deemed investment [(b)]	**97,009,790**	97,009,790
Fair value of a financial guarantee contract (Note 18)	**7,887,000**	7,887,000
	178,745,819	185,877,305

(a) During the year, the Company made an impairment loss of US$7,131,486 for its investment in a subsidiary, having regard to the subsidiary and its subsidiary's performances and the estimated realisable values of their net tangible assets.

(b) The amount is stated at cost as it is deemed to be part of the Company's equity investments in the subsidiaries, as the amounts are interest-free, payable at discretion of the borrowers when they are able to do so.

Details of the Company's subsidiaries are as follows:

Name of subsidiaries	Principal activities/ Country of incorporation and operation	Effective equity interest of the Company	
		2019	2018
		%	%
Geo Coal International Pte. Ltd. [(a)]	Coal trading/Singapore.	**100**	100
PT Geo Energy Coalindo [(b) (d)]	Investment holding/ Indonesia.	**99.00**	99.00
Borneo International Resources Pte. Ltd. [(a)]	Investment holding/ Singapore.	**100**	100
Geo Energy Investments Ltd. [(f)]	Investment holding/ Cayman Island.	**100**	100
Geo Energy International (HK) Limited [(e)]	Investment holding/Hong Kong.	**100**	100
Geo Coal International (HK) Limited [(c)]	Coal trading/Hong Kong.	**100**	100
Held by Geo Energy International (HK) Limited			
Geo Ventures Global Pte. Ltd. [(e) (g)]	Investment holding/ Singapore.	**100**	-
Held by Geo Energy Investments Ltd.			
STT Coal Resources Pte. Ltd. [(a)]	Investment holding/ Singapore.	**100**	100
Fortune Coal Resources Pte. Ltd. [(a) (h)]	Coal trading/Singapore.	**100**	100
Held by STT Coal Resources Pte. Ltd.			
PT Tunas Bara Abadi Tolindo [(d) (e) (h)]	General trading/Indonesia.	**99.00**	99.00
Held by PT Tunas Bara Abadi Tolindo			
PT STT Tunas Bara [(d) (e) (h)]	General trading and services/Indonesia.	**99.10**	99.10
Held by PT STT Tunas Bara			
PT Surya Tambang Tolindo [(d) (e) (h)]	Coal mining/Indonesia.	**99.06**	99.06
Held by Fortune Coal Resources Pte. Ltd.			
PT Satui Jasabara [(d) (e) (h)]	General trading/Indonesia.	**99.90**	99.90
Held by PT Satui Jasabara			
PT Satui Energi [(d) (e) (h)]	General trading/Indonesia.	**98.90**	98.90
Held by PT Satui Energi			
PT Tanah Bumbu Resources [(b) (d)]	Coal mining/Indonesia.	**97.91**	97.91
Held by PT Geo Energy Coalindo			
PT Mitra Nasional Pratama [(b) (d)]	Mining services/Indonesia.	**98.01**	98.01
PT Sumber Bara Jaya [(b) (d)]	Mining services/Indonesia.	**98.90**	98.90
PT Geo Tebo Power Inti [(d) (e) (h)]	Power generation/Indonesia.	**98.92**	98.92
PT Geo Energy Trading [(d) (e) (h)]	General trading/Indonesia.	**98.92**	98.92
Held by PT Mitra Nasional Pratama			
PT Geo Online Indonesia [(d) (e) (h)]	Multimedia supplier, business and management consultant services/ Indonesia.	**97.97**	97.97

11 INVESTMENT IN SUBSIDIARIES (cont'd)

Name of subsidiaries	Principal activities/ Country of incorporation and operation	Effective equity interest of the Company	
		2019	2018
		%	%
Held by PT Sumber Bara Jaya			
PT Bumi Enggang Khatulistiwa [(b) (d)]	Coal mining/Indonesia.	**98.88**	98.88
Held by Borneo International Resources Pte. Ltd.			
PT Era Tiga Putra [(d) (e)]	Investment holding/ Indonesia.	**99.00**	99.00
Held by PT Era Tiga Putra			
PT Karunia Mitra Berkat [(d) (e)]	Investment holding/ Indonesia.	**98.97**	98.97
Held by PT Karunia Mitra Berkat			
PT Sungai Danau Jaya [(b) (d)]	Coal mining/Indonesia.	**98.96**	98.96

Notes

(a) Audited by Deloitte & Touche LLP, Singapore.

(b) Audited by Imelda & Rekan, Jakarta, Indonesia (a member firm of Deloitte & Touche Tohmatsu Limited).

(c) Audited by Deloitte Touche Tohmatsu, Hong Kong (a member firm of Deloitte & Touche Tohmatsu Limited).

(d) Under the Indonesian Company Law, a limited liability company incorporated in Indonesia is required to have a minimum of two shareholders. As a result, certain subsidiaries are held by a non-controlling interest party.

(e) Not audited as deemed not material to the Group.

(f) Audited by Deloitte & Touche LLP, Singapore for sole purpose of inclusion of their financial position and operation results in the consolidated financial statements of the Group.

(g) The subsidiary was incorporated during the year.

(h) The subsidiaries were dormant during the year.

There were no significant restrictions on the Company or its subsidiaries' ability to access or use the assets and settle the liabilities of the Group.

There are no subsidiaries that have non-controlling interests that are material to the Group.

12 DEFERRED STRIPPING COSTS

	Group	
	2019	2018
	US$	US$
Cost:		
At beginning of year	**62,547,110**	10,271,256
Additions	**10,497,297**	52,275,854
At end of year	**73,044,407**	62,547,110
Accumulated amortisation:		
At beginning of year	**4,647,402**	2,334,372
Amortisation	**7,139,570**	2,313,030
At end of year	**11,786,972**	4,647,402
Carrying amount:		
At end of year	**61,257,435**	57,899,708
At beginning of year	**57,899,708**	7,936,884

Total amortisation of deferred stripping costs was allocated as follows:

	Group	
	2019	2018
	US$	US$
Charged to profit or loss (Note 31)	**7,219,234**	1,738,309
Capitalised as inventory	**495,057**	574,721
	7,714,291	2,313,030
Less: Amount previously capitalised as inventory, charged to profit or loss during the year	**(574,721)**	-
	7,139,570	2,313,030

13 PROPERTY, PLANT AND EQUIPMENT

	Leasehold property	Temporary housing facility	Jetty	Machineries	Motor vehicles	Equipment and furniture	Computer and software	Mining properties	Construction in progress	Total
	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$
Group										
Cost:										
At 1 January 2018	2,296,392	479,638	832,635	1,255,212	871,329	896,901	725,762	210,759,527	284,311	218,401,707
Additions	-	13,167	-	13,105	201,730	83,040	28,078	4,111,420	15,950	4,466,490
Disposals	-	(20,482)	-	(526)	(185,421)	(88,556)	(38,858)	-	-	(333,843)
Exchange differences	(115,191)	(476)	-	(10,625)	(21,959)	(28,734)	(14,440)	-	-	(191,425)
At 31 December 2018	2,181,201	471,847	832,635	1,257,166	865,679	862,651	700,542	214,870,947	300,261	222,342,929
Transferred to right-of-use assets upon adoption of SFRS(I) 16 (Note 14)	-	-	-	-	(702,301)	-	-	-	-	(702,301)
At 1 January 2019	2,181,201	471,847	832,635	1,257,166	163,378	862,651	700,542	214,870,947	300,261	221,640,628
Additions	15,583	-	72,209	7,761	27,739	8,052	2,374	2,128,579	(4,335)	2,257,962
Disposals	-	(7,077)	-	-	(75,778)	-	(8,532)	-	-	(91,387)
Reclassification	92,752	-	-	-	-	-	37,971	(85,004)	(45,719)	-
Exchange differences	69,789	172	-	6,420	3,373	15,649	7,607	-	41	103,051
At 31 December 2019	**2,359,325**	**464,942**	**904,844**	**1,271,347**	**118,712**	**886,352**	**739,962**	**216,914,522**	**250,248**	**223,910,254**

13 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Leasehold property	Temporary housing facility	Jetty	Machineries	Motor vehicles	Equipment and furniture	Computer and software	Mining properties	Construction in progress	Total
	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$
Accumulated depreciation:										
At 1 January 2018	227,411	264,618	832,635	1,160,380	357,144	634,382	476,217	32,849,273	-	36,802,060
Depreciation	124,547	15,100	-	29,750	139,605	88,114	79,333	13,284,636	-	13,761,085
Disposals	-	(17,305)	-	(526)	(137,491)	(88,395)	(38,858)	-	-	(282,575)
Exchange differences	(14,160)	(476)	-	(10,609)	(13,611)	(14,066)	(13,519)	-	-	(66,441)
At 31 December 2018	337,798	261,937	832,635	1,178,995	345,647	620,035	503,173	46,133,909	-	50,214,129
Transferred to right-of-use assets upon adoption of SFRS(I) 16 (Note 14)	-	-	-	-	(249,148)	-	-	-	-	(249,148)
At 1 January 2019	337,798	261,937	832,635	1,178,995	96,499	620,035	503,173	46,133,909	-	49,964,981
Depreciation	130,941	16,220	1,504	32,352	13,785	90,851	74,455	14,362,514	-	14,722,622
Disposals	-	(7,077)	-	-	(58,143)	-	(8,532)	-	-	(73,752)
Exchange differences	13,512	172	-	6,420	2,445	9,896	7,468	-	-	39,913
At 31 December 2019	**482,251**	**271,252**	**834,139**	**1,217,767**	**54,586**	**720,782**	**576,564**	**60,496,423**	**-**	**64,653,764**
Accumulated Impairment:										
At 1 January 2019	-	-	-	-	-	-	-	-	-	-
Impairment loss	-	-	-	-	-	-	-	6,399,574	-	6,399,574
At 31 December 2019	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,399,574**	**-**	**6,399,574**
Carrying amount:										
At 31 December 2019	**1,877,074**	**193,690**	**70,705**	**53,580**	**64,126**	**165,570**	**163,398**	**150,018,525**	**250,248**	**152,856,916**
At 1 January 2019	1,843,403	209,910	-	78,171	66,879	242,616	197,369	168,737,038	300,261	171,675,647
At 31 December 2018	1,843,403	209,910	-	78,171	520,032	242,616	197,369	168,737,038	300,261	172,128,800

Management has carried out a review of the recoverable amount of the mining properties based on value in use calculations. The key assumptions for the value in use calculations are disclosed in Note 3(e). The assessment led to an allowance of impairment of a mining property of US$6,399,574 during the year (2018 : US$Nil).

	Motor vehicle	Equipment and furniture	Computer and software	Total
	US$	US$	US$	US$
Company				
Cost:				
At 1 January 2018	163,349	361,882	47,060	572,291
Additions	-	40,730	-	40,730
Disposal	-	(5,651)	-	(5,651)
At 31 December 2018	163,349	396,961	47,060	607,370
Transferred to right-of-use assets upon adoption of SFRS(I) 16 (Note 14)	(163,349)	-	-	(163,349)
At 1 January 2019	-	396,961	47,060	444,021
Additions	-	1,844	-	1,844
Disposal	-	-	-	-
At 31 December 2019	**-**	**398,805**	**47,060**	**445,865**

	Motor vehicle	Equipment and furniture	Computer and software	Total
	US$	US$	US$	US$
Accumulated depreciation:				
At 1 January 2018	70,785	356,828	30,230	457,843
Depreciation	32,670	11,665	5,201	49,536
Disposal	-	(5,651)	-	(5,651)
At 31 December 2018	103,455	362,842	35,431	501,728
Transferred to right-of-use assets upon adoption of SFRS(I) 16 (Note 14)	(103,455)	-	-	(103,455)
At 1 January 2019	-	362,842	35,431	398,273
Depreciation	-	11,970	5,099	17,069
Disposal	-	-	-	-
At 31 December 2019	**-**	**374,812**	**40,530**	**415,342**
Carrying amount:				
At 31 December 2019	**-**	**23,993**	**6,530**	**30,523**
At 1 January 2019	**-**	**34,119**	**11,629**	**45,748**
At 31 December 2018	59,894	34,119	11,629	105,642

The carrying amounts of the Group's and the Company's motor vehicles included assets acquired under finance leases amounting to US$453,153 and US$59,894 respectively, which were transferred to right-of-use assets (Note 14) on 1 January 2019 in compliance with SFRS(I) 16 *Leases*. These amounts remained in property, plant and equipment as at 31 December 2018 as allowed under SFRS(I).

13 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Total depreciation of property, plant and equipment was allocated as follows:

	Group	
	2019 US$	2018 US$
Charged to profit or loss (Note 31)	**15,606,930**	11,909,782
Capitalised as inventory	**1,760,290**	2,644,598
	17,367,220	14,554,380
Less: Amount previously capitalised as inventory, charged to profit or loss during the year	**(2,644,598)**	(793,295)
	14,722,622	13,761,085

14 RIGHT-OF-USE ASSETS

The Group and Company lease their office premise, with lease term of 3 years (2018 : 3 years). Motor vehicles acquired under finance leases were reclassified out from property, plant and equipment (Note 13) to right-of-use assets on 1 January 2019 in compliance with SFRS(I) 16 *Leases*.

	Motor vehicles US$	Leasehold property US$	Total US$
Group			
Cost:			
At 1 January 2019	702,301	-	702,301
Addition	-	1,153,341	1,153,341
Exchange differences	2,715	-	2,715
At 31 December 2019	**705,016**	**1,153,341**	**1,858,357**
Accumulated depreciation:			
At 1 January 2019	249,148	-	249,148
Depreciation	135,338	224,261	359,599
Exchange differences	1,261	-	1,261
At 31 December 2019	**385,747**	**224,261**	**610,008**
Carrying amount:			
At 31 December 2019	**319,269**	**929,080**	**1,248,349**
At 31 December 2018	-	-	-
Company			
Cost:			
At 1 January 2019	163,349	-	163,349
Addition	-	1,153,341	1,153,341
At 31 December 2019	**163,349**	**1,153,341**	**1,316,690**
Accumulated depreciation:			
At 1 January 2019	103,455	-	103,455
Depreciation	27,224	224,261	251,485
At 31 December 2019	**130,679**	**224,261**	**354,940**
Carrying amount:			
At 31 December 2019	**32,670**	**929,080**	**961,750**
At 31 December 2018	-	-	-

15 OTHER NON-CURRENT ASSET

This represents transferable club membership stated at cost. No impairment loss was recognised during the year.

16 TRADE AND OTHER PAYABLES

	Group		Company	
	2019 US$	2018 US$	2019 US$	2018 US$
Current liabilities:				
Trade payables due to:				
- Third parties	**15,738,733**	19,057,003	**-**	-
Other payables comprise of:				
- Third parties	**127,757**	459,196	**47,647**	440,737
- Subsidiaries (Note 5)	**-**	-	**139,351,207**	149,371,884
- Goods and Services Tax ("GST") payables	**-**	-	**43,375**	136,813
- Value-Added Tax ("VAT") payables	**126,652**	205,981	**-**	-
- Withholding tax payables	**587,041**	533,831	**-**	-
- Deferred gain [(a)]	**397,595**	437,041	**-**	-
- Advances from customers [(b)]	**44,588,350**	25,000,345	**-**	-
- Deposits received	**-**	-	**-**	8,259
- Accrued interest on notes payable (Note 18)	**5,776,302**	5,845,648	**-**	-
- Accruals [(c)]	**13,903,567**	22,851,655	**599,270**	1,306,990
Total	**81,245,997**	74,390,700	**140,041,499**	151,264,683
Non-current liabilities:				
Other payables comprise of:				
- Deferred gain [(a)]	**1,939,667**	2,185,207	**-**	-

The credit period on purchases is up to 30 days (2018 : 30 days). No interest is charged on the outstanding balances.

(a) In November 2018, the Group assigned a coal sales contract to a third party who also subscribed to the Company's shares (Note 22) and warrants (Note 23). The deferred gain represents the fair value gain arising from the assignment of the coal sales contract which will be amortised over the expected life of TBR mine. During the year, amortisation of US$284,986 was credited to the Group's profit or loss (Note 27).

(b) These represent payments received in advance for coal which is expected to be delivered within twelve months (2018 : twelve months). The Group received US$20,000,000 (2018 : US$25,000,000) in advances from a coal off-taker during the year.

A contract liability arises from these advances received from third party customers when payment is initially received. The following table shows amount of revenue recognised in the current reporting period relating to brought-forward contract liabilities.

	Group	
	2019 US$	2018 US$
Amounts received in advance of delivery	**411,995**	42,050,000

(c) Accruals principally comprise of amounts outstanding for on-going costs.

17 LEASE LIABILITIES

The Group as lessee
As mentioned in Note 2, SFRS(I) 16 introduces new or amended requirements with respect to lease accounting. For former operating leases, SFRS(I) 16 changes how the Group accounts for leases previously classified as operating leases under SFRS(I) 1-17, which were off-balance-sheet.

Lease liabilities (Disclosure required by SFRS(I) 16)

	Group 2019 US$	Company 2019 US$
Maturity analysis:		
Year 1	**485,227**	**416,175**
Year 2	**415,692**	**402,554**
Year 3	**167,732**	**167,731**
	1,068,651	**986,460**
Less: Unearned interest	**(38,388)**	**(35,426)**
	1,030,263	**951,034**
Analysed as:		
Current	**458,951**	**392,672**
Non-current	**571,312**	**558,362**
	1,030,263	**951,034**

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

Finance leases (Disclosure required by SFRS(I) 1-17)

	Group		Company	
	Minimum lease payments 2018 US$	Present value of minimum lease payments 2018 US$	Minimum lease payments 2018 US$	Present value of minimum lease payments 2018 US$
Amounts payable under finance leases:				
Within one year	163,838	152,325	18,203	18,598
In second to fifth year inclusive	111,632	89,451	18,173	13,396
Total	275,470	241,776	36,376	31,994
Less: Future finance charges	(33,694)	NA	(4,382)	NA
Present value of lease obligations	241,776	241,776	31,994	31,994
Less: Amount due for settlement within 12 months (shown under current liabilities)		(152,325)		(18,598)
Amount due for settlement after 12 months		89,451		13,396

NA : Not applicable.

As at 31 December 2018, the Group and Company had acquired certain of its motor vehicles under finance leases. The finance lease term was up to 60 months with an effective interest rate ranging from 4.33% to 7.46% per annum (Company : 4.33%). Interest rates are fixed at the contract date, and thus expose the Group to fair value interest rate risk. All finance leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair values of the Group's and the Company's lease obligations approximate their carrying amounts.

The Group's and the Company's obligations under finance lease are secured by the leased assets.

18 NOTES PAYABLE

In 2017, the Group, through its subsidiary, Geo Coal International Pte. Ltd. ("GCI"), issued guaranteed senior fixed rate notes (the "Notes") with aggregate nominal value of US$300 million which carried fixed interest of 8.0% per annum and is repayable on 4 October 2022.

The Notes are listed on the SGX. They are unsecured and guaranteed by the Company and certain subsidiaries of the Company. The guarantees are effectively subordinated to secure obligations of each guarantor, to the extent of the value of assets serving as security. In 2017, the Company recognised the fair value of the above financial guarantee of US$7,887,000 on the statement of financial position as deemed investment in a subsidiary (Note 11) and a financial guarantee liability. Amortisation of the financial guarantee obligation amounting to US$1,576,536 (2018 : US$1,576,536) was credited to the Company's profit or loss during the year.

Among other things, the Notes contain optional redemption clauses as described below:

- At any time on or after 4 October 2020, GCI may redeem the Notes in whole or in part at a redemption price equal to the 104% or 102% of principal amount if redeemed during the 12-month period commencing 4 October 2020 or 2021 respectively, plus accrued and unpaid interest, if any, to the redemption date.
- At any time on or prior to 4 October 2020, GCI may redeem up to 35% of the aggregate principal amount of the Notes, with net cash proceeds from issue of ordinary shares of the Company in an equity offering at a redemption price of 108% of the principal amount of the Notes, provided that at least 65% of the aggregate principal amount of the Notes issued remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.
- At any time prior to 4 October 2020, GCI may redeem the Notes in whole or in part at the principal amount of the Notes plus an applicable premium as of, and accrued and unpaid interest, if any, on the Notes redeemed, to the redemption date.

18 NOTES PAYABLE (cont'd)

The Notes contain certain covenants that limited the Company's and certain subsidiaries' abilities to, among other things:

- incur or guarantee additional indebtedness and issue certain redeemable or preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions, with respect to the shares of the Company or certain of its subsidiaries;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create encumbrances or restrictions on the payment of dividends, or other distributions, loans or advances to and on the transfer of assets to the Company or certain of its subsidiaries;
- sell, lease or transfer certain assets, including stock of certain subsidiaries;
- enter into sale and leaseback transactions;
- engage in certain transactions with affiliates;
- enter into unrelated businesses; and
- consolidate or merge with other entities.

In addition, the Notes also contain a Mandatory Offer to Purchase ("Put Option"). Unless the following conditions are satisfied on the respective relevant dates, not later than 30 days following such dates the Company and certain of its subsidiaries will make an Offer to Purchase for all outstanding Notes at a purchase price equal to 100% of its principal amount plus accrued and unpaid interest, if any to (but not including) the Offer to Purchase Payment date:

- The Company and certain subsidiaries having not less than 80 million tonnes of qualified coal reserves of qualified mines having mining license that expire no earlier than 4 October 2025 is satisfied on 4 April 2021; or
- The Company and certain subsidiaries having 120 million tonnes of qualified coal reserves of qualified mines having mining license that expire no earlier than eight years from date of determination is satisfied any time prior to 4 April 2021.

As of 31 December 2019, the Group do not have sufficient coal reserves to meet the minimum coal reserves required above. The Group will continue to explore potential acquisitions of coal assets in order to meet the minimum coal reserves requirements prior to 4 April 2021. If such acquisitions materialise, GCI will not be required to make an offer to purchase the all outstanding Notes in accordance with the Put Option.

The net carrying amount of the Notes was stated net of transaction costs totalling US$13,715,412. Such costs were amortised over the life of the Notes by charging the expenses to profit or loss and increasing the net carrying amount of the Notes with the corresponding amount. As of 31 December 2019, accumulated amortisation amounted to US$7,068,881 (2018 : US$4,212,493).

In December 2019, the Company and GCI had repurchased, in a series of open market transactions, US$16,061,000 in aggregate principal amount of the Notes. The aggregate amount paid for the repurchased Notes including the accrued interests was US$10,720,226. The repurchased Notes were cancelled in January 2020 in accordance with the terms of the Notes and the indenture governing them. Following the cancellation of all the repurchased Notes, the aggregate principal amount of the Notes outstanding is US$283,939,000.

Management estimated the fair value of the Notes at 31 December 2019, following the repurchases in December 2019, to be approximately US$175,860,000 (2018 : US$260,171,000). The fair value measurement is classified under Level 2 of the fair value hierarchy and has been calculated based on the mid-price extracted from Bloomberg as at 31 December 2019. There has been no change to the valuation technique and no transfers between the levels of the fair value hierarchy during the year.

Subsequent to year end, GCI repurchased, in a series of open market transactions from 5 to 25 March 2020, an additional US$95,800,000 in aggregate principal amount of the Notes. The aggregate amount paid for the repurchased Notes including the accrued interest was US$55,751,729.

Following the cancellation of all the repurchased Notes, the aggregate principal amount of Notes outstanding, and the maximum amount the Company could be forced to settle under the financial guarantee if the full guarantee amount is claimed by the counterparty to the guarantee, is US$188,139,000.

	Group	
	2019 US$	2018 US$
Nominal value of Notes issued	**300,000,000**	300,000,000
Transaction costs	**(13,715,412)**	(13,715,412)
At date of issue	**286,284,588**	286,284,588
Cumulative interest accrued	**53,776,302**	29,845,648
Cumulative amortisation of transaction costs	**7,068,881**	4,212,493
Cumulative interest paid	**(48,000,000)**	(24,000,000)
Early redemption	**(10,720,226)**	-
Gain on redemption	**(5,340,774)**	-
Total	**283,068,771**	296,342,729
Interest payable within one year included in other payables (Note 16)	**(5,776,302)**	(5,845,648)
Liability (non-current) at end of year	**277,292,469**	290,497,081

19 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 January 2019	Financing cash flows (i)	Non-cash changes: New lease liabilities	Non-cash changes: Foreign exchange movement	Non-cash changes: Other changes (ii)	31 December 2019
Lease liabilities (Note 17)	241,776	(425,505)	1,153,341	30,016	30,635	**1,030,263**
Notes payable:						
- Senior Notes (Note 18)	290,497,081	(10,720,226)	-	-	(2,484,386)	**277,292,469**
- Accrued interest on notes payable (Note 16)	5,845,648	(24,000,000)	-	-	23,930,654	**5,776,302**
	296,584,505	(35,145,731)	1,153,341	30,016	21,476,903	**284,099,034**

	1 January 2018	Financing cash flows (i)	Non-cash changes: New finance leases	Non-cash changes: Foreign exchange movement	Non-cash changes: Other changes (ii)	31 December 2018
Finance leases (Note 17)	267,153	(166,953)	137,701	(14,206)	18,081	241,776
Notes payable:						
- Senior Notes (Note 18)	288,028,289	-	-	-	2,468,792	290,497,081
- Accrued interest on notes payable (Note 16)	5,845,648	(24,000,000)	-	-	24,000,000	5,845,648
	294,141,090	(24,166,953)	137,701	(14,206)	26,486,873	296,584,505

(i) The cash flows comprise the repurchase and repayments of the Notes and lease liabilities in the consolidated statement of cash flows.

(ii) Other changes include interest accruals, amortisation of transaction costs and gain on redemption of the Notes.

20 PROVISIONS

As at the end of the reporting period, the Group and Company have made the following provisions:

	Group 2019 US$	Group 2018 US$	Company 2019 US$	Company 2018 US$
Retirement benefit obligations (Note A)	**1,458,490**	950,945	**-**	-
Provision for rehabilitation (Note B)	**677,738**	696,948	**-**	-
Provision for reinstatement costs (Note C)	**109,747**	105,540	**109,747**	105,540
	2,245,975	1,753,433	**109,747**	105,540

(A) Retirement benefit obligations

	Group 2019 US$	Group 2018 US$
Present value of unfunded obligations	**1,458,490**	950,945
Changes in the present value of the defined obligations:		
Opening defined benefit obligations	**950,945**	1,146,176
Employee benefits expense (Note 31)	**336,439**	393,006
Remeasurement, (credited) charged to other comprehensive income:		
- Actuarial losses (gains) from changes in financial assumptions	**10,603**	(301,272)
- Actuarial losses (gains) from experience adjustment	**109,752**	(147,551)
Benefits paid	**(2,536)**	(49,649)
Exchange differences	**53,287**	(89,765)
Closing defined benefit obligations	**1,458,490**	950,945

20 PROVISIONS (cont'd)

Employee benefits expense comprised:

	Group 2019 US$	Group 2018 US$
Current service cost	**253,471**	342,149
Past service cost	**-**	(31,796)
Interest cost	**82,968**	82,653
Total	**336,439**	393,006

The Group's subsidiaries recognised defined post-employment benefits in accordance with the Republic of Indonesia Labor Law No. 13 year 2003. No funding has been made to the defined benefit scheme.

The actuarial valuation of present value of the defined benefit obligation was carried out as at 31 December 2019 and 2018 by PT. Padma Radya Aktuaria. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Valuation at 2019	Valuation at 2018
Discount rate per annum	**8.00%**	8.75%
Expected rate of salary increases per annum	**10%**	10%
Mortality rate *	**100% TMI3**	100% TMI 3
Disability rate	**5% TMI3**	5% TMI 3
Resignation rate	**5% per annum until age 35 then decrease linearly to 0% at age 55 years**	5% per annum until age 35 then decrease linearly to 0% at age 55 years
Normal retirement age	**55 years**	55 years

* Standard Ordinary Mortality table in Indonesia ("TMI")

Sensitivity analysis was not performed on each of the significant actuarial assumption, in view that the changes in the actuarial assumptions are not expected to be material.

(B) Provision for rehabilitation

	Group 2019 US$	Group 2018 US$
At beginning of year	**696,948**	460,493
Additions	**33,698**	368,757
Reversals	**(101,082)**	(176,161)
Interest accretion charged to profit or loss (Note 29)	**41,582**	45,788
Exchange differences	**6,592**	(1,929)
At the end of year	**677,738**	696,948

This includes the net present value of the costs expected to be incurred for the rehabilitation of mining properties. Management uses a discount rate of 15% (2018 : 15%).

The Group has not provided for certain costs relating to rehabilitation as these activities will be undertaken by the owner of the land in which the Group performs its mining activities.

(C) Provision for reinstatement costs

	Group and Company 2019 US$	Group and Company 2018 US$
At beginning of year	**105,540**	101,131
Interest accretion charged to profit or loss (Note 29)	**4,207**	4,409
At the end of year	**109,747**	105,540

This represents net present value of the costs expected to be incurred for reinstating the leased office premises. Management uses a discount rate of 5% (2018 : 5%).

21 DEFERRED TAX LIABILITIES (ASSETS)

	Group 2019 US$	Group 2018 US$	Company 2019 US$	Company 2018 US$
Deferred tax assets	**(1,971,539)**	(3,420,792)	**(362,284)**	(11,954)
Deferred tax liabilities	**3,309,309**	3,273,809	**-**	-
	1,337,770	(146,983)	**(362,284)**	(11,954)

21 DEFERRED TAX LIABILITIES (ASSETS) (cont'd)

The following are the major deferred tax (assets) liabilities recognised by the Group and Company and the movements thereon, during the year:

	Retirement benefit	Tax losses	Accelerated tax depreciation	Deferred stripping costs	Others [(a)]	Total
	US$	US$	US$	US$	US$	US$
Group						
At 1 January 2018	(218,630)	(4,346,481)	172,918	2,118,806	-	(2,273,387)
Charged (Credited) to profit or loss [Note 30(A)]	5,353	(12,968,988)	1,538,672	10,072,551	3,294,937	1,942,525
Charged to other comprehensive income [Note 30(B)]	112,313	-	-	-	-	112,313
Exchange differences	(3,107)	444,930	(36,504)	(285,136)	(48,617)	71,566
At 31 December 2018	(104,071)	(16,870,539)	1,675,086	11,906,221	3,246,320	(146,983)
(Credited) Charged to profit or loss [Note 30(A)]	(163,261)	1,686,532	348,210	462,162	(527,498)	1,806,145
Credited to other comprehensive income [Note 30(B)]	(30,089)	-	-	-	-	(30,089)
Exchange differences	(17,850)	(978,282)	73,701	504,394	126,734	(291,303)
At 31 December 2019	**(315,271)**	**(16,162,289)**	**2,096,997**	**12,872,777**	**2,845,556**	**1,337,770**

(a) Others mainly comprise of timing differences arising from prepaid jetty and hauling costs of US$3.8 million (2018 : US$4.3 million).

	Accelerated tax depreciation	Tax losses	Total
	US$	US$	US$
Company			
At 1 January 2018	(11,272)	-	(11,272)
Credited to profit or loss	(931)	-	(931)
Exchange differences	249	-	249
At 31 December 2018	(11,954)	-	(11,954)
Credited to profit or loss	(67)	(345,833)	(345,900)
Exchange differences	(168)	(4,262)	(4,430)
At 31 December 2019	**(12,189)**	**(350,095)**	**(362,284)**

At the end of the financial year, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is US$83,174,000 (2018 : US$97,625,000). No deferred tax liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

22 SHARE CAPITAL

	Group and Company			
	2019	2018	2019	2018
	Number of ordinary shares		US$	US$
At beginning of year	**1,399,273,113**	1,329,273,113	**106,513,187**	95,069,461
Issuance of share [(a)]	**-**	70,000,000	**-**	11,443,726
At end of year	**1,399,273,113**	1,399,273,113	**106,513,187**	106,513,187

(a) In November 2018, the Company issued 70,000,000 new ordinary shares pursuant to the assignment of coal sales contract for TBR mine [Note 16(a)].

The new shares ranked pari passu in all aspects with the existing ordinary shares.

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividend income when declared by the Company.

23 CAPITAL AND OTHER RESERVES

During the year, the Group and Company recorded deemed capital contribution amounting to US$331,371 (2018 : US$433,698) for the issuance of shares by a shareholder of the Company to a director as share-based payment.

On 11 January 2019, the Group announced the grant of share options pursuant to the Geo Energy share option scheme. A total of 24,850,000 options was granted at the exercise price of S$0.19 per share. Details regarding these equity-settled share-based payments are set out in Note 36.

In 2018, the Group issued 74,000,000 unquoted warrants for a consideration of S$1 pursuant to the assignment of coal sales contract for TBR mine [Note 16(a)]. Each warrant entitles the holder to subscribe for one new ordinary share at the exercise price of S$0.33 per share for the exercise period of two years at any time from the date of issue up to and including 19 November 2020.

The fair value measurement is classified under Level 2 of the fair value hierarchy. The estimated fair value of the warrants granted on 5 November 2018, determined using the Black-Scholes pricing model was US$713,786.

No warrants were exercised as at 31 December 2019.

24 TRANSLATION RESERVE

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency, USD.

25 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	Group	
	2019 US$	2018 US$
Item that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations:		
- Arising during the year	**276,346**	(497,725)
Item that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit obligations [Notes 20(A) and 30(B)]	**(99,048)**	336,510
Other comprehensive income for the year, net of tax	**177,298**	(161,215)

26 REVENUE

	Group	
	2019 US$	2018 US$
Timing of revenue recognition		
At a point in time:		
Sale of coal:		
- Coal mining	**249,108,854**	298,754,745
Over time:		
- Mining services	**-**	487,023
Total	**249,108,854**	299,241,768

27 OTHER INCOME

	Group	
	2019 US$	2018 US$
Interest income [(a)]	**5,151,671**	4,561,358
Gain on disposal of property, plant and equipment	**8,791**	-
Interest charged under Cooperation Agreement (Note 8)	**469,493**	-
Amortisation of deferred gain (Note 16)	**284,986**	-
Marketing fee	**-**	612,452
Gain on redemption of the Notes	**5,340,774**	-
Others	**158,690**	132,212
Total	**11,414,405**	5,306,022

[(a)] This includes interest income on financial assets carried at amortised cost of US$186,094 (2018 : US$188,639) [Note 9(a)].

28 OTHER EXPENSES

	Group	
	2019 US$	2018 US$
Impairment loss on property, plant and equipment	**6,399,574**	-
Other expenses arising from finalisation of tax assessments	**737,005**	2,205
Allowance for impairment loss on trade receivables	**10,128,103**	-
Foreign exchange loss - net	**808,775**	2,598,812
Loss on financial assets carried at amortised cost [Note 9(a)]	**-**	577,564
Loss on disposal of property, plant and equipment	**-**	8,433
Other non-operating expenses incurred on mining	**758,247**	1,092,692
Others	**555,638**	31,248
Total	**19,387,342**	4,310,954

29 FINANCE COSTS

	Group	
	2019 US$	2018 US$
Interest expense on:		
- Notes payable:		
- Senior Notes (Note 18)	**23,930,654**	24,000,000
- Amortisation of transaction costs (Note 18)	**2,856,388**	2,468,792
- Lease liabilities	**30,635**	18,081
Imputed interest on:		
- Provisions [Notes 20(B) and 20(C)]	**45,789**	50,197
Total	**26,863,466**	26,537,070

30 INCOME TAX EXPENSE

(A) Income tax recognised in profit or loss

	Group	
	2019 US$	2018 US$
Income tax:		
- Current	**-**	8,813,950
- Underprovision in prior years	**1,355,195**	36,543
Deferred tax (Note 21):		
- Current	**(1,937,795)**	1,116,836
- Underprovision in prior years	**3,743,940**	825,689
Income tax expense	**3,161,340**	10,793,018

Income tax for Singapore incorporated companies is calculated at 17% (2018 : 17%) of the estimated assessable income for the year.

In 2017, certain subsidiary of the Company was awarded the status of a Global Trading Company by the International Enterprise Singapore under the Global Trader Programme ("GTP"), which grants the subsidiary a concessionary income tax rate of 10% on qualifying transactions for a period of 3 years from 1 October 2017 to 30 September 2020. This incentive is subject to the achievement of certain business volume and other terms and conditions.

30 INCOME TAX EXPENSE (cont'd)

Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. Majority of the Company's subsidiaries operate in Indonesia and hence, they are subject to Indonesian tax law. In accordance to the Indonesian tax law No. 36/2008, the fourth amendment of tax law No. 7/1983 on income taxes, the corporate tax rate is set at 25% (2018 : 25%).

The total charge for the year can be reconciled to the accounting (loss) profit as follows:

	Group	
	2019 US$	2018 US$
(Loss) Profit before income tax	**(44,556,283)**	28,794,391
Tax at statutory rate of 25% (2018 : 25%) *	**(11,139,071)**	7,198,598
Tax effect of expenses that are not deductible in determining taxable profit	**12,062,184**	7,380,470
Tax effect of income that are not taxable in determining taxable profit	**(5,427,880)**	(3,298,278)
Tax exemption	**(9,143)**	(38,208)
Effect of different tax rates of companies operating in other jurisdictions	**1,185,241**	(972,052)
Effect of concessionary tax rate of 10% granted under GTP	**1,390,874**	(339,744)
Adjustments recognised in the current year in relation to current and deferred tax of prior years	**5,099,135**	862,232
Income tax expense	**3,161,340**	10,793,018

* Statutory income tax is calculated at a rate in which the Company's significant subsidiaries are domiciled, i.e. Indonesian income tax rate.

(B) Income tax relating to each component of other comprehensive income

	Group	
	2019 US$	2018 US$
Deferred tax:		
- Remeasurement of defined benefit obligations (Note 21), representing total deferred tax on components of other comprehensive income	**(30,089)**	112,313

31 (LOSS) PROFIT FOR THE YEAR

(Loss) profit for the year has been arrived at after charging:

	Group	
	2019 US$	2018 US$
Directors' remuneration	**2,994,781**	3,405,416
Employee benefits expense (including directors' remuneration)	**6,970,836**	7,969,564
Costs of defined contribution plans (included in employee benefits expense)	**296,024**	299,743
Costs of defined benefit plans (included in employee benefits expense) [Note 20(A)]	**336,439**	393,006
Cost of inventory recognised as expense	**176,984,470**	165,526,119
Depreciation of property, plant and equipment (Note 13)	**15,606,930**	11,909,782
Depreciation of right-of-use assets (Note 14)	**359,599**	-
Amortisation of deferred stripping costs (Note 12)	**7,219,234**	1,738,309
Allowance for inventory written-down (Note 10)	**1,382,168**	193,069
Allowance for impairment of trade receivables [Note 8(b)]	**10,128,103**	-
Impairment allowance on property, plant and equipment (Note 13)	**6,399,574**	-
Inventory loss written-off (Note 10)	**3,858,366**	-
Share-based payment expense	**809,934**	433,698
Audit fees paid/payable to:		
- Auditors of the Company	**221,049**	214,847
- Member firm of the Auditors of the Company	**169,941**	167,951
Non-audit fees paid/ payable to:		
- Auditors of the Company	**70,517**	76,456
- Member firm of the Auditors of the Company	**2,568**	-

32 DIVIDENDS

On 5 September 2018, the Company paid an interim one-tier tax-exempt dividend of S$0.01 per share (total dividend of US$9,651,297) to its shareholders in respect of the year ended 31 December 2018.

On 16 May 2019, the Company paid a final one-tier tax-exempt dividend of S$0.004 per share (total dividend of US$4,090,545) to its shareholders in respect of the year ended 31 December 2018.

33 (LOSS) EARNINGS PER SHARE

Basic and diluted loss per share for the financial year ended 31 December 2019 is calculated based on the loss for the year attributable to owners of the Company of US$47,471,262 (2018 : profit of US$18,020,537) divided by the weighted average number of shares issued of 1,399,273,113 (2018 : 1,337,519,688).

33 (LOSS) EARNINGS PER SHARE (cont'd)

In 2018, the Company issued 74,000,000 warrants pursuant to the assignment of coal sales contract for TBR mine [Note 16(a)].

On 11 January 2019, the Group had announced the granting of share options pursuant to the Geo Energy share option scheme. A total of 24,850,000 options were granted at the exercise price of S$0.19 per share. The exercise period of the options commences after the first anniversary from the date of the grant.

The warrants and share options were excluded in the calculation of diluted profit per share because they were anti-dilutive.

34 SEGMENT INFORMATION

For the purpose of resource allocation and assessment of segment performance, the Group's chief operating decision makers have focused on the business operating units which in turn, are segregated based on their services. This forms the basis of identifying the segments of the Group under SFRS(I) 8.

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.

The Group's reportable segments under SFRS(I) 8 are therefore as follows:

Segment		Principal activities
Coal mining	-	Production and sale of coal produced from operating own coal mines.
Coal trading	-	Purchase and sale of coal from third parties.
Mining services	-	Mining contracting and project management for mining activities conducted at third party mines.

Segment revenue represents revenue generated from external and internal customers. 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 decision maker for the purpose of resource allocation and assessment of segment performance.

Assets and liabilities are not allocated by segment as they are not considered critical by the chief operating decision maker in resource allocation and assessment of segment performance.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

Group	Revenue		Gross profit		EBITDA		(Loss) Profit before income tax	
	2019	2018	2019	2018	2019	2018	2019	2018
	US$	US$	US$	US$	US$	US$	US$	US$
Coal mining	**249,108,854**	298,754,745	**3,250,072**	66,619,794	**31,027,624**	80,049,372	**(3,381,145)**	66,230,869
Mining services	**-**	487,023	**-**	223,204	**469,493**	223,204	**(9,199,071)**	223,204
	249,108,854	299,241,768	**3,250,072**	66,842,998	**31,497,117**	80,272,576	**(12,580,216)**	66,454,073
Depreciation of property, plant and equipment					**-**	-	**(648,745)**	(411,582)
Other gains – net					**3,031,575**	3,991,238	**7,857,351**	1,383,993
Group administration costs and directors' remuneration					**(11,511,273)**	(11,661,325)	**(12,321,207)**	(12,095,023)
Finance costs					**-**	-	**(26,863,466)**	(26,537,070)
					23,017,419	72,602,489	**(44,556,283)**	28,794,391

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.

Segment EBITDA represents the profit, excluding non-cash gains and losses, earned by each segment without allocation of central administration costs and directors' remuneration, finance costs, income tax expense.

34 SEGMENT INFORMATION (cont'd)

Other segmental information

The following is an analysis of the Group's other segmental information by reportable segments:

	Coal mining		Coal trading		Mining services		Unallocated		Total	
	2019 US$	2018 US$	2019 US$	2018 US$	2019 US$	2018 US$	2019 US$	2018 US$	2019 US$	2018 US$
Group										
Depreciation of property, plant and equipment	**15,317,784**	11,498,200	**-**	-	**-**	-	**289,146**	411,582	**15,606,930**	11,909,782
Depreciation of right-of-use assets	**-**	-	**-**	-	**-**	-	**359,599**	-	**359,599**	-
Amortisation of deferred stripping costs	**7,219,234**	1,738,309	**-**	-	**-**	-	**-**	-	**7,219,234**	1,738,309
Amortisation of transaction costs of Notes	**-**	-	**-**	-	**-**	-	**2,856,388**	2,468,792	**2,856,388**	2,468,792
Gain on redemption of the Notes	**-**	-	**-**	-	**-**	-	**(5,340,774)**	-	**(5,340,774)**	-
Allowance for inventory written-down	**1,382,168**	193,069	**-**	-	**-**	-	**-**	-	**1,382,168**	193,069
Inventory loss written-off	**3,858,366**	-	**-**	-	**-**	-	**-**	-	**3,858,366**	-
Interest income on financial assets carried at amortised cost	**(186,094)**	(188,639)	**-**	-	**-**	-	**-**	-	**(186,094)**	(188,639)
(Gain) Loss on disposal of property, plant and equipment	**-**	-	**-**	-	**-**	-	**(8,791)**	8,433	**(8,791)**	8,433
Interest charged under Cooperation Agreement	**-**	-	**-**	-	**469,493**	-	**-**	-	**469,493**	-
(Reversal of) Loss on financial assets carried at amortised cost	**(41,802)**	577,564	**-**	-	**-**	-	**-**	-	**(41,802)**	577,564
Allowance for impairment on trade receivables	**10,128,103**	-	**-**	-	**-**	-	**-**	-	**10,128,103**	-
Share-based payment expense	**-**	-	**-**	-	**-**	-	**809,934**	433,698	**809,934**	433,698

Geographical segments

The Group's information about the segment revenue by geographical market is detailed below:

	Revenue	
	2019 US$	2018 US$
Indonesia	**83,565,044**	26,608,713
People's Republic of China	**126,443,016**	241,223,917
Thailand	**1,689,732**	4,729,335
India	**19,160,759**	26,679,803
Philippines	**12,883,237**	-
Vietnam	**966,787**	-
Korea	**4,400,279**	-
Total	**249,108,854**	299,241,768

The Group's information about the segment assets by geographical location are detailed below:

	Non-current assets	
	2019 US$	2018 US$
Indonesia	**225,955,503**	246,187,474
Singapore	**1,155,928**	273,217
Total	**227,111,431**	246,460,691

34 SEGMENT INFORMATION (cont'd)

Other segmental information (cont'd)

Major customer information

The Group's revenue derived from customers who individually account for 10% or more of the Group's revenue is detailed below:

	Coal mining		Coal trading		Mining services and others	
	2019 US$	2018 US$	2019 US$	2018 US$	2019 US$	2018 US$
Customers						
Top 1st [a]	**126,797,325**	-	**-**	-	**-**	-
Top 2nd [a]	**36,881,985**	267,729,471	**-**	-	**-**	-
Top 3rd	**31,082,487**	2,397,953	**-**	-	**-**	-
Top 4th	**29,489,791**	11,232,522	**-**	-	**-**	-

[a] Pertains to coal off-takers, whereby the coal sales are attributed to regional countries.

35 OPERATING LEASE ARRANGEMENTS

The Group as lessee

Disclosure required under SFRS(I) 16

At 31 December 2019, the Group and Company is committed to US$990,030 for short-term leases.

Disclosure required by SFRS(I) 1-17

At 31 December 2018, the Group and Company had outstanding commitments under non-cancellable operating lease, which fall due as follows:

	Group and Company 2018 US$
Within one year	139,952
In the second to fifth year inclusive	-
Total	139,952

36 SHARE-BASED PAYMENT

The Company has a Share Option Scheme for eligible directors and selected employees of the Company and its subsidiaries. The Scheme is administered by the Remuneration Committee. On 11 January 2019, the Company granted an aggregate 24,850,000 share options at an exercise price of S$0.19 per share. During the year, 1,750,000 share options granted were forfeited as the option holders ceased to be full-time employees of the Company.

	Group and Company 2019 Number of share options	Group and Company 2019 Weighted average exercise price S$
Outstanding at the beginning of the year	**-**	**-**
Granted during the year	**24,850,000**	**0.19**
Forfeited during the year	**(1,750,000)**	**0.19**
Outstanding and exercisable at the end of the year	**23,100,000**	**0.19**

The options outstanding at the end of the year have a weighted average remaining contractual life of 6 years.

The fair value for share options granted during the year was calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

	2019 S$
Weighted average share price	**S$0.19**
Weighted average exercise price	**S$0.19**
Expected volatility	**28%**
Expected life	**5 to 10**
Risk-free rate	**2%**
Expected dividend yield	**5%**

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised total share-based payment expense of US$478,563 related to the Share Option Scheme during the year.

37 CONTINGENT LIABILITY

A) In 2016, some subsidiaries were audited by Indonesian Tax Office ("ITO"). ITO assessed an underpayment of tax expenses of approximately US$3,900,000 (IDR53 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 the imposed tax is without merit under the tax law. Management has submitted their Closing Statements to the Court of Appeal in July 2018 and final decision has yet to be received. No provision has been recognised in the financial statements as the Group does not consider that there is any probable loss.

B) In 2015, one of the Group's subsidiaries (the "Subsidiary") commenced legal proceedings against a supplier (the "Supplier") for receivables outstanding since 2014. The outstanding receivable pertained to a coal purchase prepayment paid to the Supplier, and the Subsidiary subsequently made an allowance for impairment loss on the receivable in 2015. The Supplier filed a counterclaim against the Subsidiary, however the Court has rendered a judgement in favour of the Supplier for a potential legal claim against the Subsidiary amounted to approximately US$2.5 million.

Taking reference from the legal advices, management holds the view that the counterclaim has no merit, and is in the process of preparing for an appeal. No provision has been recognised as the management does not consider that there is any probable loss.

C) As at 31 December 2019, the Company has an unsecured corporate guarantees issued in 2017 in respect of the issuance of Notes by its subsidiary with nominal value of US$283,939,000 (2018: US$300,000,000). Following the repurchases of Notes in March 2020 (Note 18), the nominal value of the corporate guarantees is US$188,139,000.

38 SUBSEQUENT EVENTS

The COVID-19 pandemic subsequent to the reporting period is expected to impact certain segments of the Group's business. As the situation relating to the outbreak remains uncertain, it is currently not possible to ascertain the full financial impact it may have on the financial performance of the Group in 2020.

39 DISPOSAL OF A SUBSIDIARY

In 2018, the Group disposed of its subsidiary, PT Deli Global Oase ("DGO"). DGO had been dormant since its incorporation and was subsequently wound up.

Details of the disposal are as follows:

	Group	
	2019 US$	2018 US$
Consideration received	-	-
Other receivables, representing net assets derecognised	-	(1,123,511)
Non-controlling interests derecognised	-	1,123,511
Gain on disposal	-	-

There is no net cash inflow arising from the disposal of DGO.

40 STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I)s pronouncements relevant to the Group and Company were issued but not effective:

<u>Effective for annual periods beginning on or after 1 January 2019</u>

- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements* and SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material*
- Amendments to SFRS(I) 3 *Business Combinations: Definition of a Business*
- Amendments to References to the Conceptual Framework in SFRS(I) Standards

<u>Effective date is deferred indefinitely</u>

- Amendments to SFRS(I) 10 *Consolidated Financial Statements*

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

OTHER INFORMATION

DEALINGS IN SECURITIES

The Company provides guidance to its directors and other officers with regard to dealings by the Company and its directors and other officers in its securities. The Company advises its directors and other officers not to deal in the Company's securities on short-term considerations or when they are in possession of unpublished price-sensitive information. The Company prohibits dealings in its securities by its directors and other officers during the period commencing two weeks before the announcement of the Company's quarterly financial statements and one month before the announcement of the Company's full-year financial statements, and ending on the date of the announcement of the results.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reviewed and/or approved by its Audit and Risk Committee, and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. In 2019, there was no interested person transaction which value exceeded S$100,000.

MATERIAL CONTRACTS

There were no material contracts of the Group involving the interests of its chief executive officer, each director or controlling shareholder, either still subsisting at the end of 2019 or if not then subsisting, entered into since the end of the previous financial year.

USE OF PROCEEDS

Pursuant to the announcement of 8 November 2018, the Company issued 70,000,000 new ordinary shares ("Subscription Shares") at a price of S$0.29 per share for an aggregate amount of S$20,300,000 and 74,000,000 non-listed, transferable, free warrants ("Warrants") exercisable within two years from the date of issue. Each Warrant carries the right to subscribe for one new ordinary share in the Company at an exercise price of S$0.33.

The proceeds from the issue of the Subscription Shares and the exercise of the Warrants are to be used for working capital purposes.

All net proceeds from the issuance of the Subscription Shares have been used for working capital purposes such as payment to suppliers, services and costs of production.

As at the date of this annual report, no Warrants have been exercised.

STATISTICS OF SHAREHOLDINGS

As at 16 March 2020

Issued and fully paid-up capital	:	S$148,339,548
Number of issued shares	:	1,399,273,113
Class of shares	:	Ordinary shares
Voting rights	:	On a poll – One vote per ordinary share
Treasury shares	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	5	0.15	221	0.00
100 – 1,000	52	1.54	33,550	0.00
1,001 – 10,000	933	27.61	7,391,340	0.53
10,001 – 1,000,000	2,332	69.01	168,670,589	12.05
1,000,001 AND ABOVE	57	1.69	1,223,177,413	87.42
TOTAL	**3,379**	**100.00**	**1,399,273,113**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	United Overseas Bank Nominees (Private) Limited	171,839,270	12.28
2	Citibank Nominees Singapore Pte Ltd	134,178,372	9.59
3	RHB Securities Singapore Pte. Ltd.	105,708,996	7.55
4	Phillip Securities Pte Ltd	85,705,720	6.13
5	DBS Nominees (Private) Limited	85,399,656	6.10
6	Macquarie Capital Securities (Singapore) Pte. Limited	70,000,000	5.00
7	DB Nominees (Singapore) Pte Ltd	61,000,000	4.36
8	Dhamma Surya	57,159,453	4.08
9	Maybank Kim Eng Securities Pte.Ltd	44,907,796	3.21
10	KGI Securities (Singapore) Pte. Ltd	36,945,000	2.64
11	BNP Paribas Nominees Singapore Pte. Ltd.	36,119,000	2.58
12	Chong Thim Pheng	33,547,200	2.40
13	Ng Kian Ann @ Anthony Wijaya	28,487,351	2.04
14	OCBC Securities Private Limited	25,985,500	1.86
15	CGS-CIMB Securities (Singapore) Pte. Ltd.	23,669,689	1.69
16	Lim Bok Hoo	23,164,400	1.66
17	UOB Kay Hian Private Limited	22,492,300	1.61
18	Tan Kwee Hiang	21,668,558	1.55
19	Tan Song Kar	20,995,546	1.50
20	Charles Antonny Melati	13,167,406	0.94
	TOTAL	**1,102,141,213**	**78.77**

STATISTICS OF SHAREHOLDINGS

As at 16 March 2020

SUBSTANTIAL SHAREHOLDINGS

(As recorded in the Register of Substantial Shareholders as at 16 March 2020)

Name of Shareholder	Direct Interest (No. of Shares)	%[1]	Deemed Interest (No. of Shares)	%[1]
Master Resources International Limited[2]	218,326,287	15.60	-	-
Huang She Thong[3]	29,825,620	2.13	218,326,287	15.60
Charles Antonny Melati[4]	293,345,406	20.96	-	-
Heah Theare Haw	97,095,696	6.94	-	-
International Resources Investment Ltd	117,000,000	8.36	-	-
Cheng Xin Investment Pte. Ltd.[5]	-	-	145,722,222	10.41
Lenny Limanto[6]	-	-	145,722,222	10.41
Macquarie Bank Limited[7]	70,000,000	5.00	-	-
Macquarie B.H. Pty Ltd[7]	-	-	70,000,000	5.00
Macquarie Group Limited[7]	-	-	70,000,000	5.00

Notes:-

(1) Based on the issued share capital of the Company comprising 1,399,273,113 ordinary shares as at 16 March 2020.

(2) Master Resources International Limited ("Master Resources") is a company incorporated in the British Virgin Islands. The shareholders of Master Resources are Charles Antonny Melati (19.6%), Huang She Thong (26.4%), Richard Kennedy Melati (18%), Ng See Yong (18%) and Yanto Melati (18%). All of the foregoing shareholders are also directors of Master Resources.

(3) The Company's Executive Director, Huang She Thong, holds 26.4% of the shares in Master Resources. As such, Huang She Thong is deemed to be interested in the 218,326,287 Shares held by Master Resources by virtue of Section 7 of the Companies Act (Chapter 50).

(4) Charles Antonny Melati has granted to James Beeland Rogers Jr a call option over 2,000,000 shares of the Company (owned or to be owned by Charles Antonny Melati). The call option's exercise price is S$0.35 per share, with exercise period of 10 years, commencing 1 January 2015. The call option is exercisable in whole or in part and subject to conditions precedent. The number of shares under the call option is subject to adjustment provisions.

(5) International Resources Investment Ltd holds 117,000,000 Shares is a wholly-owned subsidiary of Cheng Xin Investment Pte. Ltd. ("Cheng Xin"). Infinity Pacific Investment Ltd holds 28,722,222 Shares is a wholly-owned subsidiary of Infinity Source Investment Pte Ltd which is wholly-owned by Cheng Xin. Accordingly, Cheng Xin is deemed to be interested in 145,722,222 Shares comprising the 117,000,000 Shares and 28,722,222 Shares held by International Resources Investment Ltd and Infinity Pacific Investment Ltd respectively.

(6) Lenny Limanto is the sole beneficial owner of Cheng Xin. Accordingly, Lenny Limanto is deemed to be interested in 145,722,222 Shares comprising the 117,000,000 Shares and 28,722,222 Shares held by International Resources Investment Ltd and Infinity Pacific Investment Ltd respectively.

(7) Macquarie Bank Limited is a wholly-owned subsidiary of Macquarie B.H. Pty Ltd, which is a wholly-owned by Macquarie Group Limited.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 16 March 2020, approximately 33.85% of the Company's shares listed in the Singapore Exchange Securities Trading Limited ('SGX-ST") was held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING of the Company will be held at Level 1, Pacific 1, Pan Pacific Singapore, 7 Raffles Boulevard, Marina Square, Singapore 039595 on Tuesday, 28 April 2020 at 10.00 a.m. to transact the following businesses:

IMPORTANT
Due to the changing COVID-19 situation in Singapore, we may be required to change our AGM arrangements at short notice. We will announce any changes through the SGXNet. Do kindly check our announcement for the latest updates on Geo Energy AGM.

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2019 together with the Directors' Statement and the Auditor's Report thereon.
(Resolution 1)

2. To re-elect the following Directors of the Company retiring pursuant to Regulation 109 of the Company's Constitution:

   (i) Mr Charles Antonny Melati **(Resolution 2)**
   (ii) Mr Soh Chun Bin **(Resolution 3)**

   (See Explanatory Note 1)

3. To note the retirement of Mr Huang She Thong who is retiring pursuant to Regulation 109 of the Company's Constitution and has decided not to seek for re-election.

4. To approve the payment of Directors' fees of S$505,000 for the financial year ending 31 December 2020, to be paid half-yearly in arrears.
(Resolution 4)

5. To re-appoint Messrs Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.
(Resolution 5)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolution with or without modifications:

6. AUTHORITY TO ALLOT AND ISSUE SHARES

"(A) That, pursuant to Section 161 of the Companies Act, Chapter 50, and the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), approval be and is hereby given to the Directors of the Company to:

(i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;
(ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and/or
(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues,

at any time to such persons and upon such terms and for such purposes as the Directors of the Company may in their absolute discretion deem fit; and

(B) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while the authority was in force,

provided always that

(a) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities;
(ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed; and
(iii) any subsequent bonus issue, consolidation or subdivision of shares;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(Resolution 6)

(See Explanatory Note 2)

7. AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE GEO ENERGY SHARE OPTION SCHEME

"That approval be and is hereby given to the Directors of the Company to offer and grant options from time to time in accordance with the provisions of the Geo Energy Share Option Scheme (the "**Scheme**") and allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the Scheme and do all such acts and things as may be necessary or expedient to carry the same into effect, provided always that the aggregate number of shares to be allotted and issued pursuant to the Scheme and other share-based incentive scheme(s) of the Company shall not exceed 15% of the total number of issued shares (excluding treasury shares, if any) in the capital of the Company from time to time."

(Resolution 7)

(See Explanatory Note 3)

8. AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE GEO ENERGY PERFORMANCE SHARE PLAN

"That approval be and is hereby given to the Directors of the Company to grant awards from time to time in accordance with the provisions of the Geo Energy Performance Share Plan (the "**Plan**") and allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the Plan and do all such acts and things as may be necessary or expedient to carry the same into effect, provided always that the aggregate number of shares to be allotted and issued pursuant to the Plan and other share-based incentive scheme(s) of the Company shall not exceed 15% of the total number of issued shares (excluding treasury shares, if any) in the capital of the Company from time to time."

(Resolution 8)

(See Explanatory Note 4)

9. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

By Order of the Board

Lee Wei Hsiung
Company Secretary
13 April 2020

NOTICE OF ANNUAL GENERAL MEETING

MEASURES TO MINIMISE RISK OF COVID-19

In view of the COVID-19 situation, the Company implement the following precautionary measures at the general meeting venue, as advised by the Ministry of Health, including:

A. Implement temperature and health screening measures.
B. All attendees are required to sign a health declaration form and provide their travel history and contact details (to facilitate contract tracing, if required) before entering the venue.
C. The Company reserves the sole and absolute discretion to turn away attendees who are unwell as well as those with travel history to certain countries/region in the specified period preceding the date of the AGM, as announced by Ministry of Health ("MOH").
D. The number of attendees to be accomodated at the venue will be according to the requirements by the MOH. The Company will advise shareholders on this through the Company's announcement on the SGXNet.

In the interest of public health including the well-being of shareholders, shareholders:

A. Are strongly encouraged to utilise options available to them to participate in general meetings without attending in person.
B. Must cooperate with the measures put in place by the Company should shareholders (or their proxies) wish to attend the general meeting in person.
C. Must not attend AGM if they are feeling unwell or have been placed on quarantine orders or stay-at-home notices.

Shareholders may appoint the Chairman of the general meeting (or any other person) to act as proxy and direct the vote at the AGM via proxy. Shareholders may submit the proxy form by mail.

Bento box will be served at the AGM and all attendees are reminded to observe basic food hygiene. All function space is equipped with hand sanitiser.

Given the measures will be taken, all attendees should arrive at the AGM venue early to avoid delays in the registration process.

As the COVID-19 evolves, the Company is monitoring the situation keenly and reserves the rights to take appropriate further measures to safeguard the health of all attendees.

The Company seeks the understanding and appreciates the cooperation of all attendees to minimise the risk of community spread.

Notes:

1) (a) A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting ("AGM"). Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.

(b) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. A proxy need not be a member of the Company.

"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2) The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

3) The instrument appointing a proxy must be deposited at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 72 hours before the time appointed for the Meeting.

Explanatory Notes:

1) Mr Charles Antonny Melati will, upon re-election as a Director of the Company, remain as Chairman of the Board and a member of the Nominating Committee.

   Mr Soh Chun Bin will, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee and a member of the Remuneration Committee and Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

   Mr Charles Antonny Melati and Mr Soh Chun Bin have offered themselves for re-election. Mr Soh Chun Bin has confirmed that, he does not have any relationships (including immediate family relationships) with the other Directors, the Company or its 10% shareholders. The current directorships in other listed companies and details of other principal commitments held by each of these Directors are set out on pages 138 of this Annual Report.

2) The Ordinary Resolution 6, if passed, will authorise and empower the Directors from the date of this Meeting until the conclusion of the next Annual General Meeting, or the date by which the next Annual General Meeting of the Company is required by law to be held, or when revoked or varied by the Company in general meeting, whichever is earlier, to allot and issue shares in the Company. The maximum number of shares which the Directors may issue under this resolution shall not exceed the quantum as set out in the resolution.

3) Ordinary Resolution 7 proposed in item 7 above, if passed, will authorise and empower the Directors of the Company to offer and grant options in accordance with the provisions of the Scheme and allot and issue shares in the Company as may be required to be issued pursuant to the exercise of options under the Scheme provided that the aggregate number of shares to be allotted and issued pursuant to the Scheme and other share-based incentive scheme(s) of the Company shall not exceed 15% of the total number of issued shares (excluding treasury shares, if any) in the capital of the Company. This authority is in addition to the general authority to issue shares sought under Ordinary Resolution 6.

4) Ordinary Resolution 8 proposed in item 8 above, if passed, will authorise and empower the Directors of the Company to grant awards in accordance with the provisions of the Plan and allot and issue shares in the Company as may be required to be issued pursuant to the vesting of awards under the Plan provided that the aggregate number of shares to be allotted and issued pursuant to the Plan and other share-based incentive scheme(s) of the Company shall not exceed 15% of the total number of issued shares (excluding treasury shares, if any) in the capital of the Company. This authority is in addition to the general authority to issue shares sought under Ordinary Resolution 6.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Charles Antonny Melati and Mr Soh Chun Bin are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 28 April 2020 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	MR CHARLES ANTONNY MELATI	**MR SOH CHUN BIN**
Date of Appointment	24 May 2010	25 September 2012
Date of last re-appointment	23 April 2018	28 April 2017
Age	49	46
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Charles Antonny Melati for re-election as Executive Director of the Company. The Board have reviewed and concluded that Mr Charles Antonny Melati possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Soh Chun Bin for re-election as Lead Independent Director of the Company. The Board have reviewed and concluded that Mr Soh Chun Bin possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive Mr Charles Antonny Melati is responsible for the overall strategic directions and expansion plans for the growth and development of the Group.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director, Chairman of the Board and member of the Nominating Committee.	Lead Independent Director, Chairman of the Nominating Committee, member of the Audit and Risk and Remuneration Committee.
Professional qualifications	Graduated with Ordinary Level General Certificate of Education.	Bachelor of Law (Honour), National University of Singapore.

	MR CHARLES ANTONNY MELATI	MR SOH CHUN BIN
Working experience and occupation(s) during the past 10 years	May 2010 to present Executive Chairman – Geo Energy Resources Limited	November 2018 to present Director – ZICO Insights Law January 2017 to October 2018 Director – Fortis Law Corporation October 2015 to December 2016 Executive Director – Victoria Medical Beauty Group Pte Ltd October 2014 to September 2015 Chief Executive Officer of Changjiang Fertilizer Holdings Limited (now known as Olive Tree Estates Limited) July 2012 to September 2014 Chief Executive Officer of Cedar Strategic Holdings Ltd (now known as Emerging Towns & Cities Singapore Ltd) March 2001 to May 2012 Equity Partner of Stamford Law Corporation (now known as Morgan Lewis Stamford LLC)
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 293,345,406	NIL
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Charles Antonny Melati, Mr Huang She Thong (Executive Director) and Mr Ng See Yong (Group Head, Corporate and Human Resource) are brothers.	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR CHARLES ANTONNY MELATI	MR SOH CHUN BIN
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	NIL	7Five Capital Pte. Ltd. Chosen Holdings Limited DORR Global Healthcare Fund Pte Ltd Jiangxi Jiangling Chassis Co., Ltd. MNC Energy Pte Ltd Victoria Medical Beauty Group Pte Ltd XORO Capital Pte Ltd Asia East Africa Pte Ltd
Present	Geo Energy Investment Ltd Geo Energy International (HK) Limited Geo Coal International (HK) Limited STT Coal Resources Pte. Ltd. Fortune Coal Resources Pte. Ltd. PT Libra Melati Investment PT Simpang Rupat Sejahtera PT Bintan Royal International Hotel PT Pilar Mediatama Sejahtera Glory Bros Trading Pte Ltd Master Resources International Limited PT Trans Maritim Pratama	Cloudzen Alpha Pte Ltd Cloudzen Pte Ltd Triyards Holdings Limited Lorenzo International Limited ISOTeam Ltd. Seven5 Capital Pte. Ltd.
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No

	MR CHARLES ANTONNY MELATI	MR SOH CHUN BIN
c) Whether there is any unsatisfied judgment against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR CHARLES ANTONNY MELATI	MR SOH CHUN BIN
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: – i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

This page has been intentionally left blank

This page has been intentionally left blank

GEO ENERGY RESOURCES LIMITED
(Company Registration No. 201011034Z)
(Incorporated in the Republic of Singapore)

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 2(b) for the definition of "Relevant Intermediary").
2. For investors who have used their CPF monies to buy the Shares of Geo Energy Resources Limited, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
3. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF investors who wish to attend and vote at the Meeting, should contact their respective CPF Approved Nominees within the time frame specified.

ANNUAL GENERAL MEETING

PROXY FORM

*I/We (Name) ______________________________ (*NRIC/Passport No.) ____________________

of ____(Address)

being a *member/members of Geo Energy Resources Limited (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport No	Proportion of shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No	Proportion of shareholdings (%)

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting ("AGM") of the Company to be held at Level 1, Pacific 1, Pan Pacific Singapore, 7 Raffles Boulevard, Marina Square, Singapore 039595 on Tuesday, 28 April 2020 at 10.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions set out in the Notice of AGM as indicated hereunder. In the absence of specific instructions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the AGM.

No.	Resolutions	For**	Against**	Abstain**
1.	To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2019 together with the Directors' Statement and the Auditor's Report thereon.			
2.	To re-elect Mr Charles Antonny Melati as Director.			
3.	To re-elect Mr Soh Chun Bin as Director.			
4.	To approve the payment of Directors' fees of S$505,000 for the financial year ending 31 December 2020, to be paid half-yearly in arrears.			
5.	To re-appoint Messrs Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.			
6.	To authorise the Directors to allot and issue shares.			
7.	To authorise the Directors to allot and issue shares under the Geo Energy Share Option Scheme.			
8.	To authorise the Directors to allot and issue shares under the Geo Energy Performance Share Plan.			

* Please delete accordingly.
** If you wish to exercise all your votes "For" or "Against" or "Abstain", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this __________ day of ________________________ 2020

Total Number of Ordinary Shares Held	

____
Signature(s)/Common Seal of Members

IMPORTANT

NOTES

1. If you have Ordinary Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Ordinary Shares. If you have Ordinary Shares registered in your name in the Register of Members, you should insert that number of Ordinary Shares. If you have Ordinary Shares entered against your name in the Depository Register and Ordinary Shares registered in your name in the Register of Members, you should insert the aggregate number of Ordinary Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the Proxy Form shall be deemed to relate to all the Ordinary Shares held by you.

2. (a) A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.

   (b) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. A proxy need not to be a member of the Company.

   "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

3. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an attorney or duly authorised officer of the corporation.

4. The Proxy Form must be lodged at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 72 hours before the time appointed for the AGM.

5. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

GENERAL

The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of Ordinary Shares entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have Ordinary Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 April 2020.

Singapore Office
12 Marina Boulevard #16-01
Marina Bay Financial Centre Tower 3
Singapore 018982

Jakarta Office
The Suites Tower, Lantai 17
Jl. Boulevard Pantai Indah Kapuk,
No. 1 Kav. OFS,
Jakarta 14470

Shareholder Inquiries
Information about the Company, including all quarterly earnings release and financial results, can be accessed via our website at www.geocoal.com.

Shareholder inquiries can also be directed to Investor Relations via email at geoenergy@financialpr.com.sg or by calling (65) 6438 2990

Design Agency
Equity Communications Pte Ltd
2 Jalan Kilang Barat #02-01
Singapore 159346
www.equity.com.sg

ABOUT GEO ENERGY RESOURCES LIMITED
(Bloomberg Ticker: GERL SP)
GEO ENERGY GROUP is a coal mining group, established since 2008, with offices in Singapore and Jakarta, Indonesia and production operations in Kalimantan, Indonesia. Geo Energy has been listed on Singapore Stock Exchange's main board since 2012 and is part of the Singapore FTSE-ST index.

Forward Looking Statements
The statements contained in this annual report that are not historical facts are "forward-looking" statements. These forward-looking statements are subject to a number of substantial risks and uncertainties, many of which are beyond the Company's control and actual results and developments may differ materially from those expressed or implied by these statements for a variety of factors. These forward-looking statements are statements based on the Company's current intentions, beliefs and expectations about among other things, the Company's financial condition, prospects, growth, strategies and the industry in which the Company operates. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "intends", "estimates", "plans", "assumes" or "anticipates" or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. In addition, from time to time, the Company or its representatives have made or may make forward-looking statements orally or in writing. Furthermore, such forward-looking statements may be included in, but are not limited to, press releases or oral statements made by or with the approval of an authorised executive officer of the Company. No assurance can be given that such future results will be achieved; actual events or results may differ materially from those expressed in or implied by these statements as a result of risks and uncertainties facing the Company and its subsidiaries. Forward looking statements are not guarantees of future performance and may often do differ materially from actual results. There is no certainty or assurance as at the date of this annual report that any transaction disclosed in this annual report will proceed or be completed or that no changes will be made to the terms thereof. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely, such as changes in taxation and fiscal policy, future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governmental regulators and other risk factors such as the Company's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions, including inflation and consumer confidence, on a global, regional or national basis. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward looking statements. The forward-looking statements contained in this annual report speak only as of the date of this annual report and the Company undertakes no duty to update any of them publicly in light of new information or future events, except to the extent required by applicable law or regulation.

It is Going to Be a Challenge, but we are Moving Ahead

Geo Energy Resources

www.geocoal.com