



GEO ENERGY GROUP  
天然煤矿集团

**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 Consolidated Financial Statements**

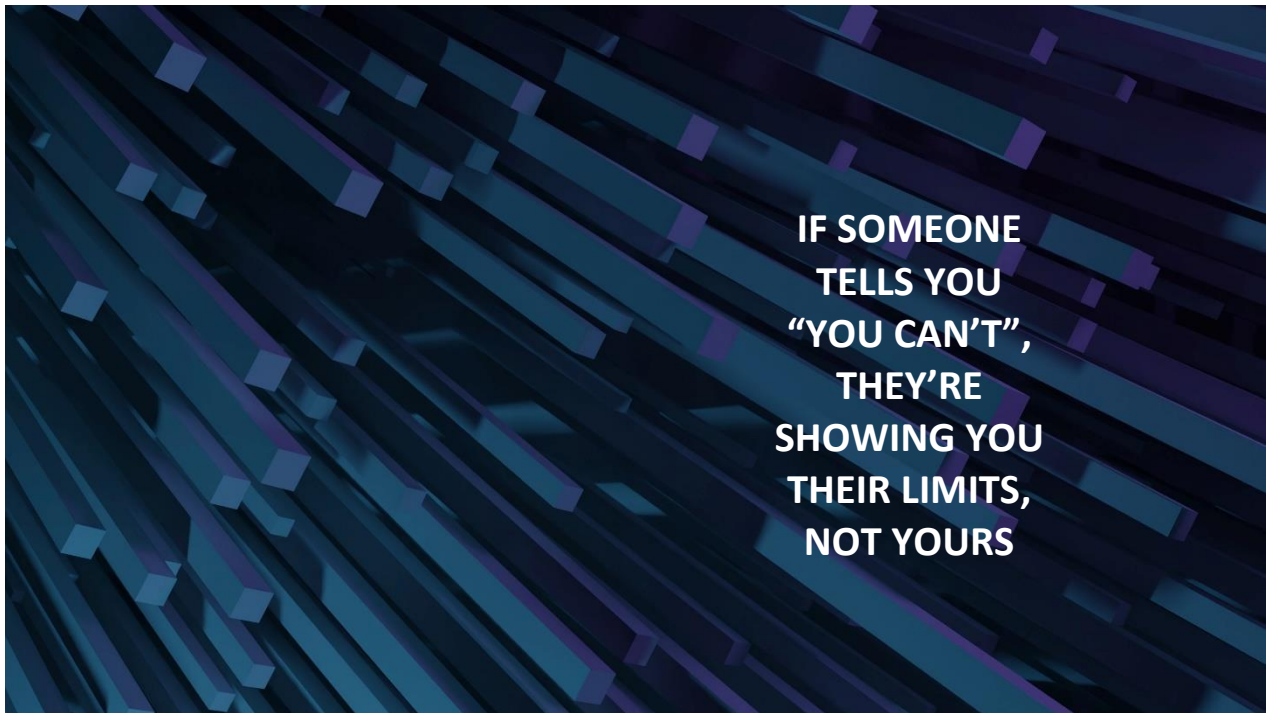
**For the Six Months and Full Year Ended 31 December 2021**

### **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. 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.

# Financial Results and Strategy Update

## For the Six Months and Full Year Ended 31 December 2021



### **GEO ENERGY REPORTS A RECORD YEAR WITH HIGHEST REVENUE OF US\$641.9 MILLION, NET PROFIT OF US\$179.1 MILLION AND TOTAL DIVIDENDS OF S\$0.09 PER SHARE<sup>1</sup>**

Geo Energy achieved a fantastic year in 2021, despite volatile economic conditions and operational challenges imposed by COVID-19. Notwithstanding these challenges and disruptions, the coal industry is experiencing a super-cycle, driven by a massive increase in demand as economies adopted an infrastructure-led recovery. Following the sharp increase in coal demand from China and gradual recovery of global economy, the coal prices increased to an all-time high in October 2021. Although these have tapered slightly due to China government’s price intervention policies, coal prices remain high.

To capitalise on this, 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, to achieve a record set of financial results for 2021.

#### **Achieving a record year with highest ever Revenue and Net Profits**

The average Indonesian Coal Index price for 4,200 GAR coal (“ICI4”) more than doubled to US\$65.85 per tonne in 2021, increasing from US\$29.29 per tonne in 2020, in this super-cycle. In fact, ICI4 prices reached a historical high of US\$154.61 per tonne on 22 October 2021. Capitalising on the momentum of the rising coal prices, the Group worked closely with our service providers to ramp up production as we achieved sales of 11.4 million tonnes, an increase of 7% from 2020 (2020: 10.7 million tonnes). These factors allowed us to achieve a record revenue of US\$641.9 million in 2021, an increase of 109% from 2020 (2020: US\$306.8 million).

The record year generated strong cash flows for the Group, as we made an early redemption of all outstanding US\$300 million 8% Bonds due October 2022 (“Senior Notes”) on 10 October 2021. With this, the Group has the flexibility to declare and pay higher dividends. As part of climate change initiatives, it also places the Group in good stead to explore diversification opportunities away from coal as we seek to expand our revenue streams by way of potential joint ventures, trading and value accretive acquisitions that are self-funding.

<sup>1</sup> Includes Proposed Final Dividend of S\$0.05 per share, 3Q2021 Interim Dividend of S\$0.03 per share, 2Q2021 Interim Dividend of S\$0.005 per share and 1Q2021 Interim Dividend of S\$0.005 per share

The Group issued the Senior Notes in October 2017 and had repurchased US\$240.8 million of the Senior Notes for US\$128.8 million, resulting in a gain of US\$112.0 million. The balance of the Senior Notes of US\$59.2 million was redeemed early in October 2021. The optional redemption has strengthened the Group's credit profile and saves up to US\$4.8 million in annual financing costs. Finance costs was a reduction of US\$13.9 million from US\$18.1 million in 2020.

The Group has a cash position of US\$190.6 million as at 31 December 2021, with little debt.

## 2021 HIGHLIGHTS

- The Group achieved record revenue of US\$641.9 million, a significant increase of 109% from 2020, due to the increase in sales volume and higher average selling price ("ASP"). The average ICI4 more than double to US\$65.85 per tonne in 2021, compared to US\$29.29 per tonne in 2020.
- The Group delivered its highest coal sales in a year of 11.4 million tonnes in 2021, comprising 4.6 million tonnes and 6.7 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 10.7 million tonnes in 2020.
- Cash profit from coal mining for 2021 averaged at US\$25.05 per tonne (2020: US\$6.25 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 2021 was a record US\$270.9 million (2020: US\$57.0 million) at a significant improved margin of 42%, and the net profit from operations of US\$179.1 million was a complete turnaround from the net loss from operations of US\$11.5 million in 2020, excluding the gain on repurchases of Senior Notes.
- The Group made an early redemption of all outstanding Senior Notes of US\$60.4 million on 10 October 2021 at a 102% of its issued price.
- On 8 December 2021, the Group announced a VALMIN JORC valuation of its coal reserves at a high of US\$726 million as at 31 August 2021.
- The Company is recommending a final dividend of S\$0.05 per share in 2021, subject to the approval of shareholders at its forthcoming annual general meeting. This brings the total dividends for 2021 to S\$0.09 per share or US\$93.5 million, equivalent to a 52% pay-out ratio on its 2021 net earnings, with a dividend yield of 22% based on share price as at 23 February 2022 of S\$0.41 per share.
- 52-week Total Shareholders' Return ("TSR") was a record high at 176% based on share price as at 23 February 2022 against the FTSE Straits Times Index ("STI") of 16%<sup>2</sup>.

The Group's market capitalisation as at 31 December 2021 was at S\$472.7 million and S\$577.3 million as at 23 February 2022. Based on the share price of S\$0.19 on 1 January 2021 and the share price of S\$0.41 on 23 February 2022, including the interim dividends paid in 2021 and final dividend of S\$0.05 per share proposed, the TSR over the period was a record high of 163%.

In relation to the grant of options pursuant to the Geo Energy Share Option Scheme, a total of 20,780,000 share options have been exercised to date. This shows how far we have come with our employees, as they are rewarded for their hard work as our results have translated to stronger share prices for our shareholders.

We are committed to enhancing value for our shareholders and one of our goals is to improve our return on equity. On 15 December 2021, we have instituted the first share buyback as part of the Company's long term capital management. A share buyback also enhances the efficiency of our capital base. The buybacks were executed in a controlled and orderly manner over a reasonable period to minimise undue movement in the Company's share price. We acquired the shares through purchases on the SGX from December 2021 to January 2022 and these shares are held as treasury shares. To date, we have acquired a total of 11,900,000 shares valued at S\$4.9 million as at 23 February 2022, an increase of 25% over the costs of the shares buyback of S\$3.9 million.

Our shares are undervalued on the Singapore Stock Exchange ("SGX") based on its 2021 VALMIN JORC valuation of its coal reserves and the Group's 2021 financial performance and 2022 outlook. Our current share price of S\$0.41 represents 2.4 times of the 2021 earnings per share.

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<sup>2</sup> FTSE Straits Times Index extracted from MarketWatch, 23 February 2022

Geo Energy is expected to perform well in 2022 with the current high coal prices.

## **SUSTAINABILITY**

Sustainability remains the core value in our business operations. We have integrated social and environmental considerations into the business through our strategy, culture, operations, and decision-making process.

Our customers are vital for our growth. The Group strives to maintain good customer relationship by regularly engaging them to understand their needs and expectations. The priorities on Environment, Social and Governance ("ESG") set by our customers and safeguarding our customers' privacy and end-user data against secondary purpose are our emphasised goals currently.

Our people are the core of our business success. Although COVID-19 pandemic has impacted our normal business, we paid high attention to our employees' wellbeing, mental health and safety, including implementing employee work rotations and work from home arrangements, instituting virtual meetings, self-isolation arrangements and socialisation of preventative actions. Furthermore, in collaboration with the Indonesian government, Geo Energy sponsored all the employees on-site to receive vaccination, to take a step towards safeguarding the health of our employees. We will continue to monitor the health conditions and wellbeing of our employees to ensure a safe and harmonious working environment.

Moreover, to accelerate vaccination rates in Indonesia, the Group also donated IDR3 billion and sponsored COVID-19 vaccinations and social assistance activities organised by the Indonesian Young Entrepreneurs Association on 5 August 2021 in Jakarta, Indonesia.

As for community activities, the Group sponsored the D2M charity run organised by Diabetes Singapore. The name is a positive action on Diabetes (Type 2) Mellitus and stands for Designer 2 Move ("D2M"), with the objective of removing the stigma around diabetes and encouraging exercising. The event, flagged off by the guest-of-honour Mr Desmond Lee, Minister for National Development, raised S\$300,000 that will be utilised for procuring more resources and quicker screenings for diabetic patients.

Lastly, we remain committed to complying with all applicable environmental laws and regulations to minimise environmental risks and damages. We have been in compliance with environmental laws and regulations, and we strive to adhere to higher standards as we continue to grow and move forward.

## **MESSAGE TO SHAREHOLDERS**

We thank our shareholders for their belief and support in the Group. In view of the positive and strong financial performance of the Group in 2021, the Company is recommending a final dividend for 2021 of S\$0.05 per share, subject to the approval of shareholders at the forthcoming annual general meeting. This is as per our dividend policy to deliver returns to our shareholders based on our earnings, subject to any capital requirements.

We continue to work on opportunities 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 transshipment. 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, when such development materialises.

Yours sincerely,



Tung Kum Hon  
Chief Executive Officer/Director  
24 February 2022

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## PART 1 — Unaudited Condensed Consolidated Financial Statements Announcement for the Six Months and Full Year Ended 31 December 2021

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

	Note	Group			Group		
		6 months ended 31.12.2021 US\$ (Unaudited)	6 months ended 31.12.2020 US\$ (Unaudited)	% Change	12 months ended 31.12.2021 US\$ (Unaudited)	12 months ended 31.12.2020 US\$ (Audited)	% Change
Revenue	4	421,560,935	146,130,382	188	641,888,828	306,757,154	109
Cost of sales		(230,092,454)	(117,592,335)	96	(380,656,363)	(260,528,499)	46
<b>Gross profit</b>		<b>191,468,481</b>	<b>28,538,047</b>	<b>571</b>	<b>261,232,465</b>	<b>46,228,655</b>	<b>465</b>
Other income		2,077,674	2,312,010	(10)	4,226,973	4,199,067	1
General and administrative expenses		(10,592,922)	(7,859,119)	35	(15,254,084)	(14,171,801)	8
Other expenses		(4,599,029)	(313,083)	nm	(5,439,384)	(6,153,505)	(12)
Allowance for expected credit loss on trade and other receivables		(6,472,895)	(13,764,074)	(53)	(6,472,895)	(13,764,074)	(53)
Finance costs		(1,578,030)	(5,103,709)	(69)	(4,206,203)	(18,110,378)	(77)
<b>Profit (loss) from operations</b>	<b>6</b>	<b>170,303,279</b>	<b>3,810,072</b>	<b>nm</b>	<b>234,086,872</b>	<b>(1,772,036)</b>	<b>nm</b>
Income tax expense		(39,748,807)	(6,599,170)	502	(55,010,822)	(9,715,696)	466
<b>Net profit (loss) from operations</b>		<b>130,554,472</b>	<b>(2,789,098)</b>	<b>nm</b>	<b>179,076,050</b>	<b>(11,487,732)</b>	<b>nm</b>
Gain on repurchases of Notes		-	31,405,039	(100)	-	106,636,932	(100)
<b>Total for the period / year</b>		<b>130,554,472</b>	<b>28,615,941</b>	<b>356</b>	<b>179,076,050</b>	<b>95,149,200</b>	<b>88</b>
Other comprehensive income, net of tax:							
Item that may be subsequently reclassified to profit or loss:							
- Exchange differences on translation of foreign operations		(319,155)	(72,319)	341	(153,825)	(39,401)	290
Item that will not be subsequently reclassified to profit or loss:							
- Net remeasurement of define benefit obligations		567,735	(28,976)	nm	567,735	2,423	nm
<b>Other comprehensive income for the period / year, net of tax</b>		<b>248,580</b>	<b>(101,295)</b>	<b>nm</b>	<b>413,910</b>	<b>(36,978)</b>	<b>nm</b>
<b>Total comprehensive income for the period / year</b>		<b>130,803,052</b>	<b>28,514,646</b>	<b>359</b>	<b>179,489,960</b>	<b>95,112,222</b>	<b>89</b>
<b>Profit attributable to:</b>							
Owners of the Company		129,829,125	28,435,107	357	177,921,521	94,909,608	87
Non-controlling interests		725,347	180,834	301	1,154,529	239,592	382
		130,554,472	28,615,941	356	179,076,050	95,149,200	88
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		130,083,020	28,336,893	359	178,336,383	94,872,323	88
Non-controlling interests		720,032	177,753	305	1,153,577	239,899	381
		130,803,052	28,514,646	359	179,489,960	95,112,222	89
<b>Earning per share:</b>	<b>8</b>						
Basic (cents)		9.23	2.03	355	12.68	6.78	87
Diluted (cents)		9.21	2.03	354	12.66	6.78	87

## B. Condensed statements of financial position

	Note	Group		Company	
		31.12.2021 US\$ (Unaudited)	31.12.2020 US\$ (Audited)	31.12.2021 US\$ (Unaudited)	31.12.2020 US\$ (Audited)
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		190,595,157	52,662,193	11,173,163	17,558,432
Trade and other receivables	11	62,786,294	53,046,383	59,979,221	28,023,984
Deposits and prepayments		12,201,135	20,105,463	209,368	147,056
Inventory		24,128,714	20,769,393	-	-
<b>Total current assets</b>		<b>289,711,300</b>	<b>146,583,432</b>	<b>71,361,752</b>	<b>45,729,472</b>
<b>Non-current assets</b>					
Trade and other receivables	11	14,144,995	6,380,457	-	-
Restricted cash deposits		4,956,322	4,968,196	-	-
Deposits and prepayments		18,960,622	18,881,759	8,383	105,218
Investment in subsidiaries		-	-	178,745,819	178,745,819
Deferred stripping costs	12	47,782,687	53,928,081	-	-
Property, plant and equipment	13	127,482,815	137,573,184	5,253,232	15,448
Right-of-use assets	14	17,733,347	755,357	-	577,304
Deferred tax assets		5,167,415	2,891,849	230,767	339,766
Other non-current asset		153,698	153,698	153,698	153,698
<b>Total non-current assets</b>		<b>236,381,901</b>	<b>225,532,581</b>	<b>184,391,899</b>	<b>179,937,253</b>
<b>Total assets</b>		<b>526,093,201</b>	<b>372,116,013</b>	<b>255,753,651</b>	<b>225,666,725</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Trade and other payables		116,233,354	79,236,212	29,122,937	52,395,309
Current portion of bank borrowing	15	365,052	-	365,052	-
Current portion of lease liabilities	15	5,151	404,280	-	391,518
Financial guarantee liability		-	-	-	771,771
Income tax payable		40,875,944	-	-	-
<b>Total current liabilities</b>		<b>157,479,501</b>	<b>79,640,492</b>	<b>29,487,989</b>	<b>53,558,598</b>
<b>Non-current liabilities</b>					
Trade and other payables		1,438,167	1,743,503	53,144,443	-
Bank borrowing	15	3,355,778	-	3,355,778	-
Lease liabilities	15	12,467	166,845	-	166,845
Notes payable	15	-	58,760,656	-	-
Provisions		1,942,847	2,612,852	-	113,890
Financial guarantee liability		-	-	-	585,700
Deferred tax liabilities		12,757,471	10,545,697	-	-
<b>Total non-current liabilities</b>		<b>19,506,730</b>	<b>73,829,553</b>	<b>56,500,221</b>	<b>866,435</b>
<b>Capital, reserves and non-controlling</b>					
Share capital	16	109,415,916	106,513,187	109,415,916	106,513,187
Treasury shares	17	(2,150,021)	-	(2,150,021)	-
Capital and other reserves		2,756,791	3,081,094	5,010,643	5,327,150
Translation reserve		4,850,836	5,000,555	4,463,927	4,464,506
Retained earnings		232,896,216	103,867,477	53,024,976	54,936,849
<b>Equity attributable to owners of the Company</b>		<b>347,769,738</b>	<b>218,462,313</b>	<b>169,765,441</b>	<b>171,241,692</b>
Non-controlling interests		1,337,232	183,655	-	-
<b>Total equity</b>		<b>349,106,970</b>	<b>218,645,968</b>	<b>169,765,441</b>	<b>171,241,692</b>
<b>Total liabilities and equity</b>		<b>526,093,201</b>	<b>372,116,013</b>	<b>255,753,651</b>	<b>225,666,725</b>

### C. Condensed consolidated statement of cash flows

	Group		Group	
	6 months ended 31.12.2021 US\$ (Unaudited)	6 months ended 31.12.2020 US\$ (Unaudited)	12 months ended 31.12.2021 US\$ (Unaudited)	12 months ended 31.12.2020 US\$ (Audited)
<b>Operating activities</b>				
Profit before income tax	170,303,279	35,215,111	234,086,872	104,864,896
Adjustments for:				
Depreciation of property, plant and equipment	9,009,362	5,543,568	16,826,655	15,772,989
Depreciation of right-of-use assets	1,627,371	246,107	2,167,975	490,837
Amortisation of deferred stripping costs	3,241,492	1,659,246	6,415,296	6,061,714
(Gain) Loss on disposal of property, plant and equipment	(3,203)	25	(13,643)	(907)
Share-based payment expense	61,760	118,373	125,226	251,914
Amortisation of deferred gain	(126,518)	(115,733)	(241,689)	(296,741)
Write-back of inventory written-down	(260,092)	(611,812)	(936,751)	(516,370)
Fair value loss on trade and other receivables	-	16,387	-	5,189,099
Allowance for expected credit loss on trade and other receivables	6,472,895	13,764,074	6,472,895	13,764,074
Premium on early redemption of Notes	1,183,740	-	1,183,740	-
Gain on repurchases of Notes	-	(31,405,039)	-	(106,636,932)
Amortisation of transaction costs of the Notes	158,124	1,794,957	426,344	6,220,187
Interest expense	1,419,906	3,308,752	3,779,859	11,890,191
Interest income	(1,947,953)	(2,079,444)	(3,721,074)	(3,663,795)
Retirement benefit obligations	(217,296)	155,023	(16,874)	362,367
Net foreign exchange gains	(885,347)	(2,625,830)	(158,077)	(256,718)
Operating cash flows before movement in working capital	190,037,520	24,983,765	266,396,754	53,496,805
Trade and other receivables	(6,969,580)	(37,231,116)	(25,050,782)	(13,708,712)
Deposits and prepayments	9,877,859	38,765,245	6,192,207	19,808,282
Inventories	3,664,597	(3,897,085)	(2,869,512)	(4,187,831)
Trade and other payables	31,311,201	5,743,687	38,072,820	2,825,982
Cash generated from operations	227,921,597	28,364,496	282,741,487	58,234,526
Income tax paid	(10,834,380)	(2,500,229)	(14,163,505)	(4,599,914)
Income tax refund	-	2,660,543	4,224,717	2,698,302
Retirement benefit obligations paid	(9,104)	(3,130)	(15,336)	(6,468)
Net cash from operating activities	217,078,113	28,521,680	272,787,363	56,326,446
<b>Investing activities</b>				
Interest received	229,868	192,329	417,925	1,053,395
Refund of (Advance payments for) purchase of property, plant and equipment	1,691,391	(6,168,150)	1,649,497	(6,056,939)
Purchase of property, plant and equipment	(1,539,245)	(501,504)	(2,315,912)	(1,783,028)
Proceeds from disposal of property, plant and Equipment	5,286	139	48,764	2,433
Net cash used in investing activities	387,300	(6,477,186)	(199,726)	(6,784,139)
<b>Financing activities</b>				
Increase in deposits pledged	(128)	(136)	(100)	(136)
Decrease (Increase) in restricted cash deposits	53,947	(565,541)	22,112	(737,771)
Interest paid for lease liabilities	(25,539)	(11,059)	(10,781)	(26,273)
Interest paid for the Notes	(2,446,396)	(4,698,069)	(4,813,876)	(16,513,447)
Early redemption of the Notes	(60,370,740)	-	(60,370,740)	-
Repurchases of the Notes	-	(42,114,961)	-	(118,115,068)
Repayment of obligations under lease liabilities	(12,640,187)	(227,732)	(20,104,919)	(473,452)
Repayment of bank borrowing	(151,607)	-	(151,607)	-
Proceeds from share issuance	2,902,730	-	2,902,730	-
Share buybacks	(2,150,021)	-	(2,150,021)	-
Dividends paid	(36,246,054)	-	(49,899,096)	-
Net cash used in financing activities	(111,073,995)	(47,617,498)	(134,576,298)	(135,866,147)



	6 months ended 31.12.2021 US\$ (Unaudited)	6 months ended 31.12.2020 US\$ (Unaudited)	12 months ended 31.12.2021 US\$ (Unaudited)	12 months ended 31.12.2020 US\$ (Audited)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>106,391,418</b>	<b>(25,573,004)</b>	<b>138,011,339</b>	<b>(86,323,840)</b>
Cash and cash equivalents at beginning of period / year	78,956,936	73,110,124	47,662,057	133,996,173
Effect of exchange rate changes on the balance of cash held in foreign currencies	246,567	124,937	(78,475)	(10,276)
<b>Cash and cash equivalents at end of period / year</b>	<b>185,594,921</b>	<b>47,662,057</b>	<b>185,594,921</b>	<b>47,662,057</b>
<b>Note A</b>				
Cash and hand and at banks	185,594,921	47,662,057	185,594,921	47,662,057
Deposits	5,000,236	5,000,136	5,000,236	5,000,136
<b>Cash and bank balances</b>	<b>190,595,157</b>	<b>52,662,193</b>	<b>190,595,157</b>	<b>52,662,193</b>
Restricted cash deposits (non-current)	4,956,322	4,968,196	4,956,322	4,968,196
	<b>195,551,479</b>	<b>57,630,389</b>	<b>195,551,479</b>	<b>57,630,389</b>
Less: Deposits pledged	(5,000,236)	(5,000,136)	(5,000,236)	(5,000,136)
Less: Restricted cash deposits (non-current)	(4,956,322)	(4,968,196)	(4,956,322)	(4,968,196)
<b>Cash and cash equivalent</b>	<b>185,594,921</b>	<b>47,662,057</b>	<b>185,594,921</b>	<b>47,662,057</b>

#### **D. Condensed statements of changes in equity**

Group	Share capital US\$	Treasury shares 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\$
<b>At 1.1.2021 (audited)</b>	<b>106,513,187</b>	-	<b>3,081,094</b>	<b>5,000,555</b>	<b>103,867,477</b>	<b>218,462,313</b>	<b>183,655</b>	<b>218,645,968</b>
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)
<b>At 30.6.2021 (unaudited)</b>	<b>106,513,187</b>	-	<b>3,136,764</b>	<b>5,161,522</b>	<b>138,306,831</b>	<b>253,118,304</b>	<b>617,200</b>	<b>253,735,504</b>
Share issuance	2,902,729	-	-	-	-	2,902,729	-	2,902,729
Share buybacks	-	(2,150,021)	-	-	-	(2,150,021)	-	(2,150,021)
Profit for the period	-	-	-	-	129,829,125	129,829,125	725,347	130,554,472
Other comprehensive income for the period	-	-	-	(310,686)	564,581	253,895	(5,315)	248,580
Transactions with owners, recognised directly in equity:								
Deemed capital contribution*	-	-	61,760	-	-	61,760	-	61,760

Exercise of share options**	-	-	(441,733)	-	441,733	-	-	-
Dividend paid	-	-	-	-	(36,246,054)	(36,246,054)	-	(36,246,054)
<b>At 31.12.2021 (unaudited)</b>	<b>109,415,916</b>	<b>(2,150,021)</b>	<b>2,756,791</b>	<b>4,850,836</b>	<b>232,896,216</b>	<b>347,769,738</b>	<b>1,337,232</b>	<b>349,106,970</b>

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\$
<b>At 1.1.2020 (audited)</b>	<b>106,513,187</b>	<b>2,829,180</b>	<b>5,131,676</b>	<b>8,864,033</b>	<b>123,338,076</b>	<b>(56,244)</b>	<b>123,281,832</b>
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
<b>At 30.6.2020 (unaudited)</b>	<b>106,513,187</b>	<b>2,962,721</b>	<b>5,191,761</b>	<b>75,339,378</b>	<b>190,007,047</b>	<b>5,902</b>	<b>190,012,949</b>
Profit for the period	-	-	-	28,435,107	28,435,107	180,834	28,615,941
Other comprehensive income for the period	-	-	(191,206)	92,992	(98,214)	(3,081)	(101,295)
Transactions with owners, recognised directly in equity:							
Deemed capital contribution*	-	118,373	-	-	118,373	-	118,373
<b>At 31.12.2020 (audited)</b>	<b>106,513,187</b>	<b>3,081,094</b>	<b>5,000,555</b>	<b>103,867,477</b>	<b>218,462,313</b>	<b>183,655</b>	<b>218,645,968</b>

Company	Share capital US\$	Treasury shares US\$	Capital and other reserves US\$	Translation reserve US\$	Retained earnings (Accumulated losses) US\$	Total US\$
<b>At 1.1.2021 (audited)</b>	<b>106,513,187</b>	-	<b>5,327,150</b>	<b>4,464,506</b>	<b>54,936,849</b>	<b>171,241,692</b>
Profit for the period	-	-	-	-	7,883,840	7,883,840
Transactions with owners, recognised directly in equity:						
Dividend paid	-	-	-	-	(13,653,042)	(13,653,042)
<b>At 30.6.2021 (unaudited)</b>	<b>106,513,187</b>	-	<b>5,390,616</b>	<b>4,464,506</b>	<b>49,167,647</b>	<b>165,535,956</b>
Share issuance	2,902,729	-	-	-	-	2,902,729
Share buybacks	-	(2,150,021)	-	-	-	(2,150,021)
Profit for the period	-	-	-	-	39,661,650	39,661,650
Comprehensive income for the period	-	-	-	(579)	-	(579)
Transactions with owners, recognised directly in equity:						

Deemed capital contribution*	-	-	61,760	-	-	61,760
Exercise of share options**	-	-	(441,733)	-	441,733	-
Dividend paid	-	-	-	-	(36,246,054)	(36,246,054)
<b>At 31.12.2021 (unaudited)</b>	<b>109,415,916</b>	<b>(2,150,021)</b>	<b>5,010,643</b>	<b>4,463,927</b>	<b>53,024,976</b>	<b>169,765,441</b>

Company	Share capital US\$	Capital and other reserves US\$	Translation reserve US\$	Retained earnings (Accumulated losses) US\$	Total US\$
<b>At 1.1.2020 (audited)</b>	<b>106,513,187</b>	<b>5,075,236</b>	<b>4,464,506</b>	<b>(18,652,768)</b>	<b>97,400,161</b>
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
<b>At 30.6.2020 (unaudited)</b>	<b>106,513,187</b>	<b>5,208,777</b>	<b>4,464,506</b>	<b>(22,658,281)</b>	<b>93,528,189</b>
Profit for the period	-	-	-	77,595,130	77,595,130
Transactions with owners, recognised directly in equity:					
Deemed capital contribution*	-	118,373	-	-	118,373
<b>At 31.12.2020 (audited)</b>	<b>106,513,187</b>	<b>5,327,150</b>	<b>4,464,506</b>	<b>54,936,849</b>	<b>171,241,692</b>

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

\*\* Pertains to the exercise of share options pursuant to the Geo Energy share option scheme granted 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 7 Temasek Boulevard, #39-02 Suntec Tower One, Singapore 038987. The Company is listed on the Singapore Exchange Securities Trading Limited. These condensed consolidated financial statements as at and for the six months and full year ended 31 December 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 financial statements for the six months ended 31 December 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 interim financial statements for the period ended 30 June 2021 and the business update for the 9 months ended 30 September 2021.

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 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 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 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 11a – Financial assets at fair value through profit or loss
- Note 11b – Allowance for expected credit loss arising from advance payments for coal purchase
- Note 12 – Deferred stripping costs
- Note 13 – Property, plant and equipment

## 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 transshipments 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	
	6 months ended 31.12.2021 US\$ (Unaudited)	6 months ended 31.12.2020 US\$ (Unaudited)	6 months ended 31.12.2021 US\$ (Unaudited)	6 months ended 31.12.2020 US\$ (Unaudited)
Coal Mining	421,560,935	146,130,382	191,468,481	28,538,047
Coal Trading	-	-	-	-
<b>Group</b>	<b>421,560,935</b>	<b>146,130,382</b>	<b>191,468,481</b>	<b>28,538,047</b>

Group	EBITDA		Profit Before Income Tax	
	6 months ended 31.12.2021	6 months ended 31.12.2020	6 months ended 31.12.2021	6 months ended 31.12.2020
	US\$ (Unaudited)	US\$ (Unaudited)	US\$ (Unaudited)	US\$ (Unaudited)
Coal Mining	204,779,160	35,148,723	191,568,197	28,720,201
Coal Trading	-	-	(6,472,895)	(13,848,392)
Mining Services	-	-	-	(16,387)
	<b>204,779,160</b>	<b>35,148,723</b>	<b>185,095,302</b>	<b>14,855,422</b>
<u>Unallocated:</u>				
Depreciation of property, plant, and equipment	-	-	(307,454)	(378,951)
Other gains (losses) - net	(1,200,555)	1,599,321	(2,621,071)	33,322,517
Group administration costs and directors' remuneration	(10,223,708)	(7,361,797)	(10,285,468)	(7,480,168)
Finance costs	-	-	(1,578,030)	(5,103,709)
	<b>193,354,897</b>	<b>29,386,247</b>	<b>170,303,279</b>	<b>35,215,111</b>

Group	Revenue		Gross Profit	
	12 months ended 31.12.2021	12 months ended 31.12.2020	12 months ended 31.12.2021	12 months ended 31.12.2020
	US\$ (Unaudited)	US\$ (Audited)	US\$ (Unaudited)	US\$ (Audited)
Coal Mining	641,888,828	297,574,385	261,232,465	45,677,424
Coal Trading	-	9,182,769	-	551,231
	<b>641,888,828</b>	<b>306,757,154</b>	<b>261,232,465</b>	<b>46,228,655</b>

Group	EBITDA		Profit Before Income Tax	
	12 months ended 31.12.2021	12 months ended 31.12.2020	12 months ended 31.12.2021	12 months ended 31.12.2020
	US\$ (Unaudited)	US\$ (Audited)	US\$ (Unaudited)	US\$ (Audited)
Coal Mining	285,034,598	66,695,897	261,431,896	45,957,413
Coal Trading	-	551,231	(6,472,895)	(13,297,161)
Mining Services	-	-	-	(5,189,099)
	<b>285,034,598</b>	<b>67,247,128</b>	<b>254,959,001</b>	<b>27,471,153</b>
<u>Unallocated:</u>				
Depreciation of property, plant, and equipment	-	-	(671,042)	(790,697)
Other gains (losses) - net	318,527	2,893,532	(1,411,842)	109,675,922
Group administration costs and directors' remuneration	(14,457,815)	(13,129,192)	(14,583,042)	(13,381,104)
Finance costs	-	-	(4,206,203)	(18,110,378)
	<b>270,895,310</b>	<b>57,011,468</b>	<b>234,086,872</b>	<b>104,864,896</b>

Revenue 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.

	<b>Revenue</b>			
	<b>6 months ended 31.12.2021</b>	<b>6 months ended 31.12.2020</b>	<b>12 months ended 31.12.2021</b>	<b>12 months ended 31.12.2020</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
China	333,669,714	100,988,495	462,648,292	201,502,172
Indonesia	35,669,517	34,216,995	96,255,038	81,765,232
South Korea	17,349,984	-	32,840,591	9,545,448
Philippines	3,898,000	1,149,079	11,056,538	1,149,079
Vietnam	12,101,200	4,467,037	17,580,964	5,374,537
India	15,759,990	5,308,776	18,394,875	5,308,776
Thailand	3,112,530	-	3,112,530	-
Pakistan	-	-	-	2,111,910
	<b>421,560,935</b>	<b>146,130,382</b>	<b>641,888,828</b>	<b>306,757,154</b>

## 5. Financial assets and financial liabilities

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

	<b>Group</b>		<b>Company</b>	
	<b>31.12.2021 US\$ (Unaudited)</b>	<b>31.12.2020 US\$ (Audited)</b>	<b>31.12.2021 US\$ (Unaudited)</b>	<b>31.12.2020 US\$ (Audited)</b>
<b>Financial assets:</b>				
At amortised cost (including cash and bank balances)	239,807,188	109,329,851	71,160,767	45,687,634
At fair value through profit or loss	6,553,509	6,380,457	-	-
<b>Financial liabilities:</b>				
At amortised cost	116,332,684	111,970,372	85,821,400	52,236,734
Lease liabilities	17,618	571,125	-	558,363
Financial guarantee liability	-	-	-	1,357,471

## 6. Profit from operations

	<b>Group</b>			<b>Group</b>		
	<b>6 months ended 31.12.2021 US\$ (Unaudited)</b>	<b>6 months ended 31.12.2020 US\$ (Unaudited)</b>	<b>% Change</b>	<b>12 months ended 31.12.2021 US\$ (Unaudited)</b>	<b>12 months ended 31.12.2020 US\$ (Audited)</b>	<b>% Change</b>
Interest income	(1,947,953)	(2,079,444)	(6)	(3,721,074)	(3,663,795)	2
(Gain) Loss on disposal of property, plant and equipment (net)	(3,203)	25	nm	(13,643)	(907)	nm
Foreign exchange loss (gain) (net)	366,497	(88,299)	nm	801,961	152,188	427
Interest on Senior Notes	1,381,430	3,279,465	(58)	3,722,604	11,828,414	(69)
Amortisation of transaction costs of Senior Notes	158,124	1,794,957	(91)	426,344	6,220,187	(93)
Premium on early redemption of Notes	1,183,740	-	nm	1,183,740	-	nm
Gain on repurchases of Senior Notes	-	(31,405,039)	(100)	-	(106,636,932)	(100)
Depreciation of property, plant and equipment	9,009,362	5,543,568	63	16,826,655	15,772,989	7
Depreciation of right-of-use assets	1,627,371	246,107	561	2,167,975	490,837	342
Amortisation of deferred stripping	3,241,492	1,659,246	95	6,415,296	6,061,714	6
Share-based payment expense	61,760	118,373	(48)	125,226	251,914	(50)
Amortisation of deferred gain	(126,518)	(115,733)	9	(241,689)	(296,741)	(19)

Fair value loss on trade and other receivables	-	16,387	(100)	-	5,189,099	(100)
Allowance for expected credit loss on trade and other receivables	6,472,895	13,764,074	(53)	6,472,895	13,764,074	(53)
Write-back of inventory written-down	(260,092)	(573,446)	(55)	(936,751)	(516,370)	81

## 6.1 Related party transactions

There are no related party transactions.

## 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 consolidated statement of profit or loss are:

Group	Group		Group	
	6 months ended 31.12.2021 US\$ (Unaudited)	6 months ended 31.12.2020 US\$ (Unaudited)	12 months ended 31.12.2021 US\$ (Unaudited)	12 months ended 31.12.2020 US\$ (Audited)
Income tax:				
- Current	42,598,289	2,026,575	54,567,481	2,026,575
- Underprovision in prior years	20,932	1,322,253	424,408	1,321,094
Deferred tax:				
- Current	(1,042,281)	3,684,589	1,921,915	6,750,224
- Effect of change in tax rate from 25% to 22%	-	(344,259)	-	(344,259)
- Overprovision in prior years	(1,828,133)	(89,988)	(1,902,982)	(37,938)
<b>Total</b>	<b>39,748,807</b>	<b>6,599,170</b>	<b>55,010,822</b>	<b>9,715,696</b>

## 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	Group		Group	
	6 months ended 31.12.2021 US\$ (Unaudited)	6 months ended 31.12.2020 US\$ (Unaudited)	12 months ended 31.12.2021 US\$ (Unaudited)	12 months ended 31.12.2020 US\$ (Audited)
<b>Earnings per share ("EPS")</b>				
Earnings for computing basic and diluted EPS (US\$)	129,829,125	28,435,107	177,921,521	94,909,608
Weighted average number of ordinary shares for the purposes of basic EPS <sup>(1)</sup>	1,406,523,820	1,399,273,113	1,402,928,264	1,399,273,113
Effect of dilutive potential ordinary shares:				
Share options <sup>(2)</sup>	2,420,000	-	2,420,000	-
Weighted average number of ordinary shares for the purposes of diluted EPS <sup>(1)</sup>	1,408,943,820	1,399,273,113	1,405,348,264	1,399,273,113
Basic EPS based on weighted average number of ordinary shares (US cent)	9.23	2.03	12.68	6.78
Basic EPS based on weighted average number of ordinary shares (SG cent)	12.50	2.69	17.18	8.99
Diluted EPS based on weighted average number of ordinary shares (US cent)	9.21	2.03	12.66	6.78

Diluted EPS based on weighted average number of ordinary shares (SG cent)	12.48	2.69	17.15	8.99
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- (1) The calculation for the basic EPS is based on the weighted average number of ordinary shares in issue during the respective financial period/year. The calculation for the diluted EPS is based on the weighted average number of ordinary shares in issue during the respective financial period/year, 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 31 December 2021 and 2020 of US\$:S\$ exchange rates of 1.3546 and 1.3251 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	
	31.12.2021 (Unaudited)	31.12.2020 (Audited)	31.12.2021 (Unaudited)	31.12.2020 (Audited)
Net asset value (US\$)	347,769,738	218,462,313	169,765,441	171,241,692
Number of issued shares	1,411,053,113	1,399,273,113	1,411,053,113	1,399,273,113
Net asset value per ordinary share (US cent)	24.65	15.61	12.03	12.24
Net asset value per ordinary share (SG cent) <sup>(1)</sup>	33.39	20.69	16.30	16.22

- (1) Numbers were translated using the 31 December 2021 and 2020 of US\$:S\$ exchange rates of 1.3546 and 1.3251 respectively.

## 10. Dividends

	Group	
	12 months ended 31.12.2021 US\$ (Unaudited)	12 months ended 31.12.2020 US\$ (Audited)
Ordinary dividends paid:		
Final tax-exempt 2020 dividend of SG 0.8 cents per share	(8,383,901)	-
Interim tax-exempt 2021 dividend of SG 0.5 cents per share (2020: Nil)	(5,269,141)	-
Interim tax-exempt 2021 dividend of SG 0.5 cents per share (2020: Nil)	(5,202,146)	-
Interim tax-exempt 2021 dividend of SG 3 cents per share (2020: Nil)	(31,043,908)	-
	<b>(49,899,096)</b>	-
Dividend per share (net of tax)	0.035	-

## 11. Trade and other receivables

	Group		Company	
	31.12.2021 (Unaudited)	31.12.2020 (Audited)	31.12.2021 (Unaudited)	31.12.2020 (Audited)
<b>Current asset:</b>				
At amortised cost:				
Trade receivables from third parties	19,520,328	21,220,564	-	-
Less: Allowance for expected credit loss	(942,808)	(947,554)	-	-
	18,577,520	20,273,010	-	-



Other receivables from:				
- subsidiaries	-	-	59,977,364	36,621,984
- third parties	37,215,771	36,610,544	31	520
Less: Allowance for expected credit loss <sup>b</sup>	(21,043,822)	(14,575,411)	-	(8,598,520)
	16,171,949	22,035,133	59,977,395	28,023,984
Goods and services tax receivables	174,834	168,099	-	-
Value-added tax ("VAT") receivables	25,347,342	1,245,621	-	-
Prepaid income tax	2,494,424	9,316,632	-	-
Interest receivables	20,225	7,888	1,826	-
<b>Total</b>	<b>62,786,294</b>	<b>53,046,383</b>	<b>59,979,221</b>	<b>28,023,984</b>
<b>Non-current asset:</b>				
At amortised cost:				
Tax recoverable	7,591,486	-	-	-
At fair value through profit or loss <sup>a</sup> :				
Trade and other receivables under Cooperation Agreement	21,199,909	21,028,446	3,136,660	3,138,249
Less: Cumulative changes in fair value	(14,646,400)	(14,647,989)	(3,136,660)	(3,138,249)
	6,553,509	6,380,457	-	-
<b>Total</b>	<b>14,144,995</b>	<b>6,380,457</b>	<b>-</b>	<b>-</b>

#### a. 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 year 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.

#### b. Allowance for expected credit loss 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 31 December 2021 was US\$32,265,394 (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 made during the year in assessing the allowance on the receivables arising from advance payments for coal purchase. Based on the assessment performed, a further allowance of US\$6,472,895 was recorded during the year.

## 12. Deferred stripping costs

	Group	
	31.12.2021 US\$ (Unaudited)	31.12.2020 US\$ (Audited)
Cost:		
At beginning and end of year	73,044,407	73,044,407
Accumulated amortisation:		
At beginning of year	19,116,326	11,786,972
Amortisation	6,145,394	7,329,354
At end of year	25,261,720	19,116,326
Carrying amount:		
At end of year	47,782,687	53,928,081
At beginning of year	53,928,081	61,257,435

## 13. Property, plant and equipment

	Group	
	31.12.2021 US\$ (Unaudited)	31.12.2020 US\$ (Audited)
Cost:		
At beginning of year	226,921,684	223,910,254
Additions	6,406,858	3,083,883
Transferred from ROU	539,566	-
Disposals	(404,370)	(33,109)
Exchange differences	(28,090)	(39,344)
At end of year	233,435,648	226,921,684
Accumulated depreciation:		
At beginning of year	82,948,926	64,653,764
Depreciation	16,649,615	18,337,804
Transferred from ROU	369,485	-
Disposals	(401,918)	(31,583)
Exchange differences	(12,849)	(11,059)
At end of year	99,553,259	82,948,926
Accumulated impairment:		
At beginning and end of year	6,399,574	6,399,574
Carrying amount:		
At end of year	127,482,815	137,573,184
At beginning of year	137,573,184	152,856,916

## 14. Right-of-use assets

	Group	
	31.12.2021 US\$ (Unaudited)	31.12.2020 US\$ (Audited)
Cost:		
At beginning of year	1,857,376	1,858,357
Additions	19,541,182	-
Disposals	(1,316,690)	-
Transferred to PPE	(539,566)	-
Exchange differences	(1,120)	(981)
At end of year	19,541,182	1,857,376
Accumulated depreciation:		
At beginning of year	1,102,019	610,008
Depreciation	2,167,975	490,837
Disposals	(1,091,797)	-
Transferred to PPE	(369,485)	-
Exchange differences	(877)	1,174
At end of year	1,807,835	1,102,019
Carrying amount:		
At end of year	17,733,347	755,357
At beginning of year	755,357	1,248,349

## 15. Borrowings

	Group		Group	
	31.12.2021 US\$ Secured (Unaudited)	31.12.2021 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	370,203	-	404,280	-
Amount repayable after one year	3,368,245	-	166,845	58,760,656
	<b>3,738,448</b>	<b>-</b>	<b>571,125</b>	<b>58,760,656</b>

### Details of any collateral and security:

As at 31 December 2021, the Group's lease liabilities are secured by the leased assets — motor vehicles, while the Group and Company's bank borrowing is secured by its office premise located at 7 Temasek Boulevard, #39-02 Suntec Tower One, Singapore 038987.

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 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 were listed on the SGX. They were unsecured and guaranteed by the Company and certain subsidiaries of the Group ("Financial Guarantees"). The Financial Guarantees were effectively subordinated to secure obligations of each guarantor, to the extent of the value of assets serving as security. As at 31 December 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\$1,357,471 was credited to the Company's profit or loss during the year.

All outstanding Notes were redeemed on 10 October 2021. The aggregate amount paid for the early redemption of the Notes was US\$60,370,740, which includes a premium of US\$1,183,740, being 102% of principal amount.

Please refer to the relevant announcements.

## 16. Share capital

	Group and Company			
	31.12.2021 (Unaudited)	31.12.2020 (Audited)	31.12.2021 US\$ (Unaudited)	31.12.2020 US\$ (Audited)
	<b>Number of issued ordinary shares</b>			
At beginning of the year	1,399,273,1133	1,399,273,113	106,513,187	106,513,187
Exercise of share options	20,680,000	-	2,902,729	-
At end of the year	<b>1,419,953,113</b>	<b>1,399,273,113</b>	<b>109,415,916</b>	<b>106,513,187</b>

There were no outstanding convertibles as at 31 December 2021 and 2020.

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

As at 31 December 2021, the Company's share capital, excluding treasury shares of 8,900,000 shares (Note 17), comprised 1,411,053,113 shares (31 December 2020: 1,399,273,113 shares).

## 17. Treasury shares

	Group and Company			
	31.12.2021 (Unaudited)	31.12.2020 (Audited)	31.12.2021 US\$ (Unaudited)	31.12.2020 US\$ (Audited)
	<b>Number of ordinary shares</b>			
At beginning of the year	-	-	-	-
Repurchased during the year	8,900,000	-	2,150,021	-
At end of the year	<b>8,900,000</b>	-	<b>2,150,021</b>	-

The Company acquired 8,900,000 of its own shares through purchases on the Singapore Exchange during the year. The total amount paid to acquire the shares was US\$2,150,021 and has been deducted from shareholders' equity. The shares are held as treasury shares.

## 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 31 December 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 and full year 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 31 December 2021, the Company's share capital, excluding treasury shares and following the exercises of share options, comprised 1,411,053,113 shares (30 June 2021: 1,399,273,113 shares; 31 December 2020: 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 31 December 2021, 20,680,000 share options have been exercised.

The Company acquired 8,900,000 of its own shares through purchases on the Singapore Exchange in December 2021. The total amount paid to acquire the shares was US\$2,150,021 and has been deducted from shareholders' equity. The shares are held as treasury shares.

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		Group	
	6 months ended 31.12.2021 (Unaudited)	6 months ended 31.12.2020 (Unaudited)	12 months ended 31.12.2021 (Unaudited)	12 months ended 31.12.2020 (Unaudited)
<b>Revenue – Coal mining</b>				
Sales Volume (million tonnes)	6.0	5.7	11.4	10.7
- SDJ	2.7	2.6	4.6	4.7
- TBR	3.3	3.1	6.7	6.0
- BEK	-	-	0.1	-
Average Indonesian Coal Index Price (US\$/tonne)	83.25	27.96	65.85	29.29
Average Selling Price (US\$/tonne)	70.27	25.88	56.42	27.89
<b>Production</b>				
Production Volume – Finished goods (million tonnes)	5.6	5.9	10.9	11.0
- SDJ	2.6	2.5	4.5	4.8
- TBR	3.0	3.4	6.3	6.2
- BEK	-	-	0.1	-

Strip Ratio (times)				
- SDJ	1.7	1.9	2.2	2.3
- TBR	2.6	1.9	2.6	2.5
Production Cash Cost (US\$/tonne)	36.14	19.68	31.37	21.64
<b>Cash Profit (US\$/tonne)</b>	<b>34.13</b>	<b>6.21</b>	<b>25.05</b>	<b>6.25</b>
<b>Cash Profit Margin (%)</b>	<b>48.6</b>	<b>24.0</b>	<b>44.4</b>	<b>22.4</b>
<b>Net Operating Profit (Loss) Margin (%)</b>	<b>31.0</b>	<b>(1.9)</b>	<b>27.9</b>	<b>(3.7)</b>
<b>Net Profit Margin <sup>(1)</sup> (%)</b>	<b>31.0</b>	<b>19.6</b>	<b>27.9</b>	<b>31.0</b>

<sup>(1)</sup> The net profit margin in 2H2020 and 2020 included the gain on repurchases of the Notes

### **Financial performance (2H2021 vs. 2H2020)**

Revenue increased by US\$275.4 million to US\$421.6 million due to increase in sales volume and higher ASP. The average ICI4 in 2H2021 was US\$83.25 per tonne, compared to US\$27.96 per tonne in 2H2020. Index prices reached historic highs in 2H2021 with tight domestic supply in China and recovering global demand, with ICI4 hitting a high of US\$154.61 per tonne on 22 October 2021. The high prices were tapered as a result of the Chinese government's interventions to contain coal prices.<sup>3</sup>

In 2H2021, the Group sold 2.7 million tonnes and 3.3 million tonnes of 4,200 GAR coal from the SDJ and TBR coal mines respectively, totalling 6.0 million tonnes of coal sold. **Cash profit from coal mining segment** of US\$204.8 million, averaging US\$34.13 per tonne, as compared to the US\$6.21 per tonne in 2H2020. 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 production cash cost was softened by the exclusion of 10% VAT in the period's costs due to changes in tax regulations following the passing of the Indonesian Omnibus Law in November 2020.

#### **Group**

(All figures in US\$'000 except as indicated)

	<b>Coal mining</b>	<b>Coal trading</b>	<b>Total</b>
<b>6 months ended 31.12.2021 (unaudited)</b>			
Volume (tonnes)	5,998,879	-	5,998,879
Revenue	421,561	-	421,561
Cost of sales	(230,092)	-	(230,092)
Gross profit	191,469	-	191,469
<b>Non-cash items:</b>			
Write-back of allowance for inventory written-down	(260)	-	(260)
Depreciation & amortisation	13,571	-	13,571
<b>Cash profit</b>	<b>204,780</b>	<b>-</b>	<b>204,780</b>
<b>6 months ended 31.12.2020 (unaudited)</b>			
Volume (tonnes)	5,647,243	-	5,647,243
Revenue	146,130	-	146,130
Cost of sales	(117,592)	-	(117,592)
Gross profit	28,538	-	28,538
<b>Non-cash items:</b>			
Write-back of allowance for inventory written-down	(573)	-	(573)
Depreciation & amortisation	7,070	-	7,070
<b>Cash profit</b>	<b>35,035</b>	<b>-</b>	<b>35,035</b>

**Profit from operations** of US\$170.3 million in 2H2021 includes:

- Other income of US\$2.1 million. The decrease of US\$0.2 million from 2H2020 was due to lower interest income;
- General and administrative expenses of US\$10.6 million. This was an increase of US\$2.7 million from 2H2020, due mainly to higher staff costs and bonus given during the period;
- Other expenses of US\$4.6 million. The increase of US\$4.3 million from 2H2020 was mainly due to premium of US\$1.2 million paid upon early redemption of the Senior Notes in October 2021, higher forex losses as well as a provision of US\$2.5 million on a judgment by the Indonesian Supreme Court in favour of a supplier of one of the Group's subsidiaries. Taking reference from the advice of the Group's legal counsel, the Group has filed for a Judicial Review to strike off the judgment and reinforce its claim against the supplier;

<sup>3</sup> McCloskey Coal Report, Issue 522, 29 Oct 2021

- Allowance for expected credit loss ("ECL") on trade and other receivables of US\$6.5 million. The allowance was determined by evaluating a range of possible future outcomes, time value for money, reasonable and supportable information that was available at reporting date, current conditions and forecasts of future economic conditions;
- Finance costs of US\$1.6 million. The decrease of US\$3.5 million from 2H2020 was due to the lower outstanding principal amount and the early redemption of all outstanding Senior Notes on 10 October 2021; and
- Depreciation and amortisation of US\$13.9 million. The increase of US\$6.4 million in 2H2021 was mainly due to the higher sales volume in 2H2021 and additions to right-of-use assets relating to overburden disposal areas for the Group's mines during the period.

**Income tax expense** amounted to US\$39.7 million with effective tax rate of 23%. This is a decrease from the 173% in 2H2020, which was driven by certain non-deductible expenses – mainly the allowance for expected credit loss on trade and other receivables, depreciation of mining properties arising from acquisition of assets in prior years and amortisation of transaction costs of Senior Notes.

Overall, the Group recorded its highest net profit for half year of US\$130.6 million, driven by higher ASP, higher sales volume, lower allowance for expected credit loss and lower finance costs. These were partially offset by the higher general and administrative expenses. This is a complete turnaround from 2H2020's net loss of US\$2.8 million excluding the gains from repurchases of Senior Notes.

### **Financial performance (2021 vs. 2020)**

Revenue increased by US\$335.1 million to US\$641.9 million due to increase in sales volume and higher ASP. The average ICI4 in 2021 was US\$65.85 per tonne, compared to US\$29.29 per tonne in 2020. Index prices reached historic highs, particularly in 2H2021 with tight domestic supply in China and recovering global demand, with ICI4 hitting a high of US\$154.61 per tonne on 22 October 2021. The high prices were tapered as a result of the Chinese government's interventions to contain coal prices.

During the year, the Group sold 4.6 million tonnes and 6.7 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 11.4 million tonnes of coal sold. **Cash profit from coal mining segment** was US\$285.0 million, averaging US\$25.05 per tonne, as compared to the US\$6.25 per tonne in 2020. 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 the exclusion of 10% VAT in the year's costs due to changes in tax regulations following the passing of the Indonesian Omnibus Law in November 2020.

In 2020, 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 were no coal trading activities in 2021.

#### **Group**

(All figures in US\$'000 except as indicated)

	<b>Coal mining</b>	<b>Coal trading</b>	<b>Total</b>
<b>12 months ended 31.12.2021 (unaudited)</b>			
Volume (tonnes)	11,377,268	-	11,377,268
Revenue	641,889	-	641,889
Cost of sales	(380,656)	-	(380,656)
Gross profit	261,233	-	261,233
<b>Non-cash items:</b>			
Write-back of allowance for inventory written-down	(937)	-	(937)
Depreciation & amortisation	24,739	-	24,739
<b>Cash profit</b>	<b>285,035</b>	<b>-</b>	<b>285,035</b>
<b>12 months ended 31.12.2020 (audited)</b>			
Volume (tonnes)	10,669,249	250,590	10,919,820
Revenue	297,574	9,183	306,757
Cost of sales	(251,896)	(8,632)	(260,528)
Gross profit	45,678	551	46,229
<b>Non-cash items:</b>			
Write-back of allowance for inventory written-down	(516)	-	(516)

Depreciation & amortisation	21,535	-	21,535
<b>Cash profit</b>	<b>66,697</b>	<b>551</b>	<b>67,248</b>

**Profit from operations** of US\$234.1 million in 2021 includes:

- Other income of US\$4.2 million (comprising mainly interest income) was comparable to 2020;
- General and administrative expenses of US\$15.3 million. The increase of US\$1.1 million from 2020 was mainly due to higher staff costs and bonus given during the year, offset by lower professional fees incurred this year;
- Other expenses of US\$5.4 million. The decrease of US\$0.7 million from 2020 was mainly due to the fair value loss on trade and other receivables recorded in 2020 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. These were partially offset by the premium of US\$1.2 million incurred upon early redemption of the Senior Notes in October 2021, higher forex losses as well as the amount of US\$2.5 million on a judgment by the Indonesian Supreme Court in favour of a supplier of one of the Group's subsidiaries. Taking reference from the advice of the Group's legal counsel, the Group has filed for a Judicial Review to strike off the judgment and reinforce its claim against the supplier;
- Allowance for ECL on trade and other receivables of US\$6.5 million. The allowance was determined by evaluating a range of possible future outcomes, time value for money, reasonable and supportable information that was available at reporting date, current conditions and forecasts of future economic conditions;
- Finance costs of US\$4.2 million. The decrease of US\$13.9 million from 2020 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. The outstanding Senior Notes have since been fully redeemed in October 2021; and
- Depreciation and amortisation of US\$25.4 million. The increase of US\$3.1 million in 2021 was mainly due to the higher sales volume in 2021 and additions to right-of-use assets relating to overburden disposal areas for the Group's mines during the year.

**Income tax expense** amounted to US\$55.0 million with effective tax rate of 24%. This is a turnaround from (548%) in 2020, which was driven by certain non-deductible expenses — mainly the allowance for expected credit loss on trade and other receivables, depreciation of mining properties arising from acquisition of assets in prior years and amortisation of transaction costs of Senior Notes.

Overall, the Group recorded a net profit of US\$179.1 million for the year, driven by higher ASP, higher sales volume, lower allowance for expected credit loss and lower finance costs. These were partially offset by the higher general and administrative expenses. This is a complete turnaround from 2020's net loss of US\$11.5 million excluding the gains from repurchases of Senior Notes.

## 3.2 Financial Position

### Group

#### **Current Assets**

Current assets increased by US\$143.1 million to US\$289.7 million as at 31 December 2021.

Cash and bank balances increased by US\$137.9 million to US\$190.6 million as at 31 December 2021, generated mainly from operations driven by the higher selling prices following the recovery in coal index prices, offset mainly by repayments of lease obligations, redemption of Senior Notes and dividends paid.

Trade and other receivables of US\$62.8 million as at 31 December 2021 comprised trade receivables of US\$18.6 million and non-trade receivables of US\$44.2 million. The increase of US\$9.7 million from US\$53.0 million as of 31 December 2020 was mainly due to the increase in VAT receivables by US\$24.1 million. With the passing of the Omnibus Law in November 2020, 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 trade and other receivables after a further allowance for ECL of US\$6.5 million was recorded during the year, and prepaid income tax following receipt of refund from the Indonesian Tax Office ("ITO").

Deposits and prepayments decreased by US\$7.9 million to US\$12.2 million as at 31 December 2021 mainly due to a reclassification of US\$5.0 million in advances to non-current asset, and the utilisations of amounts prepaid for integrated mine support and infrastructure services.

Inventory increased by US\$3.4 million to US\$24.1 million as at 31 December 2021 mainly due to the recovery of coal prices which translates to higher value recorded for the coal produced in 2021.

### **Non-current Assets**

Non-current assets increased by US\$10.8 million to US\$236.4 million as at 31 December 2021, mainly due to increases in (i) ROU by \$17.0 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; (ii) amount receivable by US\$7.8 million mainly relating to tax recoverable pending resolution of tax matters with the authorities; (iii) deferred tax assets by US\$2.3 million and (iv) abovementioned reclassification of US\$5.0 million in advances from current asset, net of refund of advances previously paid for the exploration of the STT mine following the cancellation of the service agreement and utilisations of amounts prepaid for integrated mine support and infrastructure services. These were offset by the decreases in PPE by US\$10.1 million and deferred stripping costs by US\$6.1 million mainly due to depreciation and amortisation.

### **Current Liabilities**

Current liabilities increased by US\$77.8 million to US\$157.5 million as at 31 December 2021 due to the increases in (i) trade and other payables by US\$37.0 million, (ii) bank borrowing by US\$0.4 million relating to commercial property loan used in acquiring an office premise; and (iii) income tax payable by US\$40.9 million. These were partially offset by the decrease in lease liabilities by US\$0.4 million following early termination of the Company's lease of office premise.

### **Non-current Liabilities**

Non-current liabilities decreased by US\$54.3 million to US\$19.5 million as at 31 December 2021, mainly due to the early redemption of Senior Notes in October 2021 and amortisation of deferred gain, partially offset by increase in deferred tax liability by US\$2.2 million.

### **Contingent Liabilities**

(A) 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"). In 4Q2021, the Central Jakarta District Court dismissed the case in favour of the Defendants. The Claimants have subsequently filed an appeal against the Central Jakarta District Court's decision but yet to make the submission for the memorandum of appeal.

Taking reference from legal advice, the Group holds the view that the legal claim and appeal has neither merit nor strong legal basis. 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 increased by US\$25.6 million to US\$71.4 million as at 31 December 2021, due to increase in intercompany receivables, partially offset by decrease in cash and bank balance mainly from dividends paid and share buybacks, offset by proceeds from share issuance.

Current assets of US\$71.4 million as at 31 December 2021 comprised mainly cash and bank balances of US\$11.2 million, intercompany receivables of US\$60.0 million and deposits and prepayments of US\$0.2 million.

### **Non-current Assets**

Non-current assets mainly comprised investment in subsidiaries of US\$178.7 million, PPE of US\$5.3 million and deferred tax assets of US\$0.2 million. The increase of US\$4.5 million was mainly due to the purchase of a new office premise, offset by the early lease termination of previous office premise.

### **Current Liabilities**

Current liabilities decreased by US\$24.1 million to US\$29.5 million as at 31 December 2021. This was mainly due to decreases in intercompany payables and accruals. In addition, the financial guarantee liability has also been fully amortised to the Company's profit or loss, following the full redemption of the Senior Notes by the Group in October 2021.

### **Non-current Liabilities**

Non-current liabilities as at 31 December 2021 comprised intercompany loans and bank borrowing. The increase of US\$55.6 million to US\$56.5 million was due to the intercompany loans given by certain subsidiaries during the year of US\$53.1 million and bank borrowing obtained to purchase the Company's new office premise. These were partially offset by the amortisation of financial guarantee liability to the profit or loss as deemed guarantee income and decreases in provision and lease liabilities following the early lease termination of previous office premise.

## **3.3 Cash Flow**

### **Group**

#### **Cash Flow (2H2021 vs. 2H2020)**

**Net cash from operating activities** was US\$217.1 million. Operating cash flows before movements in working capital was an inflow of US\$190.0 million. The Group made income tax payments of US\$10.8 million during the period.

#### **Working Capital**

Working capital movement was positive US\$37.9 million in 2H2021, due mainly to better working capital management in paying our vendors.

**Net cash from investing activities** of US\$0.4 million was mainly from the refund of advances of US\$1.7 million previously paid for the exploration of the STT mine following the cancellation of the service agreement, and interest received of US\$0.2 million. These were offset by the purchase of PPE of US\$1.5 million.

**Net cash used in financing activities** of US\$111.1 million was mainly due to dividends paid of US\$36.2 million, early redemption of Senior Notes of US\$60.4 million, interest paid for Senior Notes of US\$2.4 million, repayment of lease liabilities obligations of US\$12.6 million and share buybacks of US\$2.2 million. These were partially offset by the proceeds from share issuance of US\$2.9 million.

#### **Cash Flow (2021 vs. 2020)**

**Net cash from operating activities** was US\$272.8 million. Operating cash flows before movements in working capital was an inflow of US\$266.4 million. The Group made income tax payments of US\$14.2 million during the year and received tax refund of US\$4.2 million.

#### **Working Capital**

Working capital movement was positive US\$16.3 million in 2021, due mainly to better working capital management in paying our vendors. This was partially offset by the increase in trade and other receivables arising from higher

VAT receivable by our mine coal mines in accordance with the Omnibus law and the tax recoverable pending resolution of tax matters with the Indonesian tax authorities.

**Net cash used in investing activities** of US\$0.2 million was mainly from purchase of PPE of US\$2.3 million, which was offset by the refund of advances previously paid for the exploration of the STT mine following the cancellation of the service agreement, and interest received of US\$0.4 million.

**Net cash used in financing activities** of US\$134.6 million was mainly due to dividends paid of US\$49.9 million, early redemption of Senior Notes of US\$60.4 million, interest paid for Senior Notes of US\$4.8 million, repayment of lease liabilities obligations of US\$20.1 million and share buybacks of US\$2.2 million. These were partially offset by the proceeds from share issuance of US\$2.9 million.

Overall, total cash and cash equivalent as of 31 December 2021 was US\$185.6 million, excluding the pledged deposits of US\$5.0 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's application for an increase in the Rencana Kerja Anggaran Biaya ("RKAB") production quota for 2021 from 10 million tonnes to 11.5 million tonnes had been approved. For 2021, the Group sold 4.6 million tonnes, 6.7 million tonnes and 0.1 million tonnes from the SDJ, TBR and BEK coal mines respectively, totalling 11.4 million tonnes of coal sold for the year.

The Group continues to be in the process of planning for 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**

China and India account for two-thirds of the coal consumption in the world, which will greatly influence the global trend in next few years. In 2021, the coal consumption increased 4% in China, 13% in India, and 17% in the United States. Furthermore, it is also expected that coal demand will reach an all-time high in 2022 and continue until 2024, with emerging and developing economies being the driving force<sup>4</sup>. Additionally, with continued uncertainty around Australian coal ban by China, Indonesian miners continue to enjoy the high import demand from China.

The quick rebound in coal demand in 2021 caused a mismatch between demand and supply as coal production failed to keep pace and grow in tandem. Power outages in India and China led to a massive ramp up in domestic production and increase in imports. Therefore, coal production is set to rise to its highest ever levels in 2022 on the back of strong demand and normalise going forward<sup>4</sup>. Prices for Indonesian thermal prices firm as supply remained tight amid stronger spot demand following the lifting of coal export ban on 28 January 2022<sup>5</sup>.

Global coal consumption is expected to remain strong in 2022 despite some countries, including Japan, Korea and China, which have announced Net Zero Emission targets in 2050 - 2060. According to an International Energy Agency report, coal consumption and production are expected to remain at elevated levels in next few years and not be replaced by renewable energy in the near future<sup>4</sup>.

The Indonesian Ministry of Energy and Mineral Resources ("ESDM") introduced a temporary ban of all coal export sales on 31 December 2021 due to the critical low inventories at domestic power plants in Indonesia<sup>6</sup>. Indonesia's export ban was lifted for miners who fulfilled their DMO in 2021 and are understood to have committed sufficient tonnage to local coal buyers in 2022<sup>7</sup>, including the Group's SDJ, TBR, and BEK coal mines.<sup>8</sup>

Fitch Ratings, in its report of 29 November 2021, stated that investors prefer coal miners with plans to diversify away from thermal coal production with strong ESG considerations<sup>9</sup>. The Group is looking into diversifying into renewables supply chain, downstream logistics and transshipment. As part of climate change initiatives, we are strategically reviewing and optimising our assets portfolio, which may include acquisitions to complement our

<sup>4</sup> Coal 2021: Analysis and forecast to 2024, December 2021 (International Energy Agency)

<sup>5</sup> McCloskey Coal Report, Issue 528, 4 February 2022

<sup>6</sup> Nikkei Asia, 31 January 2022.

<sup>7</sup> Macquarie's China Commodities Weekly Report, 24 January 2022

<sup>8</sup> Geo Energy's SDJ, TBR and BEK in list of 139 coal mining companies with coal export sales ban lifted, 21 January 2022.

<sup>9</sup> Fitch Rating, 29 November 2021.

business and divestments to build a sustainable business for the future. Further announcement will be made when such acquisition or investment materialises.

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

### Revenue and earnings from Business segments

The Group's main business is coal mining. Revenue and earnings from coal mining are affected by the changes in coal prices and sales volume. In addition, the cap on ASP for DMO sales has a bearing on our earnings.

Our cash cost is also affected by the changes in coal prices as we have negotiated with our service providers for a resilient cost structure that is linked to ICI4.

In 2021, over 90% of the increase in our revenue was attributed to the increase in ICI4 from US\$29.29 per tonne in 2020 to US\$65.85 per tonne. The balance was attributed to the increase in sales volume by 0.7 million tonnes in 2021. The 25% DMO had an impact on the ASP as the sales price to domestic power producers are capped at US\$38 per tonne.

Earnings in 2021 was also impacted by an increase in cash cost, of which around 90% of the increase was linked to the increase in ICI4 coal price. The balance was attributed to the increase in sales volume.

### Revenue from Geographical segments

The Group exports around 75% of its production through Offtakes with Macquarie Bank and Trafigura and sells the balance of 25% to Indonesian buyers. Macquarie Bank and Trafigura then sell to buyers in China, South Korea, India and the ASEAN regions.

The price intervention policies introduced by China in October 2021 tapered the rising coal prices, but China remained the biggest market for the Group.

## 7. A breakdown of sales

	Group		Change %
	12 months ended 31 December 2021 US\$ (Unaudited)	12 months ended 31 December 2020 US\$ (Audited)	
Sales reported for first half of year	220,327,893	160,626,772	37
Operating profit after tax before deducting non-controlling interests reported for first half year	48,521,578	66,533,259	(27)
Sales reported for second half of year	421,560,935	146,130,382	188
Operating profit after tax before deducting non-controlling interests reported for second half year	130,554,472	28,615,941	356

## 8. Additional disclosure required for Mineral, Oil and Gas companies

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

Production for SDJ and TBR mines in 2021 was 10.8 million tonnes. In 2021, the Group has received approval from the local authority on the extension of the forestry permits ("PPKH") of SDJ and TBR coal mines to 29 May 2027 and 10 January 2028 respectively.

The Group's plans for further exploration in STT has been postponed to 2022 as it is currently in negotiations to resolve logistical issues.

During the year, our BEK mine has resumed coal production with 0.1 million tonnes produced and sold in 2021.

**(b) Rule 705 (7)(b) – Update on its reserves and resources, where applicable, in accordance with the requirements set out in Practice Note 6.3, including a summary of reserves and resources as set out in Appendix 7.5**

The Group has announced and released on the SGX-NET its latest Independent Qualified Person's Report ("IQPR") by SMG Consultants dated 3 December 2021 on the resources and reserves as at 31 August 2021. An updated copy of the IQPR on the resources and reserves as at 31 December 2021 will be released together with the 2021 Annual Report.

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

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

The directors recommend the payment of a final dividend in respect of the financial year ended 31 December 2021, subject to the approval of shareholders at the forthcoming annual general meeting of the Company.

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

Name of dividend:	Final
Dividend type:	Cash
Dividend rate:	S\$0.05 per ordinary share

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

Name of dividend:	Final
Dividend type:	Cash
Dividend rate:	S\$0.008 per ordinary share

**(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.

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

Not applicable.

**11. 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.

## 12. 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.

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
<b>Huang She Thong</b>	45	Brother of Charles Antony Melati	Retired as Executive Director on 15 June 2020 and became the Country Head/CEO of Indonesia and Head of Marketing. He oversees the Indonesian office and sales targets of the Group, devises plan and implements marketing strategies to increase the Group's customer base and maximise sales.	N.A.
<b>Yanti Ng</b>	39	Sister of Charles Antony Melati	Appointed in 2011 as Regional Operations and Administrative Manager where she was responsible for overseeing our Group's regional operational and administrative matters.  On 1 January 2020, she was re-designated as Treasury Manager. She is responsible for supervising and managing treasury operations of the Group.	N.A.
<b>Ng See Yong</b>	44	Brother of Charles Antony Melati	Appointed in 2012 as Head Corporate and Human Resource. He is responsible for our Group's human resource functions and organisational development	N.A.
<b>Lim Kok Wah, Eric</b>	39	Brother-in-law of Charles Antony Melati	Appointed in 2013 as Marketing Manager. He is involved in the sales and marketing functions of our Group	N.A.
<b>Ruddy</b>	35	Nephew of Dhamma Surya	Appointed in 2016 as Mine Manager. He is responsible for all operations at site	N.A.
<b>Tee Yun Shan</b>	28	Nephew of Charles Antony Melati	Joined the Group in 2018 as part of the Investment team. On 1 January 2021, he was appointed as Assistant Investment Manager and is involved in the Group's corporate finance, M&A and investor relations projects.	N.A.

**On behalf of the Board of Directors**

**Charles Antony Melati**  
Executive Chairman

**24 February 2022**