The Board of Directors and Management of Golden Energy And Resources Limited (the "Company") are committed to continually enhancing shareholders value by maintaining high standards of corporate governance, business integrity and professionalism in all its activities.

This Report sets out the corporate governance processes of the Company and its subsidiaries (the "Group") with specific reference to the principles of the Code of Corporate Governance 2012 (the "Code") and the Listing Manual of Singapore Exchange Securities Trading Limited ("SGX-ST"), and provides explanation for deviations. For easy reference, the principles of the Code are set out in italics in this report.

A. BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The primary function of the Board of Directors of the Company ("Board") is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders. The Board has the responsibility to fulfill its role which includes the following:-

(a) ensuring that the long-term interests of the shareholders are being served and safeguarding the Company's assets;

(b) assessing major risk factors relating to the Company and its performance, and reviewing measures, including internal controls, to address and mitigate such risks;

(c) reviewing and approving Management's strategic and business plans, including developing a depth of knowledge of the business being served, understanding and questioning the assumptions upon which plans are based, and reaching an independent judgement as to the probability that the plans can be realised;

(d) monitoring the performance of Management against plans and goals;

(e) reviewing and approving significant corporate actions and major transactions, such as major changes to the Group's management and control structure; material acquisitions and disposal of assets or investments; major funding proposals; financial reporting and dividends; and any other matters which requires board or shareholders approval pursuant to the SGX-ST Listing Manual, Companies Act, Cap. 50 or other applicable rules and regulations;

(f) assessing the effectiveness of the Board;

(g) ensuring ethical behaviour (including ethical standards) and compliance with laws and regulations, auditing and accounting principles and the Company's own governing documents;

(h) identifying key stakeholder groups and recognising that their perceptions affect the Company's reputation; and

(i) performing such other functions as are prescribed by law, or assigned to the Board in the Company's governing documents.

All Directors are expected to fulfill their duties to objectively take decisions in the interests of the Company.

The Board currently consists of seven members, as shown below together with their membership on the Board committees of the Company ("Board Committee"):-

Name	Board Appointment	Board Committee Appointment
Lay Krisnan Cahya	Non-Executive Director	Member of AC and RC
Fuganto Widjaja	Executive Director	Member of NC
Dwi Prasetyo Suseno	Executive Director	N.A.
Mochtar Suhadi	Executive Director	N.A.
Irwandy Arif	Independent Director	N.A.
Lew Syn Pau	Independent Director	Chairman of NC, RC and member of AC
Lim Yu Neng Paul	Independent Director	Chairman of AC and member of NC and RC

Abbreviation: N.A.: Not Applicable
NC: Nominating Committee
RC: Remuneration Committee
AC: Audit Committee

To assist the Board, the Board has delegated certain functions to the three Board Committees, namely, the AC, the NC and the RC, at the same time recognising that the ultimate responsibility on all matters rest with the Board. Each of the Board Committee has its own written terms of reference. Please refer to this report for further information on the three Board Committees.

To facilitate Directors' attendance at meetings, the dates of the Board, Board Committee meetings and Annual General Meeting ("AGM") are scheduled at the beginning of each financial year, with Directors' meetings each quarter. In addition to the regular scheduled meetings, ad-hoc meetings are held whenever circumstances arise. Besides physical meetings, the Board and the Board Committees may also make important decisions concerning the Group by way of circular resolutions under the Company's Constitution and their respective terms of reference.

Details on the number of Board and Board Committee meetings held in 2015, and the attendance of Directors and Board Committee members respectively at those meetings are disclosed below:

Type of Meeting	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nominating Committee Meetings
Total No. Held	4	4	2	2
Name of Director and Attendance				
Lay Krisnan Cahya	3	3	1	N.A.
Fuganto Widjaja	2	N.A.	N.A.	1
Dwi Prasetyo Suseno	1	N.A.	N.A.	N.A.
Mochtar Suhadi	3	N.A.	N.A.	N.A.
Bambang Heruawan Haliman	2	N.A.	N.A.	N.A.
Lim Yu Neng Paul	4	4	2	2
Lew Syn Pau	3	3	1	1
Irwandy Arif	3	N.A.	N.A.	N.A.
Chan Kin	0	N.A.	N.A.	N.A.
Pauline Lee	1	N.A.	N.A.	N.A.
Peh Pit Tat	1	N.A.	N.A.	N.A.
Ang Mong Seng, BBM	1	1	1	1
Rahul Kumar	1	1	1	1

N.A.: Not Applicable

Notes:

Mr Chan Kin, Ms Pauline Lee, Mr Peh Pit Tat, Mr Ang Mong Seng, BBM and Mr Rahul Kumar resigned on 20 April 2015. Mr Bambang Heruawan Haliman resigned on 30 October 2015.

Mr Lay Krisnan Cahya, Mr Fuganto Widjaja, Mr Bambang Heruawan Haliman, Mr Mochtar Suhadi, Mr Lew Syn Pau and Mr Irwandy Arif were appointed on 20 April 2015. Mr Dwi Prasetyo Suseno was appointed on 26 October 2015.

The first Board and Board Committee meetings to review, amongst others, the financial results for financial year ended 31 December 2014 was held on 16 February 2015.

The Company has also adopted and documented internal guidelines setting forth matters that require the Board's approval. Material transactions which are specifically reserved for the Board's approval are as follows:

- major changes to the Group's Management and control structure;
- material acquisitions and disposal of assets or investments;
- major funding proposals;
- financial reporting and dividends; and
- any other matters which requires the Board or shareholders' approval pursuant to the SGX-ST Listing Manual, Companies Act, Cap. 50 or other applicable rules and regulations.

Procedures are in place whereby newly appointed Directors are provided with a formal appointment letter setting out the terms of appointment, duties and obligations. They are also given the relevant governing documents of the Company and contact particulars of the Senior Management. Those who do not have prior experience as Director of a Singapore listed company are required to undergo externally conducted training on their roles and responsibilities as a Director of a listed company in Singapore.

Newly appointed Non-Executive Directors who are not familiar with the Group's business may, upon recommendation of the Chairman of the NC, be provided with orientation through overseas trips to familiarise them with the Group's operations. Management will brief the new Directors on the Group's business as well as governance practices.

Directors are provided with updates and briefings from time to time by professional advisers, auditor and Management on relevant practices, new laws, rules and regulations, Directors' duties and responsibilities, corporate governance, changes in accounting standards and risk management issues applicable or relevant to the performance of their duties and responsibilities as Directors.

Directors are also informed and encouraged to attend relevant training programmes organised by the Singapore Institute of Directors and/or the relevant regulators and may suggest training topics that are relevant to his duties as a Director. The training programmes are funded by the Company.

Principle 2: Board Composition and Guidance

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The size and composition of the Board are reviewed from time to time by the NC which strives to ensure that the size of the Board is conducive to effective discussions and decision-making and that the Board has an appropriate balance of Independent Directors.

As a Group, the Directors bring with them a broad range of industry knowledge, expertise and experience in areas such as accounting, banking, finance, business and management. The diversity of the Directors' experience allows for the useful exchange of ideas and views as well as provide for effective decision-making. Key information regarding the Directors are set out in pages 8 to 9 of this Annual Report.

The Board comprises seven Directors, three of whom are Independent Directors and one Non-Executive Director. Taking into account the scope and nature of the current operations of the Group, the Board considers that the current board size of seven Directors is appropriate to facilitate decision making.

The NC / Board have considered the following Directors as Independent Directors of the Company:-

Mr Irwandy Arif
Mr Lew Syn Pau
Mr Lim Yu Neng Paul

The ensuing paragraphs set out the criteria for independence and processes to determine a Director's independence.

The Board has adopted guidelines set out in the Code on relationships, the existing of which, would deem a Director not to be independent. A Director who has no relationship with the Company, its related corporations, officers or its shareholders with shareholdings of 10% or more in the voting shares of the Company, that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of the Company, is considered to be independent.

The NC is tasked to determine on an annual basis and, as and when the circumstances require, whether or not a Director is independent, bearing in mind the Code and any other salient factors which would render a Director to be deemed not independent. In addition, consideration is given to Guideline 2.4 of the Code which requires that the independence of any Director who has served on the Board beyond nine years, be subject to particularly rigorously review. There are no Directors who have served on the Board beyond nine years.

Each Independent Director duly abstained from the NC / Board's determination of his independence.

Non-Executive Directors are encouraged, in line with the corporate governance practice, to constructively challenge and help develop proposals on strategy; to review the performance of Management in meeting agreed goals and objectives; and to monitor the reporting of performance-

To facilitate a more effective check on the Management, the Non-Executive Directors shall meet at least annually without the presence of the Management.

Principle 3: Chairman and Chief Executive Officer

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

There is a clear separation of the roles and responsibilities of the Chairman and the Group Chief Executive Officer ("CEO"). This is to ensure appropriate balance of power and authority, accountability and decision-making.

Mr Lay Krisnan Cahya, who is the Non-Executive Chairman, and Mr Fuganto Widjaja, the CEO of the Company are not related to each other. Mr Fuganto Widjaja is related to the ultimate substantial shareholders of the Company. Mr Fuganto Widjaja is responsible for the day-to-day management of the affairs of the Company. He ensures that the Board is kept updated and informed of the Group's business operations.

The Chairman is responsible for:

a) leading the Board to ensure its effectiveness on all aspects of its role;

b) setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;

c) reviewing key proposals and board papers before they are presented to the Board and ensures that board members are provided with accurate and timely information;

d) promoting a culture of openness and encourage Board members to engage Management in constructive debate on various matters including strategic issues and business planning processes;

e) encouraging constructive relations within the Board and between the Board and Management;

f) facilitating the effective contribution of non-executive and independent Directors in particular; and

g) ensuring effective communication with shareholders.

As at 31 December 2015, the Board comprises four Non-Executive Directors, of whom three are independent. The Company has begun reviewing its Board composition so as to work towards complying with Principle 2.2 of the Code for the financial year commencing 1 January 2017. In the interim, the three Independent Directors help to uphold good corporate governance at the Board level and their presence facilitates the exercise of independent and objective judgement on corporate affairs. Their participation and input also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, always taking into account the long-term interest of the Company and its shareholders.

The Board is aware that under the Code if the Chairman of the Board is not an Independent Director, at least half of the Board should be independent. The Company is required to comply with the Code no later than by the AGM following the end of its financial year commencing on or after 1 May 2016. Therefore, the Board will endeavour to take the necessary actions to comply with the said requirement of the Code before the AGM to be held in April 2018.

Principle 4: Board Membership

There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC comprises the following three Directors, two of whom, including the NC Chairman are Independent Directors. The NC members are:

Mr Lew Syn Pau	(NC Chairman)
Mr Lim Yu Neng Paul	(Member)
Mr Fuganto Widjaja	(Member)

The NC's duties as set out in the terms of reference include the following:

1. review and assess all candidates for directorships before making recommendation to the Board for appointment of Directors;

2. review and recommend to the Board the re-election of Directors retiring in accordance with the Company's Constitution at each AGM;

3. review the composition of the Board annually to ensure that the Board has appropriate balance of Independent Directors and to ensure an appropriate balance of expertise, skills, attributes and ability among the Directors;

4. review the independence of Directors annually;

5. review Board succession plans for Directors, in particular, Chairman and CEO;

6. evaluate the performance and effectiveness of the Board as a whole; and

7. review the training and professional development programmes for the Board to keep the Board apprised of relevant new laws, regulations and changing of commercial risk.

The NC reviews and assesses candidates for directorship before making recommendations to the Board. In recommending new Directors to the Board, the NC takes into consideration the skills and experience and the current composition of the Board, and strives to ensure that the Board has an appropriate balance of Independent Directors as well as Directors with the right profile of expertise, skills, attributes and ability. In evaluating a Director's contribution and performance for the purposes of re-nomination, the NC takes into consideration a variety of factors such as attendance, preparedness, participation and candour. The NC makes recommendation for new Directors, retirement and re-election of Directors.

CORPORATE GOVERNANCE
REPORT

The Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. The Company's Constitution provides that one-third of the Board, or the number nearest to one-third is to retire by rotation at every AGM. In addition, the Company's Constitution also provides that newly appointed Directors are required to submit themselves for re-nomination and re-election at the next AGM of the Company.

In its deliberation on the re-election / re-appointment of retiring Directors, the NC takes into consideration the Directors' contribution and performance during the past year. Mr Lim Yu Neng Paul and Mr Mochtar Suhadi retire from office by rotation at the forthcoming AGM under Article 117 of the Constitution, and Mr Dwi Prasetyo Suseno under Article 107 of the Constitution, and, being eligible, have offered themselves for re-election. The NC has recommended their re-election at the forthcoming AGM.

The Board is of the view that setting a maximum number of listed company board representations would not be meaningful as the contributions of the Directors would depend on many factors such as whether they were in full time employment and their other responsibilities. The NC will assess each Director relative to his abilities and known commitments and responsibilities.

There are no alternate directors appointed to the Board.

The dates of initial appointment and last re-election of each Director are set out as follows:

Name of Director	Appointment	Date of initial appointment	Date of last re-election
Lay Krisnan Cahya	Non-Executive Chairman	20 April 2015	N.A.
Fuganto Widjaja	Executive Director	20 April 2015	N.A.
Dwi Prasetyo Suseno	Executive Director and Deputy Chief Executive Officer	26 October 2015	N.A.
Mochtar Suhadi	Executive Director	20 April 2015	N.A.
Irwandy Arif	Independent Director	20 April 2015	N.A.
Lew Syn Pau	Independent Director	20 April 2015	N.A.
Lim Yu Neng Paul	Independent Director	26 February 2009	10 May 2013

Further Information on Board of Directors as set out below:

Mr Lim Yu Neng Paul	Mr Lew Syn Pau	Mr Irwandy Arif
Board Committee(s) served on: - Audit Committee (Chairman) - Nominating Committee - Remuneration Committee	Board Committee(s) served on: - Nominating Committee (Chairman) - Remuneration Committee (Chairman) - Audit Committee	Board Committee(s) served on: - Nil
Current Listed Company Directorships / Principal Commitments - China Everbright Water Limited - Nippecraft Limited	**Current Directorships / Principal Commitments** - Poh Tiong Choon Logistics Limited - SUTL Enterprise Ltd - Food Empire Holdings Ltd - Golden-Agri Resources Ltd - Broadway Industrial Group Ltd	**Current Listed Company Directorships / Principal Commitments** - PT Golden Energy Mines Tbk - PT Adaro Energy Tbk - PT Vale Indonesia Tbk - PT Tobabara Sejahtera Tbk - PT Indexim Coalindo - Institute Teknologi Bandung
Listed Company Directorships / Principal Commitments over the past 3 years (1/1/13 to 31/12/15) - Intrepid Mines Limited	**Listed Company Directorships / Principal Commitments over the past 3 years (1/1/13 to 31/12/15)** - Lafe Corporation Limited	**Directorships / Principal Commitments over the past 3 years (1/1/13 to 31/12/15)** - Nil

Further Information on Board of Directors as set out below: (cont'd)

Mr Lay Krisnan Cahya	Mr Fuganto Widjaja
Board Committee(s) served on: - Audit Committee - Remuneration Committee	Board Committee(s) served on: - Nominating Committee
Current Directorships / Principal Commitments - PT Dian Swastatika Sentosa Tbk - PT Golden Energy Mines Tbk - PT DSSE Energi Mas Utama - PT DSSP Power Mas Utama - PT DSSP Power Sumsel - PT DSSP Power Kendari - PT Innovate Mas Indonesia - PT Eka Mas Republik - PT Rolimex Kimia Nusamas - PT SKS Listrik Kalimantan	**Current Directorships / Principal Commitments** - PT Golden Energy Mines Tbk - PT Berau Coal Energy Tbk - PT Sinar Mas Multiartha Tbk - PT Super Wahana Tehno - PT DSSP Power Sumsel - PT Roundhill Capital Indonesia - PT Bumi Anugerah Semesta - PT Borneo Indobara
Directorships / Principal Commitments over the past 3 years (1/1/13 to 31/12/15) - Nil	**Directorships / Principal Commitments over the past 3 years (1/1/13 to 31/12/15)** - Nil
Mr Dwi Prasetyo Suseno	**Mr Mochtar Suhadi**
Current Listed Companies Directorships / Principal Commitments - PT Golden Energy Mines Tbk - Vallar Investment UK Limited	**Current Listed Company Directorships / Principal Commitments** - PT Golden Energy Mines Tbk - PT Trisula Kencana Sakti - PT Roundhill Capital Indonesia - PT JGC Coal Fuel - PT Mutiara Tanjung Lestari - PT Pelayaran Sanditia Perkasa Maritim
Directorships / Principal Commitments over the past 3 years (1/1/13 to 31/12/15) - Straits Corporation Pte Ltd - PT Indo Straits Tbk - PT Geobara Indonesia	**Directorships / Principal Commitments over the past 3 years (1/1/13 to 31/12/15)** - Nil

Principle 5: Board Performance

There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The NC has established a formal assessment process to assess the effectiveness of the Board as a whole where a performance evaluation questionnaire will be circulated and completed by each Director. The performance criteria for Board evaluation are based on financial and non-financial indicators such as an evaluation of the size and composition of the Board, the Board's access to information, Board processes, strategy and planning, risk management, accountability, Board's performance in relation to discharging its principal functions, communication with Senior Management and standards of conduct of the Directors.

The objective of such evaluation is to ensure that the Board continues to act effectively in fulfilling the duties and responsibilities expected of them. The NC has reviewed and is satisfied that the Board has met its performance objectives.

The Company is in the process of establishing a set of criteria to evaluate the contribution of the Chairman of the Company and each individual director to the effectiveness of the Board.

The Board has strived to ensure that Directors appointed to the Board possess the experience, knowledge and skills critical to the Group's business to enable the Board to make sound and well-considered decisions.

Principle 6: Access to Information

In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Board members are provided with adequate and timely information prior to Board meetings. In addition, Management provides the Board with proper information which includes Board papers, disclosure documents, budgets and related materials, background or explanatory information relating to matters to be brought up before the Board.

Management provides the Board with financial statements and management reports of the Group on a quarterly basis, and upon request as and when required. Explanations are given by Management for material variances.

The Board has separate and independent access to the Senior Management and the Company Secretary. The Company Secretary attends and prepares minutes of Board meetings and assists the Management and Chairman in ensuring that Board procedures are observed and all applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is subject to approval of the Board as a whole. During the year, Ms Lim Ka Bee resigned as Joint Company Secretary and Ms Pauline Lee remains as Secretary of the Company.

The Board takes independent professional advice as and when necessary to enable it to discharge its responsibilities effectively. Subject to the approval of the Chairman, the Directors, whether as a Group or individually, may seek and obtain independent professional advice to assist them in their duties at the expense of the Company.

B. REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC comprises the following three Directors, two of whom, including the RC Chairman, are independent:-

Mr Lew Syn Pau	(RC Chairman)
Mr Lay Krisnan Cahya	(Member)
Mr Lim Yu Neng Paul	(Member)

The Board views that the current RC composition is adequate as a majority of its members, including the RC Chairman, are independent.

The RC's roles and responsibilities are described in the terms of reference.

The duties of the RC including reviewing and recommending to the Board, the following:-

1. general framework of remuneration for the Board and key management personnel;

2. the specific remuneration package for each Executive Director and key management personnel, taking into account factors including remuneration packages of Executive Directors and/or key management personnel in comparable industries as well as the performance of the Company and that of the Executive Directors and/or key management personnel;

3. the fees of Independent Directors;

4. the remuneration policies and framework of the Group to support its objectives and strategies; and

5. The Company's obligations arising in the event of termination of Executive Directors and key management personnel's contracts of service, to ensure such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The RC may, during its annual review of remuneration of Directors and key management personnel, seek advice from external professional consultants as and when it deems necessary.

None of the members of the RC is involved in deliberations in respect of any remuneration, compensation, incentive or any form of benefits to be granted to him.

Principle 8: Level and Mix of Remuneration

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate.

The remuneration structure for Executive Directors and key management personnel consists of (a) fixed remuneration, (b) variable bonus and/or (c) other benefits.

The use and application of clawback provisions in remuneration contracts of Executive Directors and key management personnel is subject to further consideration by the Company.

Non-Executive Director does not receive director's fees or any form of compensation from the Company.

Independent Directors receive Directors' fees, which are subject to shareholders' approval at AGMs.

Principle 9: Disclosure on Remuneration

Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The Directors' remuneration for the year ended 31 December 2015 ("FY2015") in bands of S$250,000 is set out in the table below:

Name of Directors	Fixed Salary	Bonus / Benefits	Directors' Fees	Total
S$250,000 to below S$500,000				
Fuganto Widjaja (1)	88%	12%	–	100%
Below S$250,000				
Mochtar Suhadi (1)	81%	19%	–	100%
Bambang Heruawan Haliman (1)(4)	81%	19%	–	100%
Dwi Prasetyo Suseno (2)	80%	20%	–	100%
Lim Yu Neng Paul	–	–	100%	100%
Lew Syn Pau (1)	–	–	100%	100%
Irwandy Arif (1)	–	–	100%	100%
Rahul Kumar (3)	–	–	100%	100%
Ang Mong Seng (3)	–	–	100%	100%
Pauline Lee (3)	99%	1%	–	100%
Nil				
Lay Krisnan Cahya (1)	–	–	–	–
Chan Kin (3)	–	–	–	–
Peh Pit Tat (3)	–	–	–	–

Note:

(1) Appointed on 20 April 2015

(2) Appointed on 26 October 2015

(3) Resigned on 20 April 2015

(4) Resigned on 30 October 2015

Variable bonus is based on performance in the financial year.

The Company believes that the current format of disclosure is sufficient indication, for the time being, of each Director's remuneration package, given that remuneration continues to be a sensitive subject.

During FY2015, there were no termination, retirement and post-employment benefits granted to Directors, the CEO and key management personnel other than the payment in lieu of notice in the event of termination in their respective employment contracts.

The top 9 key management personnel who are not Directors of the Company ("KMP") for FY2015 and their remuneration falling in bands of S$250,000, are as follows:-

Bonifasius
Pongsak Dejmark
Hartana
Kumar Krishnan
Pauline Lee
Retno Nartani
William Riyadi
Sudin Sudiman
Djoini Wesida

KMP's Remuneration Band	Number of KMP
S$250,000 to S$500,000	2
Below S$250,000	7

The total remuneration paid to the top 9 KMP for FY2015 amounted to US$1,390,754.

The Company believes that it is not in the Group's interest to disclose the remuneration of the KMP to the full extent recommended, due to continuing confidentiality and sensitivity of executives' remuneration and, moreover, such disclosure may hamper its ability to retain the Group's talent pool in a competitive environment.

There are no employees within the Group who are immediate family members of a Director and/or CEO whose remuneration exceeds S$50,000 during the financial year.

Currently, the Company does not have any employee share option scheme in place.

C. ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board reviews and approves the results announcement before its release. In presenting the annual and quarterly financial statements to shareholders, the Board aims to provide shareholders with a balanced and understandable assessment of the Group's performance, position and prospects.

The Board has taken adequate steps to ensure compliance with legislative and regulatory requirements, including establishing written policies where applicable.

The Management provides the Board with management accounts and such explanation and information on a regular basis as the Board may require from time to time to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

In preparing the financial statements, the Directors have:

(i) selected suitable accounting policies and applied them consistently;

(ii) made judgments and estimates that are reasonable and prudent;

(iii) ensured that all applicable accounting standards have been followed; and

(iv) prepared financial statements on the basis that the Directors have reasonable expectations, having made enquires, that the Group and Company have adequate resources to continue operations for the foreseeable future.

For the financial year under review, the CEO and Chief Financial Officer ("CFO") have provided assurance to the Board on the integrity of the financial statements of the Company and its subsidiaries. For interim financial statements, the Board provided a negative assurance confirmation to the shareholders.

Principle 11: Risk Management and Internal Controls

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board and the AC is responsible for the governance of risk by ensuring that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving strategic objectives.

Management is responsible for designing, implementing and monitoring the risk management and internal control systems of the Group. The Board with the assistance of the AC, annually, review the adequacy and effectiveness of the Group's risk management and internal control systems addressing financial, operational, compliance and information technology controls. The review and assessment considered the Group's business and operational environment in order to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, various Board Committees and the Board, the Board (with concurrence of the AC) are of the opinion that the Group's internal control systems addressing financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective as at 31 December 2015.

The system of internal controls and risk management established by the Company provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

The Board has received assurance from the CEO and CFO:

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) the Company's risk management and internal control systems are adequate and effective.

The CEO and CFO have in turn obtained relevant assurance from the Management of the business operations of the Group.

Principle 12: Audit Committee

The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

The AC comprises the following three Directors, two of whom including the AC Chairman, are independent and one Non-Executive Director:-

Mr Lim Yu Neng Paul	(AC Chairman)
Mr Lay Krisnan Cahya	(Member)
Mr Lew Syn Pau	(Member)

The Board considers that the members of the AC are appropriately qualified to discharge the responsibilities of the AC, having relevant accounting and related financial management expertise and experience.

The AC have explicit authority to investigate any matter within its terms of reference. In addition, the AC has full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings. Reasonable resources are made available to enable the AC to discharge its function properly.

In addition to the statutory functions, the AC considers and reviews any other matters as may be agreed to by the AC and the Board. In particular, the duties of the AC as set out in its terms of reference include:-

a. reviewing significant financial reporting issues and judgement to ensure the integrity of the financial statements and any formal announcements relating to financial performance;

b. reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls;

c. reviewing the adequacy and effectiveness of the Company's internal audit function;

d. recommending to the Board the appointment / reappointment of the external auditor including their remuneration and terms of engagement;

e. reviewing the scope and results of the external audit including the examination of the financial statements and evaluation of the system of financial controls of the Company; and the independence and objectivity of the external auditors;

f. reviewing with the internal auditor their audit plans, the adequacy of the internal audit procedures and their evaluation of the effectiveness of the overall internal control systems including financial, operational and compliance control as well as risk management of the Group;

g. reviewing the quarterly and full year results announcement and annual financial statements and the auditor's report on the annual financial statements of the Company before submission to the Board for approval;

h. reviewing any significant audit findings and recommendations of the internal and external auditors together with Management's responses thereto so as to ensure the integrity of the financial statements and any formal announcements relating to financial performance;

i. reviewing interested party transactions as defined in the Listing Manual of the SGX-ST;

j. reviewing the Company's accounting policies and reporting requirements in consultation with the external auditor and assess the adequacy of management reporting;

k. undertaking such other reviews and projects as may be requested by the Board, and to report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

l. generally undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

The AC meets with the external auditors and/or the internal auditors, at least annually without the presence of the Management.

The AC has conducted an annual review of all non-audit services provided by the external auditors to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

The AC is satisfied with the independence and objectivity of the external auditor and recommends to the Board the nomination of the external auditor for re–appointment. The AC has conducted an annual review of all non–audit services provided by the independent auditor and is satisfied that the nature and extent of such services do not affect the independence of the independent auditor.

After taking into consideration the adequacy of the resources and experience of Ernst & Young LLP (including the audit partner in charge of auditing the Company), the other audit engagements of Ernst & Young LLP, the number and experience of supervisory and professional staff assigned to review the Group as well as the Group's size and structure, the AC and the Board are of the view that Ernst & Young LLP has been able to assist the Company in meeting its audit obligations and the Company is in compliance with Rule 712 of the Listing Manual.

Except for Able Advance Limited ("AAL"), the Company engages members of Ernst & Young Global for its significant subsidiaries and/or associated companies and the names of these audit firms are disclosed under Note 14 of the Financial Statement. The Board and AC have reviewed the appointments of these audit firms and are of the view that the appointments of these other audit firms for significant subsidiaries and associated companies do not compromise the standard and effectiveness of the audit of the Company.

AAL is a dormant company incorporated in British Virgin Islands and is not required to be audited in its place of incorporation. Except for the allowance of impairment of US$24.53 million and US$3.63 million in FY2011 and FY2013 respectively, on a year to year basis, AAL incurred statutory expenses of approximately US$5,000 per annum and foreign exchange differences arising from revaluation of intercompany balances. The Board and AC having reviewed the non-appointment of audit firm for AAL including the background information relating to this company are of the view that the non-appointment of any audit firm for this significant subsidiary does not compromise the standard and effectiveness of the audit of the Company.

In accordance with Rule 1207 (6) of the Listing Manual, the fees paid to Ernst & Young LLP for their audit and non–audit services are S$197,000 and S$18,000 respectively. Ernst & Young LLP is an audit firm registered with the Singapore Accounting & Corporate Regulatory Authority and its appointment as the Company's external auditors have been approved by the Company's shareholders.

Accordingly, the Company is in compliance with Rule 715 (when read with Rule 716) and Rule 717 of the Listing Manual.

The Company has in place a whistle-blowing framework where staff of the Company and another person can raise concerns about improprieties in matters of financial reporting or other matters to the AC. The objective for such arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. Details of the policy have been made available to all employees and public via the Company's website, who may raise concerns, if any directly to the Chairman of the AC.

The AC has reviewed with Management, and where relevant, the auditors, the quarterly and full year results announcements, annual report and financial statements as well as the auditor's report thereon, interested person transactions and corporate governance, before submission to the Board for approval and adoption.

In performing its functions, the AC meets with the internal and external auditors, and reviews the audit plans and overall scope of both internal and external audits, and the co-operation and assistance given by the Management.

None of the members nor the Chairman of the AC is a former partner or director of the Group's auditing firm.

Principle 13: Internal Audit

The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

PT Golden Energy Mines Tbk ("GEMS"), the acquired 66.9998% subsidiary of April 2015, has an in-house internal audit department. The role of the internal auditors is to assist the AC of GEMS and AC of the Company to ensure that the acquired subsidiaries maintain a sound system of internal controls.

The Head of Internal Audit Work Unit ("HIAWU") reports to AC of GEMS and AC of the Company. On administrative matters, the HIAWU reports to the President Director of GEMS. The Internal Audit Work Unit ("IAWU") is staffed with persons with the relevant qualifications and experience. The IAWU carry its function according to the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

Every quarter, the AC and Management review and discuss internal audit findings, recommendations and status of remediation, at AC meetings. The IAWU, in the course of its audit, review the adequacy and effectiveness of GEMS Group's material internal controls, including financial, operational, compliance and information technology controls system, and risk management. Material non-compliance, internal control weaknesses and key business risks noted during its audit and alignment plans to address these risks and weaknesses are communicated to the Management accordingly and tabled for discussion at AC meetings with updates by management on the status of these action plans. The AC has reviewed and is satisfied that the existing controls in GEMS Group are adequate and effective.

The Company is currently reviewing the possibility of tapping into GEMS internal audit resources for the entire Group.

The IAWU have unfettered access to the Group's documents, records, properties and personnel, including access to the AC.

Principle 14: Shareholder Rights

Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Principle 15: Communication with Shareholders

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Principle 16: Conduct of Shareholder Meetings

Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

The Company recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that the Company's shareholders are treated equitably and their rights protected.

The Company is committed to providing shareholders with adequate, timely and sufficient information pertaining to the Group's business which could have a material impact on the Company's share price.

All shareholders of the Company receive the annual reports, qualified person reports, the appendix to renewal of interested person mandate and the notice of general meetings. The notice is also advertised in the newspapers. Shareholders were also informed of the rules, including voting procedures, governing the meeting.

The Company does not have a formal investor relations policy. Pertinent information is regularly conveyed to the shareholders through SGXNET. All material and price sensitive information as well as information on the Company's new initiatives are publicly released via SGXNET on a timely basis. In addition, the Company also responds to enquiries from shareholders, investors, analysts, fund managers and the press.

The Company has not adopted any dividend policy as it was not practical for the Company to implement one in the light of the current financial status.

To facilitate participation by the shareholders, the Company's Constitution allow a shareholder to appoint not more than two proxies to attend and vote at general meetings. On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "relevant intermediary" to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant intermediary includes corporations holding licenses in providing nominee and custodial services.

Shareholders are given the opportunity to vote at the general meetings. However, as the authentication of shareholders identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, email or fax.

Each item of special business included in the notice of the general meetings is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting.

The general meetings of the Company are the forum for dialogue with shareholders. The Company strongly encourages and supports shareholders participation at general meetings and shareholders are given the opportunity to air their views, concerns and ask questions regarding the Company and the Group. Chairperson of the AC, NC and RC, or members of the respective Board Committees standing in for them, as well as external auditors are present and available to address questions raised at general meetings of the Company.

The Company Secretary prepares minutes of general meetings and these minutes are available to shareholders upon their request.

The Company's Constitution provide for voting at all general meetings to be conducted by way of poll. Detailed results showing the total number of votes cast for and against each resolution are also announced after the meeting via SGXNET.

INTERESTED PERSON TRANSACTIONS

The Company monitors all its interested person transactions closely and all interested person transactions are subject to review by the AC.

The aggregate value of interested person transactions entered into during the year which fall under Chapter 9 of the Listing Manual of the SGX-ST are as follows:

Name of Interested Person	**Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (US$'000)**	**Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) (US$'000)**
Sales:		
PT Indah Kiat Pulp & Paper Tbk	*19,332	62,972
PT Lontar Papyrus Pulp and Paper Industry	*6,803	18,886
GMR Coal Resources Pte Ltd	*3,750	3,550
PT Pabrik Kertas Tjiwi Kimia Tbk	*2,029	5,739
PT Pindo Deli Pulp and Paper Mills	*1,357	3,164
PT Sinar Mas Agro Resources & Technology Tbk	*1,005	2,760
PT Ekamas Fortuna	*498	1,543
PT Ivo Mas Tunggal	401	–
Hainan Jinhai Trading (Hong Kong) Co,. Ltd	20,232	–

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (US$'000)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) (US$'000)
Interest income:		
PT Bank Sinarmas Tbk	*49	87
Purchases:		
PT Rolimex Kimia Nusamas	–	30
PT Berau Coal **	17,856	
Rental expenses:		
PT Citra Alam Indah	*126	15
PT Royal Oriental	*174	599
Freight:		
PT Wirakarya Sakti	*244	788
Professional fees:		
PT Arthamas Solusindo	*53	118
GMR Coal Resources Pte Ltd	*2,475	715
Insurance expenses:		
PT Kalibesar Raya Utama	*30	49
PT Asuransi Sinar Mas	*360	822
Interest expenses:		
PT Dian Swastatika Sentosa Tbk	–	35
Asia Star Fund Ltd	@3,897	–
Loan granted by, facility fee payable to and interest expense paid or payable to a Fund in which **Mr. Chan Kin**, the non-executive chairman and director of the Company, Mr V-Nee Yeh, Argyle Street Management Holdings Limited, Argyle Street Management Limited and ASM Asia Recovery Fund has beneficial interest. ASM Asia Recovery (Master) Fund ("ASMARF") #	153	–

* The Shareholders Mandate ("Mandate") was approved at the Company's Extraordinary General Meeting held on 4 March 2015. The Mandate became effective on 20 April 2015 upon the completion of the Acquisition. As such, these transactions were conducted between 1 January 2015 to 19 April 2015.

** Transactions between the Group and PT Berau Coal Energy Tbk and its subsidiaries have been included solely on the basis that Mr. Fuganto Widjaja, Executive Director and Chief Executive Officer of the Group, is also the President Director of PT Berau Coal Energy Tbk.

\# Mr. Chan Kin was the non-executive chairman and director of GEAR and has resigned on 20 April 2015. Mr Chan and Mr V-Nee Yeh are the beneficial holders of more than 20% of the issued share capital of Argyle Street Management Holdings Limited ("ASMHL"). ASMHL is the beneficial holder of more than 50% of the voting shares of Argyle Street Management Limited ("ASML"). ASML is the beneficial holder of more than 20% of the voting shares of ASM Asia Recovery Fund ("ASMARF"). ASMARF is the beneficial holder of more than 20% of the voting Shares of ASM Recovery (Master) Fund. The interest expenses recorded was for the period 1 January 2015 to 20 April 2015.

@ Asia Star Fund Ltd is a private mutual fund. One of the ultimate controlling shareholders is an investor in the mutual fund. As such, the interest charged on the US$35 million loan granted by Asia Star Fund Ltd is considered IPT with effect from 20 April 2015, upon the completion of the acquisition of PT Golden Energy Mines Tbk on the same day. The interest contain herein comprise interest from 20 April 2015 to 31 December 2015.

DEALINGS IN SECURITIES

The Company has adopted an internal policy ("Policy") with regard to dealings in securities to provide guidance for its Directors and employees in compliance with Rule 1207(19) of the Listing Manual of the SGX-ST.

The Policy provides that Directors and employees are prohibited from dealing in the securities of the Company whenever they are in possession of unpublished price-sensitive information on the Group and during the period commencing two weeks before the announcement of the Company's financial results for the first three quarters and one month before the announcement of the Company's full year results and ending on the date of the announcements of the relevant results.

Directors and employees are also required to observe insider trading laws at all times even when dealing in securities within the permitted trading period. In addition, the Directors and employees are expected not to deal in the Company's securities for short-term considerations.

MATERIAL CONTRACTS

On 12 January 2011, the Company entered into a loan agreement (as amended, supplemented and extended from time to time) with Asia Star Fund Ltd ("ASF Loan Agreement"), pursuant to which Asia Star Fund Ltd ("ASF") made available to the Company a loan of up to US$35 million for, inter alia, its working capital purposes. The loan is secured by the entire issued and paid-up share capital of certain subsidiaries. The facility was fully drawn on 15 December 2011. On 11 July 2013, the Company entered into the ASF restated loan agreement to restate the terms of the original ASF Loan Agreement ("ASF Restated Loan Agreement"). The Restated Loan Agreement (as amended from time to time) provides that the facility shall be repaid by the Company to ASF on the earliest of (a) 15 April 2017; and (b) the third business day after the Placement Completion. With effect from 1 January 2016, the interest rate payable on the outstanding amounts under the ASF Restated Loan Agreement will be 12% per annum. One of the Company's ultimate controlling shareholders is an investor in ASF.

On 6 May 2015, PT Golden Energy Mines Tbk ("GEMS") and PT DSSE Energi Mas Utama ("DEMS") entered into a non-binding memorandum of understanding, pursuant to which GEMS contemplates selling such amount of coal to DEMS and its subsidiaries as required by its power plants, subject to the execution of definitive agreements. DEMS is a substantially-owned subsidiary of the Company's immediate holding company.

From 20 April 2015 to 31 December 2015, the Group and PT Ivo Mas Tunggal entered into 2 coal sale contracts, pursuant to which the Group agreed to sell to PT Ivo Mas Tunggal 3,500 metric tonnes of thermal coal for an aggregate value of US$375,471. The transactions were entered into on arm's length basis and on normal commercial terms. PT Ivo Mas Tunggal is an associate of our immediate holding company and ultimate controlling shareholders.

From 20 April 2015 to 31 December 2015, the Group and Hainan Jinhai Trading (Hong Kong) Co., Ltd entered into 13 coal sale contracts, pursuant to which the Group agreed to sell to Hainan Jinhai Trading (Hong Kong) Co., Ltd 510,000 metric tonnes of thermal coal for an aggregate value of US$20.2 million. The transactions were entered into on arm's length basis and on normal commercial terms. Hainan Jinhai Trading (Hong Kong) Co., Ltd is an associate of our immediate holding company and ultimate controlling shareholders.

From 20 April 2015 to 31 December 2015, the Group and PT Berau Coal, a subsidiary of PT Berau Coal Engery Tbk, entered into 11 coal purchase contracts, pursuant to which the Group agreed to purchase from PT Berau Coal 500,000 metric tonnes of thermal coal for an aggregate value of US$17.9 million. The transactions were entered on arm's length basis and on normal commercial terms. The coal purchase contracts are not extendable. Mr Fuganto Widjaja, Executive Director and Group CEO of GEAR, is also the President Director of PT Berau Coal Energy Tbk.

Except for the above and those described under the section "Interested Person Transactions" above, there are no other material contract entered into by the Company or its subsidiaries that involve the interests of the Chief Executive Officer, any Director or controlling shareholder of the Company.

Major Properties

Held by	Effective Group Interest	Location	Description & Approximate Land Area	Tenure	Usage
PT Borneo Indobara	65.7235%	Bunati Village, Angsana District, Tanah Bumbu Regency, South Kalimantan Province	49,234 m^2	30 years (until 21 January 2039)	Docks, stock pile and mining facilities
PT Borneo Indobara	65.7235%	Angsana Village, Angsana District, Tanah Bambu Regency, South Kalimantan Province	49,991 m^2	30 years (until 28 October 2039)	Base cap for exploitation of coal and its infrastructure
PT Borneo Indobara	65.7235%	Karang Indah Village, Angsana District, Tanah Bumbu Regency, South Kalimantan Province	15,350 m^2	25 years (until 24 January 2033)	For exploitation of coal and its infrastructure
PT Borneo Indobara	65.7235%	Karang Indah Village, Angsana District, Tanah Bumbu Regency, South Kalimantan Province	9,886 m^2	30 years (until 23 July 2039)	For exploitation of coal and its infrastructure
PT Tanjung Belit Bara Utama	66.9997%	Teluk Nilau Village, Pangabuan District, Tanjung Jabung Barat, Jambi	46,620m^2	20 years (until 1 July 2035)	For Port infrastructure
PT Tanjung Belit Bara Utama	66.9997%	Teluk Nilau Village, Pangabuan District, Tanjung Jabung Barat, Jambi, Indonesia	13,240 m^2	19 years (until 1 April 2034)	For Port infrastructure
PT Hutan Rindang Banua	100%	South Kalimantan, Indonesia	Within forest concession area base camp	43 years lease up to 100 years	Plantation Quarters

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

The Directors are pleased to present their report to the members together with the audited consolidated financial statements of Golden Energy and Resources Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet of the Company for the financial year ended 31 December 2015.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheets of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date; and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The Directors of the Company in office at the date of this report or during the year are:

Lay Krisnan Cahya	(appointed on 20 April 2015)
Fuganto Widjaja	(appointed on 20 April 2015)
Mochtar Suhadi	(appointed on 20 April 2015)
Dwi Prasetyo Suseno	(appointed on 26 October 2015)
Lim Yu Neng Paul	
Lew Syn Pau	(appointed on 20 April 2015)
Irwandy Arif	(appointed on 20 April 2015)

In accordance with Article 107 and 117 of the Company's Constitution, Mochtar Suhadi, Lim Yu Neng Paul and Dwi Prasetyo Suseno retire and being eligible, offer themselves for re-election.

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interest in shares and debentures

The following Directors, who held office at the end of the financial year, had, according to the register of Directors' shareholdings required to be kept under section 164 of the Singapore Companies Act, Cap. 50 (the "Act"), an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of Director	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Fuganto Widjaja *	–	–	–	–
Lim Yu Neng Paul	–	–	1,000,000	20,000 #

* Mr Widjaja is the son of Mr Indra Widjaja and the nephew of Mr Franky Oesman Widjaja and Mr Muktar Widjaja.

Mr Indra Widjaja, Mr Franky Oesman Widjaja and Mr Muktar Widjaja, by virtue that each of them has a direct interest in more than 20% of the voting shares in PT Sinarindo Gerbangmas, are deemed to be interested in the shares held by PT Dian Swastatika Sentosa Tbk, the immediate holding company of the Company pursuant to Section 7 of the Act.

Pursuant to the share consolidation exercise performed on 17 April 2015 whereby all existing shares at 16 April 2015 were consolidated of every fifty (50) shares into one (1) consolidated share.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2016.

Except as disclosed in this report, no Director who held office at the end of the financial year had interests in any shares, share options, warrants or debentures of the Company, or of any related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Options

There are no options granted by the Company and its subsidiaries to take up unissued shares in the Company and its related corporations.

Audit Committee

The Audit Committee ("AC") carries out its functions in accordance with section 201B(5) of the Act, including the following:

- Review significant financial reporting issues and judgement to ensure the integrity of the financial statements and any formal announcements relating to financial performance;
- Review the audit plans of the external auditor of the Company, and the results of their examination of the financial statements and evaluation of the system of financial controls of the Company;
- Review the audit plans of the internal auditor of the Group, the adequacy of the internal audit procedures and their evaluation of the effectiveness of the overall internal control systems including financial, operational and information technology control as well as risk management of the Group;
- Review the quarterly and full year results announcement and annual financial statements and the auditor's report on the annual financial statements of the Company and the Group before submission to the Board for approval;
- Review and report to the Board the adequacy and effectiveness of the Group's internal audit function and internal controls, including financial, operational, compliance, information technology controls and risk management via reviews carried out by the internal auditor;
- Meet with the internal and external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;
- Review the cost effectiveness and the independence and objectivity of the external auditor, and the nature and extent of non-audit services provided by the external auditor;
- Recommend to the Board the appointment / reappointment of the external auditor including their remuneration and terms of engagement;
- Review interested person transactions as defined in the Listing Manual of the Singapore Stock Exchange ("SGX-ST");
- Review any significant audit findings and recommendations of the internal and external auditors together with management's responses thereto so as to ensure the integrity of the financial statements and any formal announcements relating to financial performance;

Audit Committee (continued)

- Review the Group's accounting policies and reporting requirements in consultation with the external auditor and assess the adequacy of management reporting;
- Undertake such other reviews and projects as may be requested by the Board, and to report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- Generally undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Lay Krisnan Cahya Director	Fuganto Widjaja Director

Singapore

30 March 2016

Independent auditor's report to the members of Golden Energy and Resources Limited and its subsidiaries

Report on the Financial Statements

We have audited the accompanying financial statements of Golden Energy and Resources Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and Company as at 31 December 2015, the consolidated statement of changes in equity, consolidated statement of comprehensive income and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

30 March 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2015

(In United States Dollars)

	Note	2015 US$'000	2014 US$'000
Revenue	4	**359,771**	435,953
Cost of sales		**(248,042)**	(289,170)
Gross profit		**111,729**	146,783
Other income	5	**5,185**	7,579
Selling and distribution expenses		**(67,335)**	(94,675)
Administrative expenses		**(36,395)**	(37,541)
Fair value loss on forestry assets	10	**(2,726)**	–
Finance costs	6	**(11,662)**	(5,913)
Other operating expenses		**(7,958)**	(1,038)
(Loss)/profit before tax	7	**(9,162)**	15,195
Income tax benefit/(expense)	8	**1,011**	(4,376)
(Loss)/profit for the year		**(8,151)**	10,819
Other comprehensive income not to be reclassified to profit or loss:			
Net actuarial gain/(loss) on post-employment benefits		**235**	(157)
Other comprehensive income to be reclassified to profit or loss:			
Foreign currency translation		**568**	(4,597)
Other comprehensive income for the year		**803**	(4,754)
Total comprehensive income for the year		**(7,348)**	6,065
(Loss)/profit attributable to:			
Owners of the Company		**(8,889)**	10,791
Non-controlling interests		**738**	28
		(8,151)	10,819
Total comprehensive income attributable to:			
Owners of the Company		**(8,028)**	6,041
Non-controlling interests		**680**	24
		(7,348)	6,065
(Loss)/earnings per share attributable to owners of the Company (cents per share)			
Basic and diluted	9	**(0.20)**	0.35

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED
BALANCE SHEETS

As at 31 December 2015

(In United States Dollars)

	Note	Group 2015 US$'000	Group 2014 US$'000	Company 2015 US$'000	Company 2014 US$'000
Non-Current Assets					
Forestry concession	10	**3,766**	–	**–**	–
Property, plant and equipment	11	**59,727**	54,951	**5**	6
Mining properties	12	**63,524**	87,005	**–**	–
Goodwill on consolidation	13	**109,879**	701	**–**	–
Investment in subsidiaries	14	**–**	–	**1,228,755**	31,387
Other investments		**14**	14	**–**	–
Deferred tax assets	15	**8,538**	5,705	**–**	–
Amounts due from subsidiaries	16	**–**	–	**–**	–
Other receivables	17	**710**	878	**–**	–
Restricted funds		**299**	1,425	**–**	–
Other non-current assets	18	**47,369**	23,658	**–**	–
		293,826	174,337	**1,228,760**	31,393
Current Assets					
Inventories	19	**16,543**	9,837	**–**	–
Trade and other receivables	17	**90,550**	41,066	**397**	279
Other current assets	18	**46,696**	27,181	**39**	205
Cash and short-term deposits	20	**44,487**	63,218	**183**	383
		198,276	141,302	**619**	867
Current Liabilities					
Trade and other payables	21	**87,437**	58,099	**12,509**	51,443
Provision for taxation		**589**	935	**–**	–
Loans and borrowings	22	**20,737**	5,019	**16,368**	69,015
		108,763	64,053	**28,877**	120,458
Net Current Assets/(Liabilities)		**89,513**	77,249	**(28,258)**	(119,591)
Non-Current Liabilities					
Trade & other payables	21	**109**	120	**–**	–
Loans and borrowings	22	**105,116**	–	**56,778**	–
Deferred tax liabilities	15	**1,153**	505	**–**	–
Post-employment benefits	23	**1,907**	1,917	**–**	–
Provision for mine closure	24	**1,396**	986	**–**	–
		109,681	3,528	**56,778**	–
Net Assets/(Liabilities)		**273,658**	248,058	**1,143,724**	(88,198)
Equity Attributable to Equity Holders of the Company					
Share capital	25	**232,076**	294,085	**1,546,171**	257,956
Reserves		**(40,496)**	(46,743)	**(402,447)**	(346,154)
		191,580	247,342	**1,143,724**	(88,198)
Non-controlling interests		**82,078**	716	**–**	–
Total Equity/(Deficit)		**273,658**	248,058	**1,143,724**	(88,198)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2015

(In United States Dollars)

Group	Share Capital (Note 25) US$'000	Foreign Currency Translation [1] US$'000	Other Reserves [2] US$'000	Retained Earnings US$'000	Total Reserves US$'000	Non-controlling Interests US$'000	Total Equity US$'000
	Attributable to owners of the Company						
2015							
At 1 January 2015	**294,085**	**(75,826)**	**1,927**	**27,156**	**(46,743)**	**716**	**248,058**
(Loss)/profit for the year	–	–	–	(8,889)	(8,889)	738	(8,151)
Other comprehensive income							
Net actuarial gain on post-employment benefits	–	–	104	–	104	131	235
Foreign currency translation	–	757	–	–	757	(189)	568
Other comprehensive income for the year	–	757	104	–	861	(58)	803
Total comprehensive income for the year	**-**	**757**	**104**	**(8,889)**	**(8,028)**	**680**	**(7,348)**
Difference arising from transaction with non-controlling interest	–	–	(145)	–	(145)	145	–
Effect of reverse acquisition in accordance with FRS 103	(62,009)	25,021	(615)	(7,962)	16,444	80,596	35,031
Dividends paid (Note 32)	–	–	–	(2,024)	(2,024)	(59)	(2,083)
At 31 December 2015	**232,076**	**(50,048)**	**1,271**	**8,281**	**(40,496)**	**82,078**	**273,658**

[1] *Foreign currency translation reserves are used to record exchange differences arising from the translation of the financial statements of the Group's foreign operations whose functional currencies are different from that of the Group's presentation currency.*

[2] *Other reserves pertains reserve that arose from movements in NCI of certain subsidiaries and net actuarial gain/loss in post-employment benefits.*

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

(In United States Dollars)

Group	Attributable to owners of the Company						
	Share Capital (Note 25)	Foreign Currency Translation [1]	Other Reserves [2]	Retained Earnings	Total Reserves	Non-controlling Interests	Total Equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2014							
At 1 January 2014	**294,085**	**(71,232)**	**2,050**	**16,365**	**(52,817)**	**530**	**241,798**
Profit for the year	–	–	–	10,791	10,791	28	10,819
Other comprehensive income							
Net actuarial loss on post-employment benefits	–	–	(156)	–	(156)	(1)	(157)
Foreign currency translation	–	(4,594)	–	–	(4,594)	(3)	(4,597)
Other comprehensive income for the year	–	(4,594)	(156)	–	(4,750)	(4)	(4,754)
Total comprehensive income for the year	**-**	**(4,594)**	**(156)**	**10,791**	**6,041**	**24**	**6,065**
Disposal of subsidiaries without change in control	–	–	33	–	33	162	195
Total transactions with owners in their capacity as owners	–	–	33	–	33	162	195
At 31 December 2014	**294,085**	**(75,826)**	**1,927**	**27,156**	**(46,743)**	**716**	**248,058**

[1] *Foreign currency translation reserves are used to record exchange differences arising from the translation of the financial statements of the Group's foreign operations whose functional currencies are different from that of the Group's presentation currency.*

[2] *Other reserves pertains reserve that arose from movements in NCI of certain subsidiaries and net actuarial gain/loss in post-employment benefits.*

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED
CASH FLOW STATEMENT

For the financial year ended 31 December 2015

(In United States Dollars)

	2015 US$'000	2014 US$'000
Cash flows from operating activities		
(Loss)/profit before tax	**(9,162)**	15,195
Adjustments for:		
Provision for mine closure	**410**	72
Depreciation of property, plant and equipment	**4,713**	4,605
(Gain)/Loss on disposal of property, plant and equipment	**(10)**	303
Defined post-employment benefit expense	**415**	348
Amortisation of mining properties	**27,024**	15,685
Amortisation of software	**361**	420
Amortisation of land exploitation	**2,653**	1,827
Fair value loss on forestry assets	**2,726**	–
Interest and other financial charges	**11,086**	5,504
Interest income	**(4,044)**	(4,129)
Inventories written off	**249**	276
Net exchange differences	**3,068**	(1,705)
Operating cash inflows before changes in working capital	**39,489**	38,401
Changes in working capital:		
(Increase)/decrease in inventories	**(5,247)**	2,065
(Increase)/decrease in trade, other receivables and prepayments	**(36,527)**	9,500
Increase/(decrease) in trade and other payables	**8,788**	(19,502)
Cash flows generated from operations	**6,503**	30,464
Interest and other financial charges paid	**(6,966)**	(5,498)
Interest income received	**2,644**	4,398
Income taxes paid	**(5,982)**	(5,378)
Income taxes refunded	**–**	3,607
Net cash flows (used in)/generated from operating activities	**(3,801)**	27,593

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED
CASH FLOW STATEMENT

For the financial year ended 31 December 2015

(In United States Dollars)

	2015 US$'000	2014 US$'000
Cash flows from investing activities		
Net cash inflows on completion of the Reverse Acquisition	**1,451**	–
Addition to forestry assets	**(1,238)**	–
Proceeds from disposal of property, plant and equipment	**32**	425
Purchase of property, plant and equipment	**(2,599)**	(3,497)
Additions to mining properties	**(4,471)**	(29,659)
Loan to third parties	**(29,952)**	168
Increase in other non-current assets	**(23,973)**	(285)
Changes in restricted fund	**1,115**	(643)
Sale of interest in a subsidiary to non-controlling interest	**–**	195
Net cash flows used in investing activities	**(59,635)**	(33,296)
Cash flows from financing activities		
Payment of dividend	**(2,024)**	–
Payment of dividend to NCI of subsidiaries	**(52)**	–
Proceeds from loans and borrowings	**58,445**	15,833
Repayment of loans and borrowings	**(10,355)**	(15,584)
Net cash flows from financing activities	**46,014**	249
Net decrease in cash and cash equivalents	**(17,422)**	(5,454)
Effect of exchange rate changes on cash and cash equivalents	**(1,309)**	4,598
Cash and cash equivalents at 1 January	**63,218**	64,074
Cash and cash equivalents at 31 December (Note 20)	**44,487**	63,218

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. General information

1.1 Corporate information

The former name of the Company is United Fiber System Limited. Upon the completion of a reverse acquisition on 20 April 2015, the Company's name was changed to Golden Energy and Resources Limited ("GEAR" or the "Company"). The Company is a limited liability company, incorporated and domiciled in Singapore and it is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office of the Company is located at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623.

The principal activities of the Company are those of an investment holding company and provision of management services to entities within the Group. The principal activities of the subsidiaries are set out in Note 14 to the financial statements.

The immediate holding company of the Company is PT Dian Swastatika Sentosa Tbk ("DSS"), incorporated in Republic of Indonesia, and its ultimate holding company is PT Sinarindo Gerbangmas.

1.2 Acquisition of PT Golden Energy Mines Tbk (GEMS)

The Reverse Acquisition

On 4 June 2013, the Company entered into a non-legal binding heads of agreement ("HoA") with DSS to set out the proposed commercial terms in respect of the proposed acquisition of 66.9998% in PT Golden Energy Mines Tbk ("GEMS") and its subsidiaries (collectively, the "GEMS Group") ("DSS Acquisition").

On 11 July 2013, the Company and DSS entered into a share purchase agreement following the HoA on 4 June 2013 to acquire 3,941,166,500 ordinary shares or approximately 66.9998% of the total issued and paid-up share capital of GEMS. The purchase consideration of the acquisition shall be satisfied by way of issuance and allotment of new ordinary shares in the Company which represent approximately 94.4745% of the enlarged Company's ordinary share capital. The acquisition resulted in a reverse takeover of the Company.

On 5 July 2014, the Company has entered into a supplemental agreement ("SPA Supplemental Agreement") with DSS to amend certain terms and conditions of the Share Purchase Agreement. The Company and DSS have agreed to extend the Acquisition Long-Stop Date to 31 March 2015 and also amend such other terms in the Share Purchase Agreement that are affected by the extended timeline for the acquisition ("SPA Amendments").

As announced on 23 January 2015, the Company has, on 21 January 2015, obtained the in-principle approval from the Singapore Exchange Securities Trading Limited in respect of, *inter alia*, the listing and quotation of new shares to be issued pursuant to or in connection with the acquisition. The in-principle approval is subject to key conditions and is valid for 3 months from 21 January 2015.

On 23 January 2015, the Company and DSS entered into a supplemental agreement to, *inter alia*, extend the long-stop to 3 June 2015, amend certain terms in the SPA that are affected by the extended timeline for the acquisition and allowing both the Company and DSS to accommodate the satisfaction of the remaining conditions precedent.

The Company completed the Reverse Acquisition on 20 April 2015 ("Completion Date").

1. General information (cont'd)

1.2 Acquisition of PT Golden Energy Mines Tbk (GEMS) (cont'd)

The Reverse Acquisition (cont'd)

Disposal of Poh Lian Construction (Pte.) Ltd.

As required under the DSS Acquisition, the Company shall dispose of all its shareholdings in Poh Lian Construction (Pte.) Ltd. (in liquidation) ("PLC"), representing the entire issued and paid-up share capital of PLC and all of its indirect interests in the other PLC Companies ("Disposal of PLC Companies").

The Company had on 18 December 2014 entered into a conditional share purchase agreement with Dragonext Limited ("DGN"), an independent third party, for the Disposal of PLC Companies, on an as-is-where-is basis, for a nominal sum of S$1.00.

The Disposal of PLC Companies had been completed, immediately prior to the Completion Date.

Following the completion of the Disposal of PLC Companies, PLC ceased to be a subsidiary of the Company.

Accounting for the Reverse Acquisition

The acquisition of the GEMS Group was accounted for as a reverse acquisition in accordance with FRS 103 Business Combinations. Accordingly, GEMS Group was identified to be the accounting acquirer and the Company was deemed to be the accounting acquiree. Accordingly, the consolidated statement of comprehensive income, consolidated balance sheets, consolidated statement of changes in equity and consolidated statement of cash flows of the Group (comprising the Company and GEMS Group) for the financial year ended 31 December 2015 has been presented as a continuation of GEMS Group's financial statements.

Since such consolidated financial statements represent a continuation of the financial statements of GEMS Group

- the assets and liabilities of GEMS Group were recognised and measured in the consolidated balance sheets at their carrying amounts prior to the Reverse Acquisition;
- the assets and liabilities of the Company and its subsidiaries were recognised and measured in the consolidated balance sheets at their fair values on Completion Date;
- the retained earnings and other equity balances recognised in the consolidated financial statements are the retained earnings and other equity balances of GEMS Group prior to the Reverse Acquisition;
- the amount recognised as issued equity interest in the consolidated financial statements were determined by adding the issued equity interest of GEMS, outstanding immediately before the Reverse Acquisition to the fair value of the GEAR Group at the Completion Date. However, the equity structure appearing in the balance sheets (i.e. the number and type of equity interests issued) shall reflect the equity structure of GEAR, including the equity interests issued to DSS to effect the Acquisition. Accordingly, the equity structure of GEMS Group is restated using the exchange ratio established in the acquisition agreement to reflect the number of shares of GEAR issued in the Reverse Acquisition.
- the consolidated statement of comprehensive income reflects the full year results of GEMS Group together with the post-acquisition results of the Company and its subsidiaries; and
- the non-controlling interest's proportionate share of GEMS Group's pre-acquisition carrying amount of retained earnings and other equity interests; and
- the comparative figures presented in these consolidated financial statements are that of the financial statements of GEMS Group.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheets of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars ("USD" or "US$") and all values in the tables are rounded to the nearest thousand (US$'000), as indicated.

Fundamental accounting concept

As at 31 December 2015, the Company's current liabilities exceeded its current assets by US$28.26 million (2014: US$119.59 million). In the opinion of the Directors, the Company is able to continue as a going concern despite its net current liabilities position as the Company is able to deploy the available funds within the Group for the Company to pay its debts as and when they fall due. Accordingly, the Directors are of the view that the going concern assumption is appropriate for the preparation of the financial statements of the Company.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective from annual financial periods beginning on or after 1 January 2015. The adoption of those standards did not have any effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
Amendments to FRS 1 Disclosure Initiative	1 January 2016
Amendments to FRS 16 and FRS 41 Agriculture - Bearer Plants	1 January 2016
Amendments to FRS 7 Disclosure Initiative	1 January 2017
Amendments to FRS 12 Recognition of Deferred Tax Assets on unrealised loss	1 January 2017
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 109 Financial Instruments	1 January 2018

Except for FRS 115, FRS 109 and Amendments to FRS 16 and FRS 41, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on the adoption of FRS 115, FRS 109, Amendments to FRS 16 and FRS 41 are described below.

<u>FRS 115 *Revenue from Contracts with Customers*</u>

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, evaluating significant financing components and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

Amendments to FRS 16 and FRS 41 *Agriculture - Bearer Plants*

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of FRS 41. Instead, FRS 16 will apply. After initial recognition, bearer plants will be measured under FRS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require agricultural produce growing on bearer plants will remain within the scope of FRS 41 measured at fair value less costs to sell. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. The Group expects the impact of the amendments to FRS 16 and FRS 41 to be immaterial at the date of initial adoption and plans to adopt the amendments on the required effective date.

2.4 Basis of consolidation and business combination

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combination (cont'd)

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share on net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company owner's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the Company.

2. Summary of significant accounting policies (cont'd)

2.6 Foreign currency

The financial statements are presented in United States Dollar ("USD"). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The Company's functional currency is Singapore Dollar ("SGD"), which reflects the economic substance of the underlying events and circumstances of the Company.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of local and foreign operations are translated into USD at the rate of exchange ruling at the reporting date and their profit and loss are translated at the average exchange rate for the year. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a local and foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(c) Translation to the presentation currency

The financial statements are presented in USD, which is to better reflect the business environment where the Group is operating.

The financial statements are translated from SGD to USD using the following procedures:

- Assets and liabilities for each reporting period presented are translated at the closing rate ruling at that reporting date; and

- Income and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions.

- All resulting exchange differences are recognised in a separate component of equity as foreign currency translation reserves.

2. Summary of significant accounting policies (cont'd)

2.7 Biological asset - forestry assets

Forestry assets comprise standing trees in a plantation forest, separate from the land on which these assets are located.

Forestry assets are recognised and measured at fair value less estimated point-of-sale costs at harvest, with any resultant gain or loss recognised in the profit or loss. The valuation of the forestry assets is calculated by the independent professional valuer based on the discounted cash flow model whereby the fair value is calculated using cash flows from the continuous operations, assuming sustainable forest management plans, taking into account the growth potential from their forest plantations. The yearly harvest made from the forecasted tree growth is multiplied by the actual wood pines and the cost of fertilizer, before the deduction of harvesting. The fair value is measured as the present value of the harvest from one growth cycle based on the productive forest lands.

Deferred tax liability arising from the temporary difference between the tax base of forestry assets and its carrying amount is accounted for in accordance with the accounting policy stated in Note 2.21(b).

2.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.17. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives as follows:

Leasehold land, infrastructure and buildings	3 to 20 years
Plant and machinery	4 to 16 years
Motor vehicles	4 to 8 years
Computers and office equipment	3 to 8 years
Furniture and fittings	3 to 8 years

Leasehold land, infrastructure and buildings include buildings, forestry and fire protection infrastructures. Plant and machinery includes field equipment. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively if appropriate. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the assets is included in profit or loss in the year the asset is derecognised.

Constructions in-progress are stated at cost, including capitalized borrowing costs and other charges incurred in connection with the financing of the said asset constructions. The accumulated costs will be reclassified to the appropriate "Property and Equipment" account when the construction is completed. Assets under construction are not depreciated as these are not yet available for use.

2. Summary of significant accounting policies (cont'd)

2.9 Mining properties

Pre-license Costs

Pre-license costs relates to costs incurred before the Group has obtained legal rights to explore in a specific area. Such costs are expensed in the period in which they are incurred.

Exploration and Evaluation Expenditures

Exploration and evaluation expenditures are capitalised and recognised as "exploration and evaluation assets" for each area of interest when mining rights are obtained and still valid and;

i) the costs are expected to be recouped through successful development and exploitation of the area of interest; or

ii) where activities in the area of interest have not reached the stage that allow a reasonable assessment of the existence of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing. These expenditures include materials and fuel used, surveying costs, drilling and stripping costs before the commencement of production stage and payments made to contractors.

Exploration and evaluation assets are subsequently measured using cost model and classified as tangible assets, unless they are qualified to be recognised as intangibles.

The ultimate recoupment of deferred exploration expenditure is dependent upon successful development and commercial exploitation of the related area of interest. Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. In such case, an entity shall measure, present and disclose any resulting impairment loss in profit or loss.

Exploration and evaluation assets are transferred to "Mines under construction" in the "Mine properties" account after the mines are determined to be economically viable to be developed.

Expenditures for Mines under Construction

Expenditures for mines under construction and incorporated costs in developing an area of interest subsequent to the transfer from exploration and evaluation assets but prior to the commencement of production stage in the respective area are capitalised to "Mines under construction" as long as they meet the capitalisation criteria.

Producing Mines

Upon completion of mine construction and the production stage is commenced, the "Mines under construction" are transferred into "Producing mines" in the "Mine properties" account, which are stated at cost, less depletion and accumulated impairment losses.

Depletion of producing mines are based on using unit-of-production method from the date of commercial production of the respective area of interest over the lesser of the life of the mine and the remaining terms of the mining licenses.

2. Summary of significant accounting policies (cont'd)

2.9 Mining properties (cont'd)

Stripping Costs

Stripping costs are the costs of removing overburden from a mine. Stripping costs incurred in the development of a mine before production commences are capitalised as part of the cost of developing the mine, and are subsequently depreciated or amortised using a unit-of-production method on the basis of proven and probable reserves, once production starts.

Stripping activity conducted during the production phase may provide two benefits:

i) Ore that is processed into inventory in the current period and

ii) Improved access to the ore body in future periods.

To the extent that benefit from the stripping activity is realised in the form of inventory produced, the Group accounts for the costs of that stripping activity to Inventories. To the extent the benefit is improved access to ore, the Group recognises these costs as a stripping activity asset, if and only if, all the following criteria are met:

- it is probable that the future economic benefits (improved access to the ore body) associated with the stripping activity will flow to the entity;

- the entity can identify the component of the ore body for which access has been improved; and

- the costs relating to the stripping activity associated with that component can be measure reliably.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore body, plus an allocation of directly attributable overhead costs. If incidental operations are occurring at the same time as the production stripping activity, but are not necessary for the production stripping activity to continue as planned, the costs associated with these incidental operations are not included in the costs of the stripping activity asset.

When the costs of the stripping activity asset and the inventory produced are not separately identifiable, the Group allocates the production stripping asset by using an allocation basis that is based on a relevant production measure. This production measure is calculated for the identified component of the ore body, and is used as a benchmark to identify the extent to which the additional activity of creating a future benefit has taken place. The Group uses the actual versus expected volume of waste extracted.

Subsequently, the stripping activity asset is carried at cost less amortisation and any impairment losses, if any. The stripping activity asset is depreciated or amortised using the units of production method over the expected useful life of the identified component if the ore body that becomes more accessible as a result of the stripping activity unless another method is appropriate.

2.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2. Summary of significant accounting policies (cont'd)

2.10 Impairment of non-financial assets (cont'd)

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in consolidated statement of comprehensive income.

Except for goodwill, an assessment on the asset is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.11 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.12 Financial Instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.12 Financial Instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.13 Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amount charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks and demand deposits readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts repayable on demand that form an integral part of the Group's cash management.

2.15 Inventories

The inventories comprise of coal inventories and logs inventories.

Coal inventories

Coal inventories are valued at the lower of cost or net realisable value. The cost of inventories is determined using the moving average method. Cost of mining inventories consists of material, labour, depreciation and overhead cost related to mining activities. Allowances for inventory obsolescence and decline in values of inventories are provided to reduce the carrying values of inventories to their net realisable values. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Logs inventories

Logs inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present locations and conditions are accounted for as follows:

(a) Raw materials refer to purchase cost on a first-in-first-out basis.

(b) Agricultural produce comprises logs. Agricultural produce at the point of harvest is measured on initial recognition at its fair value less estimated point-of-sale costs. Thereafter, the inventory is carried at the lower of costs and net realisable value. Cost is determined using weighted average method.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they incur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. Summary of significant accounting policies (cont'd)

2.18 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Post-employment benefits

The post-employment pension benefit obligation is the present value of the defined benefit obligation at end of the reporting period less the fair value of plan assets, together with the adjustments for unrecognised past service costs. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are directly recognised in other comprehensive income and reported in other reserves.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the yield at the end of the reporting period of long term government bonds denominated in Indonesian Rupiah in which the benefits will be paid and that have terms to maturity similar to the related pension obligation.

2.19 Leases – as leasee

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Operating leases

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.20 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of logs and coals

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(d) Management fee income

Revenue from consulting services is recognised in the accounting period in which the services are rendered.

2. Summary of significant accounting policies (cont'd)

2.21 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

2. Summary of significant accounting policies (cont'd)

2.21 Taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheets.

2.22 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.23 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheets of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. Significant accounting judgements and estimates

Estimates and assumptions concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets and liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Judgements made in applying accounting policies

Critical judgement made in applying accounting policies

In the process of applying the Group's accounting policies, management is of the opinion that the instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimates.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Valuation of forestry assets

Forestry assets are measured at its fair value less estimated point-of-sale costs. Annual valuation by independent professional valuer is carried out to ascertain the fair value of forestry assets. The carrying amount of the Group's forestry assets at balance sheet date is disclosed in Note 10. The valuation of the forestry assets is sensitive to the valuation inputs such as log price and discount rate. A 5% change in log price and 1% change in the discount rate would result in approximately 11.7% variance in the Group's loss for the year ended 31 December 2015.

(b) Impairment of investment in subsidiaries

The Company assesses at each reporting date whether there is an indication that the investment in subsidiaries may be impaired. This requires an estimation of the value in use of the cash generating units. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the cash generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investment in subsidiaries at balance sheet date is disclosed in Note 14.

The carrying amount of the investment in subsidiaries is sensitive to the valuation inputs such as log price, coal price and discount rate. A 5% change in log price and coal price, and 1% change in the discount rate would result in approximately 15.9% variance in the carrying amount of the investment in subsidiaries of the Company as at 31 December 2015.

(c) Recoverability of deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the timing and level of future taxable profits together with future tax planning strategies. In determining the timing and level of future taxable profits together with future tax planning strategies, the Group assessed the probability of expected future cash inflows based on expected revenues. The Group's deferred tax assets and unrecognised tax losses is disclosed in Note 15.

The recoverability of the deferred tax assets is sensitive to the valuation inputs such as coal price. A 5% change in coal price would result in approximately 8.4% variance in the Group's loss for the year ended 31 December 2015.

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(d) Coal resources and reserves estimates

Reserves are estimates of the amount of product that can be economically and legally extracted from the Group's properties. The Group determines and reports its coal reserves under the principles incorporated in the Code for Reporting of Mineral Resources and Ore Reserves of the Joint Ore Reserves Committee (the "JORC Code"), which is sponsored by the Australian mining industry and its professional organisations. In order to estimate coal reserves, assumptions are made about a range of geological, technical and economic factors, including quantities, production techniques, stripping ratio, production costs, transport costs, commodity demand and commodity prices.

Estimating of the quantity and/or quality parameters of coal reserves requires the size, shape and depth of coal bodies or fields to be determined by analysing geological data such as drilling samples. This process may require complex and difficult geological judgement to interpret the data.

Because the economic assumptions used to estimate reserves change from period to period, and because additional geological data is generated during the course of operations, estimates of reserves may change from period to period. Changes in reported reserves may affect the Group's financial results and financial position in a number of ways including the following:

- Asset carrying values may be affected due to changes in estimated future cash flows;
- Amortisation charged in profit or loss may change where such charges are determined by the units of production basis, or where the useful economic lives of assets change;
- Stripping costs recorded in the balance sheet or changed to profit or loss may change due to changes in the stripping ratios;

The Group's mining properties are disclosed in Note 12. A 5% change to the coal reserves would result in approximately 15% variance in the Group's loss for the year ended 31 December 2015.

4. Revenue

	Group	
	2015	**2014**
	US$'000	**US$'000**
Sale of coal	**353,186**	434,910
Sale of logs	**6,405**	–
Sale of others	**28**	1,043
Management fee	**152**	–
	359,771	435,953

5. Other income

	Group	
	2015	**2014**
	US$'000	**US$'000**
Interest income	**4,044**	4,129
Compensation income	**188**	–
Port income	**157**	852
Foreign exchange gain, net	**–**	1,786
Others	**796**	812
	5,185	7,579

6. Finance costs

	Group	
	2015	**2014**
	US$'000	**US$'000**
Interest expense on bank loans	**11,086**	5,504
Service fees	**261**	–
Others	**315**	409
	11,662	5,913

Included in interest expense on bank loans is US$4.00 million (2014: US$5.30 million) arising from utilisation of the Group's trade financing facilities.

7. (Loss)/profit before tax

(Loss)/profit before tax is derived after charging the following:

	Group	
	2015	**2014**
	US$'000	**US$'000**
Inventories recognised as an expense in cost of sales	**39,674**	129,210
Freight and stockpile	**76,022**	97,950
Royalty fees	**26,382**	23,919
Mining services and overheads	**130,854**	105,432
Land exploitation expenses	**1,277**	914
Amortisation of mining properties	**27,024**	15,685
Amortisation of software	**361**	420
Amortisation of land exploitation	**2,653**	1,827
Legal and professional fees	**8,259**	10,650
Depreciation of property, plant and equipment	**4,713**	4,605
Audit fees:		
- Auditors of the Company	**144**	–
- Other auditors	**184**	169
Non-audit fees:		
- Auditors of the Company	**13**	–
- Other auditors	**32**	31
Directors' fees	**261**	146
Staff costs:		
- Salaries, wages, bonuses and other costs	**12,708**	11,724
- Contributions to defined contribution plans	**479**	418
<u>Included as part of other operating expenses:</u>		
Provision for mine closure	**410**	72
(Gain)/loss on disposal of property, plant & equipment	**(10)**	303
Inventories written down	**249**	276
Foreign exchange loss, net	**5,246**	–
Expenses in connection with DSS Acquisition		
- Auditors of the Company	**96**	–
- Other professional parties	**42**	–
Withholding tax expenses	**1,200**	–

8. Income tax benefit/(expense)

The major components of income tax benefit/(expense) for the years ended 31 December are:

	Group	
	2015	**2014**
	US$'000	**US$'000**
Consolidated Statement of Comprehensive Income		
Current income tax		
- Current year's income tax	**(2,213)**	(4,796)
- Under provision in respect of previous years	**(660)**	(762)
Deferred income tax (Note 15)		
- Current year	**3,884**	1,182
Income tax benefit/(expense)	**1,011**	(4,376)
Other comprehensive income		
Deferred tax relate to other comprehensive income:		
Net actuarial (gain)/loss on post-employment benefits	**(74)**	52

The reconciliation between the income tax benefit/(expense) and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the years ended 31 December is as follows:

	Group	
	2015	**2014**
	US$'000	**US$'000**
(Loss)/profit before tax	**(9,162)**	15,195
Tax credit/(expenses) at the domestic rates applicable in the countries where the Group operates	**1,955**	(3,531)
Adjustments:		
Income not subjected to tax	**373**	951
Expenses not deductible for tax purposes	**(817)**	(345)
Deferred tax assets not recognised	**(48)**	(608)
Under provision in respect of previous years	**(660)**	(762)
Utilisation of previously unrecognised deferred tax assets	**170**	–
Others	**38**	(81)
Income tax benefit/(expense)	**1,011**	(4,376)

The corporate income tax applicable to the entities in Singapore is 17% (2014: 17%). The corporate income tax rate applicable to the subsidiaries in Indonesia is 25% (2014: 25%).

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

Expenses not deductible for tax purposes mainly related to tax effect on disallowed interest expenses, while the income not subjected to tax related to tax effect on non-taxable interest income.

9. (Loss)/earnings per share

Basic and diluted (loss)/earnings per share are calculated by dividing the (loss)/profit for the year, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

The following reflects the earnings and share data used in the computation of basic and diluted (loss)/earnings per share for the years ended 31 December:

	Group	
	2015	**2014**
	US$'000	**US$'000**
(Loss)/profit net of tax for the year attributable to owners of the Company used in the computation of basic (loss)/earnings per share	**(8,889)**	10,791
Weighted average number of ordinary shares for basic and diluted (loss)/earnings per share ('000)	**4,518,823**	3,050,971
Basic and diluted (loss)/earnings per share attributable to owners of the Company (cents per share)	**(0.20)**	0.35

For the current financial year, the weighted average number of ordinary shares for the year is calculated based on:

(a) the number of ordinary shares outstanding from the beginning of the year, up to the Completion Date is computed based on weighted average number of ordinary shares of GEMS Group outstanding during the period multiplied by the exchange ratio established in the sale and purchase agreement; and

(b) the number of ordinary shares outstanding from the Completion Date, up to the end of the reporting period is the actual number of ordinary shares of the Company outstanding during the period.

For the financial year ended 31 December 2014, the weighted average number of ordinary shares is calculated based on GEMS's historical average number of ordinary shares outstanding multiplied by the exchange ratio established in the sale and purchase agreement.

10. Forestry concession

Forestry concession comprises 6,219 hectares of forestry assets and 13,474 hectares of land rent-use rights.

Biological assets - forestry assets

	Group			
	2015		**2014**	
	Hectares	**US$'000**	**Hectares**	**US$'000**
Existing Plantation Forest	**4,723**	**3,271**	–	–
Utilisable Natural Forest	**1,496**	**495**	–	–
	6,219	**3,766**	–	–

10. Forestry concession (cont'd)

Biological assets - forestry assets (cont'd)

	Group	
	2015	**2014**
	US$'000	**US$'000**
Movement in forestry assets:		
At 1 January	**–**	–
Acquisition of subsidiaries	**6,241**	
Harvest during the year	**(987)**	–
Costs incurred during the year	**1,238**	–
	6,492	–
Net change in fair value less estimated costs to sell	**(2,726)**	–
At 31 December	**3,766**	–

Forestry assets relates to the Group's forestry and rubber plantations acquired pursuant to the Reverse Acquisition (Note 1.2). The forestry plantation relates to a plantation of natural trees, majority of which are Acacia trees which when mature will be harvested for timber and further processed into products such as sawn logs and pulpwood. The trees have an average lifespan of up to 15 years, and take up to 6 to 7 years to reach the maturity for harvesting. During the financial year, the Group harvested approximately 159,340 m^3 (2014: Nil) of logs.

The rubber plantation was started on a trial basis during the year. When mature, the rubber trees will be tapped to produce cup lumps for latex production. The rubber plantation area is less than 1% of the total concession area as at 31 December 2015.

Fair value measurements

The fair values of forestry assets have been determined based on a valuation by an independent professional valuer using discounted cash flows of the forestry asset. The expected cash flows from the forest plantations are determined using the market price and the estimated yield of the trees, net of maintenance and harvesting costs, and any costs required to bring the plantations to maturity. The estimated yield of the trees is dependent on the age of the trees, the location of the plantations and infrastructure. The market price of the produce is largely dependent on the prevailing market price. Point-of-sale costs include all costs that would be necessary to sell the assets.

The following table shows the key unobservable inputs used in the valuation models:-

Key unobservable inputs	**Range of unobservable inputs (weighted average)**	**Inter-relationship between key unobservable inputs and fair value measurement**
Discount rate per annum	10%	The higher the discount rate, the lower the fair value
Average plantations yield, in metric tonne (m^3/ha) and kilogram per hectare (kg/ha):- - Acacia mangium and Sengon	25.3 m^3/ha to 199.2 m^3/ha (112.3 m^3/ha)	The higher the plantation yields, the higher the fair value
- Rubber plantation	475 kg/ha to 2,233 kg/ha (1,354kg/ha)	
Selling price of: - Sawn logs	US\$12.69/m^3 to US\$43.49/m^3 (US\$28.09/m^3)	The higher the selling price, the higher the fair value
- Pulpwood	US\$38.42/m^3	
- Rubber	US\$1.08 per kg	

10. Forestry concession (cont'd)

Biological assets - forestry assets (cont'd)

Financial risk management strategies related to agricultural activities

The Group is exposed to financial risk in respect of its agricultural activities, which primarily arises due to length of time between expending cash planting trees, through the maintenance of the trees until maturity, harvesting of the trees, and ultimately receiving cash from the sale of the product.

The Group plans for cash flow requirements for such activities and manage its debts actively.

Land rent-use rights

Land rent-use rights represent the areas of overlapping mining permits with third parties, who have encroached onto the Group's forestry concession land to carry out mining activities.

Based on the regulation issued by Indonesia Ministry of Forestry, the Group is allowed to be compensated for the estimated loss of existing plantations, infrastructure, increase in operational costs and loss of income from plantations over the remaining concession license period (opportunity costs) due to overlapping mining permits on the same forestry concession plantable area.

The Group has entered into an agreement with these third parties, to compensate the Group based on their future mining production. As at balance sheet date, the mining has not commenced and therefore, no compensations were recognised in the financial statements.

11. Property, plant and equipment

Group	Leasehold land and buildings US$'000	Plant and machinery US$'000	Motor vehicles US$'000	Computers, office equipment, furniture and fittings US$'000	Construction in progress US$'000	Total US$'000
Cost						
At 1 January 2014	27,256	9,245	1,860	2,505	23,536	64,402
Additions	65	–	373	123	2,936	3,497
Disposals	(297)	(148)	(806)	(43)	–	(1,294)
Reclassification	13,309	9,117	356	35	(22,817)	–
Exchange differences	(3,040)	(101)	45	(26)	3,183	61
At 31 December 2014 and 1 January 2015	37,293	18,113	1,828	2,594	6,838	66,666
Additions	34	65	252	356	1,892	2,599
Disposals	(83)	–	(152)	(40)	–	(275)
Acquisition of subsidiary (Note 14)	3,447	3,265	179	63	55	7,009
Exchange differences	(139)	(1)	–	(29)	–	(169)
At 31 December 2015	**40,552**	**21,442**	**2,107**	**2,944**	**8,785**	**75,830**

11. Property, plant and equipment (cont'd)

Group	Leasehold land and buildings US$'000	Plant and machinery US$'000	Motor vehicles US$'000	Computers, office equipment, furniture and fittings US$'000	Construction in progress US$'000	Total US$'000
Accumulated depreciation						
At 1 January 2014	3,550	1,597	596	1,707	–	7,450
Adjustments/charge for the year	2,913	1,025	262	405	–	4,605
Disposals	(84)	(25)	(157)	(29)	–	(295)
Exchange differences	(32)	(4)	17	(26)	–	(45)
At 31 December 2014 and 1 January 2015	6,347	2,593	718	2,057	–	11,715
Charge for the year	2,725	1,320	333	335	–	4,713
Disposals	(60)	–	(152)	(33)	–	(245)
Exchange differences	(49)	(1)	–	(30)	–	(80)
At 31 December 2015	8,963	3,912	899	2,329	–	16,103
Net carrying amount						
At 31 December 2014	30,946	15,520	1,110	537	6,838	54,951
At 31 December 2015	**31,589**	**17,530**	**1,208**	**615**	**8,785**	**59,727**

Included in property, plant and equipment is a wood chip mill valued at scrap value of US$4.07 million. The wood chip mill was acquired through acquisition of subsidiary during the year.

11. Property, plant and equipment (cont'd)

Company	Computers, office equipment, furniture and fittings 2015 US$'000	2014 US$'000
Cost		
At 1 January	**243**	252
Additions	**3**	2
Net exchange differences	**(16)**	(11)
At 31 December	**230**	243
Accumulated depreciation		
At 1 January	**237**	246
Charge for the year	**3**	2
Net exchange differences	**(15)**	(11)
At 31 December	**225**	237
Net carrying amount		
At 31 December	**5**	6

(a) Assets pledged as security

As at balance sheet date, the Group's wood chip mill classified under plant and machinery with a carrying amount of US$4.07 million (2014: Nil) is mortgaged to secure the Group's bank loans (Note 22 (a)).

Certain property and equipment with carrying value of US$15.02 million as of 31 December 2015 have been pledged as collateral for bank loan (Note 22 (e)).

(b) Depreciation charge

Details of the depreciation charge for the year ended are as follows:

	Group 2015 US$'000	2014 US$'000
Charged to profit or loss		
- cost of sales	**1,790**	1,574
- selling and distribution expenses	**1,038**	1,472
- administrative expenses	**1,504**	1,559
- other operating expenses	**381**	–
Depreciation for the year ended	**4,713**	4,605

12. Mining properties

	Mining under construction US$'000	Producing mines US$'000	Stripping activity US$'000	Total US$'000
Cost				
At 1 January 2014	17,324	27,353	60,040	104,717
Additions	2,427	–	27,232	29,659
Transfer to producing mines	(13,224)	13,224	–	–
Net exchange differences	(82)	(241)	(8,847)	(9,170)
At 31 December 2014 and 1 January 2015	6,445	40,336	78,425	125,206
Additions	93	–	4,378	4,471
Transfer to producing mines	(1,830)	1,830	–	–
Adjustments	(368)	–	–	(368)
Net exchange differences	(222)	(344)	(4)	(570)
At 31 December 2015	4,118	41,822	82,799	128,739
Accumulated amortisation				
At 1 January 2014	–	12,140	10,853	22,993
Charge for the year	–	3,994	11,691	15,685
Net exchange differences	–	(90)	(387)	(477)
At 31 December 2014 and 1 January 2015	–	16,044	22,157	38,201
Charge for the year	–	6,401	20,623	27,024
Net exchange differences	–	(6)	(4)	(10)
At 31 December 2015	–	22,439	42,776	65,215
Net carrying amount				
At 31 December 2014	6,445	24,292	56,268	87,005
At 31 December 2015	4,118	19,383	40,023	63,524

Details of the amortisation expenses for the year ended are as follows:

	Group	
	2015 US$'000	2014 US$'000
Charged to profit or loss		
- cost of sales	**26,947**	15,612
- other operating expenses	**77**	73
Amortisation expenses for the year ended	**27,024**	15,685

13. Goodwill on consolidation

	Group	
	2015	2014
	US$'000	US$'000
Cost:		
At beginning of the year	**701**	712
Acquisition of subsidiary (Note 14)	**109,185**	–
Exchange difference	**(7)**	(11)
At end of the year	**109,879**	701

Provisional goodwill

Upon the completion of acquisition of GEMS Group through Reverse Acquisition, a provisional goodwill amounting to US$109.19 million was recognised during the financial year. The provisional goodwill represents an excess on the cost of the Reverse Acquisition over the estimated fair value of the net identifiable assets of the Company and its subsidiaries prior to the Reverse Acquisition.

The Group has appointed an independent valuer to perform a review of the purchase price allocation ("PPA") including the provisional goodwill. As at the date of financial statement, the PPA review is still on-going. Goodwill arising from this acquisition will be adjusted accordingly on a retrospective basis when the valuation is finalised.

Impairment testing of goodwill

Provisional goodwill acquired through acquisition of GEMS has not been allocated to any cash-generating unit ("CGU"). There is no impairment testing on the provisional goodwill performed.

Goodwill acquired through business combination in previous years amounting to US$694,000 (2014: US$701,000) had been allocated to mining CGU, which is also the reportable operating segment.

The recoverable amount of the mining CGU has been determined based on value-in-use ("VIU") calculation using cash flow projects from financial budgets approved by management covering a five-year period. Pre-tax discount rate of 9% (2014: 8%) is applied to the cash flow projections.

Key assumptions used in the value in use calculations

Pre-tax discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates.

Sensitivity to changes in assumptions

Changes to the assumptions used by the management to determine the recoverable amount, in particular the discount rate, would have significant impact on the results of the assessment. Management believes that no reasonably possible changes in any of the key assumptions that would cause the carrying amount of the goodwill to materially exceeds its respective recoverable value.

Impairment loss recognised

During the financial year, there was no impairment loss recognised as the recoverable amount of the goodwill exceeded its carrying amount.

14. Investment in subsidiaries

	Company	
	2015	2014
	US$'000	US$'000
Unquoted equity shares, at cost	**133,587**	143,019
Additions	**1,199,438**	–
Disposal: [1]		
- subsidiaries in liquidation	**(5,992)**	(6,414)
- struck off	**(141)**	–
	1,326,892	136,605
Impairment loss	**(98,137)**	(105,218)
	1,228,755	31,387
Movement in allowance accounts:		
At beginning of the year	**105,218**	81,459
Charge for the year	**–**	28,340
Struck off during the year	**(141)**	–
Net exchange differences	**(6,940)**	(4,581)
At end of the year	**98,137**	105,218

(1) This relates to the disposal of Poh Lian Construction Pte. Ltd. ("PLC"). On 5 April 2013, PLC was placed under judicial management. The investment in the subsidiary was fully impaired and subsequently deconsolidated due to loss of control. This disposal was completed on 20 April 2015, immediately before the completion of the DSS acquisition (Note 1.2).

Certain of the investment in subsidiaries were pledged to secure loans and borrowings of the Company (Note 22).

During the year, management performed an impairment test on the investment in subsidiaries as they have been making losses. In 2014 impairment of US$28.34 million had been recognised to write down the carrying amount of the subsidiaries to their recoverable amount.

The recoverable amounts of the subsidiaries have been determined based on a value in use calculation using cash flow projections based on a financial budget approved by management covering a 5-year period. In the case of the entities operating the forestry concession, the discounted cash flow projections are assessed by reference to their concession tenure. The pre-tax discount rate applied to the cash flow projection for entities operating the forestry concession are 10% (2014: 10%).

14. Investment in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

Details of the subsidiaries are as follows:

Name	Principal of business	Principal activities	Proportion of ownership interest 2015 %	2014 %
Held by the Company				
Poh Lian Development Private Limited(5)	Singapore	Dormant	**100.0000**	100.0000
Anrof Singapore Limited (2)	Mauritius	Investment holding	**100.0000**	100.0000
Poh Lian (Cambodia), Ltd (3)	Cambodia	Dormant	**100.0000**	100.0000
Able Advance Limited (3)	British Virgin Islands	Dormant	**100.0000**	100.0000
PT Golden Energy Mines Tbk(2)	Indonesia	Investment holding	**66.9998**	–
Held through Anrof Singapore Ltd				
PT Hutan Rindang Banua (2)	Indonesia	Forestry operation	**100.0000**	100.0000
PT Marga Buana Bumi Mulia (2)	Indonesia	Dormant	**100.0000**	100.0000
PT Mangium Anugerah Lestari (2)	Indonesia	Dormant	**99.9800**	99.9800
Pacificwood Investment Ltd (2)	Mauritius	Investment holding and trading	**100.0000**	100.0000
Shinning Spring Resources Limited (3)	British Virgin Islands	Investment holding	**100.0000**	100.0000
Held through PT Golden Energy Mines Tbk				
PT Roundhill Capital Indonesia(2)	Indonesia	Holding company and trading	**99.0158**	–
PT Kuansing Inti Makmur(2)	Indonesia	Coal mining	**99.9998**	–
PT Trisula Kencana Sakti(2)	Indonesia	Coal mining	**70.0000**	–
GEMS Trading Resources Pte Ltd(1)	Singapore	Trading	**100.0000**	–
PT Bumi Anugerah Semesta(3)	Indonesia	Trading	**99.9902**	–
PT Borneo Indobara(2)	Indonesia	Coal mining	**99.0951**	–
PT Karya Cemerlang Persada(2)	Indonesia	Coal mining	**99.9998**	–
PT Bungo Bara Utama(2)	Indonesia	Coal mining	**99.9998**	–
PT Bara Harmonis Batang Asam(2)	Indonesia	Coal mining	**99.9998**	–
PT Berkat Nusantara Permai(2)	Indonesia	Coal mining	**99.9998**	–
PT Tanjung Belit Bara Utama(2)	Indonesia	Coal mining	**99.9998**	–

14. Investment in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

Details of the subsidiaries are as follows:

Name	Principal of business	Principal activities	Proportion of ownership interest 2015 %	2014 %
Held through PT Golden Energy Mines Tbk (cont'd)				
PT GEMS Energy Indonesia[4]	Indonesia	Trading	**99.9902**	–
Shanghai Jingguang Energy Co. Ltd[4]	People's Republic of China	Coal trading	**100.0000**	–
Subsidiary (In Compulsory Liquidation) :				
Poh Lian Construction (Pte.) Ltd.[6]	Singapore	Building contractor and property developer	**–**	100.0000
Subsidiaries held under Poh Lian Construction (Pte.) Ltd. (In Compulsory Liquidation):				
Poh Lian Realty Pte Ltd [6]	Singapore	Property development	**–**	100.0000
Dongshan Poh Lian Real Estate Co., Ltd [6]	People's Republic of China	Property investment	**–**	100.0000
Poh Lian Training & Management (Bangladesh) Pvt Ltd [6]	Bangladesh	Dormant	**–**	30.0000

(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by member firms of Ernst & Young Global in the respective countries.

(3) Exempted/not required to be audited by the law of its country of incorporation.

(4) Not audited since its incorporation as deemed not material to the Group.

(5) Struck off on 19 January 2016.

(6) Disposed of during the current financial year.

(b) Interest in subsidiaries with material non-controlling interests ("NCI")

The Group has the following subsidiaries that have NCI that are material to the Group:

Name	Principal place of business	Proportion of ownership interest held by NCI %	Profit/(loss) allocated to NCI during the reporting period US$'000
31 December 2015:			
PT Golden Energy Mines Tbk	Indonesia	33.0002	738

14. Investment in subsidiaries (cont'd)

(c) Summarised financial information about subsidiaries with material NCI

Summarised financial information including consolidation adjustments but before company eliminations of subsidiaries are as follows:

Summarised balance sheets

	2015 US$'000	2014 US$'000
Current		
Assets	**195,737**	141,302
Liabilities	**(70,048)**	(64,053)
Net current assets	**125,689**	77,249
Non-current		
Assets	**173,930**	174,337
Liabilities	**(52,107)**	(3,528)
Net non-current assets	**121,823**	170,809
Net assets	**247,512**	248,058

Summarised statement of comprehensive income

	2015	2014
Revenue	**353,186**	435,953
Profit before tax	**1,672**	15,195
Income tax benefit/(expense)	**417**	(4,376)
Profit after tax	**2,089**	10,819
Other comprehensive income	**453**	(4,754)
Total comprehensive income	**2,542**	6,065

Other summarised information

	2015	2014
Cash flows (used in)/from operating activities	**(3,874)**	27,593
Acquisition of significant property, plant and equipment	**(2,473)**	(3,497)

14. Investment in subsidiaries (cont'd)

(d) Acquisition of subsidiary

As described in Note 1.2, the Company completed its acquisition in PT Golden Energy Mines Tbk ("GEMS") on 20 April 2015. Upon the acquisition, GEMS became a subsidiary of the Group.

The estimated fair value of the identifiable assets and liabilities of GEAR as at acquisition date were:

	Estimated fair value recognised on acquisition US$'000
Forestry concession	6,241
Property, plant and equipment	7,009
Deferred tax assets	179
Inventories	722
Trade and other receivables	3,805
Cash and bank balances	1,451
Trade and other payables	(20,912)
Amount due to holding company	(852)
Short term loans	(71,057)
Deferred tax liabilities	(649)
Post-employment benefits	(90)
Total identifiable net liabilities at estimate fair value	(74,153)
Non-controlling interest of acquiree	7
Fair value of consideration transferred (1)	(35,039)
Goodwill arising from Reverse Acquisition	(109,185)

Effect of the Reverse Acquisition on cash flow

Total consideration for 66.9998% equity interest acquired	35,039
Less: non-cash consideration	(35,039)
Consideration settled in cash	–
Add: Cash and bank balances of subsidiary acquired	1,451
Net cash inflow on the Reverse Acquisition	1,451

(1) The consideration for the Reverse Acquisition was determined in the form of deemed equity issued by GEMS of 242,882,384 for the Reverse Acquisition and the closing market price as at 20 April 2015, the last trading day before the Completion Date, of Rp1,860 (equivalent to US$0.14426) per share, representing the estimated fair value of the equity of the Company before the Reverse Acquisition.

Impact of the acquisition on profit or loss

From the Completion Date up to the end of the current financial year, the Company has contributed US$10.24 million of loss, net of tax to the Group's loss for the year. Had the Reverse Acquisition taken place at the beginning of the year, the Group's loss for the year would have been US$8.44 million higher, and the Group's loss for the year would have amounted to US$18.68 million.

15. Deferred tax

The deferred tax as at 31 December relates to the following:

	Group				Company	
	Consolidated balance sheets		Consolidated comprehensive income		Balance sheets	
	2015	2014	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Deferred tax assets:						
Unabsorbed tax losses	**6,657**	4,103	**2,554**	1,084	**-**	–
Stripping activity asset	**774**	784	**(10)**	–	**-**	–
Post-employment benefits liability	**551**	533	**114**	59	**-**	–
Allowance for impairment	**2**	2	**-**	(7)	**-**	–
Provision for mine closure	**340**	238	**102**	17	**-**	–
Others	**214**	45	**476**	11	**-**	–
	8,538	5,705			**-**	–
Deferred tax liabilities:						
Mining properties from business combinations	**(480)**	(505)	**(25)**	18	**-**	–
Forestry concession	**(673)**	–	**673**	–	**-**	–
	(1,153)	(505)			**-**	–
			3,884	1,182		

The Group has unabsorbed tax losses of approximately US$9.43 million (2014: Nil), that is available for offset against future taxable profits, subjected to a maximum of five years period based on the Indonesia tax regulation, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the respective domestic tax authorities in the countries concerned.

16. Amounts due from subsidiaries

	Company	
	2015	2014
	US$'000	US$'000
Amount due from subsidiaries	**127,118**	145,161
Less: Impairment loss	**(127,118)**	(145,161)
	-	–
Movement in impairment loss:		
At beginning of the year	**145,161**	150,391
Reversal for the year	**(296)**	(1,552)
Charge for the year	**27**	39
Bad debts written off	**(11,805)**	–
Net exchange differences	**(5,969)**	(3,717)
At end of the year	**127,118**	145,161

The amounts due from subsidiaries are deemed as part of the Company's net investments in the respective subsidiaries. They are unsecured, interest-free and not expected to be repaid within the next 12 months.

The amounts due from subsidiaries are denominated in Singapore Dollars, United States Dollars and Indonesia Rupiah.

16. Amounts due from subsidiaries (cont'd)

The Company had impaired in full the amounts due from subsidiaries in the previous year as the subsidiaries had been persistently making losses and were in net liability positions.

During the financial year, there was a reversal of impairment loss of US$296,000 (2014: US$1.55 million) from its subsidiaries, due to recovery of debts.

The Company wrote off amount due from subsidiary, Poh Lian Construction (Pte.) Ltd. amounting to US$11.81 million (2014: Nil) upon disposal of subsidiary during the financial year (Note 1.2).

17. Trade and other receivables

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Current				
Trade receivables				
- Related parties	**28,763**	4,785	**-**	–
- Third parties	**28,901**	34,908	**147**	–
Receivables due from subsidiaries:				
- Non-trade	**-**	–	**239**	224
Other receivables	**32,896**	1,383	**11**	3,386
	90,560	41,076	**397**	3,610
Less: Allowance for doubtful debts	**(10)**	(10)	**-**	(3,331)
	90,550	41,066	**397**	279
Non-current				
Other receivables				
- Related parties	**481**	529	**-**	–
- Third parties	**229**	349	**-**	–
	710	878	**-**	–
Total trade and other receivables (current and non-current)	**91,260**	41,944	**397**	279
Add: Cash and bank balances (Note 20)	**44,487**	63,218	**183**	383
Other current assets (Note 18)				
- Deposits	**130**	48	**6**	7
- Others	**-**	247	**-**	–
Other non-current assets				
- Deposits	**19,785**	350	**-**	–
- Others	**51**	61	**-**	–
Total loans and receivables	**155,713**	105,868	**586**	669

Trade receivables are non-interest bearing and are generally on 30 to 60 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Receivables due from subsidiaries are non-trade related, unsecured, non-interest bearing, repayable upon demand and are to be settled in cash.

17. Trade and other receivables (cont'd)

Included in other receivables is a US$30.00 million short term loan granted to Asia Coal Energy Ventures Limited ("ACEV") by the Group. The rate of interest on the loan for each relevant interest period is the percentage rate per annum which is the aggregate of (a) 10.0% per annum, and (b) LIBOR (as defined in the Facility Agreement). The effective interest rate is 10.3% per annum. The loan is secured by a share charge in favour of the Group over ASM Administration Limited's ("ASM") shares in ACEV representing 10.0% of the entire issued shares of ACEV as at the date, and at all times during the tenure, of the Facility Agreement. Under the Facility Agreement, the Group may on or after the date on which the loan is to be repaid elect to exchange all or part of the outstanding amount of the Loan for shares that are the subject of the share charge. The loan is expected to be repaid on 4 April 2016.

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to US$10.06 million (2014: 1.33 million) that are past due at the balance sheet date but not impaired as follows:

	2015 US$'000	2014 US$'000
Trade receivables past due:		
1 to 60 days	**9,969**	1,230
61 to 90 days	**19**	97
More than 90 days	**76**	–
	10,064	1,327

Trade receivables that are impaired

The Group's trade receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

	Individually impaired	
	2015 US$'000	2014 US$'000
Trade receivables – nominal amount	**10**	10
Less: Allowance for impairment	**(10)**	(10)
	–	–
Movement in allowance account:		
At 1 January	**10**	7
Charged during the year	**–**	3
At 31 December	**10**	10

17. Trade and other receivables (cont'd)

Other receivables that are impaired

The Group's other receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

	Individually impaired			
	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Other receivables – nominal amount	**–**	–	**–**	3,331
Less: Allowance for impairment	**–**	–	**–**	(3,331)
	–	–	**–**	–
Movement in allowance account:				
At 1 January	**–**	–	**3,331**	3,480
Written off	**–**	–	**(3,205)**	–
Exchange differences	**–**	–	**(126)**	(149)
At 31 December	**–**	–	**–**	3,331

Trade and other receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Trade and other receivables denominated in foreign currencies as at year end are as follows:

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
IDR	**35,678**	8,584	**–**	–
GBP	**148**	–	**148**	–

18. Other current and non-current assets

	Group		Company	
	2015	**2014**	**2015**	**2014**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Current				
Prepayments	**1,092**	709	**33**	198
Advances(1)	**45,474**	26,177	**–**	–
Deposits	**130**	48	**6**	7
Others	**–**	247	**–**	–
	46,696	27,181	**39**	205
Non-current				
Software	**462**	690	**–**	–
Land exploitation	**14,364**	12,719	**–**	–
Prepayments(2)	**862**	901	**–**	–
Advances	**785**	845	**–**	–
Deposits(3)	**26,720**	7,190	**–**	–
Others	**4,176**	1,313	**–**	–
	47,369	23,658	**–**	–

(1) Advances to supplier mainly consist of advances for purchase of coal.

(2) Prepayments mainly consist of rental of building.

(3) Non-current deposits mainly consist of reclamation guarantee deposit paid to third party. The deposits are expected to be settled in cash.

(4) Others mainly consist of estimated claim for tax refund. The balances are expected to be settled in cash.

Other current and non-current assets denominated in foreign currencies as at year end are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	US$'000	**US$'000**	**US$'000**	**US$'000**
IDR	**25,380**	28,815	**–**	–

18. Other current and non-current assets (cont'd)

The movement in the software and land exploitation are as follows:

Group	Software 2015 US$'000	Software 2014 US$'000	Land exploitation 2015 US$'000	Land exploitation 2014 US$'000
Cost:				
At beginning of the year	**1,918**	1,676	**15,755**	13,776
Addition	**133**	285	**4,298**	1,504
Exchange difference	**–**	(43)	**–**	475
At end of the year	**2,051**	1,918	**20,053**	15,755
Accumulated amortisation:				
At beginning of the year	**1,228**	842	**3,036**	1,331
Amortisation	**361**	420	**2,653**	1,827
Exchange difference	**–**	(34)	**–**	(122)
At end of the year	**1,589**	1,228	**5,689**	3,036
Net carrying amount				
At 31 December	**462**	690	**14,364**	12,719

19. Inventories

	Group 2015 US$'000	Group 2014 US$'000
Balance sheets:		
Coals	**14,530**	9,316
Coals in transit	**1,551**	464
Logs	**230**	–
Spare parts	**227**	57
Raw materials	**2**	–
Others	**3**	–
Total inventories at lower of cost and net realisable value	**16,543**	9,837
Consolidated Statement of Comprehensive Income:		
Inventories recognised as an expense in cost of sales	**39,674**	129,210
Inventories written-down (Note 7)	**249**	276

Coal inventories owned by the Group was used as fiduciary collateral to guarantee the payment of Omnibus Trade Non Cash Backed loan facility obtained by the Group from PT Bank Danamon Indonesia Tbk (Note 22 (d)).

As at the balance sheet date, the coal inventory at Bunati port was insured to PT Asuransi Asoka Mas, a third party, with total coverage amounting to US$10.48 million (2014: US$7.48 million). Management believes that the inventory is adequately insured to cover the risk of loss and damage.

20. Cash and short-term deposits

	Group		Company	
	2015	**2014**	**2015**	**2014**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Cash on hand	**84**	161	**–**	1
Cash at banks	**30,707**	4,474	**183**	382
Short-term deposits	**13,696**	58,583	**–**	–
	44,487	63,218	**183**	383

Short term deposits are made for varying periods of between one and three months, depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates. The effective interest rates as at 31 December 2015 for the Group were as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	%	**%**	**%**	**%**
IDR	**7.25% - 9.00%**	7.75% -10.00%	**–**	–
USD	**1.25%**	1.65% - 3.00%	**–**	–

Cash and short-term deposits denominated in foreign currencies as at year ended are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	US$'000	**US$'000**	**US$'000**	**US$'000**
USD	**11**	–	**11**	11
IDR	**17,614**	49,382	**–**	–
RMB	**3**	3	**–**	–
SGD	**29**	14	**–**	–

21. Trade and other payables

	Group		Company	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Current				
Trade payables: (1)				
- Related parties	**15,070**	5,220	**-**	–
- Third parties	**39,933**	44,760	**-**	–
Other payables:				
- Related parties(2)	**940**	10	**875**	–
- Subsidiaries(4)	**-**	–	**1,787**	1,855
- Third parties(3)	**9,207**	356	**-**	–
Accrued expenses	**7,439**	6,622	**227**	190
Accrual for directors' fee and bonus	**365**	–	**365**	381
Non-trade payables	**12,690**	931	**9,255**	13,827
Corporate guarantee claims	**-**	–	**-**	35,190
Advances received(5)	**1,758**	200	**-**	–
Others	**35**	–	**-**	–
	87,437	58,099	**12,509**	51,443
Non-current				
Guarantee deposits	**109**	120	**-**	–
Total trade and other payables (current and non-current)	**87,546**	58,219	**12,509**	51,443
Add: Loans and borrowings (Note 22)	**125,853**	5,019	**73,146**	69,015
Less: Advances received	**(1,758)**	(200)	**-**	–
Total financial liabilities carried at amortised costs	**211,641**	63,038	**85,655**	120,458

(1) Trade payables are non-interest bearing and normally settled on 30 to 120 days' terms.

(2) Other payables to related parties bear interest of 6.0% (2014: Nil) per annum with maturity on 31 July 2016.

(3) Other payables to third parties are generally non-interest bearing and repayable on demand except an amount of US$5.32 million bears interest of 1.96% (2014: Nil) per annum with maturity period of 90 days.

(4) Other payables to subsidiaries are unsecured, non-interest bearing and repayable on demand.

(5) Advances received from third parties in relate to logs and coal sales.

21. Trade and other payables (cont'd)

Trade and other payables denominated in foreign currencies as at year ended are as follows:

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
USD	**1,905**	–	**994**	–
SGD	**2**	–	**-**	–
IDR	**32,881**	23,301	**-**	–
HKD	**12**	–	**12**	–

22. Loans and borrowings

		Group		Company	
		2015	2014	2015	2014
	Note	US$'000	US$'000	US$'000	US$'000
Current:					
Short-term loan, secured	(a)	**10,961**	–	**10,961**	12,752
Short-term loan, secured	(b)	**-**	–	**-**	51,364
Short term loan, unsecured	(c)	**5,407**	–	**5,407**	4,899
Short-term loan, unsecured	(d)	**4,369**	5,019	**-**	–
		20,737	5,019	**16,368**	69,015
Non-Current:					
Long-term loan, secured	(b)	**56,778**	–	**56,778**	–
Long-term loan, secured	(e)	**48,338**	–	**-**	–
		105,116	–	**56,778**	–
Total loans & borrowings		**125,853**	5,019	**73,146**	69,015

(a) The loan was secured by the woodchip mill asset. The loan bears effective interest from 6.24% to 7.63% per annum (2014: 7.36% to 7.79% per annum).

On 25 July 2014, the financial institution agreed to extend the loan maturity to 31 March 2015 subject to the condition that the Company shall provide the financial institution with fortnightly updates on the progress of the on-going DSS Acquisition.

On 30 September 2015, the financial institution have agreed to extend the repayment date of the Existing Indebtedness to the earlier of (i) 31 March 2016 and (ii) three business days after the date of the completion of the Post-Completion Placement, subject to the condition, *inter alia*, that the Company shall continue to provide the financial institution with fortnightly updates on the progress of the Post-Completion Placement.

At the date of this report, the financial institution and the Company are still in discussion to extend the repayment date of the Existing Indebtedness to the completion of the Post-Completion Placement.

In 2014, the Company did not meet the required bank covenant for maintaining minimum tangible net worth of S$15.00 million and total net debt not more than four times of its EBITDA of a subsidiary, who had been liquidated. The subsidiary was disposed on 20 April 2015. The loan is expected to be repaid through the proceeds to be received from the compliance placement shares following the completion of the DSS Acquisition.

22. Loans and borrowings (cont'd)

(b) The loan was secured by a share pledge and a share charge over the entire issued and paid up share capital in certain subsidiaries.

The loan bears interest of 10.0% (2014: 10.0%) per annum.

The Company did not manage to service the accrued interest on a quarterly basis under the loan agreement (as supplemented, extended and modified) and an additional interest was charged at 2.0% per month above the interest of 10.0% per annum, on the outstanding obligations calculated on a daily basis from 11 May 2011. As at 31 December 2014, the Company did not recognise in its books the additional interest amounted to US$58.62 million and the relevant charges estimated to be approximately US$6.50 million. The financial institution subsequently agreed and waived the additional interest on 23 November 2015 as disclosed below.

On 23 November 2015, the Company and the financial institution have entered into a new standstill agreement to agree on the following:

- Extension of the repayment date of the Existing Indebtedness to the earlier of (i) 15 April 2017 and (ii) three business days after the date of the completion of the compliance placement.

- Waiver of any additional interest payable by the Company.

The loan is expected to be repaid through the proceeds received from the compliance placement shares following the completion of the DSS Acquisition.

(c) On 6 November 2012, the Company and a financial institution entered into a US$4.00 million loan agreement to finance the expenses relating to the DSS Acquisition. The loan is unsecured, bears interest at 12.5% per annum.

At 31 December 2015, the Company utilised US$4.00 million (31 December 2014: US$4.00 million) for payment of professional and expenses relating to the DSS Acquisition.

On 16 February 2015, the Company received a deed of undertaking from the financial institution that the repayment date of the outstanding obligations under the US$4.00 million loan to be three business days after the date of the completion of the compliance placement.

(d) On 12 July 2013, the Group obtained Omnibus Trade Non Cash Backed loan facility from the financial institution for a maximum amount of US$5.00 million, which is valid until 12 July 2014. This facility can be used with (sublimit) Trade Cash (Funded) loan facility in form of Pre-Shipment Financing (PSF) with a maximum amount of US$5.00 million and bears interest at 5.25% per annum and Open Account Financing (OAF) Buyer and Seller facility with a maximum amount at 5.5% per annum. Repayment periods for PSF and OAF facilities maximum 90 days.

This loan facility is secured by trade receivable and/or inventories for a minimum amount of US$11.00 million and margin deposit amounting to US$1.75 million.

Based on Amendment to Omnibus Trade Finance Facility Agreement dated 3 July 2014, the financial institution and the Group agreed that the omnibus trade non cash backed facility can be use (sublimit) by a subsidiary. The term of the facility have been extended several time, the latest was extended until 30 April 2016.

22. Loans and borrowings (cont'd)

(e) On 25 March 2015, the Group signed a term loan facility of US$50.00 million with a financial institution. This credit facility is intended to be deployed for investments in property, plant and equipment. This term loan has a tenor of 10 years at an interest rate of 10% per annum and subject to rate revisions from time to time.

On 6 April 2015, the Group drew down US$20.00 million of the term loan facility from the financial institution and on 25 September 2015, the Group drew down the remaining facility of US$30.00 million.

The collaterals for loan include certain property and equipment of the subsidiaries and pledge of shares and corporate guarantee from Group companies.

In accordance with the loan agreement, the Group is required to maintain certain financial ratios, with which the Group was in compliance as at 31 December 2015. The Group is also required to comply with certain terms and conditions relating to its Articles of Association, the nature of the business, dividends, corporate actions, financing activities and other matters. The Group is in compliance with the related terms and conditions.

23. Post-employment benefits

The Group recognised liabilities for post-employment benefits based on the actuarial calculation by an independent actuary. The post-employment benefits arise from subsidiaries domiciled in Indonesia.

The present value of the defined post-employment benefit obligations, and the related current service cost and past service cost, were measured using the projected unit credit method. No funding has been made to this defined benefit scheme.

The principal assumptions used in determining post-employment benefits as at reporting date were as follows:

	Group	
	2015	**2014**
Normal retirement age	**55 years**	55 years
Salary increment rate per annum	**8.0%**	8.0%
Discount rate per annum	**9.0%**	8.0%
Mortality rate *	**TMI 2011**	TMI 2011
Disability level	**10.0% of TMI 2011**	10.0% of TMI 2011
Resignation level per annum	**10.0% up to age 25 reducing linearly to 1.0% at age 45 and thereafter**	10.0% up to age 25 reducing linearly to 1.0% at age 45 and thereafter

* Standard Ordinary Mortality table in Indonesia ("TMI")

The amount recognised in the balance sheets is determined as follows:

	Group	
	2015	**2014**
	US$'000	**US$'000**
Present value of defined benefit obligations and total post-employment benefits	**1,907**	1,917

23. Post-employment benefits (cont'd)

	Group 2015 US$'000	Group 2014 US$'000
Movements in the account are as follows:		
At 1 January	**1,917**	1,420
Acquisition of subsidiary	**90**	–
Remeasurement recognised in other comprehensive income	**(309)**	209
Post-employment benefits expenses recognised in profit or loss	**497**	418
Transferred liability for transferred employees	**(82)**	(70)
Exchange difference	**(206)**	(60)
At 31 December	**1,907**	1,917

The components of post-employment benefits expense recognised in profit or loss:

	Group 2015 US$'000	Group 2014 US$'000
Current service cost	**382**	331
Interest cost on defined benefit obligations	**146**	129
Employment benefit directly paid during the year	**(31)**	(42)
Post-employment benefits expense	**497**	418

Post employment benefits expense is recognised in the "Administrative expenses" line item in the consolidated statement of comprehensive income.

The following table summarises the components of post-employment benefits expense recognised in other comprehensive income:

	Group 2015 US$'000	Group 2014 US$'000
Before tax	**309**	(209)
Tax charge	**(74)**	52
After tax	**235**	(157)

The sensitivity analysis below has been determined based on reasonably possible changes of significant assumption on the post-employment benefits as of the end of the reporting period, assuming if all other assumptions were held constant.

	Present value of obligation		Current service cost	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
As reported using discount rate of 9.0% (2014: 8.0%) per annum	**1,907**	1,917	**497**	418
Increase by 100 basis points	**1,719**	1,712	**584**	439
Decrease by 100 basis points	**2,132**	2,157	**584**	439

24. Provision for mine closure

Provision for mining closure is for restoration and rehabilitation of mining areas.

	Group	
	2015	2014
	US$'000	US$'000
At 1 January	**986**	879
Charged to profit or loss	**410**	72
Exchange difference	**-**	35
At 31 December	**1,396**	986

25. Share capital

	Group		Company	
	Number of shares '000	US$'000	Number of shares '000	US$'000
Issued and fully paid :				
At 1 January 2014 and 31 December 2014	3,864,251	294,085	3,864,251	257,956
Share consolidation(1)	(3,786,966)	–	(3,786,966)	–
Issuance of shares pursuant to Reverse Acquisition	2,044,145	35,039(2)	2,044,145	1,258,414(3)
Conversion of Mandatory Convertible Bonds	48,690	–	48,690	29,974
Non-controlling interest pursuant to Reverse Acquisition	–	(97,048)	–	–
Share issuance expenses	–	–	–	(173)
At 31 December 2015	**2,170,120**	**232,076**	**2,170,120**	**1,546,171**

The ordinary shares of the Company have no par value. The holders are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. All issued ordinary shares are fully paid.

The amount recognised as issued equity interest in the consolidated financial statements were determined by adding the issued equity interest of GEMS, outstanding immediately before the Reverse Acquisition to the fair value of GEAR Group at the Completion Date. However, the equity structure appearing in the balance sheets (i.e. the number and type of equity interests issued) shall reflect the equity structure of GEAR, including the equity interests issued to DSS to effect the Acquisition. Accordingly, the equity structure of GEMS Group is restated using the exchange ratio established in the acquisition agreement to reflect the number of shares of GEAR issued in the Reverse Acquisition.

(1) On 17 April 2015, every fifty (50) existing shares registered in the name of each shareholders were consolidated into one (1) consolidated share.

(2) This represents the fair value of the consideration transferred in relation to the Reverse Acquisition. The consideration transferred is determined using the fair value of the entity of GEMS before the acquisition, being 242,882,384 at Rp1,860 (equivalent to US$0.14426) per share which represents the quoted and traded price of GEMS shares on 20 April 2015, i.e the close of trading, before the Reverse Acquisition.

(3) This represents the purchase consideration for the Company's acquisition of GEMS which was satisfied by the allotment and issuance of ordinary shares at S$0.8301 (equivalent to US$0.61562) per share which represents the quoted and traded price of the Company's shares prior to the completion of the Reverse Acquisition.

26. Operating lease commitments – as lessee

The Group leases certain motor vehicle, office equipment and property under lease agreements that are non-cancellable with no renewal option or escalation clauses included in the contracts. Lease terms do not contain restrictions concerning dividend, additional debts or further leasing.

	Group	
	2015	**2014**
	US$'000	**US$'000**
Minimum lease payments under operating leases recognised as an expense in the financial year	**3,940**	5,203

Future minimum lease payments for all leases with initial or remaining terms of one year or more are as follows:

	2015	**2014**
	US$'000	**US$'000**
Within one year	**1,578**	1,587
After one year but not more than five years	**1,452**	–
	3,030	1,587

27. Related party disclosures

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2015	**2014**
	US$'000	**US$'000**
Sales to related parties	**154,021**	188,944
Interest income from related parties	**116**	80
Purchases paid to related parties	**17,886**	–
Rental expenses paid to related parties	**914**	1,780
Repair & maintenance paid to related parties	**–**	1,042
Freight expenses paid to related parties	**1,032**	901
Professional fees paid to related parties	**3,361**	7,667
Insurance expenses paid to related parties	**1,231**	1,327
Interest expenses paid to related parties	**3,932**	–

Related parties are subsidiaries and associates of Sinarmas Group and its subsidiaries, excluding entities within the Group.

27. Related party disclosures (cont'd)

(b) Compensation of key management personnel

	Group	
	2015	**2014**
	US$'000	**US$'000**
Short-term employee benefits	**3,241**	2,451
Central Provident Fund contributions	**55**	35
Other short-term benefits	**300**	176
	3,596	2,662
Comprises amounts paid and payable to:		
- directors of the Company	**1,375**	1,247
- other key management personnel	**2,221**	1,415
	3,596	2,662

Included in the compensation paid or payable to key management personnel are contributions to defined contribution plan amounted to US$54,698 (2014: US$35,148).

28. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Fair value measurement that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

28. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities carried at fair value at the end of the reporting period:

	Group			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) US$'000	**Significant observable inputs other than quoted prices** (level 2) US$'000	**Significant unobservable inputs** (Level 3) US$'000	**Total** US$'000
Recurring fair value measurements:				
31 December 2015				
Assets				
Non-financial assets				
Forestry assets	–	–	3,766	3,766
31 December 2014				
Assets				
Non-financial assets				
Forestry assets	–	–	–	–

There has been no transfer from Level 1 and Level 2 and Level 3 for the financial years ended 31 December 2015 and 31 December 2014 respectively.

<u>Methods and assumption used to determine fair value</u>

Fair value of forestry assets has been determined based on valuations by an independent professional valuer using discounted cash flows of the underlying forestry assets. Please refer to Note 10 for more details.

<u>Valuation policies and procedures</u>

The Group's Chief Financial Officer (CFO) oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regard, the CFO reports to the Group's Audit Committee. For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and FRS 113 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations. These are reviewed by the Audit Committee for submission to the Board of Directors for approval. Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Trade and other receivables (Note 17), cash and bank balances (Note 20), trade and other payables (Note 21), and loans and borrowings (Note 22).

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature.

28. Fair value of assets and liabilities (cont'd)

(d) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The fair value of financial assets by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follow. These financial assets are categorised within Level 3 of the fair value hierarchy.

	2015		2014	
	Carrying amount US$'000	Fair value US$'000	Carrying amount US$'000	Fair value US$'000
Financial assets:				
Other investments	**14**	*	14	*
Other receivables	**30,000**	**30,748**	197	176

<u>**Determination of fair value**</u>

The financial assets are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending or leasing arrangements at the date of statements of financial position.

* Other investments are investments in other unquoted ordinary shares representing equity ownership interest of below 20% are carried at cost as their fair values cannot be reliably measured. The Group does not intend to dispose this investment in foreseeable future.

29. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, liquidity risk, credit risk, foreign currency risk and commodity price risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process. The Group does not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks except as described below.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from its floating interest rate loans and borrowings.

Currently the Group does not have an interest rate policy. At the balance sheet date, the Group and the Company has short-term loans and borrowings of which majority of the loans carried fixed interest rate except for one loan that is subject to floating interest rate. The floating interest rate does not vary significantly with the movements in the market interest rates.

<u>Sensitivity analysis for interest rate risk</u>

At the end of the reporting period, if the interest rates had been 75 (2014: 75) basis points lower/higher with all other variables held constant, the Group's loss net of tax would have been approximately US$617,000 (2014: US$31,000) lower/higher, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility in prior years.

Information relating to the Group's interest rate exposure is also disclosed in various notes to the financial statements.

29. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the Group and the Company will encounter difficulty in meeting financial obligation due to shortage of funds. The Group and the Company is exposed to liquidity risk in respect of its cash flow management to fund its ongoing operations as well as settlement of its short-term loans and borrowings and all of its current liabilities. The Group's and the Company's objective is to maintain an appropriate level of liquid assets to meet its liquidity requirements in the short term.

The Group and the Company manage its liquidity needs by monitoring its forecasted cash inflows and outflows from its day to day operations. Liquidity needs are then monitored in various time bands such as daily, weekly as well as on a rolling of 30 days rolling projection. Net cash requirements are then compared to available cash and cash equivalents in order to determine the cash shortfalls.

At the date of this report, financial institutions have verbally agreed to extend the repayment date of the loans and borrowings, including all related interest charges. The repayment is planned to coincide with the completion of the post completion placement, whereby the loans and borrowings will be repaid from the proceeds received from the proposed compliance placement shares following the completion of the DSS Acquisition. Likewise for the obligations arising from the corporate guarantees claims, the Company has entered into the 5 per. cent. mandatory convertible bond agreement with various Unsecured Creditors to settle the obligations due. During the year, the conversion of mandatory convertible bond to shares was completed.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations:

	2015				2014		
Group	1 year or less US$'000	2 to 5 years US$'000	More than 5 years US$'000	Total US$'000	1 year or less US$'000	2 to 5 years US$'000	Total US$'000
Financial assets:							
Trade and other receivables	**90,550**	**-**	**-**	**90,550**	41,066	–	41,066
Cash and bank balances	**44,487**	**-**	**-**	**44,487**	63,218	–	63,218
Total undiscounted financial assets	**135,037**	**-**	**-**	**135,037**	104,284	–	104,284
Financial liabilities:							
Trade and other payables	**85,694**	**109**	**-**	**85,803**	58,019	–	58,019
Loans and borrowings	**33,480**	**88,276**	**46,653**	**168,409**	5,084	–	5,084
Total undiscounted financial liabilities	**119,174**	**88,385**	**46,653**	**254,212**	63,103	–	63,103
Total net undiscounted financial (liabilities)/ assets	**15,863**	**(88,385)**	**(46,653)**	**(119,175)**	41,181	–	41,181

29. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Company	2015 1 year or less US$'000	2015 2 to 5 years US$'000	2015 Total US$'000	2014 1 year or less US$'000	2014 2 to 5 years US$'000	2014 Total US$'000
Financial assets:						
Trade and other receivables	**397**	**–**	**397**	279	–	279
Cash and bank balances	**183**	**–**	**183**	383	–	383
Total undiscounted financial assets	**580**	**–**	**580**	662	–	662
Financial liabilities:						
Trade and other payables	**12,509**	**–**	**12,509**	51,443	–	51,443
Loans and borrowings	**23,988**	**59,051**	**83,039**	69,015	–	69,015
Total undiscounted financial liabilities	**36,497**	**59,051**	**95,548**	120,458	–	120,458
Total net undiscounted financial (liabilities)/ assets	**(35,917)**	**(59,051)**	**(94,968)**	(119,796)	–	(119,796)

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables and compensation income expected to be receivable from mining licensees.

Credit risk is limited to the risk arising from the inability of a debtor to make payments when due. It is the Group's policy to provide credit terms to creditworthy customers. These debts are continually monitored and therefore, the Group does not expect to incur material credit losses.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. For international trade transaction of significant value, the Group accepts letter of credit issued by a reputable international bank.

Exposure to credit risk

The carrying amount of trade and other receivables and cash and bank balances represent the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

29. Financial risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade and other receivables on an on-going basis. The credit risk concentration profile of the Group's trade and other receivables at the balance sheet date is as follows:

	2015		2014	
	US$'000	% of total	US$'000	% of total
By country				
Singapore	**159**	**N/A**	–	N/A
Indonesia	**110,886**	**100%**	41,944	100%
Total	**111,045**		41,944	
By industry sector				
Coal	**110,052**	**99%**	41,944	100%
Forestry and pulp	**834**	**1%**	–	N/A
Others	**159**	**N/A**	–	N/A
Total	**111,045**		41,944	

As at 31 December 2015 and 31 December 2014, there were no significant concentrate of credit risk with any single customer.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are due from creditworthy debtors. Cash and cash equivalents that are neither past due nor impaired are placed with reputable local or international banks with high credit ratings.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired are disclosed in Note 10 and Note 17.

(d) Foreign currency risk

The Group has transactional currency exposures primarily in USD and IDR arising mainly from sales and purchases. The Group holds cash and cash equivalents primarily denominated in foreign currencies for working capital purposes (Note 20). The Group's trade receivable and payable balances at the reporting date have similar exposure. The foreign currency in which these transactions are denominated is mainly in IDR. Approximately 51% (2014: 29%) of these balances denominated are in this foreign currency. Currently, there is no policy to reduce currency exposure through forward currency contracts, derivatives transactions or other arrangements. However the Group relies on its operational cash flow to hedge against the foreign currency exposure.

29. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the IDR against USD, with all other variables held constant.

		Group Profit net of tax	
		2015	**2014**
		US$'000	**US$'000**
IDR/USD	- strengthened 7% (2014: 10%)	**(2,247)**	(4,090)
	- weakened 7% (2014: 10%)	**2,585**	4,999
USD/IDR	- strengthened 7% (2014: 10%)	**1,661**	–
	- weakened 7% (2014: 10%)	**(1,661)**	–

The Group is also exposed to currency translation risk arising from its net investments in foreign operations in countries such as Indonesia, Mauritius and British Virgin Islands. The Group does not hedge this currency exposure.

(e) Commodity price risk

Commodity price risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in commodity prices.

The Group is exposed to commodity price risk arising from changes in market value of the mature forestry assets.

The Group's objective is to monitor the trend of these commodity prices and would reduce level of harvesting activities in period of price decline.

Sensitivity analysis for commodity price risk

At the balance sheet date, if the price of logs had been 5% (2014: Nil) higher/lower with all other variables held constant, the Group's loss net of tax would have been US$761,000 (2014: US$Nil) lower/higher, arising as a result of higher/lower fair value gains on the forestry concession.

30. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. The Group is required to comply with financial covenants, if any, imposed by financial institutions. No changes were made in the objectives, policies or processes between the years ended 31 December 2015 and 2014 respectively.

The Group monitors capital using gearing ratio.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as loans and borrowings, trade and other payables, less cash and cash equivalents. Total capital includes equity attributable to the equity holders of the parent, capital reserves and other reserves plus net debt.

30. Capital management (cont'd)

	2015 US$'000	2014 US$'000
Loans and borrowings	**125,853**	5,019
Trade and other payables	**87,546**	58,219
Less: Cash and bank balances	**(44,487)**	(63,218)
Net debts	**168,912**	20
Equity attributable to equity holders of the Company	**191,580**	247,342
Capital and net debts	**360,492**	247,362
Gearing ratio	**46.86%**	n.m.

n.m. – not meaningful

31. Segment information

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 31, including the factors used to identify the reportable segments and the measurement basis of segment information.

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- Coal mining is engaged in exploration, mining, processing and marketing of thermal coal from its coal mining concession areas.
- Coal trading is engaged in procuring sales orders from customers and sourcing for domestic suppliers.
- The Forestry and pulp segment is engaged in forestry operations and manufacture of wood chips.
- The Others segment are investment holding and trading company.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

31. Segment information (cont'd)

	Coal mining		Coal trading		Forestry & Pulp		Others		Elimination		Note	Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014		2015	2014
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000		US$'000	US$'000
Revenue:													
Revenue from external customers	**300,414**	275,040	**52,772**	159,870	**6,433**	–	**152**	1,043	**-**	–		**359,771**	435,953
Inter segment revenue	**-**	663	**7,843**	–	**41**	–	**-**	–	**(7,884)**	(663)	A	**-**	–
	300,414	275,703	**60,615**	159,870	**6,474**	–	**152**	1,043	**(7,884)**	(663)		**359,771**	435,953
Results:													
Segment results	**23,768**	21,538	**(12,604)**	(2,164)	**952**	–	**(4,172)**	3,033	**(9,488)**	(5,428)	B, C	**(1,544)**	16,979
Interest income												**4,044**	4,129
Finance costs												**(11,662)**	(5,913)
(Loss) / profit before tax												**(9,162)**	15,195
Income tax benefit / (expense)												**1,011**	(4,376)
(Loss) / profit for the year												**(8,151)**	10,819
Compensation income	**-**	–	**-**	–	**(188)**	–	**-**	–	**-**	–		**(188)**	–
Depreciation expenses	**4,189**	4,428	**143**	177	**378**	–	**3**	–	**-**	–		**4,713**	4,605
Amortisation expenses	**29,697**	17,521	**349**	411	**-**	–	**-**	–	**-**	–		**30,046**	17,932
Fair value loss on forestry assets	**-**	–	**-**	–	**2,726**	–	**-**	–	**-**	–		**2,726**	–
Inventories written down	**-**	8	**16**	268	**233**	–	**-**	–	**-**	–		**249**	276
Assets and Liabilities:													
Segment assets	**229,066**	223,881	**356,105**	276,185	**14,825**	–	**31,313**	23,686	**(257,030)**	(215,131)	D	**374,279**	308,621
Segment liabilities	**169,402**	199,186	**100,875**	20,711	**166,124**	–	**7,274**	–	**(312,809)**	(152,316)	E	**130,866**	67,581

31. Segment information (cont'd)

A Inter-segment revenues are eliminated on consolidation.

B The following items are added to/(deducted from) segment results net of intra-segment elimination to arrive at "(Loss)/profit before tax" present in the consolidated statement of comprehensive income:

	Coal mining US$'000	Coal trading US$'000	Forestry & Pulp US$'000	Others US$'000	Total US$'000
2015					
Other income	685	4,066	313	121	5,185
Selling and distribution expenses	(61,465)	(5,145)	(711)	(14)	(67,335)
Administrative expenses	(23,689)	(10,483)	(831)	(1,392)	(36,395)
Other operating income/ (expenses)	6,279	(12,121)	3,612	(5,728)	(7,958)
2014					
Other income	2,885	4,616	–	78	7,579
Selling and distribution expenses	(70,960)	(23,715)	–	–	(94,675)
Administrative expenses	(24,457)	(13,068)	–	(16)	(37,541)
Other operating expenses	(840)	(198)	–	–	(1,038)

C Elimination is relating to intra-group transactions which are eliminated on consolidation.

D Goodwill on investment acquired during the year, prepaid taxes and deferred tax assets amounting to US$109.19 million, US$0.10 million and US$8.54 million respectively, were excluded from segment assets.

E Loans and borrowings, non-trade payables, provision for taxation and deferred tax liabilities amounting to US$73.15 million, US$12.69 million, US$0.60 million and US$1.15 million respectively, were excluded from segment liabilities.

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenues		Non-current assets	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Indonesia	**195,927**	204,416	**293,821**	174,337
Thailand	**931**	3,725	**–**	–
India	**67,237**	45,042	**–**	–
Singapore	**–**	–	**5**	–
Malaysia	**221**	4,501	**–**	–
Korea	**2,364**	4,263	**–**	–
Philippines	**4,406**	–	**–**	–
China	**88,533**	174,006	**–**	–
United Kingdom	**152**	–	**–**	–
	359,771	435,953	**293,826**	174,337

31. Segment information (cont'd)

Non-current assets information presented above consists of forestry concession, property, plant and equipment and mining properties.

Major customer information

The Group's revenue derived from customers who individually account for 10% or more of the Group's revenue is detailed below:

	Coal mining		Coal trading		Forestry and pulp	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Customer						
Top 1st	**76,484**	86,392	**5,820**	53,579	**-**	–
Top 2nd	**32,349**	–	**-**	59,697	**-**	–
Top 3rd	**25,382**	26,432	**-**	–	**-**	–
Top 4th	**24,266**	23,741	**1,422**	–	**-**	–
Top 5th	**23,765**	20,879	**(57)**	–	**-**	–

32. Dividends

	Group	
	2015	**2014**
	US$'000	**US$'000**
Final dividend for 2014 of Rp3.4 per share	**1,500**	–
Interim dividend for 2015 of US$0.00026 per share	**524**	–
	2,024	–

33. Subsequent event

Memorandum of Understanding with ASM Administration Limited ("ASM")

On 15 April 2015 (as extended from time to time), the Group entered into a memorandum of understanding ("MOU") with ASM, pursuant to which the Group has been granted exclusivity by ASM for the Group to invest in PT Berau Coal Energy Tbk ("BCE") or one or more of its related corporations, subject to the execution of definitive agreements.

The MOU has lapsed. However, the Group remains interested, and intends to explore all opportunities to invest, in the BCE and its subsidiaries (the "BCE Group"). Any investment by the Group in the BCE Group is subject to the Group being satisfied with its due diligence into the financial, legal, tax and business of the BCE Group, and the outcome of the restructuring of the indebtedness of the BCE Group.

34. Authorisation of financial statements

The financial statements for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Directors dated on 30 March 2016.

SHARE CAPITAL

Number of issued shares	2,170,120,082
Class of shares	Ordinary
Voting Rights	1 vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	2,664	25.127	96,797	0.004
100 - 1,000	4,281	40.380	1,970,397	0.091
1,001 - 10,000	3,089	29.136	11,010,455	0.507
10,001 - 1,000,000	556	5.244	25,210,709	1.162
1,000,001 AND ABOVE	12	0.113	2,131,831,724	98.236
TOTAL	**10,602**	**100.000**	**2,170,120,082**	**100.000**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	PT DIAN SWASTATIKA SENTOSA TBK	2,044,145,469	94.195
2	BOARDROOM CORPORATE SERVICES (HK) LIMITED	23,304,013	1.074
3	FIRST CAPITAL INSURANCE LIMITED	21,721,897	1.001
4	CITIBANK NOMINEES SINGAPORE PTE LTD	12,611,705	0.581
5	PARAMOUNT ASSETS INVESTMENTS PTE LTD	7,020,000	0.323
6	HSBC (SINGAPORE) NOMINEES PTE LTD	5,668,299	0.261
7	METROPOLITAN REALTY PTE LTD	3,446,000	0.159
8	UOB KAY HIAN PRIVATE LIMITED	3,399,345	0.157
9	RHB BANK NOMINEES PTE LTD	3,389,616	0.156
10	BANK OF SINGAPORE NOMINEES PTE. LTD.	2,683,540	0.124
11	CHEW BOCK KOON	2,281,800	0.105
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,160,040	0.100
13	OCBC SECURITIES PRIVATE LIMITED	929,435	0.043
14	MAYBANK KIM ENG SECURITIES PTE. LTD.	914,220	0.042
15	DBS NOMINEES (PRIVATE) LIMITED	837,496	0.039
16	NG KIM CHOON	824,920	0.038
17	RAFFLES NOMINEES (PTE) LIMITED	634,822	0.029
18	WISANGGENI LAUW	468,653	0.022
19	LIM & TAN SECURITIES PTE LTD	456,540	0.021
20	NG WEE HAN	440,000	0.020
	TOTAL	**2,137,337,810**	**98.490**

STATISTICS OF SHAREHOLDINGS

As at 18 March 2016

SUBSTANTIAL SHAREHOLDERS

(as shown in the Company's Register of Substantial Shareholders as at 18 March 2016)

	Direct Interest		Deemed interest	
	No. of shares	%	No. of shares	%
PT Dian Swastatika Sentosa Tbk	2,044,145,469	94.195%	–	–
PT Sinar Mas Tunggal [(1)]	–	–	2,044,145,469	94.195%
PT Sinar Mas [(2)]	–	–	2,044,145,469	94.195%
PT Sinar Mas Cakrawala [(3)]	–	–	2,044,145,469	94.195%
PT Sinarindo Gerbangmas [(4)]	–	–	2,044,145,469	94.195%
Franky Oesman Widjaja [(5)]	–	–	2,044,145,469	94.195%
Muktar Widjaja [(6)]	–	–	2,044,145,469	94.195%
Indra Widjaja [(7)]	–	–	2,044,145,469	94.195%

Note:

(1) PT Sinar Mas Tunggal ("SMT"), by virtue that it is the beneficial holder of PT Dian Swastatika Sentosa Tbk ("DSS") and holds more than 50% of the voting shares of DSS, is deemed to be interested in the shares held by DSS, by virtue of Section 7 of the Companies Act, Cap. 50.

(2) PT Sinar Mas ("SM"), by virtue that it is the beneficial holder of SMT and holds more than 90% of the voting shares of SMT, is deemed to be interested in the shares held by DSS, by virtue of Section 7 of the Companies Act, Cap. 50.

(3) PT Sinar Mas Cakrawala ("SMC"), by virtue that it is the beneficial holder of SM and holds more than 90% of the voting shares of SM, is deemed to be interested in the shares held by DSS, by virtue of Section 7 of the Companies Act, Cap. 50.

(4) PT Sinarindo Gerbangmas ("Sinarindo"), by virtue that it is the beneficial holder of SMC and holds more than 90% of the voting shares of SMC, is deemed to be interested in the shares held by DSS, by virtue of Section 7 of the Companies Act, Cap. 50.

(5) Franky Oesman Widjaja, by virtue that he is the beneficial holder of Sinarindo and holds more than 30% of the voting shares of Sinarindo, is deemed to be interested in the shares held by DSS, by virtue of Section 7 of the Companies Act, Cap. 50.

(6) Muktar Widjaja, by virtue that he is the beneficial holder of Sinarindo and holds more than 30% of the voting shares of Sinarindo, is deemed to be interested in the shares held by DSS, by virtue of Section 7 of the Companies Act, Cap. 50.

(7) Indra Widjaja, by virtue that he is the beneficial holder of Sinarindo and holds more than 30% of the voting shares of Sinarindo, is deemed to be interested in the shares held by DSS, by virtue of Section 7 of the Companies Act, Cap. 50.

Public Float

Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") requires that at least 10% of the total number of issued shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The Company has not complied with this requirement. As at 18 March 2016, approximately 5.804% of its shares listed on the SGX-ST were held in the hands of the public. In accordance with Rule 724, on 23 April 2015, the Exchange has temporary suspended trading of the securities of the Company until the Company's public float is restored. The Company is working towards restoring the percentage of securities in public hands to at least 10%.

GOLDEN ENERGY AND RESOURCES LIMITED

(Company Registration No. 199508589E)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Golden Energy And Resources Limited ("the Company") will be held at Orchid Ballroom, B1 Level, Holiday Inn Singapore Orchard City Centre, 11 Cavenagh Road, Singapore 229616 on Friday, 29 April 2016 at 3.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the year ended 31 December 2015 together with the Auditors' Report thereon.
(Resolution 1)

2. To re-elect the following Directors of the Company retiring pursuant to Article 107 of the Constitution of the Company:

   Mr Mochtar Suhadi [See Explanatory Note (i)] **(Resolution 2)**
   Mr Lim Yu Neng Paul [See Explanatory Note (ii)] **(Resolution 3)**

3. To re-elect Mr Dwi Prasetyo Suseno, a Director of the Company retiring pursuant to Article 117 of the Constitution of the Company. [See Explanatory Note (iii)]
(Resolution 4)

4. To approve the payment of Directors' fees of S$209,279.45 for the year ended 31 December 2015 (previous year: S$155,000).
(Resolution 5)

5. To re-appoint Ernst & Young LLP as the Auditor of the Company and to authorise the Directors of the Company to fix their remuneration.
(Resolution 6)

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modifications:

7. **Authority to issue new shares**

   That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

   (a) new Shares arising from the conversion or exercise of any convertible securities;

   (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

   (c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting ("AGM") of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iv)]

(Resolution 7)

8. **Proposed Renewal of the Sinar Mas IPT Mandate for Interested Person Transactions**

"That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("Chapter 9"), for the Company, its subsidiaries and associated companies that are entities at risk as defined under Chapter 9, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix dated 14 April 2016 (the "**Appendix**"), with any person who falls within the classes of interested person described in the Appendix, provided that such transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders and in accordance with the review procedures for interested person transactions as set out in the Appendix (the "**Sinar Mas IPT Mandate**");

(b) the Sinar Mas IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date that the next AGM of the Company is held or required by law to be held, whichever is the earlier; and

(c) the Directors be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Sinar Mas IPT Mandate and/or this Resolution."

[See Explanatory Note (v)]

(Resolution 8)

By Order of the Board

Pauline Lee
Company Secretary
Singapore, 14 April 2016

Explanatory Notes:

(i) Mr Mochtar Suhadi will, upon re-election as a Director of the Company, continue to serve as Executive Director of the Company. Detailed information on Mr Mochtar Suhadi can be found under the section entitled "Board of Directors" in page 9 of the Annual Report. There are no material relationships (including immediate family relationships) between Mr Mochtar Suhadi and the other directors or the Company.

(ii) Mr Lim Yu Neng Paul will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee, member of the Remuneration Committee and the Nominating Committee and will be considered independent. Detailed information on Mr Lim Yu Neng Paul can be found under the section entitled "Board of Directors" in page 9 of the Annual Report. There are no material relationships (including immediate family relationships) between Mr Lim Yu Neng Paul and the other directors or the Company.

(iii) Mr Dwi Prasetyo Suseno will, upon re-election as a Director of the Company, continue to serve as Executive Director of the Company. Detailed information on Mr Dwi Prasetyo Suseno can be found under the section entitled "Board of Directors" in page 8 to 9 of the Annual Report. There are no material relationships (including immediate family relationships) between Mr Dwi Prasetyo Suseno and the other directors or the Company.

(iv) The Ordinary Resolution (7) in item (7) above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares) will be calculated based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

(v) The Ordinary Resolution 8 proposed in item 8 above, if passed, will authorise the interested person transactions as described in the Appendix and recurring in the year and will empower the Directors of the Company to do all acts necessary to give effect to the Sinar Mas IPT Mandate. This authority will, unless previously revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

Notes:

1. (a) A member who is not a relevant intermediary, is entitled to appoint one or two proxies to attend and vote at the Annual General Meeting (the "Meeting").

   (b) A member who is a relevant intermediary, is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

2. A proxy need not be a member of the Company.

3. Each of the resolutions to be put to the vote of members at the Meeting (and at any adjournment thereof) will be voted on by way of a poll.

4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

GOLDEN ENERGY AND RESOURCES LIMITED

(Company Registration No. 199508589E)
(Incorporated in the Republic of Singapore)

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ______________________________

of ______________________________

being a member/members of Golden Energy And Resources Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Orchid Ballroom, B1 Level, Holiday Inn Singapore Orchard City Centre, 11 Cavenagh Road, Singapore 229616 on Friday, 29 April 2016 at 3.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Resolutions relating to:	Number of Votes For*	Number of Votes Against*
	Ordinary Business		
1	Directors' Statement and Audited Financial Statements for the year ended 31 December 2015		
2	Re-election of Mr Mochtar Suhadi as a Director		
3	Re-election of Mr Lim Yu Neng Paul as a Director		
4	Re- election of Mr Dwi Prasetyo Suseno as a Director		
5	Approval of Directors' fees amounting to S$209,279.45 for the year ended 31 December 2015		
6	Re-appointment of Ernst & Young LLP as Auditor		
	Special Business		
7	Authority to issue new shares		
8	Renewal of the Sinar Mas IPT Mandate		

* If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this __________ day of ____________________ 2016

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

* Delete where inapplicable

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 not less than forty-eight (48) hours before the time appointed for the Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 April 2016.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.