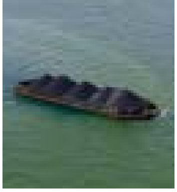
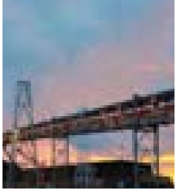
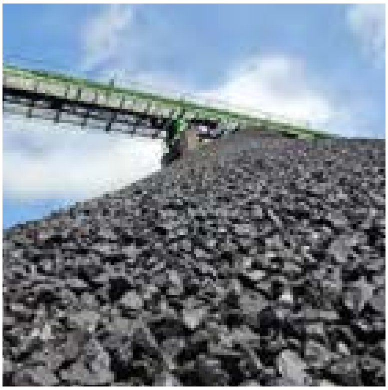





SAKARI RESOURCES LIMITED

ANNUAL REPORT 2021




CONTENTS

CORPORATE DIRECTORY

Directors	
Mr Cherdchai Boonchoochauy	Chairman (appointed w.e.f 1 November 2021)
Mr Ekachai Sirithammasan	Chief Executive Officer
Mr Thanakorn Poolthavee	Non-Executive Director
Mr Han Eng Juan	Non-Executive Director
Mrs Sujirat Thientawach	Non-Executive Director (appointed w.e.f 1 November 2021)
Audit, Risk & Compliance Committee	
Mr Han Eng Juan	Chairman
Mr Thanakorn Poolthavee	Member
Company Secretaries	Seow Han Chiang Winston Leong Chuo Ming
Registered & Head Office	391B Orchard Road Ngee Ann City Tower B #17-01 Singapore 238874 Tel (65) 6499 4100 Fax (65) 6327 4222
Website	www.sakariresources.com
Share Registrar	Boardroom Corporate & Advisory Services Pte. Ltd. 1 Harbourfront Avenue Keppel Bay Tower #14-07 Singapore 098632
Independent Auditors	PricewaterhouseCoopers LLP 7 Straits View, Marina One East Tower Level 12 Singapore 018936 Audit Partner: Debra Ann Ker

FIVE-YEAR SUMMARY

Y/E 31 Dec ($ million)	2017	2018	2019	2020	2021
Coal sales volume (Mt)	8.3	8.2	7.8	6.4	6.1
Coal revenue	578.3	634.3	494.8	343.6	509.7
Other revenue	2.3	2.4	1.7	2.1	1.5
COGS	(447.0)	(458.3)	(450.0)	(300.6)	(331.3)
Gross profit	133.5	178.4	46.5	45.1	179.9
Other operating income/(expense)	(18.6)	(5.6)	4.2	(243.5)	(31.5)
Administrative, Corp & Technical	(11.4)	(12.7)	(10.7)	(8.5)	(8.6)
Operating profit	**103.5**	**160.0**	**40.0**	**(206.9)**	**139.8**
Financial expenses	(3.9)	(1.2)	(0.3)	(0.3)	(0.2)
Profit Before Tax	99.6	158.8	39.7	(207.2)	139.6
Tax	(10.5)	(68.7)	19.4	8.6	(43.8)
Net profit	**89.1**	**90.1**	**59.1**	**(198.6)**	**95.8**
Dividend	-	9.0	20.0	-	89.4
Dividend Payout %	0%	10%	33.9%	0%	93.3%
EBITDA	185.7	227.7	126.8	96.7	193.2

Balance Sheet			(restated)*		
Total current assets	202.6	232.3	242.3	247.0	306.8
Total long-term assets	601.9	596.6	610.7	325.6	309.4
Total current liabilities	182.2	114.7	91.5	63.9	102.7
Total long-term liabilities	63.3	68.4	66.5	32.3	28.7
Total equity	559.2	645.8	695.0	476.4	484.8
Net cash	9.2	107.4	144.10	180.8	200.5

* Restated upon completion of the Purchase Price Allocation exercise during the year 2020.

CHAIRMAN'S STATEMENT

Dear Shareholders

2021 was a rollercoaster year for the coal industry with volatility in coal price being more pronounced in the second half of the year. For the first half of the year, coal price saw a gradual recovery, a trend which started in early December 2020. Owing to the tight supply of seaborne coal in the market caused by adverse weather conditions and the COVID-19 pandemic restrictive measures in many countries including Indonesia, mining operations were badly affected, resulting in the coal prices spiking to a historically record high of $222.35/t in October 2021.

For the year under review, buoyed by the high coal prices, the company generated one of the best financial results of $95.8 million after tax. In view of the profit achieved during the year, the Board approved an interim dividend of $0.0792 per share (S$0.1072 per share). The total dividend payment which amounted to $89.4 million, was paid in October 2021.

Sakari in 2021

2021 continued to be a challenging year for Sakari. During the year, despite the COVID-19 pandemic measures and inclement weather conditions in Kalimantan, Sakari managed to operate its mines to achieve both production and sales targets. Sakari places high priority on its employees' health, safety and well-being at the workplace and also the welfare of the communities in its mining areas. The company implemented a full COVID-19 vaccination programme for its employees as well as ensuring that the contractor's employees' health and safety are also safeguarded. These measures enabled the company to maintain its mine operations and business continuity.

Despite the uncertainties during this period, the company continued with the implementation of its cost reduction initiatives, efficiency improvement initiatives and sales strategy programme in order to maximise its profitability. The long term strategy for its mine plans, the monetization of its existing assets and the desirability of preserving its strong cash position were constantly reviewed with a view to maximising returns to shareholders. Amidst an uncertain industry and market environment, the company optimised its coal production in its Jembayan concessions and also optimised coal sales from its remaining Sebuku stock.

From the cost perspective, the company in the interim suspended the Sebuku mine operations. The JORC report of the Penajam concession acquired in 2019, was completed during the year. The company is considering options to maximise the potential of this concession.

Outlook and Conclusion

The coal price outlook for 2022 remains favourable but with volatility continuing to prevail in view of geopolitical developments and supply pressures arising from the Indonesian government's strict implementation of its Domestic Market Obligation (DMO) regulations, the company will continue to press on with its objectives cautiously. In the forseeable future, coal will continue to be base-load for electricity generation especially for the developing countries. The company will closely monitor and review the changes in global environmental policies and the development of new power generation infrastructure together with managing market risks.

CHAIRMAN'S STATEMENT (cont'd)

Lastly, I would like to extend my appreciation and thanks to the management and staff for their support and commitment to the cost and capital expenditure reduction initiatives and the good results achieved under the challenging and difficult circumstances experienced during the year. I am also grateful for the support received from the governments and the communities where our operations are located. I would also like to extend my thanks and appreciation to my fellow directors for their dedication and unstinting support.

I look forward to seeing yet another successful and favourable year.

Cherdchai Boonchoochuay
Chairman

BOARD OF DIRECTORS

Cherdchai Boonchoochauy
Chairman

Mr Cherdchai was appointed to the Board of Sakari Resources Limited on 1 November 2021 as the Chairman. He holds a Bachelor of Science (Chemical Technology) from Chulalongkorn University, Thailand and Master of Engineering (Chemical Engineering) and also Master of Business Administration from Chulalongkorn University. Prior to his current position as Executive Vice President, Strategy and Portfolio Management, Mr Cherdchai has 10 years of experience in Corporate Strategy and Portfolio Management at PTT Public Company Limited. He also serves as a Chairman of PTT Global Management Company Limited and as Director of PTT Energy Resources Company Limited.

Ekachai Sirithammasan
Chief Executive Officer

Mr Ekachai was appointed to the Board and the position of Chief Executive Officer of Sakari in September 2019. He holds a BSc in Electrical Engineering from King Mongkut's Institution of Technology Ladkrabang, Thailand, and a Master of Business Administration from Loyala University, USA. Mr Ekachai has been involved in the downstream business and strategic planning function of PTT Group for over 10 years. His last appointment being Executive Vice President of PTT and the acting President of PTT Energy Resources Company Limited.

Han Eng Juan
Non-Executive Director

Mr Han Eng Juan who holds a Bachelor of Accountancy (Hons) (NUS) has extensive experience in the banking industry, having spent 24 years in Dexia Banque Internationale à Luxembourg (Asia) Ltd (Dexia BIL Asia Ltd) and Dexia Banque Internationale à Luxembourg Singapore Branch (Dexia BIL Singapore Branch). He was the General Manager and Country Head of Dexia BIL Singapore Branch and the Senior Managing Director of Dexia BIL Asia Ltd. In this capacity, he was also responsible for the Bank's subsidiary's operations in Hong Kong. He was appointed Deputy Chairman of the bank in 2002, a position he held until 2005. Prior to joining the banking sector, Mr Han served in a senior capacity in the former Board of Commissioners of Currency Singapore and the Monetary Authority of Singapore. He was also a Director of the Singapore Deposit Insurance Corp Ltd. from its inception in 2006 to 2017. He also served as a member of the Citizenship Committee of Inquiry for some 20 years and the Singapore Red Cross Society for over 25 years in various capacities including Treasurer, Council Member and Chairman of the Audit Committee. Mr Han has been awarded the Public Administration Medal (Silver) and the Public Service Medal for community work.

BOARD OF DIRECTORS (cont'd)

Sujirat Thientawach
Non-Executive Director

Mrs Sujirat was appointed to the Board of Sakari in November 2021. She graduated from Chulalongkorn University, Thailand with Bachelor of Engineering, Chemical Engineering Degree and a Master of Business Administration from University of California, Riverside, USA. She has 10 years of experience in Business Planning and Value Chain Optimization for upstream and downstream business in PTT Public Company Limited. Currently, she is Executive Vice President for Upstream and Gas Business Group Planning.

Thanakorn Poolthavee
Non-Executive Director

Mr Thanakorn was appointed to the Board of Sakari in May 2014. He holds a Bachelor in Mining Engineering from Chulalongkorn University, Thailand. Mr Thanakorn has extensive experience in the energy industry in a career that included his holding the position of Deputy Governor, Fuel for The Electricity Generating Authority of Thailand (EGAT). He was formerly a Director of EGAT International Company Limited and Ratchaburi Electricity Generating Holding Public Company Limited.

CHIEF EXECUTIVE OFFICER'S REVIEW

Dear Shareholders

In 2021, coal price was very volatile driven by the high demand arising from global economic recovery and exacerbated by supply shortages. The recovery of world economy resulted in power demand being back on track, but the supply recovered slowly during the year owing to lingering COVID-19 pandemic and inclement weather conditions. As a result, NEWC coal price which started from an average of $98.85/t in the first half of 2021 , ended with a full year average of $137.28/t compared to 2020 full year average of $60.45/t. The peak of $222.35/t at the end October 2021 was the highest recorded in decades. Management also kept its focus on cost reduction and efficient improvement initiatives to respond to this challenging situation. The favourable coal price together with the initiatives outlined and careful response to external factors that affected our business, resulted in the group achieving a high net profit for the year.

Operations

We continued our measures of COVID-19 prevention and mine safety to ensure our employees and contractors at the site can continue its mining operations safely. We adhere to the government's recommended frequency of the Antigen Rapid Test (ART) for all high and low risk employees. Polymerase Chain Reaction Test (PCR) would be required for employees who were tested positive during the ART. Employees who tested positive for COVID-19 are to be isolated and return to work only when they are tested negative. We also focus on safety measures to prevent losses from life-threatening incidents, property damage and lapses in process and transport operations procedures.

In the year 2021, Jembayan Mine produced around 6.0 Mt of coal (2020: 5.8 Mt), while operations at Sebuku was suspended. The increase in Jembayan production and suspension of Sebuku Mine were in response to our REA strategy to monetise and optimise our existing assets. The Group's operation had focused on maximising Jembayan mine capacity, and on optimising mining sequence and parameters with the contractor to minimise cost and to maintain production targets. These faciliatated the mine to cope with disruptions from unforeseen and environmental events. The mine sites continued its good working relationship with Tiger Energy Trading, our marketing company, to ensure that we meet our customers' requirements, timely delivery , and also strengthen our customer relationship.

Marketing

The Newcastle average price in Q1/2021 was $88.69/t; it then gradually climbed further and reached the record high at $222.35/t at the end of October and closed at $170.23/t at the end of December 2021. The average Newcastle price in 2021 increased by about 127% year-on-year. Sakari's weighted average selling price (ASP) increased to $77.5/t in 2021 compared to $51.2/t including sales to comply with Domestic Marketing Obligation (DMO). Total coal sales volume was 6.1 Mt (2020: 6.4 Mt), mostly supplied from Jembayan and with the remaining stock of 0.08 Mt from Sebuku. The main reason for the marginal fall in sales volume was attributable to the suspension of mine operations in Sebuku. We have developed existing market and explored new markets as detailed in the Marketing section of this report. The activities for third party coal trading and blending were limited owing to tight supply in Indonesia and the restrictive movements under the COVID-19 measures.

CHIEF EXECUTIVE OFFICER'S REVIEW (cont'd)

Financial Performance

Sakari group achieved higher revenue and profit in 2021 compared to last year. Sakari's consolidated revenue was $511.2 million (2020: $345.7 million) and net profit after tax was $95.8 million (2020: $28.4 million, excluding non-cash impairment charge). The higher profit was attributed to higher coal prices for the year and cost reduction initiatives from the Rationalisation of Existing Assets (REA) strategy. Whilst pursuing the REA strategy, we kept on monetising existing assets to achieve a maximum return commensurate with our low risk profile. We also minimised our loss exposure by optimising the Jembayan mine plan, minimising mining parameters, suspending Sebuku mine, restructuring to achieve a leaner organization, and divesting assets where appropriate.

Business Development

The company has completed the study of JORC report of the Penajam concession which Sakari acquired in 2019, and we are exploring the options of having a partner to develop the site to its full potential. The Penajam concession will help increase the group's coal reserves and enhance its variety of coal product specifications.

Sustainability

Sakari's Sustainability Report for 2021 is included on page 16 of this Annual Report.

Outlook

We expect 2022 to be another good year for coal driven by global economic recovery from the pandemic and increasing power demand. Coal still plays an important role for electricity generation in developing countries in the foreseeable future, especially in Asia, in view of its cost advantage compared to alternative fuel including renewable power. However amidst the world's environmental concerns and other uncertain geopolitical factors, the volatility in coal price may last long into 2022, particularly with the challenges of the Indonesian government's strict implementation of the Domestic Market Obligations (DMO) regulations.

Our key strategies for 2022 are to maintain REA strategy by monetising our existing assets, to optimise Jembayan mining plan and production, to minimise cost from mining operations, to increase our customer base to maximise selling price. Sakari Management will continue to closely monitor the ever changing external environment which will impact on our business, and will implement risk mitigation plans where necessary, particularly with regard to tightening control on operation and overhead costs in order to deliver the best outcomes for all stakeholders.

Ekachai Sirithammasan
Chief Executive Officer

FINANCE REVIEW

Revenue and Profit

($ million)	2021	2020	YoY Change
Revenue	**511.2**	**345.7**	+48%
EBITDA	**193.2**	**96.7**	+100%
Net Profit After Tax (NPAT)	**95.8**	**28.4**	+237%
Net Profit/(Loss) After Tax (After impairment)	**95.8**	**(198.6)**	n/a
EBITDA Margin (%)	**37.8%**	**28.0%**	+35%

Post 2020 financial report, Coal prices continue trending upwards with NEWC Index rising steadily from $89/t in Q1 to $130/t in Q2. Thereafter, coal prices rose sharply in Q3 2021 to reach its peak of $222.35/t in October before softening and consolidating at $168.50/t at the end of Q4. Whilst the uptrend prices provided great relief to the coal industry after coming off record low prices in 2019, the coal industry was suddenly thrust into a new business environment influenced by not only demand and supply factors but more notably political and economic policies and strategies of global producers and buyers. This resulted in record high coal price, volatile price fluctuations and uncertainties.

SAR has responded to these changes by shifting our 2021 business strategy to very short-term action plans by focusing on protecting and maximising the company's returns, managing total cash cost and assets/cash preservations whilst minimising risk. This has resulted in the overall strong performance of the group for 2021 including a very strong cash position.

Total coal sales volume remained steady at 6.1 Mt (2020: 6.4 Mt) of which 75% were exported and 25% were sold domestically to meet the Indonesian Domestic Market Obligation (DMO). Coal sold for export market were priced at international market prices whilst the majority of coal sold for domestic sales were pegged to local price index of not more than $70/t. Despite the marginal lower coal sales volume, the company registered overall higher average sale price, which translated to an increase in total coal sales revenue by 48% to $509.7 million (2020: $343.6 million). In tandem with the higher global coal price index, average operating cash cost increased by 21.7% from $38.4 to $46.70. The increase in the average operating cash cost was mainly attributed to higher mining, logistic cost and royalty payments to the Government of Indonesia which are pegged to the global/ Indonesia coal price index and higher fuel prices. Overall, the company registered a significant increase in EBITDA by 100% to $193.2 million and NPAT by 237% to $95.8 million (before impairment charge in 2020).

FINANCE REVIEW (cont'd)

Balance Sheet

($ million)	2021	2020	YoY Change
Total current assets	**306.8**	**247.0**	+24.2%
Total long-term assets	**309.4**	**325.6**	-5%
Total current liabilities	**102.7**	**63.9**	+60.7%
Total long-term liabilities	**28.7**	**32.3**	-11.1%
Total equity	**484.8**	**476.4**	+1.8%
Net cash	**200.5**	**180.8**	+10.9%

In addition to the strong financial performance, the management continued to tighten its REA strategy to monetise, maximise and preserve the value of existing assets and cash. These actions have resulted in significant improvement to the group balance sheet. In view of this significant improvement in profitability, the Board approved the payment of an interim dividend for 2021 amounting to $89.4 million or 93.3% of 2021 group NPAT. Despite the significant interim dividend declared and paid, the group's total equity increased marginally by 1.8% to $484.8 million whilst its cash position remained strong at $200.5 million and without any borrowing.

Financial Outlook

Subsequent to 2021, NEWC Index prices rebounded from $168.50/t to $239.27/t as of February 2022. This clearly reflects continued volatilities and uncertainties ahead and therefore, the management will continue to adopt the REA strategy and incorporate short-term action plans to respond to these dynamic changes. The Group will continue to work with our business partners towards a lean and cost effective organization. The management is confident of overcoming the current market volatilities and uncertainties and will endeavor to deliver another strong financial performance for 2022.

Mike Koay
Chief Financial Officer

OPERATIONS REVIEW

Production and Sales Volumes

Kt	Year Ended 31 December	
	2021	2020
Sebuku		
Product coal	0	392
Own coal sales	75	461
Jembayan		
Product coal	6,041	5,817
Own coal sales	6,060	5,905
Total		
Product coal	6,041	6,209
Own coal sales	6,135	6,366

Operation

The COVID-19 pandemic continued into 2021 had an immediate impact on our mining operations. We implemented stricter measures and operating procedures to prevent the spread of the pandemic and ensuring employees are safe and healthy.

At the peak of the pandemic, the Indonesian government ordered lockdowns. During that period we were faced with the challenge of getting mining permits approved due to minimal staff.

Newcastle coal price which continued to increase during the year brought about an increase in our mining costs, which are tied to the Newcastle Index. At the same time, our operations suffered from mining area limitation, a higher stripping ratio and longer dumping distance.

Total coal production decreased slightly from 6.2 Mt in 2020 to 6.0 Mt in 2021.

Jembayan Site

Apart from COVID-19 pandemic impact, the higher rainfall experienced particularly in the first half of 2021 caused suspension of mining at the site on some days. Meanwhile negotiation for alternate transport plan took a longer time and its permit approval was also delayed. Nevertheless, the management initiated plans to bring the operation performance back on track. We reviewed and negotiated with our mining contractor to add one unit of PC 3000 excavator and extra Coal fleet to get additional 119 Kt coal in Q4 from original plan, applying mud gravity instead of using equipment hired (pump or PC) for sediment pond maintenance, to reduce 30% of Light Vehicles to 14 units.

In spite of the challenges, production volume at Jembayan increased from 5.8 Mt in 2020 to 6.0 Mt in 2021, to take advantage of the high Newcastle price.

Sakari's management worked unceasingly with our contractors to derive a 5% lower mining rate.

Sebuku Site

We did not renew the Mining contract after its expiry on 31 December 2020. Sebuku operation had been temporarily suspended in 2021. During 2021 we carried out activities such as reduction of area leased from government by returning the Void and Non-disturbed Areas, speeding up reclamation at Land Disturbed Area, and optimising coal sales for the remaining stock.

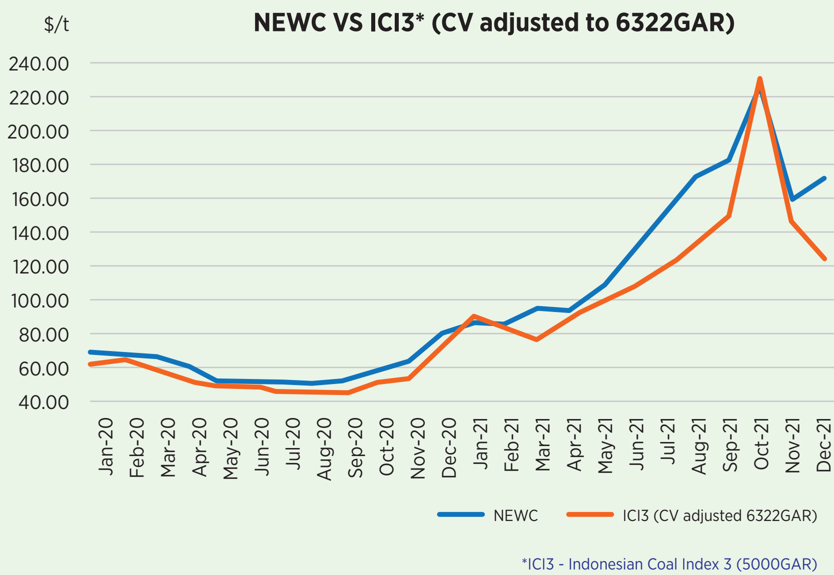
Quality Security Safety Health Environment (QSSHE)

Quality, Security, Safety, Health and Environment (QSSHE) compliance were closely monitored and carried out across the Group. For more information, please refer to our Sustainability Report.

Surachai Sukhahuta
Chief Operating Officer

MARKETING AND SALES REVIEW

The quick global economy recovery had driven higher power demand in 2021. However, the recovery on supply side and the adverse weather effect, caused the energy prices to go up drastically. Thermal coal prices, including NEWC and Indonesian Coal Index (ICI) were at the historically record high in October. Tiger Energy balanced its long-term value element by complying to the existing contractual and legal obligations with the short-term value creation through sales of spot shipments.



2021 Coal Markets

Coal market in 2021 was a complete turnaround compared to the lowest cycle in 2020. World economies were in recovery mode. Governments implemented multiple stimulus programmes to help the acceleration of the recovery across the world. Global GDP recovered from -3.8% in 2020 to 5.5% in 2021. Power demand spiked and global coal generation reached a record high.

On the other hand, coal supply response lagged as producers were slowly recovering from 2020 and struggled to ramp up production to meet increasing demand mainly due to lingering coronavirus measures and adverse weather conditions in 2021. The La Nina weather pattern caused acute disruptions by increasing rainfall and floods in key coal production and exporting regions.

Gas supplies were also under the same pressure. With limited supplies and surging demand, the global LNG prices reached historic highs. Despite high carbon prices, coal generation became more competitive among other energy feeds in 2021.

At the start of 2021, coal prices were on the rise from 2020. Average NEWC price in Q1/2021 was $88.69/t, compared to the 2020 full

MARKETING AND SALES REVIEW (cont'd)

year average of $60.45/t. Global coal prices gradually climbed further over the first half of the year but accelerated as supply tightness set in with summer demand in the northern hemisphere. NEWC price reached the record high at $222.35/t at the end of October before the Chinese government stepped in and boosted domestic production. In December NEWC price closed at $170.23/t, almost doubled that of the January price. Average NEWC price in 2021 was $137.28/t which is equivalent to about 127% increase year on year from 2020.

In 2021, the total seaborne thermal coal trade was approximately 970MMt, an increase of approximately 20MMt from 2020. Demand growth in the Atlantic market was around 7% due to cold winter and gas shortage in Europe. The growth in the Pacific region was, on the other hand, only around 1%. Increasing demand from China was offset by substantial demand decrease from India and Vietnam whose economies are recovering at a slower pace.

On supply side, Russia, USA and Colombia significantly increased their seaborne thermal coal exports in 2021; while Indonesia's export growth remained constrained by adverse weather, a shortage of heavy equipment and compliance with the requirements in the domestic market. Australia's coal exports remained stable compared to 2020. South Africa's exports continue to be challenged by ongoing issue with the rail line. Its year-on-year exports were down ~13MMt or approximately 18%.

Tiger Energy's Performance

With over almost 20 years in the business, Tiger Energy's reputation and long-term reliability have been sustained by its strong commitment to contractual obligations, timely and high-quality product deliveries, and its responsiveness to customers' requirements. So far our experience has been favourable as the customers have continued to honour their contracts regardless of the market conditions. Likewise despite the extreme market conditions and price volatilities in 2021, Tiger Energy also maintained its business operations and commitments.

Approximately 50% of Sakari sales in 2021 were on fixed price (25% were term contracts and 25% were price regulated according to Indonesian's Domestic Market Obligation (DMO), our Average Selling Price (ASP) did not fully benefit from the spike in the global coal prices.

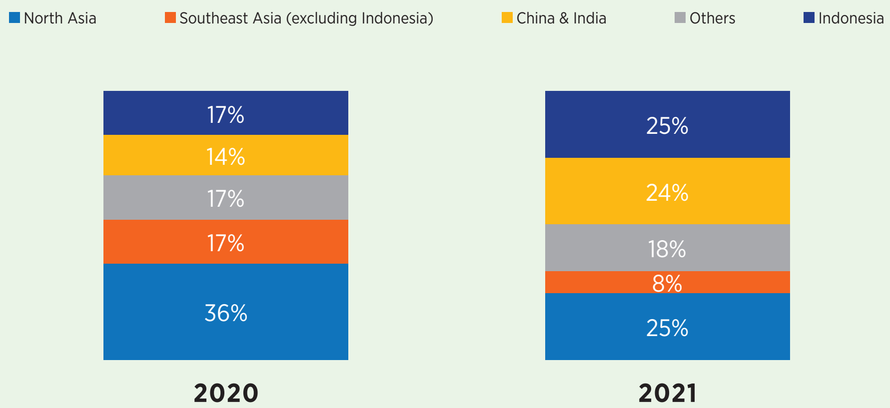
Nonetheless, Tiger Energy in 2021;

1. Increased sales to China market from 14% in 2020 to 24% to capture prevailing market prices;
2. Completed its trial cargoes to the Japanese Utility company and has successfully entered into a term contract;
3. Developed a new market into New Zealand's power sector and
4. Generated approximately $669k (76% increase from 2020) revenue from chartering activities

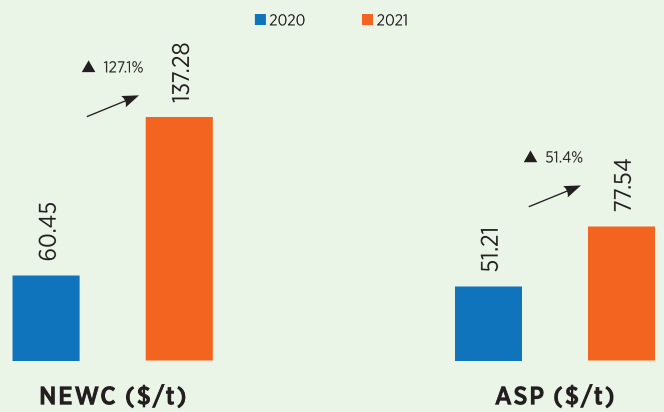
In 2021, our Average Selling Price (ASP) was $77.54/t. The discount to NEWC price after Calorific Value (CV) adjustment was approximately 33% (In 2020 we achieved a premium of 0.6% after CV adjustment).

MARKETING AND SALES REVIEW (cont'd)

MARKET DISTRIBUTION



NEWC PRICE MOVEMENT & SALES PERFORMANCE



In 2022, we expect to see a continuation of price volatilities and more pressure to supply additional coal to meet the Indonesian domestic power requirements. In view of the turbulent year of 2021, we are in better place to manage our sales portfolio through both physical deliveries and hedging. Simultaneously, Tiger Energy will continue to strive to develop both short- and long-term values for the business.

Ekachai Sirithammasan
President
Tiger Energy Trading Pte Ltd

SUSTAINABILITY

Overview

Sakari aspires to conduct business in line with the principles of sustainable development through providing leadership, building trust and creating a sustainable future for the society and the environment in which it operates through innovation, excellence and transparency both in the holding office in Singapore and the operations in Indonesia.

We encourage stakeholders to actively share information with us to provide feedback on any issue affecting our relationships.

This Sustainability Report covers the period between 1 January 2021 and 31 December 2021.

Community

Sakari considers itself as part of local communities. Our objective is to support communities to be more self-sufficient after our mining operations. We recognise the rights of community members and treat them with respect and equality. We implement our Corporate Social Responsibility (CSR) programmes to achieve the goal of enriching the lives of local community members who are affected directly or indirectly by our operations.

Sakari staff had regular meetings with all related stakeholders and participated in local government strategic planning sessions to ensure that our efforts synchronised with those of local government bodies. Based on the feedbacks collected in 2020, we improved our social mapping programmes in 2021 to bring the maximum benefits for the communities.

1. Jembayan

Below are the summaries of the major initiatives that Jembayan supported during 2021:

1) **Agriculture and Animal Husbandry:**

   Jembayan supported infrastructure for rice production, called "Saprodi", and other agricultural chemicals such as fertilisers and pesticides. We also supported agriculture infrastructure, including the improvement of farm business road, bridge repair, embankment repair, sheet pile construction, and river normalization. Additionally, we also supported the fostered Cattle Group, including adding and expanding a 6 x 8 metres cowshed, built a Communal Cagen of area: 20 x 20 metres, and repaired 500 metres of fencing.

   In 2021, we initiated a joint programme among 5 co-operator farmers (JMB-KMIA-PAMA and facilitated by BPTP Kaltim and BPP Separi) as a pilot project for environmentally friendly agriculture with an area of 5 ha for the first farmer group. This project will continue for the second group of farmers in the next year.

2) **Education and Training**

   Jembayan worked with our contractor, the Education Office of Tenggarong Seberang District, and Faculty of Teacher Training and Education, Mulawarman University in Samarinda, East Kalimantan Province, to carry out training activities, aimed to upgrade knowledge and skills of elementary school educators.

In addition, Jembayan coordinated with our contractor and partner to carry out

1) Basic training needed for teachers to upgrade knowledge and skills in professional, pedagogical, personal, and social competencies. A total of 36 teachers from Separi village, Bhuana Jaya and Bukit Pariaman attended the training.

2) Digital Marketing training for Micro, Small and Medium Enterprises (MSMEs) in the selected villages, including Separi, Bhuana Jaya, Mulawarman, Bukit Pariaman and Sukamaju villages. A total of 26 MSMEs participants attended the training. The Pandemic has disrupted face-to-face business transactions. We saw that there was a critical need to introduce digital marketing training for the MSMEs. During that period we emphasised the need for MSMEs to digitalise and to increase their digital capabilities. We conducted digital marketing training to equip them with the knowledge and skills to stay competitive.

3) **Health**

Jembayan helped villagers during the COVID-19 pandemic by distributing vitamins, masks, hand sanitisers, and disinfectant for 165 residents who did self-isolation after they were tested positive. We also supported COVID-19 vaccination activities carried out by PUSKESMAS for 4 mass vaccinations in Bhuana Jaya Village, Bukit Pariaman and Sukamaju and 4 routine vaccinations at Separi Health Center.

Jembayan donated weighing scales and devices for measuring the blood sugar, cholesterol, uric acid to support Posyandu (Integrated Service Post) activities for toddlers and the elderly.

4) **Socio-Cultural**

Jembayan supported disaster relief assistance for flood victims in the villages (Dusun Berambai and Bukit Pariaman Village) in South Kalimantan and West Sulawesi by donating instant noodles and rice to the villagers. The company also donated art equipment for local art groups in the fostered villages of Mulawarman, Bhuana Jaya and Separi. For Youth and Sports, we supported the purchase of sports equipment and construction of sports fields in Bukit Pariaman and Sukamaju Villages.

2. Sebuku

Sebuku prepared community development programmes in accordance with the master plan of South Kalimantan Province to support 5 villages nearby the mine operation. We ensured that all activities fulfilled the requirements of our master plan.

Below are the summary of the major initiatives that Sebuku supported during 2021:

1) **Maternal and Toddler Health:** Sebuku continued to educate mothers during pregnancy and toddlers to take care of themselves. We work with the nearest Integrated Healthcare Center (Posyandu) and fully supported them to work closely with Puskesmas (Public Health) and medical practitioners in monitoring health and wellness to reduce infant

mortality in the communities. Sebuku also supported maternal health facilities, health monitoring, and facilities for emergency cases surrounding the camp.

2) **Farming and Livestock Farming:** We continued to support the Integrated Farming System (IFS) programmes in the form of "Demplot". We have promoted this programme to increase the self-sufficiency of many local community members. In 2021, Sebuku continued to increase the capacity of Demplot for learning and training, also on preparing to set up the cattle group farmers and fishermen. Sebuku will raise this "Demplot" programme to obtain full support from Kotabaru Government (Environmental and Forestry Department).

   At Sekapung village, a small group of farmers was encouraged for the first time to cultivate "Porang" plants to improve their income as the export price of Porang has been on the rise. Initially, fresh Porang was exported to several countries such as Japan, China, Vietnam and Australia. However, recently, the government has directed farmers to export semi-finished Porang which can be used by food manufacturers during the process of making noodles, snacks, konjac flour or flour glucomannan just to name a few. The semi-finished Porang, which is of higher price has also created jobs especially in the production line.

3) **Education:** In 2021, Sebuku continued to support 5 villages, including Kanibungan, Sekapung, Mandin, Serakaman and Belambus to upgrade knowledge and skills needed, aiming to increase in professional competencies. For example, we conducted short trainings in computer utilization for village administrative workers and local administrators at Kanibungan villages to maximise efficiency at their work.

4) **Health awareness:** In 2021, Sebuku site team cooperated with medical staff and physicians of public health to educate the community on COVID-19 vaccination programmes and to follow health protocol policy under the Government programmes in Kanibungan, Serakaman, Mandin, Belambus and Sekapung with the aim of enforcing COVID-19 awareness to prevent and to control COVID-19 pandemic.

5) **Disaster relief assistance:** Sebuku was involved in helping flood victims in Kanibungan and Mandin Village in May 2021 by deploying CSR team to help move away valuable belongings of the victims to a safe place.

6) **Social activities and community bonding:** Sebuku continued to support local cultural events in the 5 villages. During COVID-19 pandemic, some national and local big events could not be carried out. However, Sebuku continued to support the vulnerable community by distributing essential grocery packs to the community during Idul Fitri to uplift their spirits.

7) **Youth and sports:** Sebuku opened up sport facilities at its camp for youths from around the campsite for recreation and sport activities.

8) **Sustainability Programmes:** Sebuku cooperated with our neighboring business

and Head of Village to propose plan to utilise Bahari Cakrawala Sebuku (BCS)'s mining Void for water storage in order to provide clean water resource for all surrounding communities in Sebuku Island. Budget of this programme was mostly sponsored under the Government sustainability strategic programme for Sebuku's community. This proposal will continue from 2022 onwards.

Consumer

Sakari ensures that all customers receive its products according to the specifications defined in the contracts. Independent analysis of the products by third parties has been implemented consistently for the clear and transparent aspects.

Sakari gives priority to the safety of our customers. We invested in our machines and systems to make sure that our coal products are not dangerous, stable to be stored and stockpiled safely with low risk.

Environment

Sakari carefully monitors the air and water quality by following strictly the laws and regulations. Government staff and local government agencies regularly visit our mines to inspect our mines and engage in environmental audits and reviews. In 2021, the total number of government staff visited was 174 people or an average of 15 staff per month at Jembayan. The results of the 2021 audits and reviews were positive, with only minor items raised, most of which have been rectified at the date of this report.

In 2021, Jembayan's revegetation efforts achieved 30 hectares from 195 hectares of target (15.4% of target) due to the limited areas of planting. However, the remaining target will be continued in 2022. As a result, the total rehabilitated area over Jembayan's life of mine increased to 1,759 hectares by December 2021 from total disturbed areas of 4,477 hectares (39.3% of total disturbed areas).

During the year 2021, Sebuku continued on rehabilitation in mine out area (Pit MBR South and Pit KM). In 2021, Sebuku re-vegetated 13.7 hectares from 192 hectares of target (7.1% of target). This brought to a total rehabilitated area over Sebuku's life of mine to 291.43 hectares as of December 2021 from total disturbed areas of 827.8 hectares (35% of total disturbed areas).

Awards and Certifications

In 2021, Jembayan has been certified under ISO 45001 for Occupation and Health. Jembayan is also been certified under ISO 14001:2015 Environmental Management Systems throughout the year. Recertification of ISO 14001 for Jembayan was completed in March 2018, effective until March 2024. There was no major finding in the recertification audit. In 2021, Jembayan received the Green Award for Management of the Environment from the East Kalimantan Governor.

Recertification audit of ISO 14001 for Sebuku was conducted in early 2017 and was effective until January 2020. Since January 2020, Sebuku did not renew the licences of both the ISO 14001:2015 and OHSAS 18001. Both licences were replaced as we adopted Indonesia Mining Safety System ("Sistem Managemen Keselamatan Pertambangan "or "SMKP") as an alternative occupational health and safety guiding framework. At the end of 2021, Sebuku entered into the SMKP system, and has completed some requirements such as register BCS's senior staff as a representative for the SMKP's Auditor.

Fair Operating Practices

Sakari applies Fair Operating Practices **(FOP)** to all stakeholders. We strive to treat our stakeholders with equality. We review and develop policies and Code of Conduct (Code) at the corporate level and report annually. It is mandatory for all staff to comply to the Code.

Examples of the Code include compliance with laws and regulations, conflicts of interest, corporate opportunities, competition and fair dealing, discrimination and harassment, health and safety, environmental responsibility, financial controls and disclosure, political contributions, data confidentiality, protection and proper use of assets.

Human Rights

Sakari adopted human rights at all levels, including employees and contract workers, workers in the supply chains, communities surrounding mine operation, and customers.

Examples include compliance with UN Guiding principles on business and human rights, compliance with national legislation related to extraction of natural resources and mining, fully compensate local community members who have been affected by the expansion of mining operation, aware of full transparency in coal supply chain, invite third party for value chain assessment and include participation of all relevant stakeholders to access information.

Safety

The safety of our contractors and employees is of paramount importance.

During the COVID-19 pandemic, our employees work in 2 split teams. Operations and Support staff were grouped into separate teams to minimise their contact with one another. Staggered working hours were encouraged, wearing of masks at workplace, keep to social distancing, staff conduct meetings online via Microsoft Teams. Temperature measuring devices were installed at the sites and at the offices to monitor the employees' temperature twice a day.

Our safety committee team put up notices, posters related to COVID-19 to bring to the awareness and the importance of complying to the safety measures. They also conducted first-aid training which includes basic skills for common injuries and how to deal with them at that time of happening. Managers are also trained in effective communications and also to learn from specialist in managing of griefs.

A comprehensive framework of health and safety policies has been implemented to protect our employees. Employees are always reminded to follow closely to the standard operating procedures to reduce or to prevent accidents. Good housekeeping practices are encouraged at all times to create a safe and clean working environment.

The primary indicator of safety is the Lost Time Injury Frequency Rate (LTIFR). In 2021, Jembayan site had 0.13 LTIFR whereas Sebuku had zero. Our target for 2022 is zero lost time incident (LTI).

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

The directors present their statement to the members together with the audited financial statements of Sakari Resources Limited and its subsidiaries ("the Group") for the financial year ended 31 December 2021 and the balance sheet of Sakari Resources Limited ("the Company") as at 31 December 2021.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 30 to 126 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) 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 statement are as follows:

Mr Cherdchai Boonchoochauy	Non-executive Chairman (appointed on 1 November 2021)
Mr Ekachai Sirithammasan	Chief Executive Officer/Executive Director
Mrs Sujirat Thientawach	Non-executive Director (appointed on 1 November 2021)
Mr Han Eng Juan	Independent Director
Mr Thanakorn Poolthavee	Independent Director

Arrangements to enable directors to acquire shares or debentures

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

Directors' interests in shares or debentures

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		**Holdings in which director is deemed to have an interest**	
	At 31.12.2021	At 1.1.2021 or date of appointment, if later	**At 31.12.2021**	At 1.1.2021 or date of appointment, if later
PTT Public Company Limited Ultimate holding corporation (No. of ordinary shares)				
Mr Ekachai Sirithammasan	**106,170**	106,170	**-**	-
Mrs Sujirat Thientawach	**-**	-	**9,800**	9,800
PTT Global Chemical Plc Related corporation (No. of ordinary shares)				
Mr Ekachai Sirithammasan	**38,617**	38,617	**-**	-
Mrs Sujirat Thientawach	**-**	-	**3,000**	3,000
IRPC Public Company Limited Related corporation (No. of ordinary shares)				
Mr Ekachai Sirithammasan	**-**	-	**53,300**	53,300
Mrs Sujirat Thientawach	**-**	-	**50,000**	50,000
PTT Oil and Retail Business Public Company Limited Related corporation (No. of ordinary shares)				
Mrs Sujirat Thientawach	**-**	-	**7,134**	7,134

(b) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year hold any interests in options to subscribe for ordinary shares of the Company.

Share options

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Independent Auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Ekachai Sirithammasan
Director

Cherdchai Boonchoochauy
Director

14 February 2022

INDEPENDENT AUDITOR'S REPORT

To The Members of Sakari Resources Limited

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements of Sakari Resources Limited ("the Company") and its subsidiaries ("the Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated income statement of the Group for the financial year ended 31 December 2021;
- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2021;
- balance sheets of the Group and the Company as at 31 December 2021;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other Information

Management is responsible for the other information. The other information obtained at the date of this report comprises the Directors' Statement but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

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

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 14 February 2022

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2021

	Note	Group 2021 US$'000	2020 US$'000
Revenue	4	**511,183**	345,683
Cost of sales	7	**(331,281)**	(300,612)
Gross profit		**179,902**	45,071
Other income	5	**1,361**	3,211
Other losses - net			
- Impairment loss on property, plant and equipment	6	**-**	(224,074)
- Impairment loss on exploration and evaluation assets	6	**-**	(12,463)
- Others	6	**(32,829)**	(10,195)
Expenses			
- Finance	9	**(237)**	(266)
- Corporate and technical support	7	**(8,603)**	(8,483)
Profit/(loss) before income tax		**139,594**	(207,199)
Income tax (expense)/credit	10	**(43,816)**	8,596
Profit/(loss) for the year		**95,778**	(198,603)
Profit/(loss) attributable to:			
Equity holders of the Company		**95,778**	(198,816)
Non-controlling interests		**-**	213
		95,778	(198,603)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

		Group	
	Note	**2021** **US$'000**	2020 US$'000
Profit/(loss) for the year		**95,778**	(198,603)
Other comprehensive income/(loss):			
Item that will not be reclassified subsequently to profit or loss:			
Cash flow hedges			
- Fair value gains		**1,580**	-
Item that will not be reclassified subsequently to profit or loss:			
Financial assets, at FVOCI			
- Fair value gain – equity investment	16	**482**	149
Remeasurement of defined benefit plans		**8**	(250)
Other comprehensive income/(loss), net of tax		**2,070**	(101)
Total comprehensive income/(loss)		**97,848**	(198,704)
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		**97,848**	(198,917)
Non-controlling interests		**-**	213
		97,848	(198,704)

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

As At 31 December 2021

		Group		Company	
	Note	**2021 US$'000**	2020 US$'000	**2021 US$'000**	2020 US$'000
ASSETS					
Current assets					
Cash and cash equivalents	11	**200,537**	180,773	**39,412**	12,720
Derivative financial instruments	23	**3,329**	658	**-**	-
Inventories	13	**12,417**	11,670	**-**	-
Trade and other receivables	12	**89,794**	36,268	**66,622**	90,545
Tax receivables	14	**737**	16,665	**555**	54
		306,814	246,034	**106,589**	103,319
Non-current assets					
Financial assets, at FVOCI	16	**-**	719	**-**	-
Other receivables	15	**28,795**	28,652	**-**	-
Tax receivables	14	**6,291**	1,196	**-**	-
Investments in subsidiaries		**-**	-	**54,607**	54,607
Property, plant and equipment	17	**273,782**	291,895	**684**	711
Exploration and evaluation	19	**-**	-	**-**	-
Goodwill	20	**174**	174	**-**	-
Deferred income tax assets	21	**326**	2,978	**-**	-
		309,368	325,614	**55,291**	55,318
Total assets		**616,182**	571,648	**161,880**	158,637
LIABILITIES					
Current liabilities					
Trade and other payables	22	**74,895**	52,022	**436**	589
Derivative financial instruments	23	**1,225**	71	**-**	-
Current income tax liabilities		**14,731**	3,589	**-**	-
Lease liabilities	24	**529**	696	**459**	494
Provisions	25	**11,353**	6,561	**696**	326
		102,733	62,939	**1,591**	1,409

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

As At 31 December 2021

		Group		Company	
	Note	**2021 US$'000**	2020 US$'000	**2021 US$'000**	2020 US$'000
Non-current liabilities					
Deferred income tax liabilities	26	**14,377**	14,831	**641**	911
Lease liabilities	24	**217**	278	**217**	230
Provisions	25	**14,059**	17,224	**-**	-
		28,653	32,333	**858**	1,141
Total liabilities		**131,386**	95,272	**2,449**	2,550
NET ASSETS		**484,796**	476,376	**159,431**	156,087
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	27	**328,767**	328,767	**328,767**	328,767
Treasury shares	27	**(286)**	(286)	**(286)**	(286)
Other reserves	28	**(10,337)**	(19,762)	**8,403**	8,403
Retained profits/(Accumulated losses)	29	**166,652**	167,657	**(177,453)**	(180,797)
		484,796	476,376	**159,431**	156,087
Non-controlling interests		**-**	-	**-**	-
Total equity		**484,796**	476,376	**159,431**	156,087

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

		← Attributable to equity holders of the Company →						
		Share capital	**Treasury shares**	**Other reserves**	**Retained profits**	**Total**	**Non-controlling interests**	**Total equity**
	Note	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
2021								
Balance at 1 January 2021		**328,767**	**(286)**	**(19,762)**	**167,657**	**476,376**	**-**	**476,376**
Profit for the year		-	-	-	95,778	95,778	-	95,778
Other comprehensive income for the year		-	-	2,070	-	2,070	-	2,070
Total comprehensive loss for the year		**-**	**-**	**2,070**	**95,778**	**97,848**	**-**	**97,848**
Dividend paid	30	-	-	-	(89,428)	(89,428)	-	(89,428)
Total transactions with owners, recognised directly in equity		**-**	**-**	**-**	**(89,428)**	**(89,428)**	**-**	**(89,428)**
Transfer upon disposal of Financial assets, at FVOCI	28(e), 29	-	-	7,355	(7,355)	-	-	-
Balance at 31 December 2021		**328,767**	**(286)**	**(10,337)**	**166,652**	**484,796**	**-**	**484,796**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

		← Attributable to equity holders of the Company →						
		Share capital	**Treasury shares**	**Other reserves**	**Retained profits**	**Total**	**Non-controlling interests**	**Total equity**
	Note	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
2020								
Balance at 1 January 2020		**328,767**	**(286)**	**(19,661)**	**386,346**	**695,166**	**(213)**	**694,953**
(Loss)/profit for the year		-	-	-	(198,816)	(198,816)	213	(198,603)
Other comprehensive loss for the year		-	-	(101)	-	(101)	-	(101)
Total comprehensive loss for the year		**-**	**-**	**(101)**	**(198,816)**	**(198,917)**	**213**	**(198,704)**
Dividend paid	30	-	-	-	(19,873)	(19,873)	-	(19,873)
Total transactions with owners, recognised directly in equity		**-**	**-**	**-**	**(19,873)**	**(19,873)**	**-**	**(19,873)**
Balance at 31 December 2020		**328,767**	**(286)**	**(19,762)**	**167,657**	**476,376**	**-**	**476,376**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	Group 2021 US$'000	2020 US$'000
Cash flows from operating activities			
Receipts from customers		**479,815**	367,546
Payments to suppliers and employees		**(326,581)**	(290,574)
Payments for derivative financial instruments - net		**(25,615)**	(12,220)
Cash generated from operations		**127,619**	64,752
Interest received		**1,160**	3,196
Income taxes paid		**(36,761)**	(11,650)
Income taxes refunded		**15,713**	16,702
Net cash provided by operating activities	35	**107,731**	73,000
Cash flows from investing activities			
Disposal of financial assets, at FVOCI		**1,201**	-
Additions to property, plant and equipment		**(1,052)**	(15,305)
Disposal of property, plant and equipment		**1,500**	9
Net cash provided by/(used in) investing activities		**1,649**	(15,296)
Cash flows from financing activities			
Principal payment of lease liabilities		**(680)**	(516)
Interest paid		**(28)**	(62)
Dividends paid to equity holders of the Company	30	**(89,428)**	(19,873)
Net cash used in financing activities		**(90,136)**	(20,451)
Net increase in cash and cash equivalents		**19,244**	37,253
Cash and cash equivalents at beginning of the financial year		**180,773**	144,057
Effect of exchange rate movements on cash and cash equivalents		**520**	(537)
Cash and cash equivalents at end of the financial year	11	**200,537**	180,773

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

Reconciliation of liabilities arising from financing activities

	1 January	Principal and interest payments	Non-cash changes				31 December
			Addition during the year	Modification of lease liability	Interest expense	Foreign exchange movement	
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Lease liabilities							
2021	974	(708)	-	446	28	6	746
2020	1,177	(578)	301	-	62	12	974

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

The Company is incorporated and domiciled in Singapore. The address of its registered office is 391B Orchard Road, Ngee Ann City, Tower B #17-01, Singapore 238874. Sakari Resources Limited and its subsidiaries together are referred to in these financial statements as the Group.

The principal activity of the Company is that of investment holding. The Group is principally engaged in the exploration for and mining and marketing of coal.

The Company's immediate parent company is PTT Mining Ltd, a company incorporated in Hong Kong. The Company's ultimate parent company is PTT Public Company Limited, a company incorporated in Thailand. The address of PTT Public Company Limited is 555 Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900, Thailand.

2. Summary of significant accounting policies

(a) Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2021

On 1 January 2021, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2021 (continued)

The adoption of these new or amended FRSs and INT FRSs did not result in substantial changes to the accounting policies of the Group and had no material effect on the amounts reported for the current or prior financial years, except as follows:

Interest Rate Benchmark Reform – Phase 2

The Group has adopted the amendments to FRS 109, FRS 107 and FRS 116 Interest Rate Benchmark Reform – Phase 2 effective 1 January 2021. In accordance with the transition provisions, the amendments shall be applied retrospectively to hedging relationships and financial instruments. Comparative amounts have not been restated, and there was no impact on the current period opening reserves amounts on adoption.

<u>Financial instruments measured at amortised cost</u>

Phase 2 of the amendments requires that, for financial instruments measured using amortised cost measurement, changes to the basis for determining the contractual cash flows required by IBOR reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised. A similar practical expedient exists for lease liabilities.

These expedients are only applicable to changes that are required by IBOR reform, which is the case if, and only if, the change is necessary as a direct consequence of IBOR reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change.

There were no changes to the financial instruments measured at amortised cost and lease liabilities arising from the IBOR reform.

<u>Effect of IBOR reform</u>

Following the global financial crisis, the reform and replacement inter-bank offered rates ("IBOR") has become a priority for global regulators. The Group does not have risk exposure that is directly affected by the IBOR reform. The Company's risk exposure that is directly affected by the IBOR reform predominantly comprises its variable rate other receivables due from subsidiaries that are linked to the USD London Interbank Offered Rate ("USD LIBOR").

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2021 (continued)

Interest Rate Benchmark Reform – Phase 2 (continued)

Effect of IBOR reform (continued)

USD LIBOR will cease publication after 30 June 2023, and it is expected to be replaced by the Secured Overnight Financing Rate ("SOFR"). The Company has variable-rate USD receivables due from subsidiaries which references to the USD LIBOR and are repayable on demand. The Company's communication with its subsidiaries is ongoing, but specific changes required by IBOR reform have not yet been agreed. The expected transition from USD LIBOR to SOFR had no effect on the amounts reported for the current and prior financial years.

The following table contains details of all the financial instruments that the Company holds at 31 December 2021 which are referenced to USD LIBOR and have not yet transitioned to new benchmark rates:

	USD LIBOR Carrying amount
Company	US$'000
31 December 2021	
Assets	
- Other receivables due from subsidiaries	**210,038**

2. Summary of significant accounting policies (continued)

(b) Group accounting

(i) Subsidiaries

Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated income statement, consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

2. Summary of significant accounting policies (continued)

(b) Group accounting (continued)

(i) Subsidiaries (continued)

Acquisitions (continued)

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable assets acquired net of the fair values of the liabilities and any contingent liabilities assumed, is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

2. Summary of significant accounting policies (continued)

(b) Group accounting (continued)

(ii) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Currency translation

(i) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in United States Dollars, which is the functional currency of the Company.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments) and financial liabilities.

Foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other losses – net".

Non-monetary items are measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2. Summary of significant accounting policies (continued)

(c) Currency translation (continued)

(iii) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

(d) Revenue

(i) Sale of goods – Coal

The Group recognises revenue from the sales of coal when control of the products has transferred to its customers, being when the products are delivered to the locations specified by its customers and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risk of loss has been transferred to the customer, and either the customer has accepted the products in accordance with the sales contracts or the Group has objective evidence that all criteria for acceptance have been satisfied.

2. Summary of significant accounting policies (continued)

(d) Revenue (continued)

(i) Sale of goods – Coal (continued)

Revenue from these sales is recognised based on the price specified in the contract, net of value added tax, rebates, discounts and after eliminating sales within the Group. No element of financing is deemed present as the sales are made either with letter of credit or credit terms up to 30 days.

A receivable (financial asset) is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

The Group's coal sales may be subject to adjustment based on the inspection of shipments by the customer. In these cases, sales are recognised based on the Group's best estimate of the grade and/or quantity at the time of shipment and any subsequent adjustments are recorded against sales. Historically, the difference between estimated and actual grade and/or quantity are not significant.

(ii) Rendering of services

Revenue from logistics services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided.

The customers are invoiced monthly. A contract asset is recognised for the cumulative revenue recognised but not yet invoiced.

(iii) Interest income

Interest income from financial assets at amortised cost is recognised using the effective interest method.

(iv) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of dividend can be reliably measured.

2. Summary of significant accounting policies (continued)

(e) Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2. Summary of significant accounting policies (continued)

(e) Income taxes (continued)

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

(f) Leases

When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

  The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

  These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Right-of-use assets are presented within "Property, plant and equipment".

- Lease liabilities

  The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

2. Summary of significant accounting policies (continued)

(f) Leases (continued)

When the Group is the lessee: (continued)

- Lease liabilities (continued)

  Lease payments include the following:

  - Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
  - Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
  - Amount expected to be payable under residual value guarantees;
  - The exercise price of a purchase option if is reasonably certain to exercise the option; and
  - Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

  For a contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

  Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

  - There is a change in future lease payments arising from changes in an index or rate;
  - There is a changes in the Group's assessment of whether it will exercise an extension option; or
  - There are modification in the scope or the consideration of the lease that was not part of the original term.

  Lease liability is remeasured with a corresponding adjustment to the right-of-use assets, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2. Summary of significant accounting policies (continued)

(f) Leases (continued)

When the Group is the lessee: (continued)

- Short term and low value leases

  The Group has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(g) Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(h) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

(i) Inventories

Run of mine coal and finished product coal are valued at the lower of cost and net realisable value. The cost of coal inventories is determined using the weighted average cost method. Costs includes direct material, overburden removal, mining, processing, labour incurred in the extraction process and an appropriate proportion of variable and fixed overhead costs directly related to mining activities. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2. Summary of significant accounting policies (continued)

(i) Inventories (continued)

Inventories are classified as follows:

(i) Run of mine: This is material extracted through the mining process.
(ii) Finished product coal: These are products that have passed through all stages of the production process.
(iii) Consumables: These are goods or supplies to be either directly or indirectly consumed in the production process.

(j) Financial assets

Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

2. Summary of significant accounting policies (continued)

(j) Financial assets (continued)

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest method.

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. The Group has elected to classify equity investments as FVOCI as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are recognised as “fair value gains and losses” in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as “dividend income”.

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 32 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

2. Summary of significant accounting policies (continued)

(j) Financial assets (continued)

Recognition and derecognition (continued)

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

(k) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(l) Derivative financial instruments

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as either: (a) fair value hedge; (b) cash flow hedge; or (c) net investment hedge.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

2. Summary of significant accounting policies (continued)

(l) Derivative financial instruments (continued)

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis on whether the hedging relationship meets the hedge effectiveness requirements under FRS 109.

The fair value of various derivative financial instruments used for hedging purposes are disclosed in Note 23. The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

The following hedge in place qualified as a cash flow hedge under FRS 109:

Cash flow hedge – Newcastle Coal (NEWC) swaps

The Group has entered into NEWC swaps that qualify as cash flow hedges against highly probable forecasted NEWC index-linked sales transactions with third party customers. The fair value changes on the effective portion of the NEWC swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and reclassified to profit or loss when the hedged highly probable forecasted NEWC index-linked sales transactions is recognised in profit or loss and presented separately in "revenue". The fair value changes on the ineffective portion of NEWC swaps are recognised immediately in profit or loss.

(m) Property, plant and equipment

(i) Measurement

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

2. Summary of significant accounting policies (continued)

(m) Property, plant and equipment (continued)

(ii) Components of cost

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, as well as the estimated future costs of dismantling and removing the asset. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

(iii) Mining properties

Development expenditure incurred by the Group is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises costs directly attributable to the construction of a mine and the related infrastructure and exclude physical assets, which are recorded in property, plant and equipment.

Once a development decision has been taken, the carrying amount of the exploration and evaluation assets relating to the area of interest is transferred to “mines under development” within mining properties and aggregated with the subsequent development expenditure.

A “mine under development” is reclassified to “mines in production” within mining properties at the end of the commissioning phase, when the mine is capable of operating in the manner intended by management.

Mining properties comprise:

- Capitalised exploration and evaluation assets for properties now in production
- Development expenditure (including pre-production stripping)
- Acquisition costs and mineral rights acquired
- Production stripping (as described below in “deferred stripping costs”)

2. Summary of significant accounting policies (continued)

(m) Property, plant and equipment (continued)

(iii) Mining properties (continued)

No amortisation is recognised in respect of development properties until they are reclassified as "mines in production".

When further development expenditure is incurred in respect of a mining property after the commencement of production, such expenditure is carried forward as part of the "mines in production" asset when it is probable that additional future economic benefits associated with the expenditure will flow to the Group. Otherwise, such expenditure is classified as a cost of production.

"Mines in production" are amortised using the units-of-production method, with separate calculations being made for each area of interest. The units-of-production basis results in an amortisation charge proportional to the depletion of proved and probable reserves.

Identifiable mining properties acquired in a business combination are recognised as assets at their fair value. Development expenses incurred subsequent to the acquisition of the mining properties are accounted for in accordance with the policy outlined above.

These assets are tested for impairment in accordance with the policy in Note 2(p).

Deferred stripping costs

Overburden and other mine waste materials are often removed during the initial development of a mine site in order to access the mineral deposit. This activity is referred to as development stripping. The directly attributable costs are capitalised under mining properties. Capitalisation of development stripping costs ceases at the time that saleable material begins to be extracted from the mine and these costs are depreciated over the life of the mine based on the 'waste to coal' ratio.

2. Summary of significant accounting policies (continued)

(m) Property, plant and equipment (continued)

(iii) Mining properties (continued)

Deferred stripping costs (continued)

Production stripping commences from the point saleable materials are being extracted from the mine. Stripping costs incurred during the production phase might benefit current period production and improve access to ore bodies in future periods. Where benefits are realised in the form of inventory produced in the current period, these costs are accounted for as part of the cost of producing inventory. Where a benefit of improved access exists, the costs are recognised as part of mine properties when the following criteria are met:

(a) it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the entity;
(b) the Group can identify the component of the ore body for which access has been improved; and
(c) the costs relating to the stripping activity associated with that component can be measured reliably.

In identifying the components of the ore body, mining operations personnel will analyse the Group's mine plans. Generally a component will be subset of the total ore body and a mine may have several components, for example, certain quantities of coal within separate mining pits.

The 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, plus an allocation of directly attributable overhead costs. This is accounted for as an addition to an existing asset, which the Group has determined to be "Mining properties".

When the costs of stripping to improve access to a coal seam are not clearly distinguishable from the costs of producing current inventories, i.e., there is a mixture of waste and ore being removed, the stripping costs are allocated based on a relevant measure of production. This production measure is calculated for the identified component of the ore body. The Group uses the expected volume of waste extracted compared with the actual volume for a given volume of ore production.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (continued)

(m) Property, plant and equipment (continued)

(iii) Mining properties (continued)

Deferred stripping costs (continued)

The stripping activity asset is subsequently amortised using the units of production method over the life of the identified component of the ore body for which access has been improved. Economically recoverable reserves, which comprise proven and probable reserves, are used to determine the expected useful life of the identified component of the ore body. The stripping activity asset is then carried at cost less depreciation and impairment losses, if any.

(iv) Depreciation of plant, property and equipment

The depreciable amount of items of property, plant and equipment are depreciated over their useful lives, or over the remaining life of the mine if shorter. Depreciation commences when an asset is available for use. The major categories of property, plant and equipment are depreciated either on a units-of-production and/or straight-line basis as follows:

Units-of-production basis

For mining properties, land rights and certain mining equipment, the economic benefits from the asset are consumed in a pattern which is linked to the production level. Except as noted below, such assets are depreciated on a units-of-production basis.

Straight line basis

Assets which have a physical life shorter than the related mine or whose usage is not directly related to production levels, are depreciated on a straight line basis as follows:

• Buildings	20 years
• Plant and equipment	3 – 15 years
• Capital work in progress	Not depreciated

2. Summary of significant accounting policies (continued)

(m) Property, plant and equipment (continued)

(iv) Depreciation of plant, property and equipment (continued)

Straight line basis (continued)

Residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Changes to the estimated residual values or useful lives are accounted for prospectively. In applying the units-of- production method, depreciation/amortisation is normally calculated using the quantity of material extracted from the mine in the period as a percentage of the total quantity of material to be extracted in current and future periods based on proved and probable reserves. Non-reserve material may be included in depreciation/amortisation calculations where there is a high degree of confidence in its economic extraction. Reserves/resources and life of mine estimates are reviewed on an annual basis and depreciation calculations are adjusted accordingly where necessary.

(v) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when 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. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(vi) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “other gains/losses – net”.

2. Summary of significant accounting policies (continued)

(n) Exploration and evaluation assets

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of the commercial viability of an identified resource. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the income statement. Exploration and evaluation expenditure are capitalised in respect of each area of interest for which the rights to tenure are current and where:

(i) The exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest; or alternatively, by its sale; or

(ii) Exploration and evaluation activities in the area of interest have not reached a stage which permits a reasonable assessment of the existence (or otherwise) of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

Exploration and evaluation expenditure comprises costs that are directly attributable to: acquisition of rights to explore, researching and analysing existing exploration data, gathering exploration data through topographical, geochemical and geophysical studies, exploratory drilling, trenching and sampling, and activities involved in evaluating the technical feasibility and commercial viability of extracting mineral resources.

General and administration costs are allocated to, and included in, the cost of an exploration and evaluation asset only to the extent that those costs can be related directly to operational activities in the area of interest to which the exploration and evaluation asset relates. In all other cases, these costs are expensed as incurred.

Exploration and evaluation assets are transferred to mining properties, a component of property, plant and equipment, when the technical feasibility and commercial viability of extracting the mineral resource are demonstrable and sanctioned by the Board.

Capitalised exploration and evaluation expenditure is written off where the above conditions are no longer satisfied.

2. Summary of significant accounting policies (continued)

(n) Exploration and evaluation assets (continued)

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. To the extent that capitalised exploration and evaluation expenditure is not expected to be recovered, it is charged to the income statement.

Cash flows associated with exploration and evaluation expenditure are classified as investing activities in the consolidated statement of cash flows.

(o) Intangible assets

Goodwill

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the entity sold.

(p) Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

2. Summary of significant accounting policies (continued)

(p) Impairment of non-financial assets (continued)

(a) Goodwill (continued)

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Property, plant and equipment
Right-of-use assets
Investments in subsidiaries

Property, plant and equipment, right-of-use assets and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and the recoverable amount is recognised as an impairment loss in profit and loss.

An impairment loss for an asset other than goodwill is reversed if, and 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. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2. Summary of significant accounting policies (continued)

(q) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

(r) Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of property, plant and equipment. This includes those costs on borrowings acquired specifically for the construction or development of property, plant and equipment, as well as those in relation to general borrowings used to finance the construction or development of property, plant and equipment.

(s) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2. Summary of significant accounting policies (continued)

(s) Provisions (continued)

Provision for rehabilitation and dismantling

The Group has present obligations to dismantle, remove, restore and rehabilitate certain items of property, plant and equipment and mining pits. The Group recognises the estimated costs of dismantlement, removal or restoration or rehabilitation of items of property, plant and equipment arising from the acquisition or use of assets. The provisions are estimated based on the best estimate of the expenditure required to settle or transfer the obligation, taking into consideration the time value of money.

The estimated costs are measured at the present value of the expenditure expected to be required to settle the obligation using the discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the income statement under finance expenses. Changes in the estimated timing or amount of the expenditure or discount rate are accounted for as a change in the corresponding capitalised cost of the related assets, unless the decrease in the liability exceeds the carrying amount of the asset has reached the end of its useful life. In such cases, the excess or the decrease over the carrying amount of the assets or the changes in the liability is recognised in profit or loss immediately.

(t) Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(i) Wages and salaries

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are recognised under Trade and other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

2. Summary of significant accounting policies (continued)

(t) Employee compensation (continued)

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of FRS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(iv) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due.

2. Summary of significant accounting policies (continued)

(t) Employee compensation (continued)

(v) Defined benefit plans

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans, which the Group pays to an employee on termination of employment, whether the termination is voluntary or not. These benefits are mandatory under certain jurisdictions the Group operates within.

The liability recognised in the balance sheet in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds (considering there is no deep market for high-quality corporate bonds) that are denominated in the currency in which the benefits will be paid, and have tenures approximating to that of the related post-employment benefit obligations.

Actuarial gains and losses arising from changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise.

Past service costs are recognised immediately in profit or loss.

(vi) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2. Summary of significant accounting policies (continued)

(u) Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants related to expenses are deducted against the related expense.

(v) Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

(w) Dividends to the Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

(i) Estimation for the provision for rehabilitation and dismantling

Provisions for rehabilitation and dismantling of property, plant and equipment and mining pits are estimated taking into consideration facts and circumstances of the Group's mining properties available at the balance sheet date. These estimates are based on the expenditure required to transfer or settle the obligation for rehabilitation and dismantling, taking into consideration the time value of money. Cost estimates can vary in response to many factors including changes to the relevant legal requirements, the Group's environmental policies, the emergence of new restoration techniques, the timing of the expenditures and the effects of inflation. Experience gained at other mine or production sites is also a significant consideration. Cost estimates are updated throughout the life of the operation.

The expected timing of expenditure included in cost estimates can also change, for example in response to changes in ore reserves, production rates, operating license or economic conditions. Cash flows are discounted if this has a material effect. The selection of appropriate sources on which to base calculation of the risk-free discount rate used for this purpose also requires judgement.

Changes in these estimates and assumptions may impact the carrying value of the provision for rehabilitation and dismantling of property, plant and equipment and mining pits. The provision recognised is reviewed at each reporting date and updated based on the facts and circumstances available at that time.

(ii) Impairment of property, plant and equipment

Property, plant and equipment is tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. For the purpose of impairment testing, the recoverable amounts of the assets are determined based on value-in-use calculations which require the use of estimates.

3. Critical accounting estimates, assumptions and judgements (continued)

(ii) Impairment of property, plant and equipment (continued)

The determination of value-in-use requires management to make estimates and assumptions about expected production and sales volumes, commodity prices (considering current and historical prices, price trends and related factors), reserves, operating costs, closure and rehabilitation costs, future capital expenditure and discount rate. These estimates and assumptions are subject to risk and uncertainty; hence there is a possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, the carrying value of the assets may be further impaired or the impairment charge reduced with the impact recorded in profit or loss.

In the previous financial year, the Group recognised an impairment charge on its property, plant and equipment of US$224,074,000, which resulted in the carrying amount of property, plant and equipment to reduce to US$291,895,000.

If the estimated coal price used in the VIU calculation had been 5% lower than management's estimates, the Group would have recognised a further impairment charge on property, plant and equipment of US$22,899,000 in the previous financial year.

If the estimated discount rate applied to the discounted cash flows were 1% higher than management's estimates (for example: 11% instead of 10%), the Group would have recognised a further impairment charge on property, plant and equipment of US$2,597,000 in the previous financial year.

Management determined that there is no indication of impairment for the property, plant and equipment as at 31 December 2021.

(iii) Uncertain tax positions

The Group is subject to income taxes in Singapore and Indonesia. The Group operates in these jurisdictions where legislative applications can give rise to uncertain tax positions. Management believe that the current tax positions taken by the Group are appropriate and supportable by expert advice where relevant. In determining the income tax liabilities, management is required to estimate the taxable income and the deductibility of certain expenses ("uncertain tax positions") at each jurisdiction. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made. Details of the uncertain tax positions are disclosed in Note 10.

3. Critical accounting estimates, assumptions and judgements (continued)

(iii) Uncertain tax positions (continued)

Deferred tax assets, including those arising from unutilised tax losses, capital allowances and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production, sales volumes or sales of service, commodity prices, reserves, operating costs, restoration and reclamation costs, capital expenditure, dividends and other capital management transactions.

(iv) Determination of coal reserves

Judgement is required in determining the Group's coal reserves taking into account various assumptions regarding mining costs and the sale price of the particular resource concerned. The Group's economically recoverable coal reserves are sensitive to the cost and revenue assumptions used due to the geological structure of the deposits, which means that, all other factors remaining the same, higher cost assumptions or lower price assumptions will result in lower estimated reserves, and lower cost assumptions or higher price assumptions will result in higher estimated reserves. The Group bases all assumptions on geological reports and uses only measured reserves.

Additional geological data is gathered during the course of mining operations and this, in conjunction with the various assumptions used, could result in a change in estimated coal reserves from period to period. Changes in estimated coal reserves could affect the Group's financial results in a numbers of ways, including the value of mining properties from business acquisition, the depreciation and amortisation charged to profit or loss where such charges are determined by the unit-of-production basis as well as the carrying value of certain mine assets due to change in estimates of mine life and future discounted cash flows.

Management expects that any reasonable change in the key assumptions would not cause a significant change to the estimated coal reserves.

(v) Deferred stripping costs

Certain mining costs, principally those that relate to the stripping of waste and which relate to future economically recoverable coal to be mined, are capitalised and included in mining properties, which is classified in the balance sheet under property, plant and equipment. These costs are deferred and subsequently taken to the cost of production through the amortisation of mining properties. The waste to ore ratio and the remaining life of the mine are regularly assessed by the Board and senior management to ensure the

3. Critical accounting estimates, assumptions and judgements (continued)

(v) Deferred stripping costs (continued)

Carrying value and rate of deferral is appropriate taking into consideration the available facts and circumstances from time to time.

Significant judgement is required to distinguish between stripping costs related to the extraction of inventory and that which relates to the creation of a stripping activity asset.

The carrying value of the deferred stripping cost which is included within mining properties is US$71 million (2020: US$59 million) as at 31 December 2021.

(vi) Capitalisation and impairment of exploration and evaluation assets

Exploration and evaluation expenditures are capitalised on the balance sheet, in respect of areas of interest for which the rights of tenure are current and where such costs are expected to be recouped or exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence of economically recoverable reserves. The carrying value of assets within each area of interest are reviewed regularly taking into consideration the available facts and circumstances, and to the extent to which the capitalised value exceeds its recoverable value, the excess is provided for or written off in the year in which this is determined.

Management suspended the development and exploration of the areas of interest in the previous financial year. Accordingly, the exploration and evaluation assets of US$12,463,000 in respect of these areas of interest were fully impaired (Note 19) in the previous financial year.

4. Revenue

(a) Disaggregation of revenue from contracts with customers

	Group		
	At a point in time	Over time	Total
	US$'000	US$'000	US$'000
2021			
Coal sales	**509,651**	**-**	**509,651**
Coal hedging gain	**-**	**-**	**-**
	509,651	**-**	**509,651**
Logistics service revenue	**-**	**1,519**	**1,519**
Other revenue	**13**	**-**	**13**
	13	**1,519**	**1,532**
	509,664	**1,519**	**511,183**
2020			
Coal sales	343,634	-	343,634
Logistics service revenue	-	2,049	2,049
	343,634	2,049	345,683

(b) Contract assets and liabilities

		31 December		1 January
		2021	2020	2020
	Note	**$'000**	$'000	$'000
Accrued income	12	**363**	1,057	1,468
Unearned revenue	22	**-**	1,000	-

Unsatisfied performance obligations

As permitted under the FRS 115, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less is not disclosed.

4. Revenue (continued)

(c) Trade receivables from contracts with customers

		Group		
		31 December		1 January
		2021	2020	2020
	Note	**$'000**	$'000	$'000
Current assets				
Trade receivables from contracts with customers	12	**55,847**	27,797	46,469
Loss allowance	12	**(1,045)**	(1,047)	(1,047)
		54,802	26,750	45,422

5. Other income

	Group	
	2021	2020
	US$'000	US$'000
Interest income from bank deposits	**1,361**	3,211

6. Other (losses)/gains – net

	Group	
	2021	2020
	US$'000	US$'000
Fair value losses on derivative financial instruments	**(26,123)**	(4,908)
Foreign exchange gains/(losses) – net	**313**	(5,077)
Gain/(loss) on sale of property, plant and equipment	**531**	(271)
Impairment loss on property, plant and equipment (Note 17)	**-**	(224,074)
Impairment loss on exploration and evaluation assets (Note 19)	**-**	(12,463)
(Loss)/gain on liquidation of subsidiaries	**(50)**	63
Corporate share restructuring costs	**(7,500)**	-
Others	**-**	(2)
	(32,829)	(246,732)

7. Expenses by nature

	Group	
	2021	2020
	US$'000	US$'000
Depreciation and amortisation (Note 17)	**25,931**	33,101
Deferred stripping amortisation (Note 17)	**27,415**	32,765
Mining	**190,696**	148,009
Processing	**6,454**	6,368
Movement in inventories	**(1,161)**	10,629
Inventory write down	**508**	1,231
Barging and shipping	**31,537**	31,400
Agency fees and royalties	**31,349**	20,081
Direct site support	**7,632**	6,601
Employee compensation (Note 8)	**10,888**	9,585
Corporate, consulting and technical services fees	**1,846**	3,643
Rental expense (a) (b)	**1,054**	1,106
Other expenses	**5,735**	4,576
Total cost of sales and corporate and technical support expenses	**339,884**	309,095

(a) Included within rental expense in the previous financial year was COVID-19 related rent concessions received from a lessor of US$22,000 to which the Group applied the practical expedient under Amendments to FRS 116 *Leases Covid-19-Related Concessions*.

(b) Included within rental expense in the previous financial year was property tax rebates of US$14,000 received from the Singapore Government to help businesses deal with the impact from COVID-19. These property tax rebates were transferred from the lessor to the Group in the form of tenant rebates during the previous financial year.

8. Employee compensation

	Group	
	2021	2020
	US$'000	US$'000
Wages and salaries	**9,393**	8,449
Employer's contributions to defined contribution plans	**406**	403
Other staff benefits	**1,089**	733
	10,888	9,585

Grant income of US$41,000 (2020: US$182,000) was recognised during the financial year under the Job Support Scheme (the "JSS") and deducted against "Wages and salaries". The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. The scheme had been extended up to 2021 by the Government. Under the JSS, employers will receive cash grant in relation to the gross monthly wages of eligible employees.

9. Finance expenses

	Group	
	2021	2020
	US$'000	US$'000
Interest expense - Lease liabilities	**28**	62
Bank charges	**209**	204
	237	266

10. Income taxes

(a) Income tax expense

	Group	
	2021	2020
	US$'000	US$'000
Tax expense attributable to profit/(loss) is made up of:		
Current income tax	**30,287**	11,647
Withholding tax	**11,200**	-
Deferred income tax	**838**	(14,827)
	42,325	(3,180)
Under/(over) provision in prior financial years:		
Current income tax	**577**	8,329
Deferred income tax	**914**	(13,745)
	1,491	(5,416)
Total income tax expense/(credit)	**43,816**	(8,596)

10. Income taxes (continued)

(a) Income tax expense (continued)

The tax on the Group's profit/(loss) before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2021	2020
	US$'000	US$'000
Profit/(loss) before income tax	**139,594**	(207,199)
Tax calculated at tax rate of 17% (2020: 17%)	**23,731**	(35,224)
Effects of:		
- expenses not deductible for tax purposes	**3,107**	15,464
- lower tax rate under incentive scheme	**(1,202)**	11,227
- different tax rates in other countries	**6,528**	1,400
- change in tax rate in Indonesia	**-**	(1,900)
- utilisation of previously unrecognised tax loss	**(1,039)**	(2)
- deferred tax asset write down	**-**	5,855
- withholding tax on dividends received	**11,200**	-
- under/(over) provision in prior years	**1,491**	(5,416)
Income tax expense/(credit)	**43,816**	(8,596)

The Group has unrecognised tax losses of US$49,603,000 (2020: US$50,142,000) at the balance sheet date which can be carried forward and used to offset against future taxable income for up to five years subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their country of incorporation.

10. Income taxes (continued)

(a) Income tax expense (continued)

Tax audits of subsidiaries

The Group's Indonesia subsidiaries may be audited by the Tax Authorities when there are tax receivables and for compliance purposes. The audits cover Corporate Income Tax ("CIT"), Value Added Taxes ("VAT"), Withholding Taxes ("WHT"), and Land and Building Tax ("LBT"). Additional assessments are given upon completion of these audits and these subsidiaries may disagree with any additional tax assessments and may submit objections to the Director General of Tax ("DGT"), Indonesia, failing which the subsidiaries may proceed to appeal to the Indonesian Tax Court, and thereafter the Indonesian Supreme Court.

Management is currently disputing certain additional assessments arising from the tax audits for the following fiscal years and has either submitted objections to the DGT or proceeded to the Indonesian Tax Court for appeal.

Indonesia subsidiaries	Fiscal year	Status	Nature of tax dispute	Dispute amount
				US$'000
PT Arzara Baraindo Energitama	2017	Submitted objection to DGT	CIT, WHT	5,292
PT Arzara Baraindo Energitama	2019	Submitted objection to DGT	CIT, WHT	3,043
PT Kemilau Rindang Abadi	2019	Submitted objection to DGT	WHT	1,640
PT Jembayan Muarabara	2013	Tax Court Appeal	LBT	613
PT Arzara Baraindo Energitama	2013	Tax Court Appeal	LBT	253
PT Kemilau Rindang Abadi	2013	Tax Court Appeal	LBT	403
PT Bahari Cakrawala Sebuku	2007	Written request to Supreme Court decision	CIT	2,749
				13,993

* Assessments denominated in Indonesia Rupiah were translated to United States Dollar based on exchange rate as at 31 December 2021.

10. Income taxes (continued)

(a) Income tax expense (continued)

Tax audits of subsidiaries (continued)

The DGT has submitted their appeals to the Indonesian Supreme Court after the Indonesian Tax Court had ruled in favour of the Group.

Indonesia subsidiaries	Fiscal year	Status	Nature of tax appeal	Amount
				US$'000
PT Bahari Cakrawala Sebuku	2007	Supreme Court Judicial Review	CIT, WHT	1,292
PT Bahari Cakrawala Sebuku	2008	Supreme Court Judicial Review	VAT, WHT	495
PT Bahari Cakrawala Sebuku	2009	Supreme Court Judicial Review	CIT	2,875
PT Bahari Cakrawala Sebuku	2010	Supreme Court Judicial Review	CIT	80
				4,742

* Assessments denominated in Indonesia Rupiah were translated to United States Dollar based on exchange rate as at 31 December 2021.

Management has engaged tax consultants and where necessary, legal advisors to evaluate each case prior to submission for Tax Court appeal. Management, in consultation with tax consultants and legal advisors, believes that the Group has good technical grounds to defend the challenges from the Tax Authorities.

The above disclosures relate only to those fiscal years which have been subject to tax audit and for which additional assessments were made and the subsidiaries do not agree and applied the objection. Additional assessments may arise for other fiscal years in subsequent financial years when the respective fiscal years become subject to audit.

10. Income taxes (continued)

(b) The tax charge relating to each component of other comprehensive income is as follows:

Group	2021			2020		
	Before tax	**Tax charge**	**After tax**	Before tax	Tax charge	After tax
	US$'000	**US$'000**	**US$'000**	US$'000	US$'000	US$'000
Fair value gains on cash flow hedges	**2,026**	**(446)**	**1,580**	-	-	-

11. Cash and cash equivalents

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Cash at bank and on hand	**167,809**	169,731	**7,484**	1,678
Short-term bank deposits	**32,728**	11,042	**31,928**	11,042
	200,537	180,773	**39,412**	12,720

12. Trade and other receivables

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Trade receivables				
-Non-related parties	**55,847**	27,797	**-**	-
Less: Loss allowance	**(1,045)**	(1,047)	**-**	-
Trade receivables - net	**54,802**	26,750	**-**	-

12. Trade and other receivables (continued)

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Other receivables				
- Related corporations	**120**	117	**64**	64
- Subsidiaries	**-**	-	**249,136**	274,102
- Non-related parties	**33,686**	7,430	**794**	787
	33,806	7,547	**249,994**	274,953
Less: Loss allowance	**-**	-	**(183,424)**	(184,502)
Other receivables - net	**33,806**	7,547	**66,570**	90,451
Accrued income	**363**	1,057	**-**	-
Prepayments	**823**	914	**52**	94
	1,186	1,971	**52**	94
	89,794	36,268	**66,622**	90,545

Other receivables due from subsidiaries are unsecured, interest-bearing at the London Interbank Offered Rate ("LIBOR") plus 1.1% to 1.5% (2020: 1.5%) and are repayable on demand.

Other receivables due from related corporations are unsecured, interest-free and repayable on demand.

13. Inventories

	Group	
	2021	2020
	US$'000	US$'000
Run of mine stockpiles	**4,308**	3,323
Finished product coal	**6,874**	6,835
Consumables	**1,235**	1,512
	12,417	11,670

14. Tax receivables

Tax receivables represent advance tax payments made by the Group for certain fiscal years. Tax receivables are presented as current assets if they are expected to be realised within 12 months after balance sheet date.

15. Other receivables

	Group	
	2021	2020
	US$'000	US$'000
Security deposits	**27,595**	28,652
Others	**1,200**	-
	28,795	28,652

Long term security bonds and deposits are placed with various agencies, which will be settled on completion of certain governmental or legal requirements.

16. Financial assets, at FVOCI

	Group	
	2021	2020
	US$'000	US$'000
Beginning of financial year	**719**	570
Fair value gains (Note 28 (e))	**482**	149
Disposals	**(1,201)**	-
End of financial year	**-**	719

	Group	
	2021	2020
	US$'000	US$'000
Listed equity securities		
- Xanadu Mines Limited	**-**	719

16. Financial assets, at FVOCI (continued)

During the financial year ended 31 December 2021, the Group disposed listed equity securities as the underlying investment was no longer aligned with the Group's long-term investment strategy. The investment had a fair value of US$1,201,000 at the disposal dates, and the cumulative loss on disposal amounted to US$7,355,000, net of tax. The cumulative loss on disposal was reclassified from fair value reserve to retained profits.

17. Property, plant and equipment

	Capital work in progress	Mining properties	Buildings	Plant and equipment	Land rights	Right-of-use assets	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group							
2021							
Beginning of financial year	**5,656**	**174,054**	**158**	**25,907**	**85,171**	**949**	**291,895**
Additions	**285**	**39,898**	**-**	**99**	**-**	**-**	**40,282**
Modification of lease liability [Note 18(a)]	**-**	**-**	**-**	**-**	**-**	**446**	**446**
Transfers (to)/from other classes	**(4,044)**	**1,748**	**-**	**97**	**2,199**	**-**	**-**
Depreciation/ amortisation charge (Note 7)	**-**	**(12,823)**	**(19)**	**(3,183)**	**(9,242)**	**(664)**	**(25,931)**
Deferred stripping amortisation (Note 7)	**-**	**(27,415)**	**-**	**-**	**-**	**-**	**(27,415)**
Disposal/write-off	**(1,113)**	**(411)**	**-**	**(3,971)**	**-**	**-**	**(5,495)**
End of financial year	**784**	**175,051**	**139**	**18,949**	**78,128**	**731**	**273,782**

17. Property, plant and equipment (continued)

	Capital work in progress	Mining properties	Buildings	Plant and equipment	Land rights	Right-of-use assets	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group							
2021							
At 31 December 2021							
Cost	**784**	**1,100,182**	**4,323**	**122,274**	**148,481**	**2,959**	**1,379,003**
Accumulated depreciation/ amortisation	**-**	**(711,251)**	**(3,635)**	**(88,150)**	**(68,069)**	**(2,228)**	**(873,333)**
Accumulated impairment	**-**	**(213,880)**	**(549)**	**(15,175)**	**(2,284)**	**-**	**(231,888)**
Net book amount	**784**	**175,051**	**139**	**18,949**	**78,128**	**731**	**273,782**
2020							
Beginning of financial year	9,451	391,782	783	44,119	92,385	1,427	539,947
Additions	5,455	38,012	-	288	-	301	44,056
Transfers (to)/from other classes	(8,133)	3,929	-	940	3,264	-	-
Depreciation/ amortisation charge (Note 7)	-	(20,057)	(76)	(3,995)	(8,194)	(779)	(33,101)
Deferred stripping amortisation (Note 7)	-	(32,765)	-	-	-	-	(32,765)
Disposal/write-off	(1,117)	(781)	-	(270)	-	-	(2,168)
Impairment (Note 6)	-	(206,066)	(549)	(15,175)	(2,284)	-	(224,074)
End of financial year	5,656	174,054	158	25,907	85,171	949	291,895

17. Property, plant and equipment (continued)

	Capital work in progress	Mining properties	Buildings	Plant and equipment	Land rights	Right-of-use assets	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group							
2020							
At 31 December 2020							
Cost	5,656	1,058,947	4,323	139,092	146,281	2,513	1,356,812
Accumulated depreciation/ amortisation	-	(671,013)	(3,616)	(98,010)	(58,826)	(1,564)	(833,029)
Accumulated impairment	-	(213,880)	(549)	(15,175)	(2,284)	-	(231,888)
Net book amount	5,656	174,054	158	25,907	85,171	949	291,895

Included within additions for mining properties in the consolidated financial statements are deferred stripping costs amounting to US$39 million (2020: US$28 million).

Mining properties and land rights are amortised using the units-of-production method based on estimated coal reserves.

On 29 June 2021, the Group's directors approved the sale of a plant and equipment and was reclassified as held-for-sale. The plant and equipment was subsequently disposed during the financial year and a gain on disposal of property, plant and equipment of US$531,000 for the financial year ended 31 December 2021.

In the previous financial year, Management performed an impairment assessment on the property, plant and equipment of the Sebuku and Jembayan mines and recognised an impairment charge of US$224.1 million during the year, which is included within "Other losses/ gains – net" in the consolidated income statement. The impairment charge arose following a decision made by the Group to rationalise its existing assets and minimise capital expenditure.

17. Property, plant and equipment (continued)

The recoverable amount of the property, plant and equipment was determined based on value-in-use assessment, using discounted cash flows over the period of the Group's long-term production plans. The value-in-use computation was determined by estimating cash flows based on the Group's long-term production plans, including closure restoration and environmental clean-up costs. The key assumptions used in the value-in-use calculations are the thermal coal price, operating costs and a discount rate of 10.0%. Thermal coal prices are based on the Newcastle forward price curve obtained from market observable prices. Strip Ratios and production profiles of the operations at Sebuku and Jembayan mines are derived from developed production plans. Operating costs are based on developed production plans and follow current contractual terms and pricing of the mine contractors with an inflationary element included thereafter over the period of the Group's long-term production plans.

	Plant and equipment	Right-of-use assets	Total
	US$'000	US$'000	US$'000
Company			
2021			
Beginning of financial year	65	646	711
Addition	2	-	2
Modification of lease liability [Note 18(a)]	-	446	446
Depreciation charge	(43)	(432)	(475)
End of financial year	24	660	684
At 31 December 2021			
Cost	3,337	1,957	5,294
Accumulated depreciation	(3,313)	(1,297)	(4,610)
Net book amount	24	660	684

17. Property, plant and equipment (continued)

	Plant and equipment US$'000	Right-of-use assets US$'000	Total US$'000
Company			
2020			
Beginning of financial year	82	1,079	1,161
Addition	34	-	34
Depreciation charge	(51)	(433)	(484)
End of financial year	65	646	711
At 31 December 2020			
Cost	3,335	1,511	4,846
Accumulated depreciation	(3,270)	(865)	(4,135)
Net book amount	65	646	711

Details of right-of-use assets are disclosed in Note 18.

18. Leases – The Group as a lessee

Nature of the Group's leasing activities

Plant and equipment

The Group leases mining equipment and motor vehicles for its mining activities and leases office space, office equipment and residential properties for back office operations.

(a) *Carrying amounts*

Right-of-use assets classified within Property, plant and equipment

18. Leases – The Group as a lessee (continued)

Nature of the Group's leasing activities (continued)

Plant and equipment (continued)

(a) Carrying amounts

Right-of-use assets classified within Property, plant and equipment

	2021	2020
	US$'000	US$'000
Group		
Plant and equipment	**731**	949

	2021	2020
	US$'000	US$'000
Company		
Plant and equipment	**660**	646

During the current year, the Group renegotiated and modified an existing lease contract for an office space by extending the lease term by another 1 year at revised lease payments. As this extension is not part of the terms and conditions of the original lease contract, it is accounted for as a lease modification with an addition to the right-of-use assets, classified under 'Property, plant and equipment'. Accordingly, there is a corresponding remeasurement to lease liability.

(b) Depreciation charge during the year

	2021	2020
	US$'000	US$'000
Group		
Plant and equipment	**664**	779

18. Leases – The Group as a lessee (continued)

Nature of the Group's leasing activities (continued)

Plant and equipment (continued)

(c) *Interest expense*

	2021	2020
	US$'000	US$'000
Interest expense on lease liabilities	**28**	62

(d) *Lease expense not capitalised in lease liabilities*

Short-term and low value leases (Note 7)	**1,054**	1,106

(e) Total cash outflow for all the leases during the year was US$1,762,000 (2020: US$1,684,000).

(f) Addition of right-of-use assets of the Group and of the Company during the year was US$nil and US$nil (2020: US$301,000 and US$nil) respectively.

19. Exploration and evaluation

	Group	
	2021	2020
	US$'000	US$'000
Beginning of financial year	**-**	12,463
Impairment charge (Note 6)	**-**	(12,463)
End of financial year	**-**	-
Cost	**12,463**	12,463
Accumulated impairment	**(12,463)**	(12,463)
Net book amount	**-**	-

In the previous financial year, Management suspended the development and exploration of the areas of interest. Accordingly, the exploration and evaluation assets of US$12,463,000 in respect of these areas of interest were fully impaired.

20. Goodwill

	Group	
	2021	2020
	US$'000	US$'000
Cost		
Beginning of financial year	**174**	174

Goodwill is allocated to the Group's Penajam mine cash-generating-unit ("CGU").

The recoverable amount of the CGU was determined based on value-in-use assessment, using discounted cash flows over the period of Life of Mine ("LOM") of the mining operation. The value-in-use computation was determined by estimating cash flows until the end of the life of the mine operation based on long-term production plans, including closure restoration and environmental clean-up costs. The key assumptions used in the value-in-use calculations are the thermal coal price, operating costs, and a discount rate of 10% (2020: 10%). Thermal coal prices are based on the Newcastle forward price curve obtained from market observable prices. Strip ratios and production profiles of the mining operation is derived from developed LOM plans. Operating costs are based on developed LOM plans and follow current contractual terms and pricing with an inflationary element included thereafter over the remaining LOM.

The change in the estimated recoverable amount from any reasonably possible change on the key estimates does not materially cause the recoverable amount to be lower than its carrying amount.

21. Deferred income tax assets

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
To be recovered after one year	**1,200**	3,380	**400**	563
Set-off of deferred tax assets pursuant to set-off provisions (Note 26)	**(874)**	(402)	**(400)**	(563)
Net deferred income tax assets	**326**	2,978	**-**	-

21. Deferred income tax assets (continued)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has concluded that the deferred tax assets will be recoverable based on the approved business plans and budgets for the subsidiaries. The subsidiaries are expected to generate taxable income in future years. The tax losses will expire between 2023 to 2026.

Movement in deferred income tax assets is as follows:

Group	Tax losses	Interest payable	Provisions	Total
	US$'000	US$'000	US$'000	US$'000
2021				
Beginning of financial year	**2,252**	**544**	**584**	**3,380**
Tax (charged)/credited to the income statement	**(2,058)**	**(159)**	**174**	**(2,043)**
(Over)/under provision in respect of prior year	**(164)**	**-**	**27**	**(137)**
End of financial year	**30**	**385**	**785**	**1,200**
2020				
Beginning of financial year	6,867	526	2,464	9,857
Tax (charged)/credited to the income statement	(3,837)	18	(1,880)	(5,699)
(Over)/under provision in respect of prior year	(778)	-	-	(778)
End of financial year	2,252	544	584	3,380

21. Deferred income tax assets (continued)

Movement in deferred income tax assets is as follows: (continued)

Company	Interest payable	Provisions	Total
	US$'000	US$'000	US$'000
2021			
Beginning of financial year	**544**	**19**	**563**
Tax credited to the income statement	**(159)**	**(4)**	**(163)**
End of financial year	**385**	**15**	**400**
2020			
Beginning of financial year	527	9	536
Tax credited to the income statement	17	10	27
End of financial year	544	19	563

22. Trade and other payables

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Trade payables	**31,153**	16,398	**-**	-
Other payables				
- Ultimate holding corporation	**8**	72	**4**	-
- Related corporations	**1,435**	562	**199**	157
- Non-related parties	**7,395**	7,528	**149**	224
Unearned revenue	**-**	1,000	**-**	-
Accrued expenses	**34,881**	26,316	**61**	62
Dividend payable	**23**	146	**23**	146
	74,895	52,022	**436**	589

Other payables to the ultimate holding corporation and related corporations are unsecured, non-interest bearing and repayable on demand.

23. Derivative financial instruments

	Group Fair value Asset	Group Fair value Liability
	US$'000	US$'000
2021		
Derivatives held for hedging: Cash-flow hedges – Coal swaps		
- Related parties	**423**	**(4)**
- Non-related parties	**2,816**	**(1,209)**
Derivatives not held for hedging:		
Currency forwards		
- Non-related party	**90**	**(12)**
Total - Current	**3,329**	**(1,225)**
2020		
Currency forwards		
- Non-related party	523	-
Coal swaps		
- Related parties	62	-
- Non-related parties	73	(71)
Total - Current	658	(71)

The derivatives used by the Group are over-the-counter commodity derivatives which are measured at fair value and will settle within 1 to 2 years from the balance sheet date.

23. Derivative financial instruments (continued)

Hedging instruments used in Group's hedging strategy in 2021

			Carrying amount		Changes in fair value used for calculating hedge ineffectiveness				
	Contractual notional Volume	Contractual notional amount	Assets/ (Liabilities)	Financial statement line item	Hedged instrument	Hedged item	Hedge ineffectiveness recognised in P&L*	Weighted average hedged rate	Maturity date
	tonnes	US$'000	US$'000		US$'000	US$'000	US$'000		
Group									
Cash flow hedge									
Coal commodity price risk									
- Coal swaps to hedge highly probable transactions	390,000	54,626	2,026	Derivative financial instruments	2,026	(2,026)	-	(US$140.07/ t)	January 2022- December 2022

* All hedge ineffectiveness are recognised in profit and loss within "revenue".

24. Lease liabilities

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Current				
Lease liabilities	**529**	696	**459**	494
Non-current				
Lease liabilities	**217**	278	**217**	230
	746	974	**676**	724

25. Provisions

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Current				
Employee benefits (a)	**2,840**	1,118	**696**	326
Rehabilitation and dismantling (b)	**8,513**	5,443	**-**	-
	11,353	6,561	**696**	326
Non-current				
Employee benefits (a)	**2,293**	2,859	**-**	-
Rehabilitation and dismantling (b)	**11,766**	14,365	**-**	-
	14,059	17,224	**-**	-
Total	**25,412**	23,785	**696**	326

(a) *Employee benefits*

Provision for employee benefits represents the amounts provided for in respect of defined benefit plans required by certain jurisdictions the Group operates in. The Group is required to pay these benefits on termination of employment, whether the termination was voluntary or not. These amounts are disclosed as non-current as they are not expected to be paid within 12 months from the balance sheet date.

(b) *Rehabilitation and dismantling*

Provision for rehabilitation and dismantling represents the expected cost to dismantle and remove or restore and rehabilitate properties and mining pits which the Group utilises. This provision represents the best estimate of the present value of the expenditure required to settle the obligation at the balance sheet date. This amount represents provisions that are expected to be settled more than 12 months from the balance sheet date.

25. Provisions (continued)

(c) Movements in provisions

Movements in each class of provision are as follows:

Group	Employee benefits	Rehabilitation and dismantling	Total
	US$'000	**US$'000**	**US$'000**
2021			
Beginning of financial year	**3,977**	**19,808**	**23,785**
Provision made	**2,367**	**823**	**3,190**
Provision utilised	**(1,211)**	**(352)**	**(1,563)**
End of financial year	**5,133**	**20,279**	**25,412**
2020			
Beginning of financial year	4,180	18,647	22,827
Provision made	406	2,151	2,557
Provision utilised	(609)	(990)	(1,599)
End of financial year	3,977	19,808	23,785

Company	Employee benefits	Total
	US$'000	**US$'000**
2021		
Beginning of financial year	**326**	**326**
Provision made	**526**	**526**
Provision utilised	**(156)**	**(156)**
End of financial year	**696**	**696**
2020	432	432
Beginning of financial year	169	169
Provision made	(275)	(275)
Provision utilised	326	326
End of financial year		

26. Deferred income tax liabilities

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
To be settled after one year	**15,251**	15,233	**1,041**	1,474
Set-off of deferred tax liabilities pursuant to set-off provisions (Note 21)	**(874)**	(402)	**(400)**	(563)
Net deferred income tax liabilities	**14,377**	14,831	**641**	911

Movement in deferred income tax liabilities is as follows:

Group	**Mining properties**	**Depreciation and amortisation**	**Interest receivables**	**Derivative financial instrument**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**
2021					
Beginning of financial year	**11,304**	**2,468**	**1,461**	**-**	**15,233**
Tax credited to the income statement	**(770)**	**(10)**	**(425)**	**-**	**(1,205)**
Tax charged to other comprehensive income [Note 10 (b)]	**-**	**-**	**-**	**446**	**446**
Under provision in respect of prior year	**662**	**115**	**-**	**-**	**777**
End of financial year	**11,196**	**2,573**	**1,036**	**446**	**15,251**
2020					
Beginning of financial year	46,721	2,151	1,410	-	50,282
Tax (credited)/charged to the income statement	(20,894)	317	51	-	(20,526)
Over provision in respect of prior year	(14,523)	-	-	-	(14,523)
End of financial year	11,304	2,468	1,461	-	15,233

26. Deferred income tax liabilities (continued)

Company	**Depreciation and amortisation**	**Interest receivables**	**Total**
	US$'000	**US$'000**	**US$'000**
2021			
Beginning of financial year	**13**	**1,461**	**1,474**
Tax credited to the income statement	**(7)**	**(426)**	**(433)**
End of financial year	**6**	**1,035**	**1,041**
2020			
Beginning of financial year	16	1,410	1,426
Tax (credited)/charged to the income statement	(3)	51	48
End of financial year	13	1,461	1,474

27. Share capital and treasury shares

	← No. of ordinary shares →		← Amount →	
	Issued share capital	Treasury shares	Share capital	Treasury shares
			US$'000	US$'000
Group and Company				
2021				
Beginning and end of financial year	1,137,052,220	(7,908,101)	328,767	(286)
2020				
Beginning and end of financial year	1,137,052,220	(7,908,101)	328,767	(286)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

28. Other reserves

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Share-based compensation reserve (a)	**8,403**	8,403	**8,403**	8,403
Capital reserve (b)	**(13,526)**	(13,526)	**-**	-
General reserve (c)	**329**	329	**-**	-
Merger reserve (d)	**(7,752)**	(7,752)	**-**	-
Fair value reserve (e)	**-**	(7,837)	**-**	-
Hedging reserve (f)	**1,580**	-	**-**	-
Remeasurement of defined benefit plans	**629**	621	**-**	-
	(10,337)	(19,762)	**8,403**	8,403

Other reserves are non-distributable.

(a) Share-based compensation reserve

	Group and Company	
	2021	2020
	US$'000	US$'000
Beginning and end of financial year	**8,403**	8,403

Share-based compensation reserve relates to share-based payment benefits that were provided to employees via the Executive Share Acquisition Plan and Employee Share Option Plan. Both plans were terminated in 2014.

(b) Capital reserve

In January 2005, the Group acquired the remaining 20% equity interest of PT Bahari Cakrawala Sebuku ("PT BCS") for a consideration of US$15,821,000. The acquisition consideration was satisfied by the allotment and issuance of 6,145,537 shares of S$1 each at a premium of S$3.18 per share. This reserve of US$13,526,000 represents the difference between the value of the consideration paid for the acquisition of the 20% non-controlling interest in PT BCS prior to 2006 and the amount that these non-controlling interests were recognised in the financial statements.

28. Other reserves (continued)

(c) General reserve

	Group	
	2021	2020
	US$'000	US$'000
Beginning and end of financial year	**329**	329

The revised Indonesian Limited Company Law No. 40/2007 dated 16 August 2007 requires Indonesian companies to set up a general reserve amounting to 20% of the company's issued and paid up share capital. This reserve has been created in respect of the Group's Indonesian subsidiaries.

(d) Merger reserve

Merger reserve arising from a restructuring exercise in prior years representing the excess of cash consideration paid over the subsidiaries capital acquired and accounted for using the pooling of interest method.

(e) Fair value reserve

	Group	
	2021	2020
	US$'000	US$'000
Beginning of financial year	**(7,837)**	(7,986)
Fair value gains on financial assets, at FVOCI (Note 16)	**482**	149
Transfer to retained profits upon disposal of equity investment in financial assets, at FVOCI (Note 29)	**7,355**	-
End of financial year	**-**	(7,837)

The fair value reserve represents the mark to market over the cost of the investment (Note 16).

28. Other reserves (continued)

(f) Hedging reserve

	Group	
	2021	2020
	US$'000	US$'000
Beginning of financial year		
- Fair value gains/(losses)	**2,026**	-
- Tax on fair value gains/(losses)	**(446)**	-
End of financial year	**1,580**	-

29. Retained profits/(Accumulated losses)

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Beginning of financial year	**167,657**	386,346	**(180,797)**	31,390
Net profit/(loss) after tax	**95,778**	(198,816)	**92,772**	(192,314)
Transfer from fair value reserve upon disposal of equity investment in financial assets, at FVOCI [Note 28(e)]	**(7,355)**	-	**-**	-
Dividends paid (Note 30)	**(89,428)**	(19,873)	**(89,428)**	(19,873)
End of financial year	**166,652**	167,657	**(177,453)**	(180,797)

Retained profits of the Group are distributable.

30. Dividends

	Company	
	2021	2020
	US$'000	US$'000
Ordinary dividends		
Final dividend paid in respect of the previous financial year of US nil cents (2020: US 1.76 cents) per share	**-**	19,873
Interim dividend paid in respect of the current financial year of US 7.92 cents (2020: US nil cents) per share	**89,428**	-
	89,428	19,873

31. Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Property, plant and equipment	**202**	71	**-**	-

32. Financial risk management

Financial risk factors

The Group's activities are exposed to market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial and commodity markets on the Group's financial performance. The Group uses financial instruments such as over-the-counter commodity swaps to hedge certain market risk exposures.

32. Financial risk management (continued)

Financial risk factors

Management establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies and presents these policies to the Board of Directors for approval.

Financial risk management is carried out by treasury to evaluate and hedge financial risks in co-operation with the Group's operating units. Regular reports are also submitted to management and the Board of the Directors.

(a) *Market risk*

(i) *Currency Risk*

The Group operates in Singapore and Indonesia. Entities in the Group regularly transact in their respective functional currency, which is the United States dollar ("USD"). Currency risk arises when transactions are denominated in foreign currencies such as the Singapore dollar ("SGD"), Indonesia rupiah ("IDR"), Australian dollar ("AUD") and Thai Baht ("THB").

The Group uses financial instruments such as forward exchange contracts to mitigate the currency risk.

The Group's foreign currency exposure based on the information provided to key management is as follows:

	SGD	IDR	AUD	THB	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
At 31 December 2021					
Financial assets					
Cash and cash equivalents	392	24,869	-	-	25,261
Trade and other receivables	177	32,214	-	-	32,391
	569	57,083	-	-	57,652

32. Financial risk management (continued)

(a) *Market risk (continued)*

(i) *Currency Risk (continued)*

	SGD US$'000	IDR US$'000	AUD US$'000	THB US$'000	Total US$'000
At 31 December 2021					
Financial liabilities					
Trade and other payables	**280**	**63,503**	**89**	**11**	**63,883**
Lease liabilities	**676**	**70**	**-**	**-**	**746**
	956	**63,573**	**89**	**11**	**64,629**
Net financial (liabilities)/ assets	**(387)**	**(6,490)**	**(89)**	**(11)**	**(6,977)**
Add: Currency forwards	**-**	**27,326**	**-**	**-**	**27,326**
Currency exposure	**(387)**	**20,836**	**(89)**	**(11)**	**20,349**
At 31 December 2020					
Financial assets					
Cash and cash equivalents	598	5,256	-	-	5,854
Trade and other receivables	137	11,665	-	-	11,802
Financial assets, at FVOCI	-	-	719	-	719
	735	16,921	719		18,375
Financial liabilities					
Trade and other payables	892	40,709	85	86	41,772
Lease liabilities	725	248	-	-	973
	1,617	40,957	85	86	42,745
Net financial (liabilities)/ assets	(882)	(24,036)	634	(86)	(24,370)
Add: Currency forwards	-	26,112	-	-	26,112
Currency exposure	(882)	2,076	634	(86)	1,742

32. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency Risk (continued)

The Company's foreign currency exposure based on the information provided to key management is as follows:

	2021			2020		
	SGD	**THB**	**Total**	SGD	THB	Total
	US$'000	**US$'000**	**US$'000**	US$'000	US$'000	US$'000
Financial assets						
Cash and cash equivalents	**213**	**-**	**213**	435	-	435
Trade and other receivables	**132**	**-**	**132**	126	-	126
	345	**-**	**345**	561	-	561
Financial liabilities						
Trade and other payables	**212**	**4**	**216**	363	4	367
Lease liabilities	**676**	**-**	**676**	725	-	725
	888	**4**	**892**	1,088	4	1,092
Net financial (liabilities)/ assets	**(543)**	**(4)**	**(547)**	(527)	(4)	(531)

There are no foreseeable movements in the relevant exchange rates that are likely to have a material impact on the Group's and Company's results.

32. Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk

The Group is exposed to thermal coal price risk generated by its mining activities. The Group sells coal either on a contracted or spot basis, with prices either fixed or index linked. Coal price risk is managed through contractual arrangements negotiated directly with customers, usually for a period of 12 months and through the use of derivative financial instruments.

Fuel is a major component of the Group's operating costs. The Group's exposure to changes in fuel prices is ultimately based on reference to a USD Mean of Platts Singapore ("MOPS") Gas Oil assessment price. This benchmark reference is used to determine diesel fuel prices in Indonesia, which are primarily passed through to the Group by mine contractors through rise and fall adjustment clauses.

The Group uses derivative financial instruments in the form of coal and gasoil swaps to hedge adverse movements in coal prices and gas-oil prices paid as part of the Group's mining costs. These instruments are over-the-counter derivative contracts referenced to indices and therefore underlying commodity prices of coal and gas-oil. If the referenced price for the open positions as at 31 December 2021 had increased/decreased by nil% (2020: 10%) with all other variables including tax rate being held constant, the profit after tax (2020: loss after tax) would have been lower/higher by US$nil (2020: lower/higher by US$758,000).

The Group has an equity investment which is classified as Financial assets, at Financial assets, at FVOCI on the balance sheet that is exposed to equity securities price risk. If the price for the equity security listed on the Australian Securities Exchange had changed by nil% (2020: 4%) with all other variables including tax rate being held constant, the other comprehensive loss would have been lower/higher by US$nil (2020: US$29,000).

32. Financial risk management (continued)

(a) *Market risk (continued)*

(iii) *Cash flow and fair value interest rate risks*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest bearing assets and liabilities, the Group's income and expenses are substantially independent of changes in market interest rates.

The Group's policy is to hedge up to 75% of its highly probable forecasted NEWC index-linked sales transactions with third party customers. The Group manages these cash flow coal commodity price risks using floating-to-fixed NEWC swaps.

The Group enters into the NEWC swaps with the same critical terms as the hedged item, such as the maturity and notional amount. The Group does not hedge 100% of its highly probable forecasted NEWC index-linked sales transactions with third party customers, therefore the hedged item is identified as a proportion of the monthly highly probable forecasted NEWC index-linked sales transactions with third party customers. As all critical terms matched during the year, the economic relationship was 100% effective.

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedging relationship, and through periodic prospective effective assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness. Hedge ineffectiveness have not occurred during the financial year.

The Group had adopted hedge accounting on 1 July 2021. If the referenced price for the open positions had been higher/lower by 10% with all other variables including tax rate being held constant, the other comprehensive income would have been lower/higher by US$4,103,000, net of tax mainly as a result of lower/higher fair value of coal swaps designated as cash flow hedges of highly probable forecasted NEWC index-linked sales transactions.

32. Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group adopts the policy of dealing only with customers of appropriate credit standing and history, and obtaining letter of credit where appropriate to mitigate credit risk. The Group only deals with banks and financial institutions of good repute and standing.

The Group's Credit Committee regularly evaluates and monitors all its trade customers based on a framework approved by the Board of Directors. The evaluation is based on the credit quality of each trade customer, taking into account their financial position, past experience and other relevant factors. Credit exposure to an individual customer is managed based on the credit evaluation. Customer payment profiles are monitored and reported regularly.

There are no significant concentrations of credit risk through exposure to individual customers.

As the Group and Company do not hold collateral, the maximum exposure to credit risk for each class of financial instrument is the carrying amount of that class of financial assets presented on the balance sheet.

Trade receivables

The Group has applied the simplified approach to measure the lifetime expected credit losses for trade receivables.

To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers, and adjusts for forward-looking macroeconomic data such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group.

32. Financial risk management (continued)

(b) Credit risk (continued)

Trade receivables (continued)

The Group's credit risk exposure in relation to trade receivables under FRS 109 as at 31 December 2021 and 2020 are set out as follows:

	Past due				
	Current	< 3 months	3 to 6 months	> 6 months	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
31 December 2021					
Group					
Expected loss rate	0%	0%	0%	100%	
Trade receivables	54,633	169	-	1,045	55,847
Loss allowance	-	-	-	(1,045)	(1,045)
31 December 2020					
Group					
Expected loss rate	0%	0%	0%	100%	
Trade receivables	26,352	398	-	1,047	27,797
Loss allowance	-	-	-	(1,047)	(1,047)

Cash and cash equivalents of the Group and Company are subject to immaterial credit loss. Other receivables of the Group are subject to immaterial credit loss.

The Company monitors the credit risk of the related corporations and subsidiaries based on past due information to assess if there is any significant increase in credit risk. The other receivables due from related corporations and subsidiaries of the Company are measured on 12-months expected credit losses.

32. Financial risk management (continued)

(b) Credit risk (continued)

The movement in credit loss allowance for the following financial assets are set out as follows:

	Trade receivables[a] US$'000
Group	
2021	
Balance at 1 January 2021	**1,047**
Foreign exchange differences	**(2)**
Balance at 31 December 2021	**1,045**
2020	
Balance at 1 January 2020 and 31 December 2020	1,047

[a] Loss allowance measured at lifetime ECL

	Other receivables US$'000
Company	
2021	
Balance at 1 January 2021	**184,502**
Written off	**(1,078)**
Balance at 31 December 2021	**183,424**
2020	
Balance at 1 January 2020	2,041
Loss allowance recognised in profit or loss during the year on:	
- Changes in credit risk	182,461
Balance at 31 December 2020	184,502

32. Financial risk management (continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining at all times sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities so as to enable the Group to meet its obligations as and when they fall due. At the balance sheet date, assets held by the Group and Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 11.

Liquidity risk management covers daily, short term, and long term needs. The appropriate levels of liquidity are determined by both the nature of the Group's business and its risk profile. The Group monitors its liquidity position on a daily basis and prepares short term weekly cash flows of up to thirty weeks, on a monthly basis. In addition to this, the Group looks at cash flows on a medium term (< 12 months) and long term (> 12 months) basis through regular forecasts, annual budgets and long term business plans.

The table below analyses the maturity profile of the Group's and Company's financial liabilities, including derivative financial instruments into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
	US$'000	US$'000	US$'000
2021			
Group			
Trade and other payables	(73,366)	-	-
Derivative financial instruments	(1,225)	-	-
Lease liabilities	(508)	(216)	-
	(75,099)	(216)	-
Company			
Trade and other payables	(436)	-	-
Lease liabilities	(460)	(216)	-
	(896)	(216)	-

32. Financial risk management (continued)

(c) Liquidity risk (continued)

	Less than 1 year US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000
2020			
Group			
Trade and other payables	(51,592)	-	-
Derivative financial instruments	(71)	-	-
Lease liabilities	(671)	(281)	-
	(52,334)	(281)	-
Company			
Trade and other payables	(589)	-	-
Lease liabilities	(476)	(233)	-
	(1,065)	(233)	-

(d) Capital risk

The Group's objectives when managing capital are to maintain an optimal capital structure so as to maximise shareholder value and to safeguard the Group's ability to continue as a going concern. The capital structure of the Group consists of debt, which includes borrowings, cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained profits.

In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The gearing ratio is calculated as net debt divided by the total book value of capital. Net debt is calculated as borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt.

32. Financial risk management (continued)

(d) Capital risk (continued)

The Group and the Company is not exposed to any externally imposed capital requirements.

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Net debt	**-**	-	**-**	-
Total equity	**484,796**	476,376	**159,431**	156,087
Total capital	**484,796**	476,376	**159,431**	156,087
Gearing ratio	**n.m**	n.m.	**n.m**	n.m

n.m. – not meaningful

32. Financial risk management (continued)

(e) Fair value measurement

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

i. Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
ii. 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) (Level 2); and
iii. Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1	Level 2	Level 3	Total
	US$'000	US$'000	US$'000	US$'000
Group				
2021				
Assets				
Derivative financial instruments	**-**	**3,329**	**-**	**3,329**
Liabilities				
Derivative financial instruments	**-**	**1,225**	**-**	**1,225**
2020				
Assets				
Derivative financial instruments	-	658	-	658
Financial assets, at FVOCI	719	-	-	719
	719	658	-	1,377
Liabilities				
Derivative financial instruments	-	71	-	71

32. Financial risk management (continued)

(e) *Fair value measurement (continued)*

There were no transfers between Level 1 and 2 during the year.

The fair value of financial instruments traded in active markets (such as trading securities) is based on the quoted market prices at the balance sheet date. The quoted market prices used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (e.g. over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at balance sheet date. Quoted market prices and index-linked prices for similar instruments are used to estimate fair value. The fair value of currency forward contracts is determined using quoted forward currency rates at the balance sheet date. The fair value of coal swaps is determined using quoted Newcastle forward price curves at the balance sheet date. These instruments are classified as Level 2. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

(f) *Financial instruments by category*

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in Note 16 and Note 23 to the financial statements, except for the following:

	Group US$'000	Company US$'000
31 December 2021		
Financial assets, at amortised cost	**295,446**	**105,976**
Financial liabilities, at amortised cost	**73,336**	**436**

32. Financial risk management (continued)

(f) Financial instruments by category (continued)

	Group US$'000	Company US$'000
31 December 2020		
Financial assets, at amortised cost	243,264	103,169
Financial liabilities, at amortised cost	51,592	589

33. Related party transactions

(a) Key management personnel compensation

	Group	
	2021 **US$'000**	2020 US$'000
Salaries and other employee benefits	**976**	1,094
Directors' fees	**106**	252
	1,082	1,346

33. Related party transactions (continued)

(b) Sales and purchases of goods and services

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

	Group	
	2021	2020
	US$'000	US$'000
Sales of coal to a related corporation	**23,771**	18,397
(Loss)/gain on derivative contracts entered with a related corporation	**(7,060)**	62
Consultancy fees paid to a related corporation	**1,325**	1,440
Despatch received from a related corporation	**8**	9
Employee compensation paid to a related corporation	**223**	199
Employee compensation paid to ultimate holding corporation	**228**	331

Related corporations comprise mainly companies which are controlled or significantly influenced by the Group's ultimate holding company that are not part of the Group or companies which are controlled or significantly influenced by key management personnel and their close family members.

34. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following significant subsidiaries in accordance with the accounting policy described in Note 2(b):

Name of entity	Country of incorporation	Principal activity	Equity holding 2021 %	2020 %
Tiger Energy Trading Pte Ltd (a)	Singapore	Trading	**100**	100
Sakari Energy Trading Pte Ltd (a) ^	Singapore	Investment holding	**100**	100
PT Bahari Cakrawala Sebuku (b)	Indonesia	Coal mining	**100**	100
PT Sinergy Consultancy Services (b)	Indonesia	Management services	**100**	100
PT Bumiborneo Pertiwi Nusantara (b)	Indonesia	Investment holding	**100**	100
PT Borneo Citrapertiwi Nusantara (b)	Indonesia	Investment holding	**100**	100
PT Separi Energy (b)	Indonesia	Investment holding	**100**	100
PT Jembayan Muarabara (b)	Indonesia	Coal mining	**100**	100
PT Kemilau Rindang Abadi (b)	Indonesia	Coal mining	**100**	100
PT Arzara Baraindo Energitama (b)	Indonesia	Coal mining	**100**	100
PT Karbon Mahakam (b)	Indonesia	Coal mining	**100**	100
PT Metalindo Bumi Raya (b)	Indonesia	Coal mining	**100**	100
PT Citra Pertiwi Nusantara (b)	Indonesia	Asset holding	**100**	100
PT Mutiara Kapuas (b)	Indonesia	Coal mining	**100**	100
PT Sentika Mitra Persada (b)	Indonesia	Coal mining	**100**	100

(a) Audited by PricewaterhouseCoopers LLP, Singapore.
(b) Audited by KAP Tanudiredja, Wibisana, Rintis & Rekan - a member firm of the PricewaterhouseCoopers global network.
^ The company has been struck off subsequent to the financial year ended 31 December 2021.

35. Reconciliation of profit/(loss) after income tax to net cash provided by operating activities

	Group	
	2021	2020
	US$'000	US$'000
Net profit/(loss) after tax	**95,778**	(198,603)
Adjustments for:		
Loss/(gain) on liquidation of a subsidiary	**50**	(63)
Income tax expense/(credit)	**43,816**	(8,596)
Depreciation and amortisation	**53,346**	65,866
Foreign exchange (gain)/loss- net	**(586)**	3,170
(Gain)/loss on sale of property, plant and equipment	**(531)**	271
Impairment loss on property, plant and equipment	**-**	224,074
Impairment loss on exploration and evaluation assets	**-**	12,463
Inventory write down	**508**	1,231
Fair value losses on derivative financial instruments - net	**26,123**	4,908
Finance expense	**28**	62
	218,532	104,783
Changes in working capital		
(Increase)/decrease in trade and other receivables	**(87,688)**	(6,794)
(Increase)/decrease in inventories	**(1,256)**	10,102
Decrease in trade and other payables and provisions	**(809)**	(40,143)
Cash generated from operations	**128,779**	67,948
Income tax paid	**(36,761)**	(11,650)
Income tax refunded	**15,713**	16,702
Net cash provided by operating activities	**107,731**	73,000

36. Significant laws and regulations that may have an impact on the Group

(a) *Government Regulation No.78/2010*

On 20 December 2010, the Government of Indonesia released Government Regulation No. 78/2010 ("GR No. 78/2010") that deals with reclamation and post-mining activities for both IUP-Exploration and IUP-Production Operation holders.

IUP-Production Operation holders, among other requirements, must prepare (1) a five-year reclamation plan; (2) a post-mining plan; (3) provide a reclamation guarantee which may be in the form of a joint account or time deposit placed at a state-owned bank, a bank guarantee, or an accounting provision (if eligible); and (4) provide a post-mine guarantee in the form of a time deposit at a state-owned bank.

The requirement to provide reclamation and post-mine guarantees does not release the IUP holder from the requirement to perform reclamation and post-mine activities.

On 28 February 2014, the Minister of Energy and Mineral Resources ("MEMR") released Ministerial Regulation No. 7/2014 as the implementing regulation on reclamation and post-mining activities for mineral and coal mining companies which further regulates the aspect of reclamation plans, consideration of future value from the post-mining costs and accounting reserve determination.

On 2 May 2018, the MEMR issued Ministerial Regulation No. 26/2018 on implementation of good governance in mining industry and supervision in mineral and coal mining activities, and on 7 May 2018, the MEMR issued Ministerial Decree No. 1827 K/30/MEM/2018 ("Kepmen ESDM") regarding guidelines for proper mining techniques and principles. As of the effective date of these regulations, Ministerial Regulation No. 07/2014 regarding mine reclamation and post-mining activities in mineral and coal mining activities was revoked and is no longer valid.

The requirement to provide reclamation and post-mine guarantees does not release the IUP holder from the requirement to perform reclamation and post-mine activities. As at 31 December 2021, the Group has deposited US$24,062,000 (2020: US$28,128,000) to the Kutai Kartanegara regency for reclamation and mine closure bond.

36. Significant laws and regulations that may have an impact on the Group (continued)

(b) *Ministerial Regulation No. 34/2009*

In December 2009, the MEMR issued Ministerial Regulation No. 34/2009, which provides a legal framework to require mining companies to sell a portion of their output to domestic customers ("Domestic Market Obligation" or "DMO").

On 4 August 2021, the MEMR issued Ministerial Regulation No. 139 K/HK.02/MEM.B/2021. The DMO quota is set at 25% from the 2021 production plan approved by the government. The DMO mentioned before is mainly intended to fulfil the domestic electricity. IUP holders who cannot meet the DMO requirement would be prohibited to export their coal until they fulfil the DMO requirement, and to pay a levy based on unfulfilled quantity times the difference between export sale price and HPB.

On 19 January 2022, the MEMR issued a Ministerial Decision Letter No. 13.K/HK.021/MEM.B/2022 ("Kepmen 13/2022") regarding the "Guidelines for the Imposition of Administrative Sanctions, Coal Export Sales Ban, and Imposition of Penalty and Compensation Funds in relation with the Domestic Coal Market Obligation Compliance". In this Kepmen 13/2022, the DMO is determined to be 25% of the coal company annual production plan approved by the government ("RKAB").

Provisions for DMO of US$3,340,000 (2020: US$nil) was made by the Group as at 31 December 2021.

(c) *Government Regulation No. 24/2012*

Government Regulation No. 24/2012 ("GR No. 24/2012") which amends GR No. 23/2010 was signed by the President of the Republic of Indonesia on 21 February 2012. GR No. 24/2012 requires a gradual divestment scheme applicable for IUP and IUPK holders, such that in the tenth year from their production commissioning at least 51% of their shares shall be owned by Indonesian participant(s).

On 13 September 2013, the MEMR issued Ministerial Regulation No. 27/2013 on the Procedures and Determination of Divestment Price as well as Changes in Capital Investment in Mineral and Coal Mining Businesses. Based on this regulation, the provision which governs the changes in capital investment consists of: (a) changes in investment and financing sources, (b) changes in company status from foreign investment to domestic investment or vice versa, (c) changes in Articles of Association, (d) changes in the Board of Directors and Commissioners and (e) changes in shareholder composition.

36. Significant laws and regulations that may have an impact on the Group (continued)

(c) Government Regulation No. 24/2012 (continued)

On 14 October 2014, GR No. 77/2014 was issued which sets out progressive divestment requirements for mining companies owning different types of mining permits.

On 11 January 2017, GR No. 1/2017 was issued which regulates the mechanism of extension IUP and makes it mandatory for any coal sale (export and local) to refer to the coal benchmark price, transfer IUPs, divestments and mining areas.

Management believes that the Group is not impacted by this regulation as the Group's subsidiary, BCS, has been recognised as a Penamaman Modal Dalam Negeri ("PMDN") entity, which effectively grants it status as an Indonesian participant.

(d) Ministerial Regulation No. 48/2017

On 3 August 2017, the MEMR withdrew Ministerial Regulation No. 42/2017 and issued Ministerial Regulation No. 48/2017 regarding the Control of Enterprises in the Energy and Mineral Resources Sector. This regulation governs the transfer of shares and changes in the Directors and/or Commissioners.

Management believes that the Group has complied with the requirements of the regulations mentioned above.

(e) Ministerial Regulation No. 43/2018

On 25 September 2018, the MEMR issued Ministerial Decision No. 43/2018 to amend Ministerial Regulation No. 09/2017. The key amendments under the new regulation are:

- Divestment of 51% of shares can now be performed through issuance of new shares, transfer or sales of existing shares, directly or indirectly;
- If the Government or Local Government do not acquire the stock divestment, companies are obliged to offer share divestment to state/regional government owned enterprises ("BUMD"/"BUMN") and if there are more than one BUMD/BUMN who take up the offer, the Minister will coordinate the composition of the stock divestments;

36. Significant laws and regulations that may have an impact on the Group (continued)

(e) Ministerial Regulation No. 43/2018 (continued)

- IUPK holders need to give access to Indonesian participants to perform due diligence; and
- The price of the stock divestment will be calculated based on market value, which excludes mineral and coal reserves, using discounted cash flow or market data benchmarking.

Management believes that the above regulation does not have any significant impact on the Group's operation.

(f) Ministerial Regulation No. 17/2010

On 23 September 2010, the MEMR issued Ministerial Regulation No. 17/2010 outlining the mechanism for determining the Indonesian Minerals and Coal Benchmark Price ("IMCBP") and which requires the sale of coal to be conducted with reference to the IMCBP.

On 24 March 2011, the Directorate General of Mineral and Coal ("DGMC") issued regulation No. 515.K/32/DJB/2011 outlining the formula mechanism of Coal Benchmark Price for spot and term sales contracts.

On 26 August 2011, the DGMC issued regulation No. 999.K/30/DJB/2011 on the Procedure for Determining the Adjustment Coal Benchmark Price.

On 21 March 2013, this regulation was amended by the Director General Regulation No. 644.K/30/DJB/2013.

On 11 January 2017, the MEMR issued Ministerial Regulation No. 7/2017, regarding the Procedure for the Setting of Benchmark Prices for Mineral and Coal Sales, to replace Ministerial Regulation No. 17/2010. Any provision on Ministerial Regulation No. 17/2010, relating to benchmark prices for metal mineral and coal sales is revoked since that date.

36. Significant laws and regulations that may have an impact on the Group (continued)

(f) Ministerial Regulation No. 17/2010 (continued)

On 18 July 2017, the MEMR issued Ministerial Regulation No. 44/2017 regarding amendment of Procedures for Determining the Benchmark Sales of Metal and Coal.

The Group is required to comply with the benchmark price for the purposes of calculating monthly royalty payment. Management believes that the Group's current practice has complied with the regulation.

(g) Ministerial Regulation of Environment and Forestry No. P.59/MENLHK/ SETJEN/ KUM.1/10/2019

In October 2019, the Ministry of Environment and Forestry ("MoE&F") issued Ministerial Regulation No. P.89/MENLHK/SETJEN/KUM.1/11/2016 on Guidelines for Planting of Borrow to Use Licence ("Izin Pinjam Pakai Kawasan Hutan/IPPKH") Holders for the Rehabilitation of Riverzone Areas. This regulation amends Ministerial Regulation No. P.89/MENLHK/SETJEN /KUM.1/11/2016.

This regulation is a guideline for IPPKH holders which are obligated to perform rehabilitation of Riverzone Areas at a location stipulated in accordance with the provisions set forth in this regulation, and with a rehabilitation planting period set before the end of the IPPKH period with the procedure of rehabilitation according to the provisions set forth in this rule.

The Group's subsidiaries, i.e. JMB and ABE, as the holders of IPPKH, have started to fulfil the obligation by planting the rehabilitation of the watershed, therefore, management believes that the Companies have complied with the provisions in the regulation as mentioned above.

The Group's subsidiaries, i.e. KM, MBR and BCS, as the holders of IPPKH, have recorded provisions to recognise the liability arising from the obligation to perform the above rehabilitation activities.

36. Significant laws and regulations that may have an impact on the Group (continued)

(h) *Mining Law No. 3/2020*

On 10 June 2020, Government of Indonesia stipulated Mining Law No. 3/2020 which amends Law No. 4/2009 regarding Mineral and Coal Mining. The purpose of the amendment in the law is to be the legal basis for a more effective, efficient and comprehensive mineral and coal mining in response to the business development, issues and mineral and coal mining needs, especially constrained by authority of the Central Government and Regional Government.

One of the amendments is related to the conversion of CoWs/CCoWs to the IUPKs for soon to expire CoWs and CCoWs. The Amended Mining Law now confirms that extensions will be granted, which can be seen as demonstrating the Government's commitment to stabilising production and generating a commensurate return on their investment. To obtain extensions, the holder must apply to the MEMR between five years and one year before CoW/CCoW expires.

The Group is continuously monitoring the implication of the above regulations.

(i) *Omnibus Law*

On 5 October 2020, Indonesian Parliament passed the Job Creation Law, commonly referred to as the "Omnibus Law", which was signed by the President of Indonesia on 2 November 2020. There are three major laws relating to taxation are affected by the Omnibus Law such as the General Tax Procedures (KUP) Law, the Income Tax Law (ITL) and the Value Added Tax (VAT) law. Some of the important changes to tax laws include relaxation of sanctions on taxpayers, exempting certain types of income from tax (including some dividends and offshore income) and several changes in the VAT rules that offer a fairer and more reasonable outcome for taxpayers. In the Omnibus Law, coal products are excluded from the negative list of VATable goods, and therefore are now VATable.

Coal producing companies within the Group has complied with the Omnibus Law and have applied 10% VAT to their domestic coal sales since November 2020.

37. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2022 and which the Group has not early adopted.

Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to FRS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what FRS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to FRS 16 Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022)

The amendment to FRS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

The Group does not expect any significant impact arising from applying these amendments.

37. New or revised accounting standards and interpretations (continued)

Amendments to FRS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to FRS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

The Group does not expect any significant impact arising from applying these amendments.

38. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Sakari Resources Limited on 14 February 2022.

GLOSSARY

The following definitions apply throughout this Annual Report:

"ASP"	Average selling price
"Board"	The Board of Directors of Sakari
"CEO"	Chief Executive Officer
"CY"	Calendar year
"Group"	Sakari and its subsidiaries
"ha"	Hectares
"JORC"	The Australian Institute of Mines and Metallurgy Ore Reserves Committee
"Kt"	Thousands of metric tonnes
"MMt"	Millions of metric tonnes
"pa"	per year
"PTT"	PTT Public Company Limited Ltd, Sakari's ultimate holding company
"t"	One metric tonne
"$", "US$"	United States dollars
"OB"	Overburden

SAKARI RESOURCES LIMITED

(Company Registration Number: 199504024R)
(Incorporated in the Republic of Singapore)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **SAKARI RESOURCES LIMITED** (**"the Company"**) will be held by way of electronic means on 13 May 2022 at 14:00 for the following purposes:

AS ORDINARY BUSINESS

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

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the year ended 31 December 2021 together with the Auditors' Report thereon.
   (Resolution 1)

2. To re-elect the following Directors retiring pursuant to Article 94 and 100 of the Company's Constitution:

Thanakorn Poolthavee	[Retiring under Article 94]	**(Resolution 2)**
Cherdchai Boonchoochauy	[Retiring under Article 100]	**(Resolution 3)**
Sujirat Thientawach	[Retiring under Article 100]	**(Resolution 4)**

3. To approve the payment of directors' fees of up to S$200,000 payable by the Company for the year ending 31 December 2022 (2021: S$200,000).
   (Resolution 5)

4. To re-appoint PriceWaterhouseCoopers LLP as the Company's Auditors to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.
   (Resolution 6)

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

By Order of the Board

Seow Han Chiang Winston
Company Secretary
Singapore
28 April 2022

Explanatory Note:

Notes:

1. The Annual General Meeting of the Company (the "**Meeting**") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of Annual General Meeting will be despatched to Shareholders, and can also be accessed via the Company's corporate website at https://www.sakariresources.com/investor-relations/news-media/.

2. The Meeting arrangements relating to, amongst others, attendance, submission of questions in advance and/or voting by proxy at the Meeting are set out in the Company's letter to shareholders dated 28 April 2022 (the "**Letter**") which has been despatched to Shareholders and can also be accessed at the Company's corporate website at https://www.sakariresources.com/investor-relations/news-media/. For the avoidance of doubt, the Letter is circulated together with and forms part of the Notice of Annual General Meeting in respect of the Meeting.

3. Due to the current COVID-19 restriction orders in Singapore, members of the Company will not be able to attend the Meeting in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting. In appointing the Chairman of the Meeting as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.

5. The instrument appointing the Chairman of the Meeting as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:

   (a) if sent personally or by post, be deposited at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 1 Harbourfront Avenue, Keppel Bay Tower #14-07 Singapore 098632; or

   (b) if submitted by email, be received by the Company at meeting@sakariresources.com,

   in either case, by 14:00 on 11 May 2022 (being not less than 48 hours before the time appointed for holding the Meeting) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members of the Company to submit completed proxy forms by post, members of the Company are strongly encouraged to submit completed proxy forms electronically via email.

6. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer, failing which the instrument of proxy may be treated as invalid.

7. 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.

NOTICE OF ANNUAL GENERAL MEETING

Personal Data Privacy

By (a) submitting an instrument appointing the Chairman of the Meeting as proxy to vote at the Meeting and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the Meeting via LIVE WEBCAST or LIVE AUDIO STREAM, or (c) submitting any question prior to the Meeting in accordance with this Notice of Annual General Meeting, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing and administration by the Company (or its agents) of proxy forms appointing the Chairman of the Meeting as proxy for the Meeting (including any adjournment thereof);

(ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to the LIVE WEBCAST or LIVE AUDIO STREAM to observe the proceedings of the Meeting and providing them with any technical assistance where necessary;

(iii) addressing relevant and substantial questions from members received before the Meeting and if necessary, following up with the relevant members in relation to such questions;

(iv) preparation and compilation of the attendance list, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof); and

(v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the Meeting. Accordingly, the personal data of a member of the Company (such as his name, his presence at the Meeting and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

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