GEO ENERGY GROUP
天然煤矿集団

GEO ENERGY RESOURCES LIMITED

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

SGX Announcement

Geo Energy Resources Limited Condensed Interim Consolidated Financial Statements

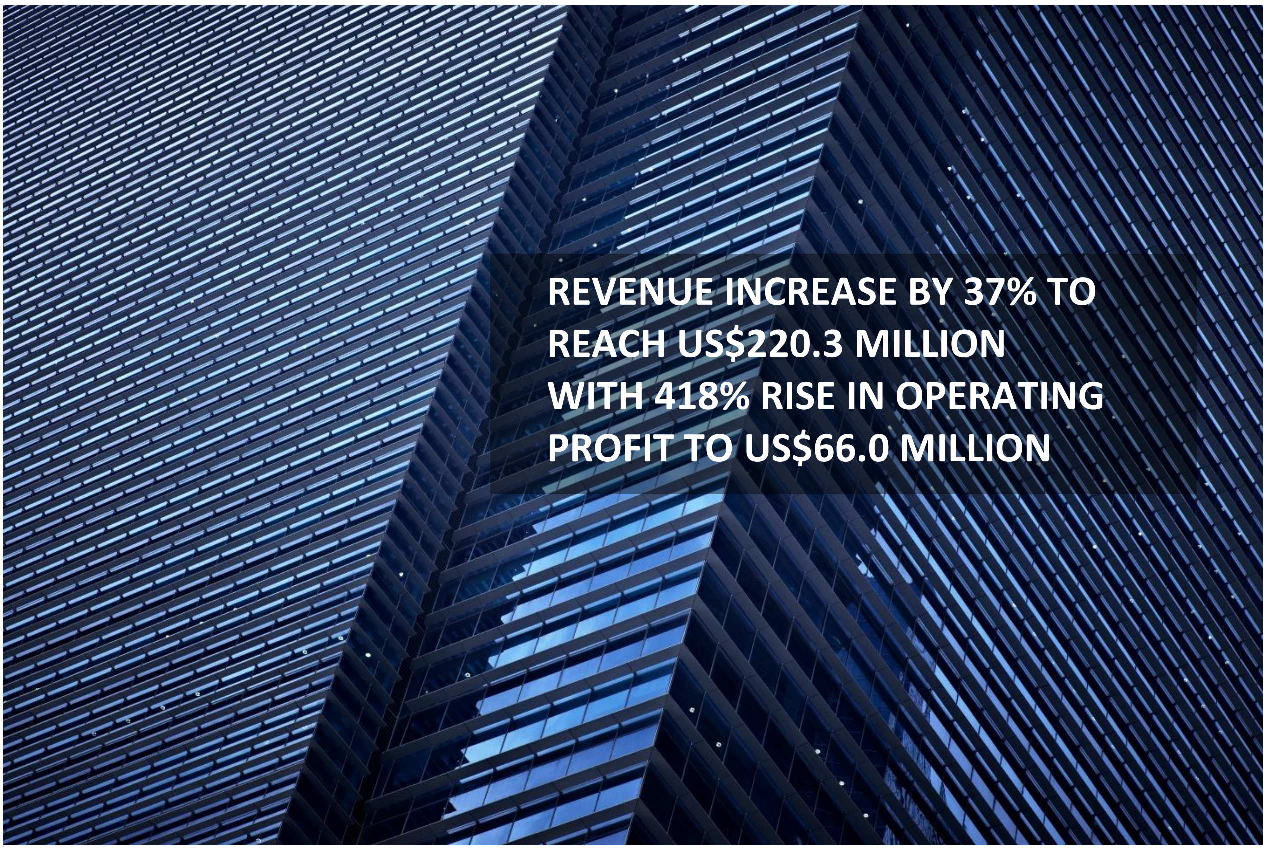
For the Six Months Ended 30 June 2021

FORWARD LOOKING STATEMENTS

This announcement contains statements that are, or may be deemed to be, "forward looking statements" which are prospective in nature. These forward looking statements may generally be identified by the use of forward looking terminology, or the negative thereof such as "plans", "expects" or "does not expect", "is expected", "seeks", "continues", "assumes", "is subject to, "budget", "scheduled", "estimates", "aims", "forecasts", "risks", "intends", "positioned", "predicts", "projects", "anticipates" or "does not anticipate", or "believes", or variations of such words or comparable terminology and phrases or statements that certain actions, events or results "may", "could", "should", "shall", "would", "might" or "will" be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements are not based on historical facts, but rather on current predictions, assumptions, expectations, beliefs, opinions, plans, objectives, goals, intentions and projections about future events, results of operations, prospects, financial condition and discussions of strategy, any of which could prove to be inaccurate. By their nature, forward looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of Geo Energy Resources Limited ("Geo Energy"). Forward looking statements are not guarantees of future performance and may and often do differ materially from actual results. There is no certainty or assurance as at the date of this announcement that any transaction disclosed in this announcement will proceed or be completed or that no changes will be made to the terms thereof. Important factors that could cause these uncertainties include, but are not limited to, those discussed in Geo Energy's Annual Report 2020 and/or the offering memorandum dated 27 September 2017 in relation to the US$300 million 8.00% senior notes due 2022 offering by Geo Coal International Pte. Ltd., a wholly-owned subsidiary of Geo Energy. Neither Geo Energy nor any of its associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements which only speak as of the date of this announcement. Other than in accordance with its legal or regulatory obligations (including under the listing rules of the Singapore Exchange Securities Trading Limited), Geo Energy is not under any obligation and Geo Energy and its affiliates expressly disclaim any intention, obligation or undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This announcement shall not, under any circumstances, create any implication that there has been no change in the business or affairs of Geo Energy since the date of this announcement or that the information contained herein is correct as at any time subsequent to its date. No statement in this announcement is intended as a profit forecast or a profit estimate. This announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities. The making of this announcement does not constitute a recommendation regarding any securities. Shareholders, investors and other persons are advised to exercise caution in trading the securities of the Group.

Results Review and Strategy Update

For the Six Months Ended 30 June 2021



DELIVERS STRONG HALF YEAR RESULTS AS COAL PRICES REACH HISTORICAL HIGHS, ANNOUNCES SECOND INTERIM DIVIDEND OF 26% ON 2Q2021 NET EARNINGS

COVID-19 continues to impact many economies and lives as we navigate through these challenging times. There has been a resurgence in coal prices as economies look to adopt an infrastructure led recovery. The strong momentum in the coal market has driven the coal prices to record highs. We have worked and optimised our mining plan over the years, which allowed us to scale our production volumes and expand our business operations during this upsurge in prices, thereby leveraging onto this opportunity to achieve strong set of results in 1H2021.

Sustaining a strong financial performance despite the challenging COVID-19 climate

Despite the spike in COVID-19 cases in Indonesia, the Group delivered a strong set of results for the first half of 2021 ("1H2021"). Being able to leverage on the continued momentum since the end of 2020, the Group recorded a revenue of US$220.3 million for the six months ended 30 June 2021, which was a 37% year-on-year increase in revenue from US$160.6 million for the six months ended 30 June 2020 ("1H2020"). The increase was driven by the higher sales volume and higher coal prices in 1H2021. We sold 5.4 million tonnes of coal during the period, compared to 5.0 million tonnes sold in 1H2020.

The reduced coal supply due to COVID-19 related disruptions in other coal mines, coupled with increased demand from China amidst the continued ban on Australian coal, resulted in the average Indonesian Coal Index price for 4,200 GAR coal ("ICI4") increasing to US$47.78 per tonne in 1H2021, up from US$30.61 per tonne in 1H2020. ICI4 coal price was US$69.53 as at 10 August 2021 or 46% up from the average ICI4 in 1H2021.

As part of our resilient cost model linked to coal prices, the production cash costs of US$26.05 per tonne in 1H2021 was an increase from US$23.86 per tonne in 1H2020. The Group's cash profit of US$14.92 per tonne in 1H2021 more than doubled that of US$6.30 per tonne in 1H2020, driven by the sharp increase in ICI4 coal prices. The Group's operating profit of US$66.0 million was an increase of 418% from US$12.7 million in 1H2020.

Overall, the Group recorded a profit of US$48.5 million for the period. Excluding the gain on the repurchase of the Senior Notes of US$75 million in 1H2020, net profit in 1H2021 was strong positive gain for the Group's business operations. Our cash and bank balances as at 30 June 2021 was US$84.0 million, or net cash position of US$24.8 million after the outstanding Senior Notes of US$59.2 million.

1H2021 HIGHLIGHTS

- The Group achieved record half-yearly revenue of US$220.3 million, an increase of 37% from 1H2020, due to the increase in sales volume and higher average selling price ("ASP"). The average ICI4 was US$47.78 per tonne in 1H2021, compared to US$30.61 per tonne in 1H2020.

- The Group delivered coal sales of 5.4 million tonnes in 1H2021, comprising 1.9 million tonnes and 3.4 million tonnes of 4,200 GAR coal from the SDJ and TBR coal mines respectively, and another 0.1 million tonnes of 3,400 GAR coal from the BEK coal mine. This was higher than 5.0 million tonnes in 1H2020.

- Cash profit from coal mining for 1H2021 averaged at US$14.92 per tonne (1H2020: US$6.30 per tonne), driven by the higher ASP but offset by the higher production cash cost as the Group's cost structure links certain costs to the coal index prices.

- EBITDA for 1H2021 was US$77.5 million (1H2020: US$27.6 million) at a margin of 35%, and the operating profit of US$66.0 million was an increase of 418% from US$12.7 million in 1H2020.

- Net profit was US$48.5 million, driven by the record EBITDA and operating profit for 6 months. This is a complete turnaround from 1H2020's net loss of US$8.7 million excluding the gains from repurchases of Senior Note.

- The Company is declaring a second interim dividend of S$0.005 per share in 2021 equivalent to a 26% pay-out ratio on its 2Q2021 net earnings. This is in addition to the final dividend for 2020 of S$0.008 per share paid in May 2021 and the interim dividend for 1Q2021 paid in June 2021.

The Group planned to have higher production in the second half of 2021 ("2H2021") and have applied for an increase in the production quotas in 2021 for both our mines, SDJ and TBR, to increase our total production target for the year to be close to 12 million tonnes. We have secured additional land for overburden disposal to support the increased production plan going forward. This will allow us to maximise our profits during this super cycle in coal prices.

The Group sold 1.0 million tonnes of coal in July 2021 at an ASP of US$58.34 per tonne. The Group's cash position has exceeded US$110 million as at 10 August 2021. More information on the financial performance will be provided during the 3Q2021 business and financial update.

The Group's market capitalisation as at 10 August 2021 was at S$364 million. The Company is declaring an interim dividend of S$0.005 per share for the three months ended 30 June 2021 ("2Q2021"). This, together with the interim dividend for 1Q2021 of S$0.005 per share paid in June 2021 and the final dividend paid to shareholders in May 2021 of S$0.008 per share represented a total shareholders return over the 12-month period of 148% based on the share price of S$0.26 on 10 August 2021 compared to the share price of S$0.108 on 7 August 2020.

For the bondholders, the price of our Senior Notes has also performed well, increasing by 96% from US$46 on 7 August 2020 to US$90 on 10 August 2021. We have optimised our capital structure following the Senior Notes repurchase and improved our liquidity, and our credit ratings have been upgraded by the credit ratings agencies.

SUSTAINABILITY

The pandemic situation in Indonesia has escalated quickly and proven to be a massive concern for the country in the recent weeks. The country reported rising number of cases as well as number of virus-related deaths. The official estimates put the cumulative deaths to more than 82,000 and total case infections are peaking over 3.1 million[1]. In this regard, the safety, health and wellbeing of our Indonesia-based staff and workers is our topmost priority. We are extending all forms of help and support and continuously communicating with our employees there to ensure that their good health and safety are maintained during these challenging times. We are also supporting the country's fight against the virus. We have donated IDR 3 billion to The Indonesian Young Entrepreneurs Association for purchase of food essentials and vaccine to be distributed to Central Jakarta and Eastern Java, Indonesia where they are urgently needed given the rising number of COVID-19 cases.

[1] As per recent article by Channel News Asia, available at: https://www.channelnewsasia.com/news/asia/indonesia-prepares-more-icu-units-waits-to-see-if-covid-19-curbs-15290316

Besides the above, Environmental, Social and Governance ("ESG") and the support for our local communities remain an integral part of our wider sustainability efforts. The Group is working on the ground and village level to improve the living standards of the communities in our places of business. We are also involved in the construction of People's Hall at Makmur village, made donation for the construction of Mosque floor at Bunati village, made donations for the cultural and musical development of communities of Angsana and Bayansari villages, and commenced Food Security Programme in villages.

The Group has sponsored D2M run event conducted by Diabetes Singapore. The Group continues to support the Singapore Institute of Technology (SIT) Bursary that provides direct support to financially disadvantaged students of SIT and the Group will continue its support till 2025.

Lastly, the Group is mindful of the pressing concerns of climate change. The Company ensured that the Group conducts all its business activities in accordance with the applicable laws, taking into account the interests of its shareholders. We are aware that the Group operates in an energy-intensive industry and hence, will always remain committed to managing these impacts through best practice and operational initiatives where possible and comply with applicable environmental regulations.

INTERIM DIVIDEND

We thank our shareholders for their belief and support in the Group. In view of the positive financial performance of the Group in 1H2021, the Company is declaring a second interim dividend for 2021 of S$0.005 per share, as per our dividend policy to deliver returns to our shareholders based on our earnings, subject to the Senior Notes debt covenants and any capital requirements.

We are looking to expand our revenue streams by way of potential joint ventures, trading, and value accretive acquisitions, including mining concessions to increase production quantity and diversify into renewables supply chain, downstream logistics and transhipment. As part of climate change initiatives, we are strategically reviewing and optimising our assets portfolio, which may include acquisitions to complement our business and divestments to build a sustainable business for the future. We will make an announcement in accordance with the listing rules of SGX-ST, when such development materialises.

Yours sincerely,

Tung Kum Hon
Chief Executive Officer/Director
11 August 2021

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PART 1 — Unaudited Condensed Interim Consolidated Financial Statements Announcement for the Six Months Ended 30 June 2021

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group 6 months ended 30.6.2021 US$ (Unaudited)	6 months ended 30.6.2020 US$ (Unaudited)	% Change
Revenue	4	220,327,893	160,626,772	37
Cost of sales		(150,563,909)	(142,936,164)	5
Gross profit		**69,763,984**	**17,690,608**	**294**
Other income		2,067,051	77,118,643	(97)
General and administration expenses		(4,661,162)	(6,312,682)	(26)
Other expenses		(758,107)	(5,840,115)	(87)
Allowance for expected credit loss on trade and other receivables		-	-	nm
Finance costs		(2,628,173)	(13,006,669)	(80)
Profit before income tax	**6**	**63,783,593**	**69,649,785**	(8)
Income tax expense		(15,262,015)	(3,116,526)	390
Profit for the period		**48,521,578**	**66,533,259**	**(27)**
Other comprehensive income, net of tax:				
Item that may be subsequently reclassified to profit or loss:				
- Exchange differences on translation of foreign operations		165,330	32,918	402
Item that will not be subsequently reclassified to profit or loss:				
- Effects of change in certain subsidiaries' prevailing tax rate		-	31,399	(100)
Total comprehensive income		**48,686,908**	**66,597,576**	**(27)**
Profit attributable to:				
Owners of the Company		48,092,396	66,474,501	(28)
Non-controlling interests		429,182	58,758	630
		48,521,578	**66,533,259**	**(27)**
Total comprehensive income attributable to:				
Owners of the Company		48,253,363	66,535,430	(27)
Non-controlling interests		433,545	62,146	598
		48,686,908	**66,597,576**	**(27)**
Earnings per share:	**8**			
Basic (cents)		3.44	4.75	(28)
Diluted (cents)		3.38	4.75	(29)

B. Condensed interim statements of financial position

	Note	Group 30.6.2021 US$ (Unaudited)	Group 31.12.2020 US$ (Audited)	Company 30.6.2021 US$ (Unaudited)	Company 31.12.2020 US$ (Audited)
ASSETS					
Current assets					
Cash and bank balances		83,957,044	52,662,193	17,029,158	17,558,432
Trade and other receivables	11	60,207,646	53,046,383	20,599,467	28,023,984
Deposits and prepayments		26,122,122	20,105,463	432,358	147,056
Inventory		26,566,505	20,769,393	-	-
Total current assets		**196,853,317**	**146,583,432**	**38,060,983**	**45,729,472**
Non-current assets					
Trade and other receivables	11b	14,080,342	6,380,457	-	-
Restricted cash deposits		4,865,696	4,968,196	-	-
Deposits and prepayments		16,544,543	18,881,759	105,218	105,218
Investment in subsidiaries		-	-	178,745,819	178,745,819
Deferred stripping costs	12	51,138,037	53,928,081	-	-
Property, plant and equipment	13	131,786,976	137,573,184	8,803	15,448
Right-of-use assets	14	8,955,666	755,357	352,411	577,304
Deferred tax assets		2,988,995	2,891,849	379,269	339,766
Other non-current asset		153,698	153,698	153,698	153,698
Total non-current assets		**230,513,953**	**225,532,581**	**179,745,218**	**179,937,253**
Total assets		**427,367,270**	**372,116,013**	**217,806,201**	**225,666,725**
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables		85,830,221	79,236,212	50,815,257	52,395,309
Current portion of lease liabilities	15	2,158,449	404,280	364,161	391,518
Financial guarantee liability		-	-	771,771	771,771
Income tax payable		8,683,504	-	-	-
Total current liabilities		**96,672,174**	**79,640,492**	**51,951,189**	**53,558,598**
Non-current liabilities					
Trade and other payables		1,596,508	1,743,503	-	-
Lease liabilities	15	-	166,845	-	166,845
Notes payable	15	59,028,877	58,760,656	-	-
Provisions		2,796,693	2,612,852	116,070	113,890
Financial guarantee liability		-	-	202,986	585,700
Deferred tax liabilities		13,537,514	10,545,697	-	-
Total non-current liabilities		**76,959,592**	**73,829,553**	**319,056**	**866,435**
Capital, reserves and non-controlling					
Share capital	16	106,513,187	106,513,187	106,513,187	106,513,187
Capital and other reserves		3,136,764	3,081,094	5,390,616	5,327,150
Translation reserve		5,161,522	5,000,555	4,464,506	4,464,506
Retained earnings		138,306,831	103,867,477	49,167,647	54,936,849
Equity attributable to owners of the Company		**253,118,304**	**218,462,313**	**165,535,956**	**171,241,692**
Non-controlling interests		617,200	183,655	-	-
Total equity		**253,735,504**	**218,645,968**	**165,535,956**	171,241,692
Total liabilities and equity		**427,367,270**	**372,116,013**	**217,806,201**	**225,666,725**

C. Condensed interim consolidated statement of cash flows

	Group	
	6 months ended 30.6.2021 US$ (Unaudited)	6 months ended 30.6.2020 US$ (Unaudited)
Operating activities		
Profit before income tax	**63,783,593**	**69,649,785**
Adjustments for:		
Depreciation of property, plant and equipment	7,817,293	10,229,421
Depreciation of right-of-use assets	540,604	244,730
Amortisation of deferred stripping costs	3,173,804	4,402,468
Gain on disposal of property, plant and equipment	(10,440)	(932)
Share-based payment expense	63,466	133,541
Amortisation of deferred gain	(115,171)	(181,008)
Fair value loss on trade and other receivables	-	5,172,712
(Write-back of) allowance for inventory written-down	(676,659)	57,076
Amortisation of transaction costs of Senior Notes	268,220	4,425,230
Interest expense	2,359,953	8,581,439
Gain on repurchases of Senior Notes	-	(75,231,893)
Interest income	(1,773,121)	(1,584,351)
Retirement benefit obligations	200,422	207,344
Net foreign exchange losses (gains)	676,046	(13,950)
Operating cash flows before movements in working capital	**76,308,010**	**26,091,612**
Trade and other receivables	(17,960,555)	(720,034)
Deposits and prepayments	(3,785,367)	7,795,202
Inventory	(6,480,965)	(252,380)
Trade and other payables	6,620,048	(2,919,040)
Cash generated from operations	**54,701,171**	**29,995,360**
Income tax paid	(3,329,125)	(2,099,685)
Income tax refund	4,224,717	37,759
Retirement benefit obligation paid	(6,232)	(3,338)
Net cash from operating activities	**55,590,531**	**27,930,096**
Investing activities		
Interest received	188,057	861,066
Advance payments for purchase of property, plant and equipment	(41,894)	(79,950)
Purchase of property, plant and equipment	(868,070)	(1,301,442)
Proceeds from disposal of property, plant and equipment	43,478	2,294
Net cash used in investing activities	**(678,429)**	**(518,032)**
Financing activities		
Increase in restricted cash deposits	(31,807)	(172,230)
Interest paid for Senior Notes	(2,367,480)	(11,815,378)
Interest paid for lease liabilities	(7,262)	(15,214)
Dividend paid	(13,653,042)	-
Repurchases of Senior Notes	-	(76,000,107)
Repayment of obligations under lease liabilities	(7,379,965)	(245,720)
Net cash used in financing activities	**(23,439,556)**	**(88,248,649)**
Net increase (decrease) in cash and cash equivalents	**31,472,546**	**(60,836,585)**
Cash and cash equivalents at beginning of period	47,662,057	133,996,173
Effects of exchange rate changes on the balances held in foreign currencies	(177,667)	(49,464)
Cash and cash equivalents at beginning of period	**78,956,936**	**73,110,124**

	Group 6 months ended 30.6.2021 US$ (Unaudited)	6 months ended 30.6.2020 US$ (Unaudited)
Note A		
Cash on hand and at banks	78,956,936	73,110,124
Deposits	5,000,108	5,000,000
Cash and bank balances	**83,957,044**	**78,110,124**
Restricted cash deposits (non-current)	4,865,696	4,341,014
	88,822,740	**82,451,138**
Less: Deposits pledged	(5,000,108)	(5,000,000)
Less: Restricted cash deposits (non-current)	(4,865,696)	(4,341,014)
Cash and cash equivalents	**78,956,936**	**73,110,124**

D. Condensed interim statements of changes in equity

Group	Share capital US$	Capital and other reserves US$	Translation reserve US$	Retained earnings US$	Equity attributable to owners of the Company US$	Non-controlling interests US$	Total US$
At 1.1.2021 (audited)	**106,513,187**	**3,081,094**	**5,000,555**	**103,867,477**	**218,462,313**	**183,655**	**218,645,968**
Profit for the period	-	-	-	48,092,396	48,092,396	429,182	48,521,578
Other comprehensive income for the period	-	-	160,967	-	160,967	4,363	165,330
Change in a subsidiary's functional currency	-	(7,796)	-	-	(7,796)	-	(7,796)
Transactions with owners, recognised directly in equity:							
Deemed capital contribution*	-	63,466	-	-	63,466	-	63,466
Dividend paid	-	-	-	(13,653,042)	(13,653,042)	-	(13,653,042)
At 30.6.2021 (unaudited)	**106,513,187**	**3,136,764**	**5,161,522**	**138,306,831**	**253,118,304**	**617,200**	**253,735,504**
At 1.1.2020 (audited)	**106,513,187**	**2,829,180**	**5,131,676**	**8,864,033**	**123,338,076**	**(56,244)**	**123,281,832**
Profit for the period	-	-	-	66,474,501	66,474,501	58,758	66,533,259
Other comprehensive income for the period	-	-	60,085	844	60,929	3,388	64,317
Transactions with owners, recognised directly in equity:							
Deemed capital contribution*	-	118,670	-	-	118,670	-	118,670
Share-based payment**	-	14,871	-	-	14,871	-	14,871
At 30.6.2020 (unaudited)	**106,513,187**	**2,962,721**	**5,191,761**	**75,339,378**	**190,007,047**	**5,902**	**190,012,949**

Company	Share capital US$	Capital and other reserves US$	Translation reserve US$	Retained earnings (Accumula-ted losses) US$	Total US$
At 1.1.2021 (audited)	**106,513,187**	**5,327,150**	**4,464,506**	**54,936,849**	**171,241,692**
Profit for the period	-	-	-	7,883,840	7,883,840
Transactions with owners, recognised directly in equity:					
Deemed capital contribution*	-	63,466	-	-	63,466
Dividend paid	-	-	-	(13,653,042)	(13,653,042)
At 30.6.2021 (unaudited)	**106,513,187**	**5,390,616**	**4,464,506**	**49,167,647**	**165,535,956**
At 1.1.2020 (audited)	**106,513,187**	**5,075,236**	**4,464,506**	**(18,652,768)**	**97,400,161**
Loss for the period	-	-	-	(4,005,513)	(4,005,513)
Transactions with owners, recognised directly in equity:					
Deemed capital contribution*	-	118,670	-	-	118,670
Share-based payment**	-	14,871	-	-	14,871
At 30.6.2020 (unaudited)	**106,513,187**	**5,208,777**	**4,464,506**	**(22,658,281)**	**93,528,189**

* Pertains to deemed capital contribution by Master Resources International Limited ("MRIL"), a substantial shareholder of the Company for issuance of shares to a director (and the Chief Executive Officer) of the Company, as share-based payment.

** Pertains to share-based payment arising from the grant of share options pursuant to the Geo Energy share option scheme on 11 January 2019.

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

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. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the "Group"). The principal activity of the Company is that of investment holding and provision of management support services. The principal activities of the Group are coal mining, coal trading and mining services.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 and International Financial Reporting Standards ("IFRS") 34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore and International Accounting Standards Board, respectively. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I) and IFRS, except for the adoption of new and amended SFRS(I) and IFRS that are relevant to the Group's operations. The adoption of the new and amended SFRS(I) and IFRS 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 periods.

The condensed interim financial statements are presented in United States dollar which is the Company's functional currency.

2.1 Use of judgments and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 7 – Income tax expense
- Note 12 – Deferred stripping costs and impairment review of deferred stripping costs
- Note 13 – Useful lives, depreciation and impairment review of property, plant and equipment
- Note 11a – Calculation of loss allowance
- Note 11b – Trade and other receivables measured at fair value through profit or loss

3. Seasonal operations

The Group optimised its mining sequence to maximise production in the second half of the year, taking into account the seasonal wet weather conditions in the first half of year, which sometimes affects the rate of coal mining and limits the speed of transportation and transhipments of coal for sale.

4. Segment and revenue information

The Group is organised into the following main business segments:
- Coal sales;
- Coal trading; and
- Mining services

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.

	Revenue		**Gross Profit**	
Group	**6 months ended 30.6.2021 US$ (Unaudited)**	**6 months ended 30.6.2020 US$ (Unaudited)**	**6 months ended 30.6.2021 US$ (Unaudited)**	**6 months ended 30.6.2020 US$ (Unaudited)**
Coal Mining	220,327,893	151,444,003	69,763,984	17,139,377
Coal trading	-	9,182,769	-	551,231
Mining Services	-	-	-	-
	220,327,893	**160,626,772**	**69,763,984**	**17,690,608**

Group	EBITDA 6 months ended 30.6.2021 US$ (Unaudited)	EBITDA 6 months ended 30.6.2020 US$ (Unaudited)	Profit Before Income Tax 6 months ended 30.6.2021 US$ (Unaudited)	Profit Before Income Tax 6 months ended 30.6.2020 US$ (Unaudited)
Coal Mining	80,255,438	31,547,174	69,863,699	17,237,212
Coal trading	-	551,231	-	551,231
Mining Services	-	-	-	(5,172,712)
	80,255,438	32,098,405	69,863,699	12,615,731
Unallocated:				
Depreciation of property, plant, and equipment	-	-	(363,588)	(411,746)
Other gains - net	1,519,082	1,294,211	1,209,229	76,353,405
Group administration costs and directors' remuneration	(4,234,107)	(5,767,395)	(4,297,574)	(5,900,936)
Finance costs	-	-	(2,628,173)	(13,006,669)
	77,540,413	**27,625,221**	**63,783,593**	**69,649,785**

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.

Group	Revenue 6 months ended 30.6.2021 US$ (Unaudited)	Revenue 6 months ended 30.6.2020 US$ (Unaudited)
China	128,978,578	100,513,676
Indonesia	60,585,521	47,548,238
South Korea	15,490,606	9,545,448
Philippines	7,158,538	-
Vietnam	5,479,765	907,500
India	2,634,885	-
Pakistan	-	2,111,910
Total	**220,327,893**	**160,626,772**

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	Group 30.6.2021 US$ (Unaudited)	Group 31.12.2020 US$ (Audited)	Company 30.6.2021 US$ (Unaudited)	Company 31.12.2020 US$ (Audited)
Financial assets:				
At amortised cost (including cash and bank balances)	154,748,409	109,329,851	37,729,626	45,687,634
At fair value through profit or loss	6,488,856	6,380,457	-	-
Financial liabilities:				
At amortised cost	139,863,653	111,970,372	50,717,769	52,236,734
Lease liabilities	464,764	571,125	461,649	558,363
Financial guarantee liability	-	-	974,757	1,357,471

6. Profit before income tax

6.1 Significant items

	Group		
	6 months ended 30.6.2021 US$ (Unaudited)	6 months ended 30.6.2020 US$ (Unaudited)	% Change
Interest income	(1,773,121)	(1,584,351)	12
Gain on disposal of property, plant and equipment (net)	(10,440)	(932)	nm
Foreign exchange loss (net)	435,464	240,487	81
Interest on Senior Notes	2,341,174	8,548,949	(73)
Amortisation of transaction costs of Senior Notes	268,220	4,425,230	(94)
Gain on repurchases of Senior Notes	-	(75,231,893)	(100)
Depreciation of property, plant and equipment	7,817,293	10,229,421	(24)
Depreciation of right-of-use assets	540,604	244,730	121
Amortisation of deferred stripping costs	3,173,804	4,402,468	(28)
Share-based payment expense	63,466	133,541	(52)
Amortisation of deferred gain	(115,171)	(181,008)	(36)
Fair value loss on trade and other receivables	-	5,172,712	(100)
(Write-back of) allowance for inventory written-down	(676,659)	57,076	nm

6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Income tax expense

The Group calculates the period income tax expenses using the tax rate that would be applicable to the expected total annual earning based on the rates prevailing in the relevant jurisdiction. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
Group	**6 months ended 30.6.2021 (Unaudited)**	**6 months ended 30.6.2020 (Unaudited)**
Income tax:		
- Current	11,969,192	-
- Under (over) provision in prior years	403,476	(1,159)
Deferred tax:		
- Current	2,964,196	3,065,635
- (Over) under provision in prior years	(74,849)	52,050
Total	**15,262,015**	**3,116,526**

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

	Group	
	6 months ended 30.6.2021 (Unaudited)	**6 months ended 30.6.2020 (Unaudited)**
Earnings per share ("EPS")		
Earnings for computing EPS (US$)	48,092,396	66,474,501
Weighted average number of ordinary shares for the purposes of basic EPS (1)	1,399,273,113	1,399,273,113
Effect of dilutive potential ordinary shares:		
Share options (2)	23,100,000	-
Weighted average number of ordinary shares for the purposes of diluted EPS (1)	1,422,373,113	1,399,273,113
Basic EPS based on weighted average number of ordinary shares (US cent)	3.44	4.75
Basic EPS based on weighted average number of ordinary shares (SG cent) (3)	4.62	6.62
Diluted EPS based on weighted average number of ordinary shares (US cent)	3.38	4.75
Diluted EPS based on weighted average number of ordinary shares (SG cent) (3)	4.54	6.62

(1) The calculation for the basic EPS is based on the weighted average number of ordinary shares in issue during the respective financial period. The calculation for the diluted EPS is based on the weighted average number of ordinary shares in issue during the respective financial period, plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

(2) The employee stock option issued by the Group has a dilutive effect as the average market price of ordinary shares during the period exceeded the exercise price of the employee stock option.

(3) Numbers were translated using the 30 June 2021 and 2020 of US$:S$ exchange rates of 1.3445 and 1.3932 respectively.

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

	Group		Company	
	30.6.2021 (Unaudited)	**31.12.2020 (Audited)**	**30.6.2021 (Unaudited)**	**31.12.2020 (Audited)**
Net asset value (US$)	253,118,304	218,462,313	165,535,956	171,241,692
Number of issued shares	1,399,273,113	1,399,273,113	1,399,273,113	1,399,273,113
Net asset value per ordinary share (US cent)	18.09	15.61	11.83	12.24
Net asset value per ordinary share (SG cent) (1)	24.32	20.69	15.91	16.22

(1) Numbers were translated using the 30 June 2021 and 31 December 2020 of US$:S$ exchange rates of 1.3445 and 1.3469 respectively.

10. Dividends

	Group	
	6 months ended 30.6.2021 US$ (unaudited)	6 months ended 30.6.2020 US$ (unaudited)
Ordinary dividends paid:		
Final exempt 2020 dividend of SG 0.8 cents per share	(8,383,901)	-
Interim exempt 2021 dividend of SG 0.5 cents per share (2020: Nil)	(5,269,141)	-
	(13,653,042)	**-**
Dividend per share (net of tax)	0.010	-

11. Trade and other receivables

	Group		Company	
	30.6.2021 (Unaudited)	31.12.2020 (Audited)	30.6.2021 (Unaudited)	31.12.2020 (Audited)
Current asset:				
At amortised cost:				
Trade receivables from third parties	31,160,857	21,220,564	-	-
Less: Allowance for expected credit loss	(936,415)	(947,554)	-	-
	30,224,442	20,273,010	-	-
Other receivables from:				
- subsidiaries	-	-	20,593,962	36,621,984
- third parties	33,191,368	36,610,544	1,215	520
Less: Allowance for expected credit loss [a]	(14,564,889)	(14,575,411)	-	(8,598,520)
	18,626,479	22,035,133	20,595,177	28,023,984
Goods and services tax receivables	9,453	168,099	-	-
Value-added tax ("VAT") receivables	8,869,270	1,245,621	4,217	-
Prepaid income tax	2,477,856	9,316,632	-	-
Interest receivables	146	7,888	73	-
Total	**60,207,646**	**53,046,383**	**20,599,467**	**28,023,984**
Non-current asset:				
At amortised cost:				
Tax recoverable	7,591,486	-	-	-
At fair value through profit or loss [b]:				
Trade and other receivables under Cooperation Agreement	21,133,116	21,028,446	3,134,520	3,138,249
Less: Cumulative changes in fair value	(14,644,260)	(14,647,989)	(3,134,520)	(3,138,249)
	6,488,856	6,380,457	-	-
Total	**14,080,342**	**6,380,457**	**-**	**-**

a. Credit-impaired receivables arising from advance payments for coal purchase

In 2019, the Group entered into a conditional sale and purchase agreement ("CSPA") with a third party coal mine owner to acquire interest in two mining concessions for which it had paid a refundable deposit. In addition, the Group also entered into two separate coal purchase contracts with the coal mine owner for which it had made advance payments for coal purchase. Due to the coal mine owner's inability to fulfil certain conditions precedent to the CSPA, as well as its failure to deliver the coal, the refundable deposit and the remaining balance of advance payments were reclassified as other receivables and became immediately repayable.

The total receivables and interest accrued outstanding as at 30 June 2021 was US$30,667,103 (31 December 2020: US$29,174,012). Expected credit loss ("ECL") was measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

In determining the ECL, management has considered the following:

- the forward-looking economic scenarios used in the ECL model and the related probability of occurrence under the different economic scenarios;
- the basis and assumptions applied in the ECL calculation, including the expected net future cash flows, expected recovery time and discount rate used.

There has been no change in the estimation techniques or significant assumptions made during the period in assessing the allowance on the receivables arising from advance payments for coal purchase. Based on the assessment performed, management determined that no further allowance is required.

b. Financial assets at fair value through profit or loss

The trade and other receivables under Cooperation Agreement are classified under level 3 on the fair value hierarchy (31 December 2020: level 3), indicating inputs which are not based on observable market data. The fair value was determined using discounted cash flow method where future cash flows are estimated based on present value of expected payments, discounted using the entity's discount rate. The expected payments are determined based on the coal sold from the underlying coal mines under Cooperation Agreement.

There has been no change in the estimation techniques or significant assumptions made during the period in assessing the fair value of the receivables under Cooperation Agreement. Based on the assessment performed, management determined that there was no further fair value loss.

12. Deferred stripping costs

During the six months ended 30 June 2021, the Group did not have any addition nor disposal of deferred stripping costs. In 1H2021, the Group charged amortisation expense of US$3,173,804 to profit or loss (1H2020: US$4,402,468).

13. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to US$918,481 (30 June 2020: US$2,589,400) and disposed of assets amounting to US$33,038 (30 June 2020: US$1,363). In 1H2021, the Group charged depreciation expense of US$7,817,293 to profit or loss (1H2020: US$10,229,421).

14. Right-of-use assets

During the six months ended 30 June 2021, there was an addition to right-of-use assets relating to overburden disposal areas for the Group's mines amounting to US$8,943,906 (30 June 2020: US$Nil). In 1H2021, the Group charged depreciation expense of US$540,604 to profit or loss (1H2020: US$244,730).

15. Borrowings

	Group		**Group**	
	30.6.2021 US$ Secured (Unaudited)	**30.6.2021 US$ Unsecured (Unaudited)**	**31.12.2020 US$ Secured (Audited)**	**31.12.2020 US$ Unsecured (Audited)**
Amount repayable in one year or less, or on demand	2,158,449	-	404,280	-
Amount repayable after one year	-	59,028,877	166,845	58,760,656
	2,158,449	**59,028,877**	**571,125**	**58,760,656**

Details of any collateral and security:

As at 30 June 2021, the Group's lease liabilities are secured by the leased assets — motor vehicles and leasehold property.

On 4 October 2017, the Company's subsidiary, Geo Coal International Pte. Ltd. ("GCI") issued US$300 million in aggregate amount of 8.0% Senior Notes due 2022 (the "Notes" or "Senior Notes"). The proceeds of which was used to redeem the Medium-Term Notes of S$100 million due in January 2018, and the remainder for purpose of making potential acquisitions of coal mining assets and for working capital purposes. The Senior Notes are listed on the SGX. They are unsecured and guaranteed by the Company and certain subsidiaries of the Group ("Financial Guarantees"). The Financial Guarantees are effectively subordinated to secure obligations of each guarantor, to the extent of the value of assets serving as security. As at 30 June 2021, the Company recognised the fair value of its Financial Guarantee of US$7,887,000 on the statement of financial position as deemed investment in a subsidiary. Amortisation of the financial guarantee liability amounting to US$382,714 was credited to the Company's profit or loss during the financial period ended 30 June 2021.

As at 30 June 2021, the Group had repurchased US$240.8 million in principal amount of its Senior Notes. The repurchased Notes were cancelled 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 was US$59.2 million as at 30 June 2021. In total, the Group has recorded gain on repurchases of the Notes of $112.0 million, of which $5.4 million was recorded in 2019 and the remaining in 2020.

Please refer to the relevant announcements.

16. Share capital

	Group and Company			
	30.6.2021	31.12.2020	30.6.2021 US$	31.12.2020 US$
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Number of issued ordinary shares (excluding treasury shares)			
At beginning and end of interim period	1,399,273,113	1,399,273,1133	106,513,187	106,513,187

There were no outstanding convertibles and no treasury shares as at 30 June 2021 and 30 June 2020.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 31 December 2020.

PART 2 – Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months then ended and certain explanatory notes have not been audited or reviewed.

2 Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

As at 30 June 2021, the Company's share capital comprised 1,399,273,113 shares (31 March 2021: 1,399,273,113 shares).

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. In 2019, 1,750,000 share options granted were forfeited as the option holders ceased to be full-time employees of the Company. The exercise period of the options commences after the first anniversary from the date of the grant. As at 30 June 2021, no option was exercised.

Please refer to relevant announcements.

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

3.1 Income Statement

	Group	
	6 months ended 30.6.2021 (Unaudited)	**6 months ended 30.6.2020 (Unaudited)**
Revenue – Coal mining		
Sales Volume (million tonnes)	5.4	5.0
- SDJ	1.9	2.1
- TBR	3.4	2.9
- BEK	0.1	-
Average Indonesian Coal Index Price (US$/tonne)	47.78	30.61
Average Selling Price (US$/tonne)	40.97	30.16
Production		
Production Volume – Finished Goods (million tonnes)	5.3	5.1
- SDJ	1.9	2.3
- TBR	3.3	2.8
- BEK	0.1	-
Strip Ratio (times)		
- SDJ	2.8	3.3
- TBR	2.3	3.5
Production Cash Cost (US$/tonne)	26.05	23.86
Cash Profit (US$/tonne)	**14.92**	**6.30**

Financial performance (1H2021 vs. 1H2020)

Revenue increased by US$59.7 million to US$220.3 million due to increase in sales volume and higher ASP. The average ICI4 in 1H2021 was US$47.78 per tonne, compared to US$30.61 per tonne in 1H2020. Index prices have continued to strengthen in the period amidst rising demand and tight supply.

During the period, the Group sold 1.9 million tonnes and 3.4 million tonnes of 4,200 GAR coal from the SDJ and TBR coal mines respectively, and another 0.1 million tonnes of 3,400 GAR coal from the BEK coal mine, totalling 5.4 million tonnes of coal sold. The Group recorded **cash profit from coal mining segment** of US$80.3 million, averaging US$14.92 per tonne, as compared to the US$6.30 per tonne in 1H2020. The increase in the cash profit was driven by the higher ASP, offset by the higher production cash cost on certain costs linked to the coal index prices. The impact of the increasing coal index prices on the production cash cost was softened by (i) the decrease in the year-on-year strip ratio at our SDJ and TBR mines; and (ii) the exclusion of 10% VAT in the period's costs due to changes in tax regulations in the year following the passing of the Indonesian Omnibus Law.

In 1H2020, the Group recorded **cash profit from coal trading segment** of US$0.6 million from the sales of coal purchased from PT Titan Infra Energy ("TIE"), with whom the Group had entered into coal purchase agreements for exports in 2020. There was no coal trading in 1H2021.

Group (All figures in US$'000 except as indicated)	**Coal mining**	**Coal trading**	**Total**
6 months ended 30.6.2021 (unaudited)			
Volume (tonnes)	5,378,389	-	5,378,389
Revenue	220,328	-	220,328
Cost of sales	(150,564)	-	(150,564)
Gross profit	69,764	-	69,764
Non-cash items:			
Write-back of allowance for inventory written-down	(677)	-	(677)
Depreciation & amortisation	11,168	-	11,168
Cash profit	**80,255**	**-**	**80,255**

6 months ended 30.6.2020 (unaudited)			
Volume (tonnes)	5,022,006	250,590	5,272,596
Revenue	151,444	9,183	160,627
Cost of sales	(134,304)	(8,632)	(142,936)
Gross profit	17,140	551	17,691
Non-cash items:			
Allowance for inventory written-down	57	-	57
Depreciation & amortisation	14,465	-	14,465
Cash profit	**31,662**	**551**	**32,213**

Profit before income tax of US$63.8 million in 1H2021 includes:

- Other income of US$2.1 million. In 1H2020 there was a gain on repurchases of Senior Notes of US$75.2 million (1H2021: Nil) following the Group repurchasing US$151.2 million in principal amount of its Senior Notes together with accrued interest;

- General and administrative expenses of US$4.7 million. This was a decrease of US$1.7 million from 1H2020, due mainly to lower staff costs and professional fees and charges incurred in this period;

- Other expenses of US$0.8 million. The decrease of US$5.1 million from 1H2020 was mainly due to the fair value loss on trade and other receivables recorded in 1H2020 of US$5.2 million under Cooperation Agreement to conduct joint mining activities in South Kalimantan, which is dependent on the value in use of the underlying coal reserves. No fair value loss was recorded in this period following the continuous recovery and strengthening of coal prices beginning late 2020;

- Finance costs of US$2.6 million. The decrease of US$10.4 million from 1H2020 was mainly due to the lower outstanding principal amount of Senior Notes during the period resulting in a lower interest and amortisation of transaction costs; and

- Depreciation and amortisation of US$11.5 million. The decrease of US$3.3 million in 1H2021 was mainly due to the increase in the Group's coal reserve as per the Independent Qualified Person's Report issued for 2020, resulting in a lower depreciation and amortisation expense per tonne of coal. This was partially offset by the higher sales volume in 1H2021.

Income tax expense amounted to US$15.3 million with effective tax rate of 24%. This is an increase from 4% in 1H2020, as the profit then was driven by the non-taxable gain on repurchases of Senior Notes that is capital in nature. In comparison, there was no gain on repurchases of Senior Notes in 2Q2021.

Overall, the Group recorded a net profit of US$48.5 million for the period, driven by higher ASP, higher sales volume as well as lower other expenses and finance costs. This is a complete turnaround from 1H2020's net loss of US$8.7 million excluding the gains from repurchases of Senior Note.

3.2 Financial Position

<u>Group</u>

Current Assets

Current assets increased by US$50.3 million to US$196.9 million as at 30 June 2021.

Cash and bank balances increased by US$31.3 million to US$84.0 million as at 30 June 2021, generated mainly from operations driven by the higher selling prices following the recovery in coal index prices, offset by additions to right-of-use assets ("ROU") and property, plant and equipment ("PPE") and dividends paid. Cash and bank balances as at 8 August 2021 was US$113.7 million.

Trade and other receivables of US$60.2 million as at 30 June 2021 comprised trade receivables of US$30.2 million and non-trade receivables of US$30.0 million. The increase of US$7.2 million from US$53.0 million as of 31 December 2020 was mainly due to decreases in trade receivables by US$10.0 million and VAT receivables by US$7.7 million. With the passing of the Omnibus Law, the Group's coal mines are now entitled to claim VAT input on relevant costs (which previously would be recorded as part of our mining costs and were not claimable). These were partially offset by the decreases in other receivables and prepaid income tax following receipt of refund from the Indonesian Tax Office ("ITO").

Deposits and prepayments increased by US$6.0 million to US$26.1 million as at 30 June 2021 mainly due to the US$6.0 million deposit paid for overburden disposal areas for our mines, US$2.6 million deposit paid to a third party to engage its services in developing markets for the Group's coal and US$0.4 million paid for the option to purchase and stamp duty of an office premise. These were offset by the utilisations of amounts prepaid for integrated mine support and infrastructure services.

Inventory increased by US$5.8 million to US$26.6 million as at 30 June 2021 mainly due to the recovery of coal prices which translates to higher value recorded for the coal produced in 1H2021.

Non-current Assets
Non-current assets increased by US$5.0 million to US$230.5 million as at 30 June 2021, mainly due to increases in (i) ROU by $8.2 million relating to the exclusive rights given to SDJ and TBR mines by a third party to use its land for purpose of disposal areas, net of depreciation; and (ii) amount receivable of US$7.6 million relating to tax recoverable pending resolution of tax matters with the authorities. These were offset by the decreases in (i) PPE by US$5.8 million and deferred stripping costs by US$2.8 million mainly due to depreciation and amortisation, and (ii) deposits and prepayments by US$2.3 million.

Current Liabilities
Current liabilities increased by US$17.0 million to US$96.7 million as at 30 June 2021 due to the increases in (i) trade and other payables by US$6.6 million, (ii) lease liabilities of US$1.8 million relating to the unpaid portion of the abovementioned addition to right-of-use assets; and (iii) income tax payable of US$8.7 million.

Non-current Liabilities
Non-current liabilities increased by US$3.1 million to US$77.0 million as at 30 June 2021, mainly due to the increase in deferred tax liabilities.

Contingent Liabilities

(A) In 2016, ITO assessed an underpayment of tax expenses of approximately US$3.7 million (IDR53 billion) in respect of a subsidiary for capitalisation of an intercompany loan as equity. Management has sought the advice of professional tax consultants and holds the view that the imposed tax is without merit under the tax law.

In May 2021, the Tax Court issued decision letter No. PUT-115715.15/2014/PP/MXVIIIA Year 2021 which rejected the Group's appeal. In June 2021, the Group has paid the principal and penalty with total amount of approximately US$3.7 million (IDR53 billion). The management holds the view that it has reasonable basis to support its claim that the imposed tax is without merit under the prevailing tax laws. Accordingly, the payment is recorded as tax recoverable.

In August 2021, the Group has filed a Judicial Review application to the Supreme Court against the Tax Court decision. The Supreme Court has not issued the relevant Judicial Review Decision as of the date of this announcement.

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. In turn, the Supplier filed a civil claim against the Subsidiary in the district court of Jakarta Utara, for which the district court has rendered a judgement in favour of the Supplier for a potential legal claim amounting to US$2.5 million.

Taking reference from legal advices, management holds the view that the legal claim has neither merit nor strong legal basis, and the case is in the process of examination by the Supreme Court (Cassation). No provision has been recognised as the management does not consider that there is any probable loss.

(C) As at 30 June 2021, the Company has an unsecured corporate guarantees in respect of the issuance of Notes by its subsidiary with nominal value of US$59,187,000.

(D) The Group had announced its entering into conditional share purchase agreement with PT Titan Infra Energy ("TIE"), PT Jaya Utama Indonesia ("JUI") and some of its affiliates in 2019 on the Proposed Acquisition of one of its affiliates which own coal mining assets in South Sumatra with the payment of a refundable deposit of US$2.5 million, and signed coal purchase agreements and prepayment supplement for the purchase and sale of coal in the Group's ordinary course of business. The prepayments for the coal purchase, of which US$24.35 million were outstanding as at 30 June 2021, are guaranteed by one of the directors of TIE.

A direct shareholder of TIE and a direct shareholder of JUI (the "Claimants") have filed lawsuits in the Central Jakarta District Court in June 2020 against TIE and JUI, some of their affiliates, one of the directors of TIE, and Geo Ventures Global Pte. Ltd. ("GVG") and Geo Coal International Pte. Ltd. ("GCI") (both subsidiaries of the Company) (collectively as "Defendants"), alleging that the conditional share purchase agreement dated 20 September 2019 in relation to the Proposed Acquisition and the coal purchase agreements and prepayment supplement entered into between GCI and TIE have prejudiced their interests and are null and void, and are claiming for damages of approximately US$34,300,000 (IDR500 billion), excluding penalty and interest, against the Defendants (the "Claims").

Taking reference from legal advice, the Group holds the view that the legal claim has neither merit nor strong legal basis. The Group, through its legal counsel, has filed its defence affidavit in one of the legal lawsuits, asking for the court to strike out the Claimants' claim and filed for a counterclaim for damages arising from the Claimants' actions for US$50 million. No provision has been recognised on the claim for damages by the Claimants as the management does not consider that there is any probable loss.

Company

Current Assets
Current assets decreased by US$7.7 million to US$38.1 million as at 30 June 2021, due mainly to repayments of intercompany receivables.

Current assets of US$38.1 million as at 30 June 2021 comprised mainly cash and bank balances of US$17.0 million, intercompany receivables of US$20.6 million and deposits and prepayments of US$0.4 million.

Non-current Assets
Non-current assets mainly comprised investment in subsidiaries of US$178.7 million, ROU of US$0.4 million and deferred tax assets of US$0.4 million. The decrease of US$0.2 million was mainly due to the depreciation of ROU.

Current Liabilities
Current liabilities decreased by US$1.6 million to US$52.0 million as at 30 June 2021. This was mainly due to decreases in intercompany payables and accruals.

Net Current Liabilities
The Company's working capital was negative US$13.9 million, due mainly to intercompany payables. Based on the Group's current financial performance and financial position as at 30 June 2021 with a total cash of US$84.0 million and positive working capital of US$100.2 million, the Company will be able to pay its debt as and when they fall due.

Non-current Liabilities
Non-current liabilities as at 30 June 2021 comprised financial guarantee liability and provision. The decrease of US$0.5 million to US$0.3 million was due to the amortisation of financial guarantee liability of US$0.4 million to the profit or loss as deemed guarantee income and reclassification of lease liabilities to current portion of US$0.1 million.

3.3 Cash Flow

Group

Cash Flow (1H2021 vs. 1H2020)

Net cash from operating activities was US$55.6 million. Operating cash flows before movements in working capital was an inflow of US$76.3 million. The Group made income tax payments of US$3.3 million during the period and received income tax refund of US$4.2 million.

Working Capital
Working capital movement was negative US$21.6 million in 1H2021, as opposed to the positive US$3.9 million in 1H2020, due mainly to the increase in trade and other receivables arising from higher value of sales receivable due to increased coal prices as at the end of period and the tax recoverable pending resolution of tax matters with the

Indonesian tax authorities. The Group paid deposits of US$6.0 million during the period for overburden disposal areas for increased mining for our mines.

In 1H2020, the Group paid less for integrated mine support and infrastructure services and the purchase of coal for trading as it had prepaid it earlier in 2019.

Net cash used in investing activities of US$7.8 million was mainly due to additions to ROU of US$7.2 million relating to overburden disposal areas for SDJ and TBR mines, and purchase of PPE of US$0.9 million.

Net cash used in financing activities of US$16.3 million was mainly due to dividends paid of US$13.7 million, interest paid for Senior Notes of US$2.4 million and repayment of lease liabilities obligations of US$0.2 million.

Overall, total cash and cash equivalent as of 30 June 2021 was US$79.0 million, excluding the pledged deposits of US$5.0 million. Cash and bank balances as at 8 August 2021 was US$113.7 million.

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

The Group has previously announced a targeted production of at least 10-11 million tonnes of coal for both SDJ and TBR in 2021. The targeted production was based on the production quota received and set out in the Rencana Kerja Anggaran Biaya ("RKAB") - Work Plan and Budget, which specified the given export volumes and what is set aside for the Domestic Market Obligation ("DMO"). The Group had applied for an increase in the RKAB production quota to be close to 12 million tonnes for 2021 and expects the approval from the Indonesian Ministry of Mines in the next few weeks.

The Group has previously announced the restart of its production activities at the BEK mine and as at today has mined 0.1 million tonnes of coal for sale and is currently planning to start further exploration at the STT mine.

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

The COVID-19 pandemic in 2020 impacted businesses in many countries and our customers. 2021 brought a fresh outlook to the global economy but was soon dampened with another wave which seemed more impactful. Coal prices have remained strong as the demand for power continues or even increases during challenging economic times, sparking a surge in prices in China and East Asia. Soaring hot weather in North Asia added to the strong demand due to the industrial recovery from the pandemic. We could have strong coal prices into the fourth quarter of 2021. China's benchmark thermal coal futures hit a record last month and are more than 50% higher than they were a year ago. Indonesian coal futures on the Singapore Exchange also rose to an all-time high in June 2021.

As economies look to recover from the effects of the pandemic, the International Energy Agency ("IEA") expects the global electricity demand to jump by nearly 5% in 2021 and 4% in 2022. Although most economies are constantly looking to expand renewable energy resources, it is expected to serve only half of the projected growth in global demand. The IEA predicts that electricity generated from fossil fuels will cover 45% and 40% of the additional demand in 2021 and 2022 respectively. Therefore, at the global level, coal-fired electricity generation is expected to rise by almost 5% in 2021 and a further 3% in 2022 after having declined by 4.6% in 2020. This, in turn, will lead to coal-fired electricity generation exceeding pre-pandemic levels in 2021 and reach a record high in 2022.[2]

With regards to the demand for coal, Indonesian miners continue to enjoy the additional export demand from China, amidst the continuing ban on Australian coal. Aside from China, demands from Asia-Pacific markets have also remained strong and hence, propelled prices upward.[3] Despite the rising coal prices, Indonesian exports have been slowing down due to rising COVID-19 infections among coal producers that have significantly weighed down on mining operations. Therefore, a rising demand situation along with a tight supply environment will continue to buoy prices higher in the future.[4]

In the forecast review by Argus, thermal coal prices are now likely to find support at high levels well into the winter

2 CNBC, 20 July 2021: SUSTAINABLE FUTURE CO2 emissions set to hit record levels in 2023 and there's 'no clear peak in sight,' IEA says

3 McCloskey Coal Report, Issue 511, 28 May 2021

4 McCloskey Coal Report, Issue 514, 9 July 2021

months given coal and natural gas stocks are low, although Argus projects prices to ease as supply improves and demand growth slows. Chinese inventories have been too low for months, with summer coal burn realising upside risks as hydro has been soft and power demand strong. With the inventory currently very low, the demand pull from restocking activity is likely to keep prices elevated until the end of the year. With coal prices currently strong, it seems that Indonesian supply will remain strong for 2021.[5]

ICI4 prices were at US$69.53 per tonne on 10 August 2021, the highest since 2008 and significantly higher than U$44.90 per tonne at the start of 2021. The July coal HBA reference price was $115.35 per tonne, the highest in nearly a decade.[6] For 1H2021, the average ICI price for 4,200 GAR coal was US$47.78 per tonne, up from US$30.61 per tonne in 1H2020.

As mentioned in the previous quarter, Indonesia's Ministry of Energy and Mineral Resources ("MEMR") has increased the national coal production target for 2021 by 75 million tonnes to 625 million tonnes on expectations of continued strong demand.[7] Leveraging on this opportunity, we have applied for an increase in the Rencana Kerja Anggaran Biaya ("RKAB") – Work Plan and Budget for SDJ and TBR production quota of 1.5 million tonnes to be close to 12 million tonnes for 2021. This will allow us to maximise our profits during this super cycle in coal prices in 2H2021. We expect to receive the approval from the Indonesian Ministry of Mine for the increase in RKAB in the next few weeks.

Separately, we are looking to expand our revenue streams by way of potential joint ventures, trading and value accretive acquisitions, including mining concessions to increase production quantity and diversify into renewables supply chain, and downstream logistics and transhipment. We will make an announcement in accordance with the listing rules of SGX-ST, if and when such an acquisition or investment materialises.

6. If a decision regarding dividend has been made: -

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

The directors recommend the payment of an interim dividend in respect of the financial year ending 31 December 2021.

(b)(i) Amount per share

Name of dividend:	Interim
Dividend type:	Cash
Dividend rate:	S$0.005 per ordinary share

(b)(ii) Previous corresponding period

None.

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

Dividend declared is tax exempt (one-tier).

(d) The date the dividend is payable

To be announced at a later date.

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

To be announced at a later date.

5 Argus Seaborne Thermal Coal Outlook Report, 22 July 2021

6 Argus Media, Indonesian coal producers upbeat despite Covid-19, 12 July 2021

7 Argus Coal Daily International Highlights Report, April 2021

7. If no dividend has been declared/recommended, a statement to that effect and provide the reasons for the decision

Not applicable.

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

No IPT mandate has been obtained from shareholders and there is no IPT.

9. Negative confirmation pursuant to Rule 705(5)

We, Charles Antonny Melati and Tung Kum Hon, being Directors of the Company, do hereby confirm, on behalf of the Board of Directors of the Company (the "Board") that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the six months ended 30 June 2021 to be false or misleading in any material aspect.

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

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

On behalf of the Board of Directors

Charles Antonny Melati
Executive Chairman

11 August 2021