



SAKARI RESOURCES LIMITED

ANNUAL REPORT 2024

CORPORATE DIRECTORY

Directors

Mr Henry Yusuf

Mr Andreas Kastono

Mr Ferdy Yustianto Husada

Mr Michael Wong

Mr Raymond Anthony Gerungan

Company Secretaries

Seow Han Chiang Winston

Leong Chuo Ming

Registered & Head Office

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Singapore 307591

Website

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Share Registrar

Boardroom Corporate & Advisory Services Pte Ltd

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Keppel Bay Tower #14-07

Singapore 098632

Independent Auditors

RSM SG Assurance LLP

8 Wilkie Road

#04-08 Wilkie Edge

Singapore 228065

Audit Partner: Tan Beng Teck

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STATEMENT BY DIRECTORS

The directors are pleased to present the financial statements of Sakari Resources Limited (the “Company”) and its subsidiaries (the “Group”) for the reporting year ended 31 December 2024.

1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying consolidated financial statements of the Group and balance sheets and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the reporting year covered by the 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.

2. Directors

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

Andreas Kastono
Ferdy Yustianto Husada
Henry Yusuf
Michael Wong
Raymond Anthony Gerungan

3. Directors’ interests in shares and debentures

The directors of the Company holding office at the end of the reporting year had no interests in shares in or debentures of the Company or other related body corporate as recorded in the register of directors’ interests in shares in or debentures kept by the Company under section 164 of the Companies Act 1967 (the “Act”) except as follows:

STATEMENT BY DIRECTORS

Name of directors and companies in which interests are held	<u>Direct interest</u>		<u>Deemed interest</u>	
	<u>At beginning of the reporting year</u>	<u>At end of the reporting year</u>	<u>At beginning of the reporting year</u>	<u>At end of the reporting year</u>
<u>Ultimate holding corporation – PT Astrindo Nusantara Infrastruktur Tbk</u>				
Henry Yusuf	30,000,000	30,000,000	63,000	63,000
Michael Wong	34,039,700	34,039,700	-	-

By virtue of section 7 of the Act the above directors with shareholdings are deemed to have an interest in the Company and in all the related corporates of the Company.

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable 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.

5. Options

During the reporting year, no option to take up unissued shares of the Company or other body corporate in the Group was granted.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

STATEMENT BY DIRECTORS

6. Independent auditor

RSM SG Assurance LLP has expressed willingness to accept re-appointment.

On behalf of the directors

Henry Yusuf
Director

Michael Wong
Director

24 October 2025

INDEPENDENT AUDITOR’S REPORT

To The Members of Sakari Resources Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Sakari Resources Limited (the “Company”) and its subsidiaries (the “Group”), which comprise the balance sheets of the Group and the Company as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheets and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “Act”) and Financial Reporting Standards (“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 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

Basis for Opinion

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

Other Matter

The financial statements of the Group and the Company for the reporting year ended 31 December 2023 were audited by another independent auditor who expressed an unmodified opinion on those financial statements on 30 October 2024.

INDEPENDENT AUDITOR'S REPORT

To The Members of Sakari Resources Limited

Other Information

Management is responsible for the other information. The other information comprises the statement by directors but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT

To The Members of Sakari Resources Limited

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

To The Members of Sakari Resources Limited

- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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 independent auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tan Beng Teck.

RSM SG Assurance LLP
Public Accountants and
Chartered Accountants
Singapore

24 October 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2024

	Note	2024 \$'000	2023 \$'000
Revenue	4	523,291	672,781
Cost of sales		(434,795)	(544,281)
Gross profit		88,496	128,500
Other income and gains	5	69,330	17,208
Administrative expenses	6	(4,670)	(6,278)
Other losses	5	(15,233)	(35,229)
Finance costs	8	(819)	(451)
Profit before tax		137,104	103,750
Income tax expense	9	(29,238)	(31,059)
Profit, net of tax and total comprehensive income		107,866	72,691
<u>Other comprehensive income / (loss)</u>			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Cash flow hedges – fair value gains		592	-
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit plans		(78)	(725)
Total other comprehensive income/(loss), net of tax		514	(725)
Total comprehensive income		108,380	71,966

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

BALANCE SHEETS

As At 31 December 2024

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>2024</u> US\$'000	<u>2023</u> US\$'000	<u>2024</u> US\$'000	<u>2023</u> US\$'000
ASSETS					
<u>Non-current assets</u>					
Tax recoverable	9	24,265	18,057	-	-
Deferred income tax assets	9	232	337	-	-
Property, plant and equipment	10	208,177	216,607	273	402
Intangible assets	12	43	174	-	-
Investments in subsidiaries	13	-	-	55,630	55,630
Other receivables, non-current	14	494,665	378,490	-	-
Total non-current assets		727,382	613,665	55,903	56,032
<u>Current assets</u>					
Tax recoverable	9	448	997	1,389	-
Derivative financial assets	15	791	-	-	-
Inventories	16	6,148	14,845	-	-
Trade and other receivables	17	102,567	88,936	259,004	169,371
Other non-financial assets	18	820	2,161	18	30
Cash and cash equivalents	19	49,728	96,551	456	1,615
Total current assets		160,502	203,490	260,867	171,016
Total assets		887,884	817,155	316,770	227,048
EQUITY AND LIABILITIES					
<u>Equity</u>					
Share capital	20	328,481	328,481	328,481	328,481
Retained earnings / (accumulated losses)		376,745	268,879	(24,285)	(113,990)
Other reserves	21	(11,322)	(11,836)	8,403	8,403
Total equity		693,904	585,524	312,599	222,894

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

BALANCE SHEETS

As At 31 December 2024

	Note	<u>Group</u>		<u>Company</u>	
		<u>2024</u> US\$'000	<u>2023</u> US\$'000	<u>2024</u> US\$'000	<u>2023</u> US\$'000
<u>Non-current liabilities</u>					
Deferred tax liabilities	9	12,242	11,103	2,445	676
Lease liabilities, non-current	22	290	960	97	245
Provisions, non-current	23	15,343	12,733	-	-
Total non-current liabilities		27,875	24,796	2,542	921
<u>Current liabilities</u>					
Income tax payable,		21,116	21,596	-	2,246
Trade and other payables	24	110,575	130,272	1,154	503
Derivative financial liabilities	15	83	-	-	-
Borrowings	25	26,758	44,533	-	-
Lease liabilities, current	22	662	587	161	163
Provisions, current	23	6,911	9,847	314	321
Total current liabilities		166,105	206,835	1,629	3,233
Total liabilities		193,980	231,631	4,171	4,154
Total equity and liabilities		887,884	817,155	316,770	227,048

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

	← Attributable to equity holders of the Company →				
	<u>Total equity</u>	<u>Share capital</u>	<u>Treasury shares</u>	<u>Other reserves</u>	<u>Retained earnings</u>
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Current year:					
Balance at 1 January 2024	585,524	328,767	(286)	(11,836)	268,879
Changes in equity:					
Total comprehensive income	108,380	-	-	514	107,866
Balance at 31 December 2024	693,904	328,767	(286)	(11,322)	376,745
Previous year:					
Balance at 1 January 2023	513,558	328,767	(286)	(11,111)	196,188
Changes in equity:					
Total comprehensive income	71,966	-	-	(725)	72,691
Balance at 31 December 2023	585,524	328,767	(286)	(11,836)	268,879

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

	Attributable to equity holders of the Company				
	<u>Total equity</u>	<u>Share capital</u>	<u>Treasury shares</u>	<u>Other reserves</u>	<u>Retained earnings</u>
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Company					
Current year:					
Balance at 1 January 2024	222,894	328,767	(286)	8,403	(113,990)
Changes in equity:					
Total comprehensive income for the year	89,705	-	-	-	89,705
Balance at 31 December 2024	312,599	328,767	(286)	8,403	(24,285)
Previous year:					
Balance at 1 January 2023	165,936	328,767	(286)	8,403	(170,948)
Changes in equity:					
Total comprehensive income for the year	56,958	-	-	-	56,958
Balance at 31 December 2023	222,894	328,767	(286)	8,403	(113,990)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	<u>2024</u> US\$'000	<u>2023</u> US\$'000
<u>Cash flows from operating activities</u>		
Profit before income tax	137,104	103,750
Interest expense	819	451
Interest income	(41,902)	(16,875)
Depreciation of plant and equipment	17,326	16,255
Amortisation of right-of-use assets	643	580
Amortisation of deferred stripping	53,217	62,981
Impairment loss allowance on receivables - (reversal) / loss	(6)	-
Impairment of goodwill	131	-
Impairment on property, plant and equipment	12,247	-
Property, plant and equipment written off	275	-
Loss on disposal of property, plant and equipment	-	223
(Reversal) / loss of fair value on initial recognition of loans to ultimate holding corporation	(27,306)	33,008
Net movement on foreign exchange	(1,594)	(984)
Operating cash flows before changes in working capital	150,954	199,389
Trade and other receivables	27,386	36,150
Inventories	8,697	1,337
Other non-financial assets	1,341	(1,037)
Trade and other payables	(19,697)	42,411
Derivative financial instruments	-	327
Remeasurement of defined benefit plans	(78)	(725)
Provisions	(326)	(715)
Net cash flows from operations	168,277	277,137
Income taxes paid	(36,202)	(66,133)
Income taxes refunded	1,948	98
Net cash flows from operating activities	134,023	211,102

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	<u>2024</u> US\$'000	<u>2023</u> US\$'000
<u>Cash flows from investing activities</u>		
Proceeds from disposal of property, plant and equipment	-	1,200
Purchase of property, plant and equipment	(75,278)	(37,701)
Interest income received	7,402	2,109
Net movement in other receivables from ultimate holding corporation	(22,073)	(154,361)
Net movement in other receivables from intermediate holding corporation	(73,307)	(220,771)
Net cash flows used in investing activities	<u>(163,256)</u>	<u>(409,524)</u>
<u>Cash flows from financing activities</u>		
Payment of lease liabilities principal	(536)	(597)
Proceeds received under trading financing	106,146	44,533
Repayment of trading financing borrowing	(122,381)	-
Interest expense paid	(819)	(451)
Net cash flows (used in) / from financing activities	<u>(17,590)</u>	<u>43,485</u>
Net decrease in cash and cash equivalents	(46,823)	(154,937)
Cash and cash equivalents, statement of cash flows, beginning balance	96,551	251,488
Cash and cash equivalents, statement of cash flows, ending balance (Note 19)	<u>49,728</u>	<u>96,551</u>

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

1. General information

Sakari Resources Limited (Registration No: 199504024R) (the “Company”) is incorporated in Singapore as a private limited company. The financial statements cover the Company and its subsidiaries (the “Group”). All financial information are presented in United States Dollar (“US\$’000”) and rounded to the nearest thousand except when otherwise indicated.

The board of directors approved and authorised these financial statements for issue on the date of the statement by director. The directors have the power to amend and reissue the financial statements.

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 principal activities of the subsidiaries are described in Note 13 to the financial statements below.

The registered office and principal place of business of the Company is located at 101 Thomson Road, #10-05 United Square, Singapore 307591.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Financial Reporting Standards (“FRSs”) and the related Interpretations to FRSs (“INT FRSs”) as issued by the Accounting Standards Committee under Accounting and Corporate Regulatory Authority (“ASC”). They comply with the provisions of the Companies Act 1967.

Basis of preparation of financial statements

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of presentation and principle of consolidation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

1. General information (continued)

Basis of presentation and principle of consolidation (continued)

All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

2. Material accounting policy information and other explanatory information

2A. Material accounting policy information

Foreign currency transactions

The functional currency is the United States Dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss. The presentation is in the functional currency.

Translation of financial statements of other entities

Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency, the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. Material accounting policy information and other explanatory information (continued)

2A. Material accounting policy information (continued)

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from 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 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are material differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. The recurring measurements are made at each reporting year end date.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. Material accounting policy information and other explanatory information (continued)

2A. Material accounting policy information (continued)

Revenue and income recognition

Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, and modifications), net of any related taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Revenue from sale of goods is recognised at a point in time when the performance obligation is satisfied by transferring a promised good to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered). Revenue from sales of coal is recognised based on the price specified in the contract, net of value added tax, rebates, discounts and after eliminating sales within the Group.

Revenue from service orders and term projects is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs.

For services that are not material transactions revenue is recognised as the services are provided. 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.

Dividend income from equity instruments is recognised only when the entity's right to receive payment of the dividend is established; it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. Material accounting policy information and other explanatory information (continued)

2A. Material accounting policy information (continued)

Employee benefits

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement, the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest method.

Income tax

Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current income tax is the expected tax payable on the taxable income for the reporting year; calculated using rates enacted or substantively enacted at the statements of financial position date; and inclusive of any adjustment to income tax payable or recoverable in respect of previous reporting years. Deferred tax is recognised using the liability method; based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their respective income tax bases; and determined using tax rates that have been enacted or substantively enacted by the reporting year end date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. Material accounting policy information and other explanatory information (continued)

2A. Material accounting policy information (continued)

Income tax (continued)

A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and joint arrangements except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. 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. Such assets are depreciated on a units-of-production basis.

Depreciation for all other assets is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets (or, for certain leased assets, the shorter lease term).

The useful lives are as follows:

Buildings	– 20 years
Plant and equipment	– 3 – 15 years
Right-of-use assets	– 3 years
Capital work in progress	– Not depreciated

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. The residual values of assets, useful lives of assets and recognised impairment losses are reviewed, and adjusted if appropriate, whenever events or circumstances indicate that a revision is warranted.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. Material accounting policy information and other explanatory information (continued)

2A. Material accounting policy information (continued)

Property, plant and equipment (continued)

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”)

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. Material accounting policy information and other explanatory information (continued)

2A. Material accounting policy information (continued)

Property, plant and equipment (continued)

Mining properties (continued)

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 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 policies outlined above.

These assets are tested for impairment in accordance with the policy in property, plant and equipment.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. Material accounting policy information and other explanatory information (continued)

2A. Material accounting policy information (continued)

Property, plant and equipment (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 coal seam 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 coal seam, mining operations personnel will analyse the Group's mine plans. Generally a component will be subset of the total coal 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 coal, 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 coal 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

31 December 2024

2. Material accounting policy information and other explanatory information (continued)

2A. Material accounting policy information (continued)

Property, plant and equipment (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 coal seam. The stripping activity asset is then carried at cost less depreciation and impairment losses, if any.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. Material accounting policy information and other explanatory information (continued)

2A. Material accounting policy information (continued)

Property, plant and equipment (continued)

Exploration and evaluation assets (continued)

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 resources are demonstrable and sanctioned by the Board.

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

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. Material accounting policy information and other explanatory information (continued)

2A. Material accounting policy information (continued)

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property plant and equipment.

Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum unavoidable lease payments. A corresponding right-of-use asset is recorded. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as a finance cost. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, for such leases, a right-of-use asset is recognised.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. Material accounting policy information and other explanatory information (continued)

2A. Material accounting policy information (continued)

Non-controlling interest

Non-controlling interests reflect the portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the group. Losses applicable to the non-controlling interest in a subsidiary are allocated to the non-controlling interest even if these losses cause the non-controlling interest to have a debit balance. Remeasurements of non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with the financial reporting standard on business combinations (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with the financial reporting standard on business combinations. Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on goodwill. An impairment loss recognised for goodwill is not reversed in a subsequent period.

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. Material accounting policy information and other explanatory information (continued)

2A. Material accounting policy information (continued)

Carrying amounts of non-financial assets

The amounts of the non-current non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the statement of profit or loss whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the weighted average method. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. Material accounting policy information and other explanatory information (continued)

2A. Material accounting policy information (continued)

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the balance sheet when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification of financial assets and financial liabilities and subsequent measurement:

The financial reporting standard on financial instruments requires the certain classification of financial assets and financial liabilities. At the end of the reporting year, the reporting entity had the following classes:

- Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (“FVTPL”), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are in this class.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. Material accounting policy information and other explanatory information (continued)

2A. Material accounting policy information (continued)

Financial instruments (continued)

Classification of financial assets and financial liabilities and subsequent measurement (continued):

- Financial liabilities are categorised as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

For the consolidated statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, and items of income or expense associated with investing or financing cash flows.

Derivative financial instruments

A derivative financial instrument is a financial instrument with all three of the following characteristics (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices, credit ratings or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract; (b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and (c) it is settled at a future date. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date with the gain or loss recognised immediately in profit or loss, unless the derivative is designated and effective as a hedging instrument.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. Material accounting policy information and other explanatory information (continued)

2A. Material accounting policy information (continued)

Derivative financial instruments (continued)

Certain derivatives held for risk management as well as certain non-derivative financial instruments might be designated as hedging instruments in qualifying hedging relationships. Hedge accounting is used only when the following conditions at the inception of the hedge are satisfied: (a) The hedging instrument and the hedged item are clearly identified. (b) Formal designation and documentation of the hedging relationship is in place. Such hedge documentation includes the hedge strategy, the method used to assess the hedge's effectiveness. (c) The hedge relationship is expected to be highly effective throughout the life of the hedge based on the principle of an economic relationship.

Hedge effectiveness is the extent to which changes in the fair value or the cash flows of the hedging instrument offset changes in the fair value or the cash flows of the hedged item (for example, when the hedged item is a risk component, the relevant change in fair value or cash flows of an item is the one that is attributable to the hedged risk). The above documentation is subsequently updated at each end of the reporting year in order to assess whether the hedge is still expected to be highly effective over the remaining life of the hedge. Hedge accounting is used for (1) Fair value hedge; (2) Cash flow hedge; and (3) Hedge of a net investment in a foreign operation. If the hedge is terminated, no longer meets the criteria for hedge accounting or is revoked, the adjusted carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to profit or loss. The applicable derivatives and other hedging instruments used are described below in the notes to the financial statements.

The gross amount of all notional values for contracts that have not yet been settled or cancelled. The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts.

2B. Judgements and sources of estimation uncertainties

Disclosures on material information about the assumptions management made about the future, and other major sources of estimation uncertainty at the end of the reporting year, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next reporting year are discussed below or in the corresponding Notes to these financial statements. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. Material accounting policy information and other explanatory information (continued)

2B. Judgements and sources of estimation uncertainties (continued)

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. The provision is disclosed in the Note 23.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. Material accounting policy information and other explanatory information (continued)

2B. Judgements and sources of estimation uncertainties (continued)

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.

The carrying amount of property, plant and equipment at the end of the reporting year is disclosed in the Note 10.

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 number 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. Material accounting policy information and other explanatory information (continued)

2B. Judgements and sources of estimation uncertainties (continued)

Determination of coal reserves (continued)

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

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 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 as at 31 December 2024 amounting to US\$18,240,000 (2023:US\$39,240,000) is included within mining properties which disclosed in the Note 10.

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 previous reporting years and accordingly, the exploration and evaluation assets of US\$12,463,000 in respect of these areas of interest were fully impaired in prior years.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. Material accounting policy information and other explanatory information (continued)

2B. Judgements and sources of estimation uncertainties (continued)

Expected credit loss allowance (“ECL”) on loans to ultimate holding corporation and intermediate holding corporation

In determining the ECL on the loans to ultimate holding corporation and intermediate holding corporation, the Group considers the financial position of the holding corporations, past experience, expected sources of cash that will be received by the holding corporations in order to repay these loans to the Group, and forecasted cash flow projections. The forecasted cash flow projections include key assumptions about the coal prices, reserves, operating costs, closure and rehabilitation costs, future capital expenditure.

Management has determined that the ability of the holding corporations to repay these loans are dependent on the following:

- the Group intends to and has the ability to mine all of its existing measured coal reserves before the expiration of its approved mining permit licenses; and
- the Group agrees to extend the non-current loans to ultimate holding corporation and intermediate holding corporation beyond their respective maturity dates until at least 2032 (Note 14)

In the above assumptions, the Group agrees to extend the non-current loans to ultimate holding corporation and intermediate holding corporation beyond their respective maturity dates to 2032. Therefore, there is no loss allowance has been recognised on the loans to ultimate holding corporation and intermediate holding corporation as at 31 December 2024.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. Material accounting policy information and other explanatory information (continued)

2B. Judgements and sources of estimation uncertainties (continued)

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.

The details of uncertain tax position are disclosed in the Note 9.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) related party relationships, transactions and outstanding balances, including commitments, including (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

3A. Members of a group

<u>Name</u>	<u>Relationship</u>	<u>Place of incorporation</u>
Nusantara Mining Limited	Immediate parent corporation	Hong Kong
PT Sintesa Bara Gemilang	Intermediate parent corporation	Indonesia
PT Astrindo Nusantara Infrastruktur Tbk	Ultimate parent corporation	Indonesia

Related companies in these financial statements include the members of the above group of companies. Associates also include those that are associates of members of the above group.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

3. Related party relationships and transactions (continued)

3B. Related party transactions and balances

There are transactions and arrangements between the Group and its related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intra-group transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

In addition to the transactions and balances disclosed elsewhere in the notes to the consolidated financial statements, other material related party transactions include:

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
Professional fee paid on behalf of intermediate holding corporation	333	206
Employee compensation paid to ultimate holding corporation	-	40

3C. Key management compensation

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
Salaries and other short-term employee benefits	862	1,681
Included in the above amount is the following item:		
Remuneration of directors	818	1,619
Directors' fee	44	62

The above amounts are included under employee benefits expense.

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

3. Related party relationships and transactions (continued)

3D. Balance with related corporations

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	US\$	US\$
<u>Ultimate parent corporation</u>		
At beginning of the year	127,055	-
Loan advances to	64,279	127,055
At end of the year	191,334	127,055

Presented in the financial statements as:

Other receivables, non-current (Note 14)	171,381	127,055
Other receivables (Note 17)	19,953	-
	191,334	127,055

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	US\$	US\$
<u>Intermediate parent corporation</u>		
At beginning of the year	229,835	-
Loan advances to	92,907	229,835
At end of the year	322,742	229,835

Presented in the financial statements as:

Other receivables, non-current (Note 14)	293,734	220,569
Other receivables (Note 17)	29,008	9,266
	322,742	229,835

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

3. Related party relationships and transactions (continued)

3D. Balance with related corporations (continued)

	<u>Group and Company</u>	
	<u>2024</u>	<u>2023</u>
	US\$	US\$
<u>Other receivables from related corporations</u>		
At beginning of the year	1	-
Amounts paid out and settlement of liabilities	1	1
At end of the year (Note 17)	<u>2</u>	<u>1</u>

	<u>Group and Company</u>	
	<u>2024</u>	<u>2023</u>
	US\$	US\$
<u>Other receivables from immediate parent corporation</u>		
At beginning of the year	1	-
Amounts paid out and settlement of liabilities	-	1
At end of the year (Note 17)	<u>1</u>	<u>1</u>

	<u>Company</u>	
	<u>2024</u>	<u>2023</u>
	US\$	US\$
<u>Other receivables from intermediate parent corporation</u>		
At beginning of the year	202	-
Amounts paid out and settlement of liabilities	129	202
At end of the year (Note 17)	<u>331</u>	<u>202</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

3. Related party relationships and transactions (continued)

3D. Balance with related corporations (continued)

	Company	
	2024	2023
	US\$	US\$
<u>Other receivables from ultimate holding corporation</u>		
At beginning of the year	-	-
Amounts paid out and settlement of liabilities	1	-
At end of the year (Note 17)	1	-

	Company	
	2024	2023
	US\$	US\$
<u>Subsidiaries</u>		
At beginning of the year	307,075	251,975
Amounts paid out and settlement of liabilities	17,866	55,099
At end of the year	324,941	307,074

Presented in the financial statements as:

Other receivables, non-current (Note 17)	324,942	307,075
Other payable (Note 24)	(1)	(1)
	324,941	307,074

	Company	
	2024	2023
	US\$	US\$
<u>Other receivables from related companies</u>		
At beginning of the year	1	-
Amounts paid out and settlement of liabilities	1	1
At end of the year (Note 17)	2	1

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

3. Related party relationships and transactions (continued)

3E. Financial support received

As at the end of the reporting year, the Group's current liabilities exceeded its current assets by US\$5,603,000. The external liabilities amounted to US\$193,980,000. The Group's continuation as a going concern is dependent on the Group being profitable in the future. At the date of this report, the management is satisfied that the financial support will be available when required for at least a year from the date when these financial statements were approved by the board of directors for issuance. The validity of the going concern assumption on which the financial statements are prepared depends on the successful conclusion of these matters. If the going concern assumption is inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ materially from the amounts at which they are now recorded in the balance sheet. In addition, the reporting entity may have to provide for further liabilities which may arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. No such adjustments have been made to these financial statements.

4. Revenue

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
Sale of coal	521,144	670,601
Logistics service revenue	2,147	2,180
	<u>523,291</u>	<u>672,781</u>
Revenue classified by timing of recognition:		
Point in time	521,144	670,601
Over time	2,147	2,180
	<u>523,291</u>	<u>672,781</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

5. Other income and gains / (other losses)

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
Interest income	41,902	16,875
Fair value gains on derivative financial instruments	116	333
Reversal of Impairment loss allowance on trade receivables (Note 17)	6	-
Foreign exchange losses – net	(2,729)	(497)
Reversal / (loss) of fair value on initial recognition of loans to ultimate holding corporation	27,306	(33,008)
Impairment loss on goodwill (Note 12)	(131)	-
Impairment loss on property, plant and equipment (Note 10)	(12,247)	-
Others	(126)	(1,724)
Net	<u>54,097</u>	<u>(18,021)</u>
Presented in profit or loss as:		
Other income and gains	69,330	17,208
Other losses	(15,233)	(35,229)
	<u>54,097</u>	<u>(18,021)</u>

6. Administrative expense

The material and selected components include the following:

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
Office administration expenses	1,308	1,046
Insurance	888	1,377
Corporate, consulting and technical services fees	437	1,708

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

7. Employee benefits expense

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
Salaries, bonuses and other employee benefits	6,825	7,237
Contributions to defined contribution plans	386	391
Other benefits	439	519
	<u>7,650</u>	<u>8,147</u>

8. Finance costs

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
Interest expense		
– Bank loans	528	76
– Lease liabilities	117	96
Bank charges	174	279
	<u>819</u>	<u>451</u>

9. Income tax

9A. Components of tax expense recognised in profit or loss

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
<u>Current tax</u>		
Current tax expense	22,558	26,946
Under provision in respect of prior years	5,557	5,553
Subtotal	<u>28,115</u>	<u>32,499</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

9. Income tax (continued)

9A. Components of tax expense recognised in profit or loss (continued)

	Group	
	2024 US\$'000	2023 US\$'000
<u>Deferred tax</u>		
Deferred tax expense/(income)	1,123	(1,440)
Subtotal	1,123	(1,440)
Total income tax expense	29,238	31,059

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate. The income tax expense in profit or loss varied from the amount determined by applying the Singapore statutory income tax rate of 17% (2023: 17%) to profit or loss before tax for the reporting year as a result of the following differences:

	Group	
	2024 US\$'000	2023 US\$'000
Profit before income tax	137,104	103,750
Income tax expense at 17%	23,308	17,638
Effect of tax rates in different countries	2,948	3,455
Non-deductible items	1,636	8,614
Lower tax rate under incentive scheme	(26)	(4,176)
Under provision to current tax in respect of prior years	5,557	5,553
Utilisation of previously unrecognised tax loss	(4,185)	(25)
Total income tax expense	29,238	31,059

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

9. Income tax (continued)

9B. Deferred tax assets in statements of financial position

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000	US\$'000	US\$'000
To be recovered after one year	1,665	1,103	1,033	366
Set-off against deferred tax liabilities	(1,433)	(766)	(1,033)	(366)
Net deferred income tax assets	232	337	-	-

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 2028.

Movement in deferred income tax assets is as follows:

<u>Group</u>	<u>Tax losses</u>	<u>Interest payable</u>	<u>Provisions</u>	<u>Total</u>
	US\$'000	US\$'000	US\$'000	US\$'000
<u>2024</u>				
Beginning of reporting year	144	362	597	1,103
Tax credited / (charged) to the income statement	(68)	667	(37)	562
End of reporting year	76	1,029	560	1,665
<u>2023</u>				
Beginning of reporting year	22	386	618	1,026
Tax credited / (charged) to the income statement	122	(24)	(21)	77
End of reporting year	144	362	597	1,103

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

9. Income tax (continued)

9B. Deferred tax assets in statements of financial position (continued)

<u>Company</u>	<u>Interest payable</u>	<u>Provisions</u>	<u>Total</u>
	US\$'000	US\$'000	US\$'000
<u>2024</u>			
Beginning of reporting year	361	5	366
Tax credited / (charged) to the income statement	668	(1)	667
End of reporting year	<u>1,029</u>	<u>4</u>	<u>1,033</u>
<u>2023</u>			
Beginning of reporting year	386	15	401
Tax credited / (charged) to the income statement	(25)	(10)	(35)
End of reporting year	<u>361</u>	<u>5</u>	<u>366</u>

9C. Tax recoverable

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

9D. Deferred tax liabilities

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000	US\$'000	US\$'000
To be settled after one year	13,675	11,869	3,478	1,042
Set-off against deferred tax assets	(1,433)	(766)	(1,033)	(366)
Net deferred income tax liabilities	<u>12,242</u>	<u>11,103</u>	<u>2,445</u>	<u>676</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

9. Income tax (continued)

9D. Deferred tax liabilities (continued)

<u>Group</u>	<u>Mining properties</u>	<u>Depreciation and amortisation</u>	<u>Derivative Asset</u>	<u>Interest receivables</u>	<u>Total</u>
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<u>2024</u>					
Beginning of the year	9,683	1,144	-	1,042	11,869
Debited to equity	-	-	121	-	121
Tax credited / (charged) to the income statement	(641)	(109)	-	2,435	1,685
End of the year	9,042	1,035	121	3,477	13,675
<u>2023</u>					
Beginning of the year	10,428	1,766	-	1,038	13,232
Tax credited / (charged) to the income statement	(745)	(622)	-	4	(1,363)
End of the year	9,683	1,144	-	1,042	11,869

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

9. Income tax (continued)

9D. Deferred tax liabilities (continued)

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

<u>Company</u>	<u>Depreciation and amortisation</u> US\$'000	<u>Interest receivables</u> US\$'000	<u>Total</u> US\$'000
<u>2024</u>			
Beginning of the year	-	1,042	1,042
Tax credited / (charged) to the income statement	-	2,436	2,436
End of the year	-	3,478	3,478
<u>2023</u>			
Beginning of the year	1	1,037	1,038
Tax credited / (charged) to the income statement	(1)	5	4
End of the year	-	1,042	1,042

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"). The tax assessments are given upon completion of these audits and these subsidiaries may disagree with any 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

10. Property, plant and equipment

<u>Group</u>	<u>Capital work in progress</u>	<u>Mining properties</u>	<u>Buildings</u>	<u>Plant and equipment</u>	<u>Land rights</u>	<u>Right-of-use assets</u>	<u>Total</u>
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<u>Cost</u>							
At 1 January 2023	858	1,141,329	4,323	119,642	149,139	1,217	1,416,497
Additions	10,009	25,157	-	163	2,372	1,739	39,440
Transfers (to)/from other classes	(773)	-	-	4	769	-	-
Disposal/write-off	(49)	(185)	(10)	(214)	-	-	(458)
At 31 December 2023	10,045	1,166,301	4,302	119,595	152,280	2,956	1,455,479
Additions	14,301	32,243	-	345	28,389	-	75,278
Transfers (to)/from other classes	(7,357)	34	-	102	7,221	-	-
Disposal/write-off	(6)	(599)	-	-	-	-	(605)
At 31 December 2024	16,983	1,197,979	4,302	120,042	187,890	2,956	1,530,152

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

10. Property, plant and equipment (continued)

Group	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
<u>Accumulated depreciation and impairment loss</u>							
At 1 January 2023	-	972,118	4,192	103,056	78,895	795	1,159,056
Depreciation for the year	-	8,726	18	2,175	5,336	580	16,835
Deferred stripping amortisation	-	62,981	-	-	-	-	62,981
At 31 December 2023	-	1,043,825	4,210	105,231	84,231	1,375	1,238,872
Depreciation for the year	-	9,189	17	1,899	6,221	643	17,969
Deferred stripping amortisation	-	53,217	-	-	-	-	53,217
Disposal	-	(330)	-	-	-	-	(330)
Impairment loss for the year	-	11,772	-	-	475	-	12,247
At 31 December 2024	-	1,117,673	4,227	107,130	90,927	2,018	1,321,975
<u>Carrying value</u>							
At 1 January 2023	858	169,211	120	16,586	70,244	422	257,441
At 31 December 2023	10,045	122,476	92	14,364	68,049	1,581	216,607
At 31 December 2024	16,983	80,306	75	12,912	96,963	938	208,177

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

10. 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
<u>Group</u>							
Movement in impairment allowance							
At beginning of the year	-	213,880	549	15,175	2,284	-	231,888
Addition during the year (Note 5)	-	11,772	-	-	475	-	12,247
At end of the year	-	225,652	549	15,175	2,759	-	244,135

	Capital work in progress	Plant and equipment	Right-of- use assets	Total
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Company</u>				
<u>Cost</u>				
At 1 January 2023	-	2,412	660	3,072
Additions	-	-	470	470
Disposal	-	-	(660)	(660)
At 31 December 2023	-	2,412	470	2,882
Additions	18	12	-	30
At 31 December 2024	18	2,424	470	2,912

Accumulated depreciation and impairment loss

At 1 January 2023	-	2,410	441	2,851
Depreciation for the year	-	2	287	289
Disposal	-	-	(660)	(660)
At 31 December 2023	-	2,412	68	2,480
Depreciation for the year	-	12	147	159
At 31 December 2024	-	2,424	215	2,639

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

10. Property, plant and equipment (continued)

	Capital work in progress	Plant and equipment	Right-of- use assets	Total
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Company</u>				
<u>Carrying value</u>				
At 1 January 2023	-	2	219	221
At 31 December 2023	-	-	402	402
At 31 December 2024	18	-	255	273

Included within additions for mining properties of the Group are deferred stripping costs amounting to US\$32,217,000 (2023: US\$25,080,000).

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

Right-of-use assets classified within property, plant and equipment:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000	US\$'000	US\$'000
Carrying amounts	938	1,581	255	402
Depreciation expense	643	580	147	287

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

10. Property, plant and equipment (continued)

Right-of-use assets classified within property, plant and equipment (continued):

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
<u>Interest expense</u>		
Interest expense on lease liabilities	117	96
<u>Lease expense not capitalised in lease liabilities</u>		
Interest expense on lease liabilities	322	626

Total cash outflow for all the leases during the year was US\$653,000 (2023 US\$1,319,000).

Addition of right-of-use assets of the Group during the year was Nil (2023:US\$1,739,000).

11. Exploration and evaluation

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
At beginning and end of the reporting year	-	-
Cost	12,463	12,463
Accumulated impairment	(12,463)	(12,463)
Net book amount	-	-

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

12. Intangible assets

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
At beginning of the year	174	174
Less: Impairment allowance	(131)	-
At the end of the year	<u>43</u>	<u>174</u>

Movements in allowance for impairment are as follows:

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
At beginning of the year	-	-
Addition during the year (Note 5)	131	-
At end of the year	<u>131</u>	<u>-</u>

Goodwill is allocated to the Group's Penajam mine cash-generating-unit.

The goodwill was tested for impairment as at 31 December 2024. This test was triggered by the withdrawal of the mining business license which management considered sufficient evidence of impairment indicators. Management assessed the recoverability of the mining license held and concluded that only 25% of the value is recoverable. The assessment resulted in the recognition of an impairment loss amounted to US\$131,000. Accordingly, the goodwill was written down to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. Investments in subsidiaries

	<u>Group</u>	
	<u>2024</u> US\$'000	<u>2023</u> US\$'000
Unquoted equity shares, at cost	68,373	68,373
Less: Allowance for impairment	(12,743)	(12,743)
Net carrying amount	55,630	55,630
Movements in allowance for impairment:		
At beginning and end of the year	12,743	12,743

Details of the subsidiaries are as follows:

Name of subsidiaries, country of <u>incorporation and principal activities</u>	<u>Effective equity held</u>		<u>Cost</u>	
	<u>2024</u> %	<u>2023</u> %	<u>2024</u> US\$'000	<u>2023</u> US\$'000
PT Bahari Cakrawala Sebuku ^{#b} . Indonesia Investment holding company	100	100	34,310	34,310
PT Bahari Perdana Persada ^{#b} . Indonesia Investment holding company	100	100	20,000	20,000
PT Bahari Putra Perdana ^{#b} . Indonesia Investment holding company	100	100	1,022	1,022
Tiger Energy Trading Pte Ltd ^{#a} . Singapore Trading and marketing of coal	100	100	12,743	12,743
PT Straits Consultancy Services ^{#b} . Indonesia Investment holding company	100	100	298	298

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. Investments in subsidiaries (continued)

Details of the subsidiaries are as follows (continued):

Name of subsidiaries, country of <u>incorporation and principal activities</u>	<u>Effective equity held</u>		<u>Cost</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	%	%	US\$'000	US\$'000
Straits Marine Infrastructure Pte Ltd ^{#c} Singapore investment holding company	100	100	*	*
			68,373	68,373

Name of subsidiaries, place of <u>operations and principal activities</u>	<u>Effective equity held</u>	
	<u>2024</u>	<u>2023</u>
	%	%
Held through subsidiaries		
PT Bumiborneo Pertiwi Nusantara ^{#b} Indonesia Investment holding company	100	100
PT Borneo Citrapertiwi Nusantara ^{#b} Indonesia Investment holding company	100	100
PT Separi Energy ^{#b} Indonesia Investment holding company	100	100
PT Jembayan Muarabara ^{#b} Indonesia Coal mining	100	100
PT Kemilau Rindang Abadi ^{#b} Indonesia Coal mining	100	100

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. Investments in subsidiaries (continued)

Details of the subsidiaries are as follows (continued):

Name of subsidiaries, place of operations and principal activities	Effective equity held	
	<u>2024</u>	<u>2023</u>
	%	%
Held through subsidiaries (continued)		
PT Arzara Baraindo Energitama#b Indonesia Coal mining	100	100
PT Karbon Mahakam#b Indonesia Coal mining	99	99
PT Metalindo Bumi Raya#b Indonesia Coal mining	100	100
PT Citra Pertiwi Nusantara#b Indonesia Investment Holding	100	100
PT Mutiara Kapuas#b Indonesia Coal mining	100	100
PT Sentika Mitra Persada#b Indonesia Coal mining	100	100
PT Rekyah Wahana Digdijaya #b. Indonesia Investment Holding	100	100

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. Investments in subsidiaries (continued)

Details of the subsidiaries are as follows (continued):

Name of subsidiaries, place of operations and principal activities	Effective equity held	
	<u>2024</u>	<u>2023</u>
	%	%
Held through subsidiaries (continued)		
PT Bumi Borneo Metalindo ^{#b} Indonesia Investment Holding	100	100
PT Tri Tunggal Lestari Bersama ^{#b} . Indonesia Dormant	100	100

* Denotes less than US\$1,000

^{#a}. Audited by RSM SG Assurance LLP.

^{#b}. Audited by RSM International network firms of which RSM SG Assurance LLP in Singapore is a member.

^{#c}. The entity is dormant and exempted from audit by the Act.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

14. Other receivables, non-current

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
Security deposits	29,550	29,666
Loans to ultimate holding corporation (Note 3D)	171,381	127,055
Loans to intermediate holding corporation (Note 3D)	293,734	220,569
Others	-	1,200
	<u>494,665</u>	<u>378,490</u>

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

On 20 February 2023, the Group entered into a US\$200,000,000 loan facility agreement with the ultimate holding corporation. The non-current loans to ultimate holding corporation are unsecured, bears interest at fixed rates of 4.0% (2023: 4.0%) per annum for United States Dollar ("USD") denominated loans and 6.5% (2023: 6.5%) per annum for Indonesia Rupiah ("IDR") denominated loans, and are repayable in February 2028. The loans may be extended at the option of the Group and the Group expects that the loans will be extended until at least 2032.

During the reporting year, additional loans totalled US\$44,326,000 (FY23: US\$154,361,000) were provided to the ultimate holding corporation under the abovementioned facility agreement. In prior year, the difference between the carrying amount of the loans and the fair value on initial recognition of US\$121,353,000, of US\$33,008,000 was recognised in other losses.

In prior year, the fair value of the non-current loans to ultimate holding corporation are computed based on cash flows discounted at the market borrowing rates of 7.6% to 12.1%. and are within Level 2 of the fair value hierarchy. The fair value of the non-current loans to ultimate holding corporation as at 31 December 2023 is US\$125,940,000. In 2024, the loan agreement was amended such that the interest rate now reflects prevailing market rates. As a result of this modification, a reversal of the fair value adjustment amounting to US\$27,306,000 was recognised. (Note 5)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

14. Other receivables, non-current (continued)

On 7 March 2023, the Group entered into loan facility agreements totalling US\$700,000,000 with the intermediate holding corporation. The non-current loans to intermediate holding corporation are unsecured, bears interest at the 180 days Secured Overnight Financing Rate (“SOFR”) plus 1.8% per annum, and are repayable in March 2026. The loans may be extended at the option of the Group and the Group expects that the loans will be extended until at least 2032.

15. Derivative financial instruments

	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
<u>Assets – derivatives with positive fair values</u>		
Forward currency exchange contracts (Level 2)	77	-
Cash flow hedges - Commodities swap contracts (Level 2)	714	-
<u>Liabilities – derivatives with negative fair values</u>		
Forward currency exchange contracts (Level 2)	(83)	-
Net balance	<u>708</u>	<u>-</u>

All the derivatives contracts have maturity periods of less than 12 months.

The company enters into contracts to purchase and sell coals, and use derivative contracts including swaps for hedging purposes (collectively derivative contracts).

For purposes of estimating the fair values of the derivative contracts, wherever possible, the company utilises quoted market price and, if not available, estimates from third-party brokers. The brokers’ estimates are corroborated with multiple sources and/or other observable market data utilising assumptions that market participants would use when pricing the assets or liabilities, including assumptions about risk and market liquidity.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

15. Derivative financial instruments (continued)

	<u>Notional Amount</u>		<u>Fair value</u>	
	<u>2024</u>	<u>2023</u>	<u>Asset</u>	<u>Liabilities</u>
	US\$'000	US\$'000	US\$'000	US\$'000
Assets – derivatives with <u>positive fair values:</u>				
Cash flow hedges - Commodities swap contracts (Level 2)	4,607	-	714	-

16. Inventories

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
Run of mine stockpiles	2,028	2,714
Finished product coal	2,798	10,744
Consumables	1,322	1,387
	<u>6,148</u>	<u>14,845</u>

There are no inventories pledged as security for liabilities.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

17. Trade and other receivables

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Trade receivables:</u>				
Non-related parties	13,050	29,733	-	-
Less: Loss allowance	(1,027)	(1,033)	-	-
Subtotal	12,023	28,700	-	-
 <u>Other receivables:</u>				
Immediate parent corporation (Note 3D)	1	1	1	1
Intermediate parent corporation (Note 3D)	29,008	9,266	331	202
Ultimate holding corporation (Note 3D)	19,953	-	1	-
Subsidiaries (Note 3D)	-	-	324,942	307,075
Related companies (Note 3D)	2	1	2	1
Non-related parties	40,380	50,968	56	62
Less: Loss allowance	-	-	(66,329)	(137,970)
Others	1,200	-	-	-
Subtotal	90,544	60,236	259,004	169,371
Total trade and other receivables	102,567	88,936	259,004	169,371

Movements in allowance for impairment are as follows:

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
<u>Trade receivable</u>		
At beginning of the year	1,033	1,033
Reversal during the year (Note 5)	(6)	-
At end of the year	1,027	1,033

NOTES TO THE FINANCIAL STATEMENTS

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17. Trade and other receivables (continued)

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
<u>Other receivable</u>		
At beginning of the year	137,970	183,424
Reversal during the year	(71,641)	(45,454)
At end of the year	66,329	137,970

Trade receivables

The expected credit losses (“ECL”) on the above trade receivables is measured using the simplified approach which uses a lifetime ECL allowance approach for all trade receivables recognised from initial recognition of the asset. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL. The allowance matrix is based on the historical observed default rates (over a period ranging from 9 to 24 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates including the impact of the increase in interest rates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

	<u>Gross amount</u>		<u>ECL rate</u>		<u>Loss allowance</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000	%	%	US\$'000	US\$'000
Current	11,892	28,219	0%	0%	–	–
1 to 30 days past due	13	427	0%	0%	–	–
31 to 60 days past due	113	–	0%	0%	–	–
61 to 90 days past due	–	12	0%	0%	–	–
Over 90 days past due	1,032	1,075	99%	96%	(1,027)	(1,033)
	13,050	29,733			(1,027)	(1,033)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

17. Trade and other receivables (continued)

Trade receivables due from related parties are regarded as of low credit risk if they have the ability to settle the amount. As at the end of the reporting year, no allowance has been made.

There is no concentration of credit risk with respect to trade receivables, as there are a large number of customers.

Other receivables

Other receivables at amortised cost shown above are subject to the ECL model under the financial reporting standard on financial instruments. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period a loss allowance is recognised at an amount equal to 12 month ECL because there has not been a significant increase in credit risk since initial recognition.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

Other receivables due from subsidiaries were unsecured, interest-bearing at the London Interbank Offered Rate ("LIBOR") plus 1.1% per annum and was repayable on demand. On 1 July 2023, the Company and its subsidiaries entered into an agreement to change the interest rate benchmark on the other receivables due from subsidiaries. The other receivables due from subsidiaries bear interest at the 180 days Secured Overnight Financing Rate ("SOFR") plus 1.8% per annum, which is determined to be economically equivalent to the previous interest rate.

Other receivables due from intermediate holding corporation and immediate holding corporation are unsecured, interest-free and repayable on demand.

Other receivables are normally with no fixed terms and therefore there is no maturity.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

18. Other non-financial assets

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000	US\$'000	US\$'000
Accrued income	-	1,297	-	-
Prepayments	820	864	18	30
	<u>820</u>	<u>2,161</u>	<u>18</u>	<u>30</u>

19. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000	US\$'000	US\$'000
Not restricted in use	49,728	96,551	456	1,615

The interest earning balances are not material.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

19A. Reconciliation of liabilities arising from financing activities

	Cash flow			Non-cash changes			At end of the year US\$'000
	At beginning of the year US\$'000	Proceeds from borrowings US\$'000	Principal and interest payments US\$'000	Addition during the year US\$'000	Interest expense US\$'000	Foreign exchange movement US\$'000	
<u>2024</u>							
Lease liabilities	1,547	-	(653)	-	117	(59)	952
Bank borrowings	44,533	106,146	(122,381)	-	-	(1,540)	26,758
Accrued expenses	76	-	-	-	452	-	528
Total liabilities from financing activities	46,156	106,146	(123,034)	-	569	(1,599)	28,238
<u>2023</u>							
Lease liabilities	424	-	(693)	1,739	96	(19)	1,547
Bank borrowings	-	44,533	-	-	-	-	44,533
Accrued expenses	-	-	-	-	76	-	76
Total liabilities from financing activities	424	44,533	(693)	1,739	172	(19)	46,156

20. Share capital

	Group and Company	
	Number of shares issued	Share capital US\$'000
Ordinary shares of no par value:		
Balance as at beginning and end of the year	1,137,052,220	328,481

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

20. Share capital (continued)

<u>Group and Company</u>	<u>Number of shares issued</u>		<u>Amount</u>	
	<u>Issued</u> <u>share capital</u>	<u>Treasury</u> <u>shares</u>	<u>Share</u> <u>capital</u>	<u>Treasury</u> <u>shares</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at beginning and end of the year	1,137,052,220	(7,908,101)	328,767	(286)

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The Company is not subject to any externally imposed capital requirements.

Capital management:

The objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. Management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. Management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves) less other amounts recognised in the statement of equity relating to cash flow hedges, and some forms of subordinated debt, if any.

The Group's borrowings are secured by specific assets. The debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk of borrowings.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

21. Other reserves

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000	US\$'000	US\$'000
Share based compensation reserve (Note 21A)	8,403	8,403	8,403	8,403
Capital reserve (Note 21B)	(13,526)	(13,526)	-	-
General reserve (Note 21C)	329	329	-	-
Merger reserve (Note 21D)	(7,752)	(7,752)	-	-
Hedging reserve (Note 21E)	592	-	-	-
Remeasurement of defined benefit plans	632	710	-	-
	(11,322)	(11,836)	8,403	8,403

Other reserves are non-distributable.

21A. Share based compensation reserve

	<u>Group and Company</u>	
	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
At beginning of the 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

21. Other reserves (continued)

21B. 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.

21C. General reserve

	<u>Group and Company</u>	
	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
At beginning of the 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.

21D. Merger reserve

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

21. Other reserves (continued)

21E. Hedging reserve

	Group	
	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
At the beginning of the year	-	-
Fair value gains (Note 15)	714	-
Deferred tax thereon	(122)	-
At the end of the year	<u>592</u>	<u>-</u>

The hedging reserve accumulates after tax gains and losses on cash flow hedges.

22. Lease liabilities

	Group		Company	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current	290	960	97	245
Current	662	587	161	163
	<u>952</u>	<u>1,547</u>	<u>258</u>	<u>408</u>

Total cash outflow for leases are shown in the statement of cash flows. There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

As at end of the reporting year, there were no commitments on leases which had not yet commenced.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

23. Provisions

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current				
Employee benefits (Note 23A)	1,849	1,771		
Rehabilitation and dismantling (Note 23B)	13,494	10,962	-	-
	<u>15,343</u>	<u>12,733</u>	<u>-</u>	<u>-</u>
Current:				
Employee benefits (Note 23A)	1,405	1,853	314	321
Rehabilitation and dismantling (Note 23B)	5,506	7,994	-	-
	<u>6,911</u>	<u>9,847</u>	<u>314</u>	<u>321</u>
Total	<u>22,254</u>	<u>22,580</u>	<u>314</u>	<u>321</u>

23A. 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 liabilities as they are not expected to be paid within 12 months from the balance sheet date.

23B. 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

24. Trade and other payables, current

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000	US\$'000	US\$'000
Trade payables	76,301	79,286	-	-
Other payables				
– Subsidiary (Note 3D)	-	-	1	1
– Non-related parties	3,968	3,159	876	240
Accrued expenses	30,073	47,584	44	19
Dividend payable	233	243	233	243
Other payables - subtotal	34,274	50,986	1,154	503
Total trade and other payables	110,575	130,272	1,154	503

25. Borrowings

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
Bank borrowings	26,758	44,533

The bank borrowings bear interest at a weighted average fixed rate of 1.18% per annum and had been fully repaid in May 2025. The bank borrowings were secured against cash held in Devisa Hasil Ekspor (“DHE”) bank accounts of the Group.

At the balance sheet date, the fair value of the bank loan approximates to its carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

26. Capital commitments

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

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
Property, plant and equipment	524	207

27. Financial instruments: information on financial risks and other explanatory information

27A. Categories of financial assets and financial liabilities

The following table categorises the carrying amounts of financial assets and liabilities recorded at the end of the reporting year:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Financial assets</u>				
Financial assets at amortised cost	617,410	534,311	259,460	170,986
Financial assets at FVTPL	791	-	-	-
	618,201	534,311	259,460	170,986
<u>Financial liabilities</u>				
Financial liabilities at amortised cost	138,285	176,352	1,412	911
Financial liabilities at FVTPL	83	-	-	-
	138,368	176,352	1,412	911

Further quantitative disclosures are included throughout these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

27. Financial instruments: information on financial risks and other explanatory information (continued)

27B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain procedures for the management of financial risks. These are not documented in formal written documents. However, the following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices including such activities to minimise interest rate, currency, credit and market risks for most kinds of transactions; and to maximise the use of "natural hedge" favouring as much as possible the natural off-setting of sales.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk

With regard to derivatives, the policies include the following:

- (i) The management documents carefully all derivatives including the relationship between them and the hedged items at inception and throughout their life.
- (ii) Ineffectiveness is recognised in profit or loss as soon as it arises.
- (iii) Effectiveness is assessed at the inception of the hedge and at each end of the reporting year ensuring that the criteria in the financial reporting standard on financial instruments are met.
- (iv) Only financial institutions with acceptable credit ratings are used as counterparties for derivatives.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

27. Financial instruments: information on financial risks and other explanatory information (continued)

27C. Fair value of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the balance sheet. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

27D. Credit risk on financial assets

Financial assets subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner arise principally from cash balances with banks, receivables and other financial assets.

The general approach in the financial reporting standard on financial instruments is applied to measure expected credit losses (“ECL”) allowance on financial assets measured at amortised cost. On initial recognition, a loss allowance is recorded equal to the 12 month ECL unless the assets are considered credit impaired. The ECL allowance for debt assets is recognised at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. However, for trade receivables that do not contain a material financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a material financing component, the simplified approach in calculating ECL is applied. Under the simplified approach, the loss allowance is recognised at an amount equal to lifetime ECL at each reporting date using historical loss rates for the respective risk categories and incorporating forward-looking estimates. Lifetime ECL may be estimated individually or collectively.

For the credit risk on the financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and any loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 19 discloses the cash balances. There was no identified impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

27. Financial instruments: information on financial risks and other explanatory information (continued)

27E. Liquidity risk – financial liabilities maturity analysis

Liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity.

The following table analyses financial liabilities at end of reporting year by remaining contractual maturity (contractual and undiscounted cash flows):

<u>Group</u>	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
	US\$'000	US\$'000	US\$'000	US\$'000
<u>2024</u>				
Lease liabilities	(662)	(290)	-	(952)
Other financial liabilities	(26,758)	-	-	(26,758)
Derivative financial liabilities	(83)	-	-	(83)
Trade and other payables	(110,575)	-	-	(110,575)
	<u>(138,078)</u>	<u>(290)</u>	<u>-</u>	<u>(138,368)</u>
<u>2023</u>				
Lease liabilities	(587)	(960)	-	(1,547)
Other financial liabilities	(44,533)	-	-	(44,533)
Trade and other payables	(130,272)	-	-	(130,272)
	<u>(175,392)</u>	<u>(960)</u>	<u>-</u>	<u>(176,352)</u>

<u>Company</u>	<u>Less than 1 year</u>	
	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000
Trade and other payables	<u>1,154</u>	<u>503</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

27. Financial instruments: information on financial risks and other explanatory information (continued)

27E. Liquidity risk – financial liabilities maturity analysis (continued)

The above amounts disclosed in the maturity analysis are the contractual and undiscounted cash flows and such undiscounted cash flows differ from the amounts included in the statements of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

The average credit period taken to settle trade payables is approximately 30 to 120 days (2023: 30 to 120 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statements of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary. See Note 3E for financial support.

27F. Interest rate risk

The following table analyses the breakdown of the material financial instruments by type of interest rate:

	Group	
	2024	2023
	US\$'000	US\$'000
<u>Financial liabilities:</u>		
Floating rates	26,758	44,533
Sensitivity analysis:		
A hypothetical variation in interest rates by 100 basis points with all other variables held constant would have an increase in pre-tax profit for the year by	268	445

Interest rate risk arises on interest-bearing financial instruments.

The floating rate debt assets are with interest rates that are re-set regular intervals. The interest rates are disclosed in the respective notes.

The analysis has been performed for floating interest rates over a year for financial instruments. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on profit or loss. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

27. Financial instruments: information on financial risks and other explanatory information (continued)

27G. Foreign currency risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency that is a currency other than the functional currency in which they are measured. Currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency as defined in the financial reporting standard on financial instruments.

Analysis of amounts denominated in non-functional currency:

<u>Group</u>	Indonesia Rupiah US\$'000
<u>2024</u>	
<u>Financial assets:</u>	
Cash and cash equivalents	3,060
Trade and other receivables	149,497
Total financial assets	<u>152,557</u>
<u>Financial liabilities:</u>	
Trade and other payables	(92,580)
Lease liabilities	(694)
Total financial liabilities	<u>(93,274)</u>
Total financial assets / (liabilities) at end of the year	<u>59,283</u>
<u>2023</u>	
<u>Financial assets:</u>	
Cash and cash equivalents	5,407
Trade and other receivables	32,829
Total financial assets	<u>38,236</u>
<u>Financial liabilities:</u>	
Trade and other payables	(124,172)
Lease liabilities	(1,139)
Total financial liabilities	<u>(125,311)</u>
Total financial assets / (liabilities) at end of the year	<u>(87,075)</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

27. Financial instruments: information on financial risks and other explanatory information (continued)

27G. Foreign currency risk (continued)

Analysis of amounts denominated in non-functional currency (continued):

If the IDR change against the USD by 2% (2023: 2%) respectively with all other variables including tax rate being held constant, the Group's profit after tax for the reporting year would be US\$984,000 higher/lower (2023: US\$1,445,000 lower/higher) as a result of currency translation gains/losses on the IDR-denominated financial instruments.

The net impact of the currency risk from SGD-denominated financial instruments at the Group and Company is considered not material.

28. 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-mining activities.

The MEMR issued Ministerial Regulation No. 26/2018 regarding proper mining principles and supervision in mineral and coal mining activities and issued Ministerial Decree No. 1827 K/30/MEM/2018 ("Kepmen ESDM") regarding guidelines for proper mining techniques and principles.

As at 31 December 2024, the Group has deposited US\$29,510,000 (2023: US\$29,163,000) for reclamation and mine closure bond.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

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

- (b) Ministerial Regulation of Environment and Forestry P.59/MENLHK/SETJEN/KUM.1/10/2019

In October 2019, the Ministry of Environment and Forestry (“MoE&F”) issued Ministerial Regulation No. P.59/MENLHK/SETJEN/KUM.1/10/2019 on Guidelines for Planting of Borrow to Use Licence (“Izin Pinjam Pakai Kawasan Hutan/IPPKH”) Holders for the Rehabilitation of Watershed Areas.

This regulation is a guideline for IPPKH holders which are obligated to perform rehabilitation of watershed 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, as a holder of IPPKH, has started to fulfil the obligation by planting the rehabilitation of the watershed and has made provisions as at 31 December 2024 and 31 December 2023.

- (c) Ministerial Decision Letter No. 267.K/MB.01/MEM.B/2022

On 21 November 2022, the MEMR issued Ministerial Decision Letter No. 267.K/MB.01/MEM.B/2022 to replace Ministerial Decree No. 139.K/HK.02/MEM.B/2021 and Ministerial Decree No. 13.K/HK.021/MEM.B/2022. The Ministerial Decision Letter sets the Domestic Market Obligations (“DMO”) quota at 25% of the annual production plan and stipulates the guidelines for imposing administrative sanctions, coal export ban imposing fines and an updated penalty formula to calculate the payment of compensation funds in lieu of fulfilling DMO.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

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

(c) Ministerial Decision Letter No. 267.K/MB.01/MEM.B/2022 (continued)

On 23 March 2022, the MEMR issued Ministerial Decree No. 58.K/HK.02/MEM.B/2022 which stipulates coal sales price for domestic industrial needs for raw material/fuel. In this decree, the coal sales price is capped at USD90/MT (6,322 GAR). This minister decree does not limit the industry definition but it excluded the metal mineral processing and refining industry.

On 17 November 2023, MoEMR issued Ministerial Decree No.399.K/MB.01/MEM.B/2023 regarding Amendments to Kepmen 267/2022 concerning Domestic Market Obligations (“Kepmen 399/2023”), which among others stipulates: (i) percentage of coal sales for domestic market obligations (DMO) at 25% of actual production in the current year, (ii) eliminating the obligation to pay fines and only subject to the obligation to pay compensation funds for non-fulfilment of obligations to meet domestic market obligations (DMO), (iii) changes to the calculation formula of compensation funds and (iv) imposition of compensation fund obligations to meet domestic coal needs in 2022 are implemented in accordance with the provisions of this Ministerial Decree.

As at 31 December 2024, provisions for DMO of US\$910,000 (2023: US\$25,800) was made by the Group.

(d) MEMR Regulation No. 7/2017

On 11 January 2017, the MEMR issued Ministerial Regulation No. 7/2017, which was subsequently amended by MEMR Regulation No. 44/2017 on 17 July 2017, regarding the Procedure for the Setting of Benchmark Prices for Mineral and Coal Sales, which replaced Ministerial Regulation No. 17/2010.

On 27 February 2023, the MoEMR issued Ministerial Decree No. 41.K/MB.01/MEM.B/2023 regarding the Guidelines for the Determination of Benchmark Prices for the Sale of Coal Commodity. This Ministerial Decree stipulates new formulas for the calculation of the Coal Reference Price and the Coal Benchmark Price which are effective from 27 February 2023.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

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

(d) MEMR Regulation No. 7/2017 (continued)

On 11 August 2023, the MoEMR issued Ministerial Decree No.227.K/MB.01/MEM.B/2023 regarding the Guidelines for the Determination of Benchmark Prices for the Sale of Coal Commodity, which revoked Ministerial Decree No. 41.K/MB.01/MEM.B/2023 from that date. Ministerial Decree No.227.K/MB.01/MEM.B/2023 stipulates: (i) new formulas for the calculation of the Coal Reference Price and the Coal Benchmark Price, and (ii) the determination of the reference specification and calculation of the Selling Price of Coal for the Supply of Electricity for the public interest and to Fulfilment of the Raw Materials/Fuels Needs for Domestic Industry other than the Metal Mineral Processing and/or Refining Industry, which are effective from 11 August 2023.

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.

(e) Government Regulation No.15/2022

On 11 April 2022, the Government issued Government Regulation No. 15/2022, regarding the treatment of tax and non-tax state revenue for coal mining companies. The income tax treatment will be applicable for the next fiscal year and the non-state revenue will be applicable 7 days after the issuance of the regulation.

Several changes in the provisions for calculating corporate income tax for coal mining companies mainly consists of the following:

1. The mining company's taxable income is calculated based on the gross revenue, deducted for several expenses to obtain, collect and maintain the revenue;
2. The coal price used to calculate the gross revenue is determined to be the higher between the actual coal selling price versus whichever is lower between the Indonesian coal benchmark price ("HBA") and coal price index at the transaction date; and
3. The amortisation expenses for the coal mining companies assets should be calculated based on the specific rules in this regulation.

For non-tax state revenue, the main changes relate to the new royalty tariff rates for mining companies which hold special mining permit licenses ("IUPK"). The Group has calculated its corporate income tax based on the above regulation and has applied the applicable royalty tariff rates.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

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

(f) Government Regulation No. 26/2022

On 15 August 2022, the Government issued Government Regulation No. 26/2022, which revised the royalty rates for mining companies under the IUP framework. The rates are increased from the previous rates ranging from 2% - 7%, depending on the calorific value of the coal, to 4% - 13.5% depending on coal origin, calorific value, and Indonesia Coal Price Index. The regulation was effective from September 2022.

The Group has calculated the royalties based on the above regulation.

(g) Foreign Exchange Export Proceeds

On 12 July 2023, the Government issued GR No. 36/2023 concerning Foreign Exchange Export Proceeds (“DHE”) from Natural Resources (“SDA”) Business Management and/or Processing Activities, which regulates the obligation to place foreign exchange in the form of DHE SDA into the financial system in Indonesia through placement into a DHE SDA Special Account at Indonesian Export Financing Institutions and/or Banks Conducting Business Activities in Foreign Currency. DHE SDA that has been placed into a DHE SDA Special Account must remain placed at least 30% for a minimum of 3 months after placement in the DHE SDA Special Account.

The Group have carried out its obligations to place DHE SDA into the DHE SDA Special Account as required by this regulation, which is presented as part of “Cash and cash equivalents” in the balance sheet.

29. Changes and adoption of financial reporting standards

For the current reporting year the ASC issued certain new or revised financial reporting standards. None had material impact on the Group.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

30. New or amended standards in issue but not yet effective

The ASC issued certain new or revised financial reporting standards for the future reporting years. The transfer to the applicable new or revised standards from the effective dates is not expected to result in material modification of the measurement methods or the presentation in the financial statements for the following reporting year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application. Those applicable to the reporting entity for future reporting years are listed below.

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
FRS 21	The Effects of Changes in Foreign Exchange Rates (amendment) Lack of Exchangeability	1 January 2025
FRS 109 and 107	Classification and Measurement of Financial Instruments – Amendments	1 January 2026
FRS 118	Presentation and disclosures in financial statements	1 January 2027
FRS 119	Subsidiaries without Public Accountability: Disclosures	1 January 2027
FRS 110 and FRS 28	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture	To be determined

FRS 118 Presentation and Disclosure in Financial Statements replaces FRS 1. The new version includes (a) revised presentation of specified categories and defined subtotals in the statement of profit or loss; (b) new disclosures on management-defined performance measures in the notes to the financial statements; and (c) improved disclosures of aggregation and disaggregation of balances.

31. Comparative figures

The financial statements for the reporting year ended 31 December 2023 were audited by other independent auditor (other than RSM SG Assurance LLP) whose report dated 30 October 2024 expressed an unmodified opinion on those financial statements.

NOTICE OF ANNUAL GENERAL MEETING

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 Friday, 5 December 2025 at 3:30 p.m. 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 financial year ended 31 December 2024 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect the following Directors retiring pursuant to Regulation 94 of the Company’s Constitution:
 - 2.1 Mr Raymond Anthony Gerungan **(Resolution 2)**
 - 2.2 Mr Ferdy Yustianto Husada **(Resolution 3)**
3. To approve the payment of directors’ fees of up to S\$200,000.00 payable by the Company for the financial year ending 31 December 2025 (2024: S\$200,000.00). **(Resolution 4)**
4. To re-appoint Messrs RSM SG Assurance LLP as the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**

NOTICE OF ANNUAL GENERAL MEETING

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

By Order of the Board

Seow Han Chiang Winston
Company Secretary

Date: 19 November 2025

Notes:

1. The Annual General Meeting of the Company (the “**Meeting**”) is being convened, and will be held, by way of electronic means. Printed copies of this Notice of Annual General Meeting will be despatched to the 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 19 November 2025 (the “**Letter**”) which has been despatched to the 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. 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.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

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 3:30 p.m. on 3 December 2025 (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.
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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