



Ramba Energy Limited ("Ramba" or "the Group") is an Indonesia-focused oil and gas exploration and production company listed on the Singapore Stock Exchange.

The Group ventured into the energy sector in 2008 with the goal of becoming a significant energy producer in Indonesia.

The Group holds a 70% interest in the Jatirarangon TAC Block ("Jatirarangon Block"), located in West Java, Indonesia; a 100% interest in the West Jambi KSO Block ("West Jambi Block"), located in Sumatra, Indonesia; and a 31% interest in the Lemang PSC Block ("Lemang Block"), also located in Sumatra, Indonesia.

All of the Group's assets are located in onshore regions on the Western Indonesian islands of Java and Sumatra.

Ramba's logistics business unit, RichLand Logistics, provides supply chain services including inbound and outbound transportation activities, distribution management, seaport and airport cargo handling services.

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# CHAIRMAN'S STATEMENT

DELIVERING UPSTREAM PROSPECTS

"The commencement of commercial production has made good our promise to our stakeholders that we are working hard to maximise the potential of our upstream assets so as to transform their prospects into concrete outcomes."





#### **DEAR SHAREHOLDERS**

I am pleased to present to you our Annual Report for the 12 months ended 31 December 2017 and highlight the milestones during this period. Let me begin with a review of our oil and gas segment.

The year 2017 started on a bright note for crude oil prices with WTI (NYMEX) prices hovering in the US\$52-US\$55 per barrel range in January and February. However, markets remained oversupplied and by the end of first half 2017, US crude prices have tumbled 14% to US\$46 per barrel. Nonetheless, like in the year before, US crude oil spot prices began to strengthen in the second half of the year on crude supply disruptions and production cuts by members of the Organization of Petroleum Exporting Countries (OPEC). WTI (NYMEX) prices ended the year on a stronger note of above US\$55 per barrel.

In Indonesia, where our oil and gas assets and operations are located, the country continues to face challenges from under investment in the oil and gas sector, leading to low oil production output

averaging 800,000 barrels per day on average. The country has become a net importer of oil despite an economy whose GDP is expected to grow at above 5% in 2017.

# POSITIVE PROGRESS AT LEMANG PSC

Given the large scale investment required to fully realise the potential of the Lemang Block, the Group has taken a series of measures to ensure our obligations can be fulfilled by our capital base.

Hence, on 16 September 2017, Ramba's 80.4% owned Indonesian subsidiary, PT Hexindo Gemilang Jaya ("Hexindo"), signed agreements to farm-out a 15% participating interest in the production sharing contract relating to the Lemang PSC to Mandala Energy Lemang Pte. Ltd. ("Mandala Energy"). In addition, Hexindo has granted a call option to Mandala Energy to acquire an additional 6% participating interest in the Lemang PSC from Hexindo.

The proceeds from both the farmout and call options (if exercised by Mandala Energy) will enable us to apply this funding towards Hexindo's remaining participating interest share of the capital expenditure in the Lemang Block.

Progress on Lemang Block has been positive. On 9 February 2018. we were pleased to announce that the Lemang Block plans to grow its production in 2018 through a number of initiatives that will bring new wells online and also to uplift production to 1,500-2,000 barrels of oil per day by June 2018. Additional drilling will bring new development wells online and may further uplift production to 3.500 barrels of oil per day towards the second half of 2018. Further elaborations on this development will be provided in the subsequent sections of this Annual Report.

Overall, while Indonesia faces significant challenges in terms of oil and gas investment, we believe the government will continue to set out better and more improved frameworks for contracts, so that there will be enhanced visibility for exploration and production companies in this sector.

In the long term, Ramba will continue to work hard to develop

our assets, some of which are still in exploration phase, and put them into production. Given the volatility in oil prices, we will stay prudent and continue to review our costs and capital expenditure requirements carefully. We are committed to keeping shareholders updated on the status of our exploration and production activities in the months ahead.

# LOGISTICS MAINTAINS FIRM FOOTING

As we build on our oil and gas segment, our logistics arm, RichLand Logistics, maintain solid momentum with stable revenue on a year on year basis. Overall, economic recovery in Singapore and the region has provided some stability to the business. RichLand Logistics deep industry knowledge, vast experience and well-established customer relationships developed over the years continues to be a positive factor in helping the Group maintain a firm footing in this sector. RichLand Logistics maintain focus on right-sizing our logistics operations, as we constantly evaluate our entire value chain of services and seek to improve supporting resources needed to keep our firm lean and efficient. The firm achieved commendable results in applying strong cost control. We are pleased to report improved gross operating margins for the financial year ended 31 December 2017.

As economic conditions continue to improve both in Singapore and Indonesia, we believe new challenges will arise. This means that for the logistics business, evolving new technologies will transform and revolutionise logistics business model not just in this region but globally. RichLand

Logistics has continued to use technology to enhance customer experience and raise service efficiency.

#### **IN CLOSING**

Finally, I would like to express our sincere gratitude to the valuable counsel and guidance from my fellow Directors as well as the management, staff and all stakeholders who have faithfully stood by us this past year and continue to put faith in our journey towards a stronger future.

We look forward to your continued support as we keep focus on growing our businesses and taking them forward in the years ahead.

Yours Sincerely, **Mr Tan Chong Huat**Non-Executive Chairman

## CEO'S MESSAGE

# FOCUSING ON EXECUTION

"Ramba Energy had a successful year in 2017 executing on its strategy of growing its upstream production, which brought us closer to realising our target of delivering our upstream prospects to generate long-term earnings."





#### **DEAR SHAREHOLDERS**

On behalf of the management and staff of Ramba Energy, I am pleased to report a year of positive development in the financial year ended 31 December 2017 ("FY2017").

In our oil and gas segment, we continue to execute our strategy of growing our upstream production and are building upon our earlier foundation at Lemang Block. We believe we are gradually closer to realising our target of delivering stable long term production revenues. As for our logistics segment. FY2017 has been a stable year of growth and we have achieved topline growth and improved operating margins during the year due to overall recovery in demand coupled with persistent internal efforts in cost control.

Let me first turn your attention to our financial performance in FY2017.

Ramba Energy recorded a revenue of \$\$63.6 million in

FY2017 compared to \$\$59.2 million in FY2016. This was attributable to both increased revenue for both our oil and gas segment as well as our logistics segment. Our oil and gas segment recorded total revenue of \$\$6.6 million in FY2017 compared to \$\$2.6 million in FY2016, while our logistics segment recorded sales revenues of \$\$55.7 million compared to \$\$54.2 million.

Overall, the Group incurred a much lower net loss after tax attributable to shareholders of \$\$8.7 million compared to \$\$25.3 million in the previous corresponding year. This was due largely to significant reduction in total cost and operating expenses in the form of significantly lower salaries and employee benefits and absence of impairment in our oil and gas properties compared to the year before.

The Group registered a net cash outflow from operating activities of S\$7.2 million due to increased activities in the Lemang Block. S\$16.1 million was raised from loan

drawdown and advances from our joint venture partners of which S\$9.3 million was used to finance oil and gas investments and operating activities.

#### **OIL AND GAS SEGMENT**

Let me now discuss more about our assets and how we had performed in FY2017.

The Group commenced full year production from the Lemang PSC, which is located in the South Sumatra basin. Ever since we delivered first oil from the Lemang Block on 16 November 2016, we had gradually stabilised our output. Overall we had registered total revenue of \$\$6.6 million.

Nonetheless, our long term commitment is to continue working with our partner, Mandala Energy, to bring more exploration wells online into production. On 16 September 2017, Ramba's 80.4% owned Indonesian subsidiary, Hexindo, signed agreements to farm-out a 15% participating interest in the production sharing contract relating to the Lemang Block to Mandala

Energy. In addition, Hexindo has granted a call option to Mandala Energy to acquire an additional 6% participating interest in the Lemang Block from Hexindo. Overall, the proceeds from both the farm-out and call options will enable us to apply this funding towards Hexindo's remaining participating interest share of the capital expenditure in the Lemang Block.

I am pleased to report progress in this endeavour. The Group is on track to further develop the Lemang Block in Lemang PSC through a number of key initiatives.

We intend to bring 5 new wells that were drilled on well pads A and B in late 2017 online in early 2018.

By installing artificial lift, we aim to increase our production to 1,500 ~ 2,000 barrels of oil per day by June 2018. In addition, we will be constructing access road, bridges and well pads C and D with completion expected sometime in third quarter of 2018. We will also be mobilising a drilling rig in the second quarter of 2018 to drill a further 2 to 3 development wells on each of the new wells pads C and D during the second half of 2018.

By end of 2018, we intend to bring total production to 3,500 barrels of oil per day and also complete our oil export infrastructure via barging. In the longer term, we aim to lift production to 6,000 barrels of oil per day and commence the

commercialisation of natural gas from the Lemang Block in 2019.

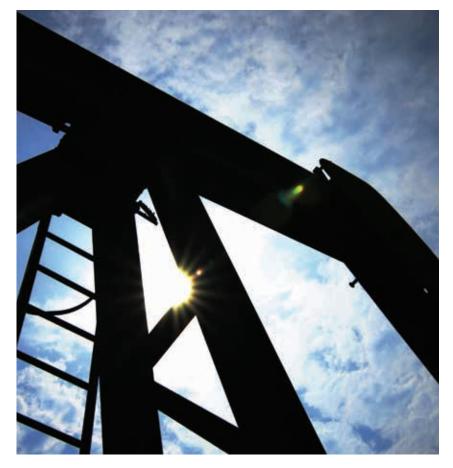
The prospects within the Lemang Block are exciting. Together with our partner Mandala Energy, we aim to pursue the exploration potential of the Lemang Block.

Over at our West Jambi Block located in the Jambi Province, we are exploring options to unlock the value of the Block. We have submitted an extension for the exploration period and are currently in discussions with PT Pertamina (Persero) ("Pertamina"). As for the Jatirarangon Block, due to the upcoming expiry of the TAC in 2020, we expect to continue production with minimal investment. The Block is under review for possible extension

#### **LOGISTICS SEGMENT**

For FY2017, our Logistics arm contributed S\$55.7 million to Group Revenue and added a fairly robust S\$2.6 million in segmental profit. Amidst improved economic conditions, RichLand Logistics saw stable customer demand across various sectors which includes Moving Consumer Fast Singapore Electronics, port container haulage and Petrochemicals. RichLand Logistics also maintain good momentum in terms of contract renewals with repeat customers and is a strong testament to the value proposition that the firm brings to its customers.

As we look towards 2018, our Logistics business remained focused on increasing its value proposition to its customers across their entire supply chain and building greater



## CEO'S MESSAGE

out the persisting industry headwinds, having taken various strategic initiatives to right size its operations last year and emerging with much a leaner operating structure. The firm is seeking opportunities to expand its operating capabilities that will support the entire span of its customers' supply chain, as well as adapting innovation and technology into its logistics services to strengthen productivity and efficiency.

#### **BUILDING ON A FIRM FOUNDATION**

Oil price volatility continues to bear down on the oil and gas sector as the Indonesian oil and gas market continues to face challenges brought about by a base of low production and under investment. Nonetheless, at the asset level, the outlook for our key operating asset remains fairly positive in the coming year.

As mentioned in the preceding section, our oil and gas segment has achieved full year production at the Lemang Block and we have put in place developmental plans to improve our developmental infrastructure and significantly increase our production volumes from first half of 2018 onwards. These plans will continue to be implemented into 2019 as we aim for more exploration wells to come online. Crucial to this endeavour is the continued support from our partners, Mandala Energy, as well as our operating partners on the ground. We are heartened by their continued faith in our long term vision, strategy and management team.

stakeholder value. RichLand The logistics sector continues Logistics is positioned to ride to be highly competitive and much innovation will be required to stay ahead of the curve. Nonetheless, our logistics segment enjoyed a reasonably strong year in FY2017 as we undertook strategic steps to enhance revenue and manage operating costs in this competitive sector. Whilst we are heartened by improved economic conditions and business sentiments in Singapore, we must maintain a high level of vigilance.

> As in the previous years, our key priority for the coming year is to be nimble and vigilant over our capital allocation and our assets, even as 2018 promises to be a positive year for the Group in both our key operating segments. We commit to preserve shareholder value and look forward to your continued support in our journey towards realising the full potential of our businesses at Ramba Energy.

Yours Sincerely

#### Mr Aditya Wisnuwardana Seky Soeryadjaya

Chief Executive Officer and **Executive Director** 





# BUILDING STRONG BUSINESS PLATFORMS



#### BOARD OF **DIRECTORS**



MR TAN CHONG HUAT Non-Executive Chairman

Mr Tan Chong Huat is the Senior Partner and one of the founding members of RHTLaw Taylor Wessing. He also serves as a member of the International Management Board of Taylor Wessing and as the Managing Partner of RHTLaw Taylor Wessing.

His experience and track record, set out below, as a leading finance and corporate lawyer, successful entrepreneur and investor, reputable corporate leader and public service champion, and dedicated law professor coupled with his strong practical and academic grounding throughout his career has made Chong Huat the trusted go-to expert for complex financing (corporate finance and project finance) transactions, deals structuring, funding and matching, corporate governance and board matters, and reputational management matters for corporate leaders and major corporates in the region and internationally.

Chong Huat has extensive experience in corporate, banking and project finance law in Singapore and the region, and acted in numerous significant corporate transactions in the areas of IPOs, RTOs, MBOs, restructuring, M&As, and financing of major real estate and infrastructure. He has been named a leading practitioner in many reputable professional publications, with a recent recognition by IFLR1000 as a "Leading Lawyer" and by Legal 500 Asia Pacific as a "Leading Individual" for Corporate and Mergers & Acquisitions.

Chong Huat has been helping business owners and family businesses throughout his successful career. He has advised Asian and European high net worth clients in their M&A, listing, divestment, business succession planning, probate, wealth and asset preservation and protection, and family governance. As a trusted go-to adviser, Chong Huat has been appointed as administrator and trustee for the estate of his high net worth clients, as well as counsel in estate disputes involving families of leading Asian conglomerates.

Chong Huat is a Fellow with the Singapore Institute of Directors and sits on the boards as Non-Executive Chairman, and Independent Director of several listed companies in Singapore and Hong Kong. He also co-founded RHT group of companies which is the leading professional services group in Asia. Over the years he has successfully invested in startups, SMEs and listed companies.

Chong Huat is also active in public service and charity work. He also sits as a Lay Person on the Institute of Singapore Chartered Accountants' Investigation and Disciplinary Panel. The Financial Planning Association of Singapore has also recently conferred on Chong Huat an honorary membership. Chong Huat was recently invited to be a member of the Selection Panel of SIM University Law School. He was until recently a council member of the Corporate Governance Council set up by the Monetary Authority of

Singapore. He is the council member of the Singapore Road Safety Council as well as Chairman of the The Road Safety Park Committee. He is also a member of the International Affairs Committee of Singapore Chinese Chamber of Commerce & Industry. Chong Huat is also chairman of the RHT Raian Menon Foundation. He is currently a council member and fund raising committee chairman of the Singapore Red Cross. He was previously a board member of World Wide Fund for Nature (WWF) Singapore and council member and audit committee chairman of the Football Association of Singapore. He has also established a National University of Singapore Grant in favour of the Law Faculty under the name of his deceased father. An award named RHT Tan Chong Huat Corporate Crime Award has also been established by the School of Law, Singapore Management University.

Despite his active practice, management duties and public service, Chong Huat continues to serve as an adjunct professorial faculty and lecture on a regular basis locally and overseas. He taught at the Law Faculty, National University of Singapore (AY 2007-2013), Business School, National University of Singapore (AY 2008/2009), Nanyang Business School, Nanyang Technological University (AY 2008-2012) and various other universities in Asia. Besides authoring two leading literature on PRC Investment laws, he has co-authored leading titles on Corporate Governance and Corporate Finance Law.



MR ADITYA WISNUWARDANA
SEKY SOERYADJAYA
Chief Executive Officer and
Executive Director

Mr Aditya Wisnuwardana Seky Soeryadjaya is the Chief Executive Officer and the Executive Director of Ramba and a founding member of the Group in its current form.

Mr Soeryadjaya has helped develop the Group's logistics and oil and gas business units into what they are today. His vision is to make Ramba a significant energy producer in Indonesia through continued diversification and growth.

Prior to joining Ramba, he gained international work experience in the United States, working with the New York office of Ernst & Young. Additionally, he founded a real estate and mortgage brokerage company in Irvine, California that was eventually acquired by a major real estate brokerage. In 2007, he returned to Indonesia to pursue a career in the energy sector.

Mr Soeryadjaya graduated with a Bachelor of Science degree in Accounting from the University of Southern California in Los Angeles, California, U.S.A.



MR DANIEL ZIER
JOHANNES JOL
Commercial Director and
Executive Director

Mr Daniel Zier Johannes Jol is the Commercial Director and the Executive Director of Ramba and a founding member of the Group in its current form.

He is responsible for the organisation's strategic direction and oversees the logistics and oil and gas businesses, including the supervision of business development, rebranding, value creation and streamlining of the business. He proactively targets, assesses and executes merger and acquisition opportunities and is heavily involved in the organisation's investment, fundraising and budget preparation. Mr Jol's continuous dedication to develop the Group's oil and gas business has helped transform Ramba into a growing oil and gas company, in addition to being a stable logistics enterprise.

His prior experience includes Upstream Business Development at Marking Services Inc, and Operations at Ballast Ham Dredging, where he was assigned to various reclamation, soil improvement and dredging projects in Southeast Asia.

Mr Jol graduated with a Bachelor of Science degree in Civil Engineering from Purdue University in West Lafayette, Indiana, U.S.A., and a Master's Degree in Business Administration from National University of Singapore.



MR LEE SECK HWEE Chief Financial Officer and Executive Director

Mr Lee Seck Hwee is the Chief Financial Officer and the Executive Director of Ramba, having joined the Group since 2008. He is responsible for matters related to corporate finance and treasury, reporting, accounting and taxation for the Group.

He is actively involved in the financial and related administrative functions concerning the Group's acquisition and business opportunities.

Mr Lee brings with him over 35 years of finance experience, which includes serving as Head of Finance at the group level of SMOE, Sembcorp Engineers & Constructors, Trans Eurokars, and Beloit Asia Pacific.

Mr Lee is a Chartered Certified Accountant of United Kingdom and a Chartered Accountant of Singapore. He holds a Master of Applied Finance from Macquarie University in Australia.

Mr Lee is a Fellow of the Association of Chartered Certified Accountants (U.K.) and the Institute of Singapore Chartered Accountants, and a member of the Singapore Institute of Directors.

## BOARD OF **DIRECTORS**



MR TAY AH KONG BERNARD Independent Director

Mr Bernard Tay Ah Kong is currently the Non-Executive Chairman of Crowe Horwath First Trust LLP, which is a Singapore Public Accountants and Chartered Accountants firm, a Non-Executive Director of RHT Rajan Menon Foundation Limited and a Non-Executive Chairman of the Board and a member of the Risk Committee of RHT Capital Pte. Ltd. ("RHT"). RHT is a Capital Market Services ("CMS") licence holder from the MAS and a Full Sponsor approved by the SGX. Mr Tay is an Independent Director of public companies listed on the SGX Mainboard.

He is the President of the Automobile Association of Singapore and Chairman of Singapore Road Safety Council. Mr Tay is the Region 2 (Asia Pacific) Vice-President of the Federation Internationale de l'Automobile ("FIA") and member of the World Council for Automobile & Tourism; concurrently he is also a member of the FIA Audit and Nominating Committees. He is a Member

of Ministry of Home Affairs Oversight Committee, Standing Community Involvement Steering Committee. He was appointed, Senior Advisor to the Government of Huzhou City, Zhejiang Province of the People's Republic of China.

He is a recipient of the Minister for Home Affairs National day Award 2017, Service to Education Awards (Gold/Silver/Pewter) and Community Long Service Medals. He was conferred the Bintang Bakti Masyarakat (Public Service Star) and Pingat Bakti Masyarakat (Public Service Medal) by the President of The Republic of Singapore. He has also been appointed as a Justice of the Peace.

In addition, he was a Member of the Resource Panel of the Government Parliamentary Committees for Home Affairs and Communications. He had also served on several committees under the and Corporate Regulatory Authority which includes the Complaints and Disciplinary Panel - Public Accountants

Law Review Focus Group and Directors' Duties Study Team. He was also a Member of the Singapore Corporate Awards Judging Panel for the Best Annual Report Award. He was the Vice President of the Singapore Productivity Association.

Mr Tay is a Fellow of the Association of Chartered Certified Accountants (U.K.), the Institute of Singapore Chartered Accountants and the Singapore Institute of Directors. He is also a Chartered Accountant of Malaysia. In 2017, he had attended the FIA University Senior Executive Programme at Columbia Business School, Columbia University (USA).

Mr Tay has a wide range of experience, from having worked in public accounting firms in the United Kingdom and Singapore, the Inland Revenue Authority Accounting of Singapore and companies in commerce, industry and management consulting for over 40 years.



MR CHEE TECK KWONG
PATRICK
Independent Director

Mr Chee Teck Kwong Patrick, PBM, joined the Board as an Independent Director in March 2005. Mr Chee holds a Bachelor of Law (Hons) Degree from the University of Singapore. He is an Advocate and Solicitor of the Supreme Court of Singapore and a Solicitor of the senior courts of England and Wales. He has been in private legal practice since 1980. He is now a Senior Legal Consultant with Withers KhattarWong, an international law firm. His areas of practice are corporate and commercial matters, banking and finance, cross-border joint ventures and investments, mergers and acquisitions and listing of companies. He has also advised on property law and has handled several landmark development projects in Singapore, Indonesia, Malaysia and China. He also conducts civil litigation and arbitration proceedings. He had initiated and was instrumental to the setting up of a full licensed KhattarWong's law practice in Vietnam

Mr Chee is a Notary Public and a Commissioner for Oaths. He is a member of Singapore Institute of Arbitrators and Singapore Institute of Directors. He had served several years in the subcommittee of National Crime Prevention Council, Singapore, and worked with National Productivity Board, Singapore in developing and seeing the successful launch of some well-known franchises in Singapore in the early 1990s.

From 2002 to 2013, Mr Chee was the Organising Chairman of the "National Street Soccer League - Lee Hsien Loong Challenge Trophy".

He also sits on the Board of several public listed companies including Hai Leck Holdings Limited, CSC Holdings Limited and China International Holding Limited. He is also Honorary Legal Advisor to Hospitality Purchasing Association Singapore and several big clans and trade associations in Singapore.

Mr Chee is the recipient of the National Day Awards 2003 - "The Public Service Medal (Pingat Bakti Masyarakat)" from the President of Republic of Singapore.

# SENIOR MANAGEMENT



MR COLIN MORAN Logistics Director

Colin Moran is the Logistics Director responsible for the corporate and strategic management of the Logistics group which trades under the brand RichLand Logistics in Singapore and Indonesia.

He joined the group in 2010 and is a member of the Board of Directors of RichLand Global Pte Ltd, the holding company of RichLand Logistics.

Colin brings over 25 years of experience, expertise and leadership to the organisation after having worked for one of the world's largest Logistics organisations for 20 years.

His ambition is to make RichLand Logistics one of the largest Southeast Asian-based logistics companies by combining organic and geographic growth with service expansion whilst seeking out and leveraging strategic acquisitions to deliver potential accelerated growth and expansion.

He has in-depth experience in the contract logistics, express courier and freight forwarding industries specific to the Asia Pacific region after having spent over 23 years in South East Asia.

# **OPERATIONS REVIEW**

# A YEAR OF PROGRESS



#### OPERATIONS REVIEW

# LOGISTICS SEGMENT MAINTAINS MOMENTUM

# OIL AND GAS SEGMENT INCREASES CONTRIBUTION

Ramba Energy ("Ramba" or the "Group") reported total revenue of \$\$63.6 million for the 12 months ended 31 December 2017 ("**FY2017**"). This represents an increase of 7.5% from the previous corresponding year. The revenue was primarily underpinned by the Group's logistics business unit, RichLand Logistics, which contributed S\$55.7 million to Group total revenue in FY2017, representing an increase of S\$1.5 million from the S\$54.2 million reported in this segment in 31 December 2016 ("FY2016"). The improved revenue in the logistics segment was mainly due to the higher demand for our logistics services as overall economic conditions improved in Singapore.

The Oil and Gas segment contributed S\$6.6 million to the top-line in FY2017, compared to S\$2.6 million a year ago. Oil production from the Lemang PSC commenced in mid-November 2016 and we were able to register full year revenue from the sale of crude oil.

The Rental segment of the Group contributed S\$1.2 million to the Group's total revenue in FY2017 compared to S\$2.4 million in the previous corresponding year, due mainly to higher vacancy in warehouse utilisation.

#### **SEGMENTAL PROFIT**

The Logistics segment also recorded improved segmental profit of S\$2.6 million in FY2017 compared to S\$1.3 million in FY2016, due largely to both better revenue performance and continued effectiveness in managing operating cost.

In tandem with the higher revenue in the Oil and Gas segment, the Group reported segmental loss of \$\$4.9 million compared to a segmental loss of \$\$19.7 million in the previous year. This was largely due to the absence of Oil and Gas properties impairment of \$\$10.9 million in FY2016 and additional

expense adjustment by SKK MIGAS at Hexindo joint venture level in FY2017.

The Rental segment registered slightly higher segmental loss of S\$1.3 million in FY2017 compared to a segmental loss of S\$1.1 million in FY2016, due largely to warehouse capacity under utilisation.

# OPERATING COSTS AND EXPENSES

Overall, for FY2017, the Group registered a net loss after tax attributable to shareholders was \$\$8.7 million compared to a loss of \$\$25.3 million in FY2016.

The Group registered lower total costs and operating expenses of approximately S\$13.9 million, which was mainly due to the following factors:

- lower salaries & employee benefits of S\$4.1 million during the year due to lower headcounts and also absence of ESOS/PSP grant;
- absence of loss of \$\$1.8 million on farm out of participating interests compared to FY2016;
- lower operating expenses of S\$11.5 million (mainly due to the absence of impairment of Oil & Gas properties of S\$10.9 million and expense adjustment by SKK MIGAS at Hexindo Joint Venture level in FY2017);

The above were offset by higher service costs of S\$2.9 million as a result of full year oil production in Lemang PSC's Lemang Block as well as higher finance costs of S\$0.4 million.

Overall the Group's income tax increased by \$\$2.8 million due to deferred tax adjustment arising from impairment charge on Oil & Gas properties in the preceding year.

#### **BALANCE SHEET**

In terms of financial position, the Group net asset value stood at \$\$36.2 million as at 31 December 2017, compared to \$\$50.1 million as at 31 December 2016.

The changes in both assets and liabilities are as follows:

The Group's non-current assets increased by \$\$4.4 million to \$\$68.8 million, mainly due to investments into oil and gas properties and property, plant and equipment. This was offset against lower value of exploration and evaluation assets arising from the translation of US dollar (which weakened against the reporting currency of SGD).

Current assets decreased by \$\$16.5 million, mainly from the reduction in other receivables of \$\$18.8 million; this was due to transfer of operatorship to Joint Venture partner.

Current liabilities decreased by \$\$8.8 million mainly due to reduction in cash call advance by Joint Venture partner, forfeiture of advances from third party of \$\$3.1 million and reclassification of short term loan of \$\$2.1 million to long term loan arising from loan restructuring; offset against higher trade payables. The reduction in cash call advance was due to transfer of operatorship to Joint Venture partner.

Non-current liabilities increased by \$\$10.6 million mainly due to loan drawdown of \$\$5.3 million and reclassification of an existing \$\$2.1 million loan from current liability and other payables of \$\$1.8 million.

#### **OUTLOOK AND PLANS**

Overall, the outlook for the oil and gas segment remains uncertain as oil price recovery is fragile and subject to the actions of key oil exporting and importing countries as well as the diplomatic tensions between major OPEC nations. In the Group's Logistics segment, the Group believes that the economic recovery in Singapore and the region remains fragile. Nonetheless, the Group's renewed focus on growth has started to deliver new wins as well as stronger pipeline of opportunities. Operating margins remained on an improving trend despite strong headwinds to the Group's operating cost base.

The Group will remain focused on maintaining a good balance of growth and financial prudence across all its operating segments. In the long term, the Group believes in the potential of its oil and gas assets in Indonesia. In the coming year, Ramba Energy intends to focus on and accelerate the development of the Lemang PSC. The Group is on track to further develop the Lemang Block in Lemang PSC through a number of key initiatives. These comprise the following:

- Bringing 5 new wells that were drilled on well pads A and B in late 2017 online in early 2018.
- Installing artificial lift to increase oil production to 1,500 ~ 2,000 barrels of oil per day by June 2018

- Constructing access road, bridges and well pads C and D with completion expected sometime in third quarter of 2018
- Mobilising a drilling rig in the second quarter of 2018 to drill a further 2 to 3 development wells on each of the new wells pads C and D (bringing total of number of wells to 5)
- Completing its oil export infrastructure via barging and further lifting production to 6,000 barrels of oil per day in 2019
- Lifting total production to 3,500 barrels of oil per day in the second half of 2018 and

 Commercialisation of natural gas from the Lemang Block will also be planned for in 2018 as the Group continues to negotiate with buyers for natural gas in order to conclude commercial agreements in 2018.

Together with its partner Mandala Energy, the Group aims to continue actively pursuing the exploration potential of the Lemang Block and to bring more wells online for commercial production. The Group's West Jambi Block located in the Jambi Province will be under review as the Group reviews new strategies and plans to unlock its value. As for the Jatirarangon Block, Ramba expects to maintain its production in the near future and currently is supplied to PT Perusahaan Gas Negara.



## OIL & GAS REVIEW



# INDONESIA AIMS TO STEP UP LOCAL PRODUCTION TO MEET DOMESTIC DEMAND

#### **OVERVIEW**

According to Boston Consulting Group, over the past decade or more, Indonesia's oil and gas sector has been a major pillar of the country's economy. Indonesia has proven and potential conventional energy reserves of more than 7 billion barrels of oil and about 150 trillion cubic feet of gas. The sector generated \$28 billion a year in foreign income, provided 20% of the government's revenues, and supported 280,000 jobs before the drop in oil prices in 2013.

However, strong growth in the national economy and declining oil and gas production from maturing fields is causing Indonesia to consume more energy than it produces. Hence, Indonesia has become a net importer of oil and gas in recent years. There are several reasons for the shortfall in production output versus domestic demand.

One of the most significant issue is that existing oil and gas fields are maturing and there is a need to make active response such as developing more from proven reserves, exploring for and developing new reserves. On mature fields, there is a need to utilise advanced recovery technologies, such as enhanced oil recovery (EOR) to slow or even reverse the decline in production. To realise the potential of both new and mature fields, capital, technology and talent are crucial. Policies have not encouraged more collaboration between the local industry and more advanced international companies. International companies are thus cautious about investing in Indonesia's energy industry, The transfer of knowledge and technology and the build-up of talent in the industry has declined in tandem as well.

Nonetheless, for Ramba Energy, the sustained domestic demand in Indonesia gives us strong encouragement to continue focusing on both development and production activities. Coupled with a unique and significant farm-in partnership with KKR ("Kohlberg Kravis Roberts & Co") backed Mandala Energy, Ramba has, over the past three years, benefitted from the capital, knowledge transfer and talent build-up at its Lemang PSC, located in South Sumatra.

# THE WAY FORWARD: BRINGING MORE PRODUCTION ONSTREAM

Since our establishment, Ramba's core strategy is to explore, develop and maximise the potential of its onshore assets located in proven geological basins in Western Indonesia.

The Group's Lemang Block started its first oil production on 16 November 2016. This came after the Lemang Block received approval of the first Plan of Development in August 2015, and the forestry lease permit to perform oil and gas exploitation from the Ministry of Forestry and Environment on 15 November 2016. The Group, together with its partner Mandala Energy, continues to pursue leads and prospects within the Lemang Block.

At the West Jambi Block, Ramba commenced drilling two exploration wells in the Block in 2015 and has since successfully completed the drilling of Kusuma-1 well in April 2016.

The Jatirarangon Block, which has been in Ramba's portfolio since 2010, is a producing asset. Gas currently produced from the Block is supplied to PT Perusahaan Gas Negara.



#### **OVERVIEW**

Located in Jambi and Riau provinces, Sumatra, Indonesia, the Lemang Block sited within a proven geological basin with one of the highest technical success rates for oil and gas exploration in Indonesia. The Lemang Block is the largest asset in Ramba's portfolio to-date and covers an initial area of 4,238 square kilometres, with many prospects and leads within it.

41% Ramba acquired participating interest and operating rights to the Block for a purchase price of US\$7 million in 2009. The Group later increased its interest in the asset, obtaining 51% participating interest in December 2011. Subsequent to the completion farm-out of the Lemang Block to KKR backed Mandala Energy in February 2016, Ramba retains a 31% participating interest in the Lemang Block and transfer the operatorship in Lemang Block to Mandala Energy on 17 May 2017. This will result in signification reduction in Group's cost even if current economic environment continues. On 16 September 2017, Hexindo signed a farm-out agreement to transfer 15% of Lemang Block to Mandala Energy, with a call option for another 6% to Mandala Energy. This is to rationalize Hexindo's funding obligations and reduce its future capital expenditure in the current economic climate. This farm-out arrangement is subject to approval by the Indonesian Authority, SKK Migas. At year-end 2017, Ramba, through its 80.4% owned

Indonesian subsidiary, Hexindo, owns 31% interest in the Lemang PSC.

The Lemang PSC agreement expires in 2037.

#### **EXPLORATION SUCCESS**

Since 2011, the Group has since made three major hydrocarbon discoveries at the Lemang Block's Akatara and Selong oil and gas bearing structures. In December 2012, the Group announced its first discovery at the Selong-1 exploration well, successfully encountering 222 feet of gross pay during exploration drilling. In May 2013, the Group announced its second discovery at the Block's Akatara-1 exploration well, encountering 274 feet of gross pay. Most recently, in February 2014, the Group announced its third discovery at the Block, after successfully completing drilling at the Akatara-2 appraisal well.

These discoveries mark the largest exploration discoveries in Ramba's history, and validate the Group's long-term strategy in exploring the Lemang Block.

#### **DELIVERING FIRST OIL**

Following the exploration success at the Akatara and Selong structures, the Group turned its focus towards getting the necessary permits and approvals for the Lemang Block to commence production. The Group received approval of its first POD for the Lemang Block in August 2015. Encouraged by this development, the Group also entered into a partnership with Mandala Energy to bring

commercial production online for the Lemang Block.

The Ministry of Forestry and Environment issued the forestry lease permit on 15 November 2016 to perform oil and gas exploitation (the "Lease Permit") for the Akatara Field located in the Lemang Block.

With the issuance of the Lease Permit, the Lemang Block started its first oil production on 16 November 2016. The production of first oil at Akatara Field is a significant milestone for Ramba, and in light that it was the first new oil production in a while, it was a milestone on its own to the Indonesian Oil & Gas Industry.

#### **FUTURE PLANS**

commencement production reflected Ramba's strategy of realising value from its investment in Lemang. Since late 2017, the Group has finalised plans to further develop the Akatara field in Lemang PSC through a number of key initiatives. By bringing new producing wells online constructing relevant via infrastructure and mobilising the relevant drill rigs, the Group intends to increase its oil production to 1,500 to 2,000 barrels of oil per day by June 2018, and further targets to lift total production to 3,500 barrels of oil per day by end 2018. Beyond 2018, the Group aims to lift production to 6,000 barrels of oil per day in 2019 and commence the commercialisation of natural gas from the Lemang Block.

# OIL & GAS REVIEW



#### **OVERVIEW**

The Jatirarangon Block - Ramba's producing asset - is located in West Java, Indonesia, approximately 40 kilometres from the capital of Jakarta. As the Block is strategically located in one of the most populous areas in Indonesia, it provides the Group with proximity to necessary infrastructure and domestic energy markets.

The Jatirarangon Block has been in commercial production since 2004. As the Group's first producing asset, the Jatirarangon Block serves as an example of the Group's technical capabilities in commercialising oil and gas resources. Ramba obtained a 70% participating interest in the Block in 2010,

recording its first revenue from oil and gas production in that same year. The remaining 30% working interest is held by PT Wahana Sad Karya as a non-operator.

# LONG-TERM REVENUE FROM GAS PRODUCTION

Ramba is under an agreement to supply the gas produced at the Jatirarangon Block to the Indonesian gas distribution firm PT Perusahaan Gas Negara (Pesero) ("**PGN**").

The revenue from the on-going production from the Jatirarangon Block has been beneficial, as the Group's oil and gas business unit continues its exploration work programme.

Since 2011, there has been a 3% escalation in gas sale price per annum. In October 2014, Ramba successfully negotiated another 43% increase in the sale price of gas to PGN to US\$6.55/mmbtu. The Group looks forward to continue supplying gas to PGN in the foreseeable future to contribute to Indonesia's growing domestic energy demand.

#### **FUTURE PLANS**

Despite the impairment charge on the Jatirarangon Block in 2016, the Group expects to maintain production from the Jatirarangon Block in the near future.

#### **OVERVIEW**

The West Jambi Block - located in Sumatra, Indonesia - is the newest addition to Ramba's oil and gas portfolio. The Block is located in the northern area of the hydrocarbon-rich South Sumatra basin, one of the most favourable areas for oil and gas exploration in Indonesia due to its strategic proximity to necessary infrastructure, such as the Trans Sumatra Pipeline.

Ramba holds a 100% working interest in the West Jambi Block.

#### SUCCESSFUL BID FOR ASSET

In June 2011, Ramba formally executed a KSO agreement with Pertamina following a successful bid for the West Jambi Block in October 2010. The KSO gives Ramba the rights to explore and exploit the asset for 20 years.

Ramba has performed G&G studies and is currently completing the acquisition of 2D seismic.

#### **FUTURE PLANS**

The drilling of Kusuma-1 well was successfully completed in April 2016, performing five tests in that process. The well was categorised as a suspended gas well and a full study is still expected to be carried out in the future.



# LOGISTICS REVIEW

# RESILIENCE IN A TOUGH YEAR

#### **OVERVIEW**

2017 represents a solid turnaround year for Ramba's wholly-owned subsidiary, RichLand Logistics ("RichLand"). Overall global economic recovery coupled with new business wins and growth in demand for logistics services in South East Asia aided demand for the Group's logistics services. Aside from rising volumes from existing customers, within Singapore and Indonesia, RichLand was able to secure new business in the high growth sector of On-Line home delivery and demonstrate its capabilities in integrated, RichLand's focus on operating margin improvement, strengthened throughout 2017 and assisted significantly in the much improved result for the year.

RichLand continued its drive toward a Greener Supply Chain by purchasing 34 new vehicles in 2017 that are of a EURO 5 engine emission standard, replacing old Euro 2 engine technology thus further reducing our emission output.

As a result of stronger demand for its logistics services, RichLand recorded a revenue of \$\$55.7 million in FY2017 compared to \$\$54.2 million in FY2016

# IMPROVED MARKET CONDITIONS PROVIDE PLATFORM FOR FUTURE GROWTH

As an established logistics solutions provider with more than 25 years of experience in South East Asia, RichLand has earned a longstanding reputation as a leading logistics company for warehousing and distribution, container haulage and now within the On-Line, Home Delivery service sector. RichLand continues to deliver growth from its two key markets, namely, Indonesia and Singapore.



With strong operational management of its existing contracts RichLand was able to retain all and expand several of its existing customers whilst securing several new contracts in the FMCG, Automotive and Industrial sectors, a strong testament of the firm's value-add to its customers' supply chain within this highly competitive industry.

While Singapore remains its largest market, RichLand expanded into the Indonesian market in 2010, providing logistics services predominantly to the Petrochemical sector. With the slowing economic landscape in Indonesia over the last two years RichLand has been seeking expansion into additional sectors. 2017 saw RichLand secured two new automotive contracts with one of the largest Chinese Automobile manufacturers and new industrial warehousing and distribution contracts which have helped to deliver year on year growth. Indonesia remains a key focus for growth and expansion for RichLand.

#### PREPARING FOR THE FUTURE

# INNOVATING TO SUSTAIN COMPETITIVE DIFFERENTIATION

Technology and innovation are key to sustaining a competitive edge in the logistics sector. As an asset owner and operator, RichLand continuously invests in assets and systems to offer its customers considerably greater control in the management of services and operations. Customer demands continue to

change rapidly, with customers increasingly looking for greater speed, increased efficiency, improved automation and overall high quality integrated logistics solutions at lower costs. Harnessing technology is therefore crucial to increasing productivity and developing cutting edge solutions to meet customers' needs, these are major imperatives for RichLand.

The company continues to forge ahead with its own proprietary application based technology, which allows customers to access real time delivery data and to dramatically improve transparency and speed of information flow. This technology is significantly more cost effective, user friendlier, and faster compared to the old legacy systems which are inflexible, come with high fixed costs and long lead time to tailor to specific customer needs.

# BUILDING STRONG INTEGRATED CAPABILITIES ACROSS SUPPLY CHAINS

Having emerged operationally leaner after right sizing in 2016, RichLand was on a firm footing for sustainable growth in 2017. RichLand aims to carry this momentum into 2018 and beyond.

As a third party logistics provider, RichLand aims to manage on behalf of its customers, every aspect of services in-house, in order to provide its customers the best visibility and control whilst ensuring cost effective solutions throughout the entire supply chain.

The company is focused on building a strong integrated capability that can be utilised and scaled across numerous segments of its customers' supply chains. In Singapore, RichLand has the capability to handle customs brokerage, container collection, delivery to the warehouse, warehouse management and end delivery to the final customer, all in-house. Beyond that, it is also building its capability between Singapore and Indonesia to handle cross border flows.

# SEEKING NEW GROWTH OPPORTUNITIES

Apart from seeking organic growth, RichLand continues to explore new avenues to accelerate its growth. These may include new service offerings, new partnerships and alliances or acquisitions that drive value and improve our capabilities. The Company is proactively expanding its reach to seek out new business opportunities in both Singapore and Indonesia.

2018 will prove to be a year of opportunity and change for RichLand as the company continues to build upon its current capabilities and integrated services offerings. With a long term view for value creation for its stakeholders, RichLand remains committed to continuous innovation, capabilities enhancement and talent development within a sustainable environment.

# **CORPORATE INFORMATION**

#### **REGISTERED OFFICE**

300 Tampines Ave 5 #05-02 Singapore 529653

Website: www.ramba.com

#### **BOARD OF DIRECTORS**

#### **Tan Chong Huat**

Non-Executive Chairman/Director

## Aditya Wisnuwardana Seky Soeryadjaya

Chief Executive Officer/Executive Director

#### **Daniel Zier Johannes Jol**

Commercial Director/Executive Director

#### Lee Seck Hwee

Chief Financial Officer/Executive Director

#### **Chee Teck Kwong Patrick**

Independent Director

#### Tay Ah Kong Bernard

Independent Director

#### **AUDIT COMMITTEE**

Tay Ah Kong Bernard Tan Chong Huat Chee Teck Kwong Patrick

#### **NOMINATING COMMITTEE**

Chee Teck Kwong Patrick Tan Chong Huat Tay Ah Kong Bernard

#### **REMUNERATION COMMITTEE**

Chee Teck Kwong Patrick Tan Chong Huat Tay Ah Kong Bernard

#### **COMPANY SECRETARY**

Chew Kok Liang

#### **AUDITORS**

Ernst & Young LLP

Partner-In-Charge Chan Yew Kiang (with effect from financial year ended 31 December 2016)

#### **SHARE REGISTRAR AND WARRANT AGENT**

RHT Corporate Advisory Pte. Ltd. 9 Raffles Place #29-01 Republic Plaza Tower 1 Singapore 048619

#### PRINCIPAL BANKERS

Oversea-Chinese Banking Corporation Limited DBS Bank Limited Bank Negara Indonesia PT Bank Panin Tbk



The Board of Directors (the "Board") and Management of Ramba Energy Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), are committed to set in place corporate governance practices to provide the structure through which the objectives of protecting the shareholders' interests and enhancing long term shareholders' value are met. This commitment and continuous support of the Code of Corporate Governance 2012 issued on 2 May 2012 (the "Code") can be seen from the efforts of the Board and Management to promote and to maintain values which emphasise transparency, accountability, integrity and proper conduct at all times in the business operations and dealings of the Company so as to create value for its stakeholders and safeguard the Company's assets.

This report describes the practices the Company has undertaken with respect to each of the principles and guidelines and the extent of its compliance with the Code and where appropriate, we have provided explanations for deviations from the Code and should be read as a whole, instead of being read separately under the different principles of the Code.

#### **BOARD MATTERS**

#### The Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

As at the date of this report, the Company is headed by an effective Board comprising six (6) Directors of whom three (3) are Executive Directors, one (1) is Non-Executive and Non-Independent Director and two (2) are Independent Directors. Their combined wealth and diversity of skills, experience, and knowledge of the Company enable them to contribute effectively to the strategic growth and governance of the Group. The Board assumes responsibility for stewardship of the Group and is primarily responsible for the protection and enhancement of long-term value and returns for shareholders. It supervises the management of the business and affairs of the Group, provides corporate direction, monitors managerial performance and reviews financial results of the Group.

The role of the Board, apart from its statutory responsibilities, includes:

- providing entrepreneurial leadership and setting the overall strategy and direction of the Group, taking into account, the environmental and social factors as part of its strategic formulation;
- Reviewing and overseeing the management of the Group's business affairs, financial controls, performances and ensuring that the necessary financial and human resources are in place for the Company to meet its objectives;
- Approving the Group's strategic plans, key business initiatives, acquisition and disposal of assets, significant investments and funding decisions and major corporate policies;
- Establishing a framework of prudent and effective controls and overseeing the processes of risk management, financial reporting and compliance, evaluating the adequacy of internal controls and safeguarding the shareholders' interests and the Group's assets;
- Approving the release of the Group's quarterly and full-year financial results, related party transactions of material nature and submission of the relevant checklists to the Singapore Exchange Securities Trading Limited ("SGX-ST");
- Identifying the key stakeholder groups and recognising that their perceptions affect the Company's reputation;
- Appointing Directors and Key Management staff, including the review of their performances and remuneration packages;

- Assuming the responsibilities for corporate governance, such as reviewing and endorsing corporate policies in keeping with good and business practice; and
- Setting the Company's values and standards (including ethical standards) and ensuring that obligations to shareholders and other stakeholders are understood and met.

All Directors objectively discharged their duties and responsibilities at all times as fiduciaries in the interests of the Company.

#### **Board Processes**

To ensure that specific issues are subject to due considerations and review before the Board makes its decisions, the Board has established three (3) Board Committees, namely the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"), responsible for making recommendations to the Board. These Board Committees operate within clearly defined terms of reference and play an important role in ensuring good corporate governance in the Company and within the Group. The terms of reference are reviewed by the Board Committees on a regular basis to ensure their continued relevance and to enhance the effectiveness of these Board Committees.

The Board meets regularly throughout the year. The schedule of all the Board and Board committees meetings for the calendar year is usually given to all the Directors well in advance. The Board is free to seek clarification and information from the Management on all matters within their purview. During the financial year ended 31 December 2017 ("FY2017"), the Board held a total of eleven (11) meetings. Besides the scheduled meetings, the Board meets on a regular basis as and when necessary, to address any specific significant matters that may arise. The minutes of all Board and Board Committees, which provide a fair and accurate record of the discussion and key deliberation and decisions taken during the meetings, are circulated to the Board and Board Committees.

The Company's Constitution (the "**Constitution**") provides for meetings of the Directors to be held by means of telephone conference or other methods of simultaneous communication by electronic or telegraphic means when necessary. The Board also approves transactions through circular resolutions, which are circulated to the Board together with all the relevant information relating to the proposed transactions.

The agenda for meeting is prepared in consultation with the Non-Executive Chairman ("the Chairman"), the Executive Directors and the Chairman of the Board Committees. The agenda and documents are circulated in advance of the schedule meetings.

The frequency of meetings and the attendance of each Director at every Board and Board Committee meetings for FY2017 are disclosed in the table below:

#### **Attendance Report of Directors**

	Board		AC		RC		NC	
Names of Directors	No. of Meetings							
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr Tan Chong Huat	11	11	5	3	6	6	2	2
Mr Aditya Wisnuwardana Seky Soeryadjaya	11	11	5	4*	6	2*	2	1*
Mr Daniel Zier Johannes Jol	11	11	5	3*	6	1*	2	-
Mr Chee Teck Kwong Patrick	11	11	5	5	6	6	2	2
Mr Tay Ah Kong Bernard	11	11	5	5	6	6	2	2
Mr Lee Seck Hwee	11	11	5	5*	6	2*	2	1*

<sup>\*</sup> By Invitation

#### **Matters Requiring Board Approval**

The Company has established the delegation of authority matrix which sets out the material thresholds for approval. Aside from carrying out its normal duties, the Board's approval is required for decision involving areas such as strategic plans, key operational initiatives, material transactions, such as the appointment of the Qualified Person, potential farm-out opportunities of the Group's oil and gas interests and various fund raising activities, share issuances, interim dividend and any investment or expenditure exceeding set material limit.

While matters relating in particular to the Company's objectives, strategies and policies require Board's direction and approval, the Management is responsible for the day to day operation and administration of the Company in accordance with the objectives, strategies and policies set by the Board.

#### **Director Orientation and Training**

The Company conducts briefing and orientation programmes for new Directors to familiarise themselves with the Company's structure and organisation, businesses and governance policies. The aim of the orientation program is to give Directors a better understanding of the Company's businesses which allows them to assimilate into their new roles. Any Director who has no prior experience as a Director of a listed company will have to undergo intensive training and briefing on the roles and responsibilities of a Director of a listed company. Where appropriate, the Company will provide training for first-time Directors in areas such as accounting, legal and industry-specific knowledge.

New Directors are also informed about matters such as the Code of Dealing in the Company's securities. Changes to regulations and accounting standards are monitored closely by Management. In order to keep pace with such regulatory changes, the Company provides opportunities for ongoing training on Board processes and best practices, as well as any updates on changes in legislation and financial reporting standards, regulations and guidelines from the SGX-ST that affect the Company and/or the Directors in discharging their duties effectively.

The Company has adopted a policy where Directors are encouraged to make enquiries on any aspects of the Company's operations or business issues from Management. The Chairman or the Chief Executive Officer ("CEO") or the Company Secretary will make the necessary arrangements for the briefings, informal discussions or explanations as and when required.

Directors also have the opportunity to visit the Group's operational facilities and meet with Management to gain a better understanding of the business operations.

The Board as a whole is updated regularly on risk management, corporate governance, insider trading (if any) and key changes to the relevant regulatory requirements and financial standards, so as to enable them to properly discharge their duties as Board or Board Committee members. In addition, the Directors are encouraged to attend appropriate or relevant courses, conference and seminars conducted by professional organisations, which may be funded by the Company.

New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("ACRA"), which are relevant to the Directors are circulated to the Board. The Company Secretary also informs the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company. The external auditors would update the AC and the Board on new and revised financial reporting standards annually.

#### **BOARD COMPOSITION AND GUIDANCE**

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

As of the date of this report, the Board comprises the following Directors:

#### NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR

Mr Tan Chong Huat (Chairman)

#### **EXECUTIVE DIRECTORS**

Mr Aditya Wisnuwardana Seky Soeryadjaya Mr Daniel Zier Johannes Jol Mr Lee Seck Hwee

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr Chee Teck Kwong Patrick Mr Tay Ah Kong Bernard

The Board has adopted the Code's criteria of an Independent Director in its review and is of the view that all Independent, Non-executive Directors have satisfied the criteria of independence. Although the Independent Directors do not make up half of the Board, there is a strong and independent judgement in the conduct of the Group's affairs and thus enabling Management to benefit from a diverse and objective external perspective on issues raised before the Board. Matters requiring the Board's approval are discussed and deliberated with participation from each member of the Board. The decisions are based on collective decisions without any individual or small group of individuals influencing or dominating the decision making process. The Board is available to shareholders where they have concerns and for which contact through the normal channels of the Chairman, the CEO or the Chief Financial Officer ("CFO") has failed to resolve or is inappropriate. For reason as stated above, the Board is of the view that it is not necessary to appoint any Lead Independent Director.

The NC reviews annually, and as and when circumstances require, if a Director is independent. Each Independent Director is required to complete a Director's independence checklist annually to confirm his independence based on the guidelines set out in the Code. In line with Guideline 2.4 of the Code, the NC had conducted a similar rigorous review on the independence of the Non-Executive Directors, Mr Chee Teck Kwong Patrick and Mr Tay Ah Kong Bernard, who have served the Board beyond nine (9) years, using the same criteria and assessment performed by the Independent Consultant in 2015. As there were no changes in Mr Chee Teck Kwong Patrick's and Mr Tay Ah Kong Bernard disclosures in FY2017 and by taking into consideration the relevant factors set out under Principle 4 in page 30, the NC, with the concurrence of the Board, considered Mr Chee Teck Kwong Patrick and Mr Tay Ah Kong Bernard remained independent in FY2017. Each member of the NC has abstained from participating in the discussion and voting on any resolution related to his independence and nomination as Director.

The size and composition of the Board are reviewed from time to time by the NC with a view to determine the impact of its number upon effectiveness. The NC decides on what it considers an appropriate size, taking into account the scope and nature of the Company's operations, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees. The Company has a written Board Diversity Policy. The composition of the Board is reviewed annually by the NC to ensure that there is an appropriate mix of expertise and experience to enable Management to benefit from a diverse perspective of issues that are brought before the Board. Together, the Directors as a group provide core competencies in business, investment, legal, audit, accounting, tax matters, management experience and industry knowledge.

The profiles of the Board are set out on pages from 10 to 13 of the Annual Report.

To-date, none of the Non-Executive Directors of the Company has been appointed as Director of the Company's principal subsidiary, which is based in Singapore.

Non-Executive and Independent Directors of the Board exercise no management functions but have equal responsibility for the performance of the Group, the role of the Non-Executive and Independent Directors is particularly important in ensuring that the strategies proposed by the Management are constructively challenged, taking into account the long-term interests, not only of the shareholders, but also of employees, customers, suppliers and the many communities in which the Group conducts business. The Non-Executive and Independent Directors participate actively during Board meetings. The Company has benefited from Management's access to its Directors for guidance and exchange of views both within and outside of the meetings of the Board and Board Committees. The Non-Executive and Independent Directors communicate amongst themselves and with the Company's auditors and senior management. When necessary, the Company coordinates informal meetings for Non-Executive and Independent Directors to meet without the presence of the Executive Directors and/or Management.

#### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Company has a separate Chairman and CEO to ensure an appropriate balance of power, increased accountability and greater capacity for the Board in terms of independent decision making.

The Chairman of the Board is Mr Tan Chong Huat. As the Chairman, Mr Tan Chong Huat represents the collective leadership of the Board and is responsible for amongst others, the proper carrying out of the business of the Board including:-

- The exercise of control over quantity, quality and timeliness of the flow of information between the Board, Management and shareholders of the Company;
- With the assistance of the Company Secretary, approving the meeting agenda of the Board and ensures adequate time is available for discussion of all agenda items;
- Ensuring that Board meetings are held when necessary;
- Ensuring that Management provides the Board members with complete, adequate and timely information; and
- Encouraging constructive relationships, mutual respect and trust between the Board and Management, and between the Executive Directors and Independent Directors ensuring the Company strives to achieve and maintain a high standard of corporate governance practices by establishing a share acceptance of core business and management values among Board members.

The role of CEO is assumed by Mr Aditya Wisnuwardana Seky Soeryadjaya. As the CEO, he is responsible for the day-to-day operations of the Group. He plays an instrumental role in charting the direction and strategic development of the Group, formulating business strategies, the development of the Group, the overall financial performance and the direct implementation of the policies for all aspects of the Company and the Group's operations as set out by the Board. He is to ensure that each member of the Board and Management works well together with integrity and competency.

The CEO is the most senior executive in the Company and bears executive responsibility for the Company's business, while the Chairman bears responsibility for the workings of the Board.

The Chairman and CEO's performance and appointment to the Board are reviewed periodically by the NC and their remuneration packages are reviewed periodically by the RC. The Board believes that there are adequate safeguards in place to ensure an appropriate balance of power and authority within the spirit of good corporate governance.

#### **BOARD MEMBERSHIP**

# Principle 4: There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board

The Board established the NC, which currently consists of three (3) Directors, the majority of whom are independent. The Chairman of the NC is Mr Chee Teck Kwong Patrick, an Independent Director who has no relationship with the Company, its related corporations, its 10% shareholders or its Management and is not directly associated with 10% shareholders, whom could impair his fair judgement.

The composition of the NC is as follows:

Mr Chee Teck Kwong Patrick - Chairman Mr Tay Ah Kong Bernard - Member Mr Tan Chong Huat - Member

The NC is regulated by its terms of reference and its key functions include, inter alia:

- Reviewing the Board structure, size and composition having regard to the scope and nature of the operations and the core competencies of the Directors as a group;
- Reviewing, assessing and recommending nominees or candidates for appointment or election to the Board and various Board Committees;
- Assessing the effectiveness of the Board and Board Committees as a whole;
- Assessing the contribution and performance of each individual Director to the effectiveness of the Board, in particular when a Director has multiple board representations and having regard to the Director's competencies, commitment, contribution and performance;
- Establishing and reviewing the criteria on the determination of the maximum number of Directorship of listed companies any Director may hold;
- Reviewing the independence of the Directors on an annual basis or as and when circumstances require;
- Reviewing the performance of the Directors and recommending on the re-election and re-appointments of the Directors at the Annual General Meetings ("AGM");
- Conducting a rigorous review and determining whether an Independent Director who has served on the Board for a period exceeding nine (9) years from the date of his first appointment, can still consider as independent;
- Deciding whether a Director is able to and has been adequately carrying out his or her duties as a Director of the Company, notwithstanding that the Director has multiple board representations, based on internal guidelines, such as attendance, intensity of participation and responsiveness; and
- \* Reviewing the training and development programmes for the Board.

The NC and the Board will review the requirement to plan for succession for the Directors as and when it deems fit.

The NC held two (2) meetings during the financial year. Pursuant to the Company's Constitution, each Director of the Company shall retire from office at least once every three years. Directors who retire are eligible to stand for re-election.

All Directors, including CEO, submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Regulation 111 of the Constitution requires one-third of the Board to retire and submit themselves for re-election by shareholders at each AGM. In addition, Regulation 122 of the Constitution provides that every new Director must retire and submit themselves for re-election at the next AGM of the Company following his/her appointment during the year.

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

Name of Director	Position held on the Board	Date of First Appointment to the Board	Date of Last Re-election as Director	
Mr Tan Chong Huat	Non-Executive Chairman	17 February 2004	28 April 2016	
Mr Aditya Wisnuwardana Seky Soeryadjaya	Chief Executive Officer and Executive Director	30 June 2008	28 April 2016	
Mr Daniel Zier Johannes Jol	Commercial Director and Executive Director	17 November 2008	24 April 2017	
Mr Chee Teck Kwong Patrick	Independent Director	17 February 2004	30 April 2015	
Mr Tay Ah Kong Bernard	Independent Director	4 June 2008	24 April 2017	
Mr Lee Seck Hwee	Chief Financial Officer and Executive Director	28 April 2016	N.A.	

The NC has also adopted internal guidelines addressing the commitments that are faced when Directors serve on multiple boards. For the current financial year, the Board is satisfied that each Director has allocated sufficient time and resources to the affairs of the Company.

The Company has in place, policies and procedures for the appointment of new Directors, including the description on the search and nomination procedures. Each member of the NC shall abstain from voting on any resolutions and making recommendations and/or participating in any deliberations of the NC in respect of his/her re-nomination as a Director.

Despite some of the Directors having multiple Board representations and other principal commitments, the NC had reviewed the Directorships of the Directors and is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company after taking into the consideration the number of listed company Board representations and other principal commitments. Currently, the Board does not determine the maximum number of listed Board representations which any Director may hold. The Board believes that each individual Director is best placed to determine and ensure that he is able to devote sufficient time and attention to discharge his duties and responsibilities as a Director of the Company, bearing in mind his other commitments. The NC and the Board will review the requirement to determine the maximum number of listed Board representations as and when it deems fit. The Board does not appoint any alternate Directors.

Particulars of interests of Directors who held office at the end of the financial year in shares, share options and warrants in the Company and in related corporations (other than wholly-owned subsidiaries) are set out in the Directors' Statement.

In considering whether an Independent Director who has served on the Board for more than nine years is still independent, the Board has taken into consideration the following factors:-

- a. There was a change of the composition of the Executive Directors, Management and controlling shareholders during the reverse takeover exercise in 2008.
- b. The considerable amount of experience and wealth of knowledge that the Independent Directors bring to the Company.
- c. The attendance and active participation in the proceedings and decision making process of the Board and Board Committee meetings.
- d. Provision of continuity and stability to the new Management at the Board level as the Independent Directors have developed deep insight into the business of the Company and possesses experience and knowledge of the business.
- e. The qualification and expertise provides reasonable checks and balances for Management.
- f. The Independent Directors have provided adequate attention and sufficient time has been devoted to the proceedings and business of the Company. They are adequately prepared, responsive and heavily involved in the discussions in meetings.
- g. The Independent Directors provide overall guidance to Management and act as safeguard for the protection of Company's assets and shareholders' interests.
- h. The Independent Directors are the Chairman of Board Committees and have effectively in making independent and objective decisions.

In this regard, the NC with the concurrence of the Board, has reviewed the suitability of Mr Chee Teck Kwong Patrick and Mr Tay Ah Kong Bernard being Independent Directors and having served on the Board beyond nine (9) years and considered that Mr Chee Teck Kwong Patrick and Mr Tay Ah Kong Bernard remain independent. Mr Chee Teck Kwong Patrick and Mr Tay Ah Kong Bernard had abstained from participating in the discussion and voting on any resolution related to their independence, nomination and re-appointment.

The Board has accepted the NC's recommendation on the re-election of Mr Chee Teck Kwong Patrick and Mr Lee Seck Hwee, who are retiring pursuant to Regulation 111 of the Company's Constitution at the forthcoming AGM.

The key information regarding Directors such as academic and professional qualifications, Board Committees served, Directorships or Chairmanships both present and past held over the preceding three years in other listed companies and other major appointments, whether the appointment is Executive or Non-Executive are set out on page 46 and 47 of the Annual Report.

#### **BOARD PERFORMANCE**

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each Director to the effectiveness of the Board.

In line with the principles of good corporate governance, the Board has implemented a formal process to evaluate the effectiveness of the Board as a whole and its Board Committees. The performance criteria includes, but is not limited to, financial targets, the contribution by Directors, their expertise, their sense of independence and their industry knowledge. This encourages constructive feedback from the Board and leads to an enhancement of its performance over time.

The Board has met to discuss the evaluation of the Board and its Board Committees and has adopted a formal evaluation processes to assess the overall effectiveness of the Board as a whole, its Board Committees and individual Board member performance. Following the review, the Board is of the view that the Board and its Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board. The NC has decided unanimously that the extent of their attendance, participation and contributions in the proceedings of the meetings are the factors taken into consideration for their respective re-nomination. The evaluation results of the Board, its Board Committees and individual Board members are reviewed and discussed by the NC. Any recommendation and suggestion arising from the evaluation exercise are circulated to the Board for consideration of the appropriate measures to be taken. The NC is of the view that such assessments by the Directors are useful and constructive and this collective process has provided an opportunity to obtain insightful feedback from each Director on suggestions to enhance the effectiveness of the Board and has helped Directors to be more focused on their duties, responsibilities and contributions to the effectiveness of the Board.

The NC, in considering the re-appointment of any Director, had considered the attendance records for the meetings of the Board and its Board committees, the intensity of participation at meetings, the quality of contributions to the development of strategy, the degree of preparedness, industry and business knowledge and experience each Director possesses, which are crucial to the Group's business.

In general, the selected performance criteria will not change from year to year unless they are deemed necessary and the Board is able to justify the changes.

#### **ACCESS TO INFORMATION**

Principle 6: In order to fulfil their responsibilities, Directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

In order to ensure that the Board is able to fulfil its responsibilities, the Management is required to provide adequate and timely information to the Board on affairs and issues that require the Board's decision, as well as ongoing reports relating to the operational and financial performance of the Company and the Group to enable the Board to make informed decisions. For matters that require the Board's decision, relevant members of Management are invited to attend and present at a specific allocated time during the Board and Board Committee meetings. Periodic financial reports and operational updates, budgets, forecasts, material variance reports, disclosure documents, board papers and any other related materials are also provided to the Board, and where appropriate, prior to the Board meetings to enable the Board to be properly informed and have sufficient time to review and consider the matters to be discussed and/or approved. The Board is also informed of any significant developments or events relating to the Group. In addition, the Board is entitled to request from Management such additional information as needed to make informed decisions. Management ensures that any additional information requested for is provided to the Board in a timely manner.

The Board has separate and independent access to the key management personnel at all times. Further, there is no restriction of access to the key management personnel at all times. Where necessary, the Company will, upon the request of Board (whether as a group or individually) require specialised knowledge or expert opinion, provide them with independent professional advice to enable them to discharge their duties effectively. The costs of such professional advice will be borne by the Company.

The Board has separate and independent access to the Company Secretary, who provides the Board with regular updates on the requirements of the Companies Act and all the rules and regulations of the SGX-ST and advises the Board on all governance matters. Under the direction of the Chairman, the Company Secretary or his representatives ensure timely and good information flows within the Board and its Board Committees and between Management and Non-Executive Directors. The Company Secretary or his representatives attend all Board and Board Committee meetings, assist the Chairman of the Board and Board Committees in ensuring that the relevant procedures are followed and reviewed such that the Board and Board Committees function effectively, and advise the Board on all governance matters. The decision to appoint or remove the Company Secretary is a decision made by the Board as a whole.

#### **REMUNERATION MATTERS**

#### **Procedures for Developing Remuneration Policies**

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.

The Group's remuneration policy is to provide remuneration packages at market rates which reward successful performance and attract, retain and motivate Directors and key management personnel.

The RC comprises three (3) Directors, the majority of whom are independent. Mr Chee Teck Kwong Patrick chairs the RC with Mr Tan Chong Huat and Mr Tay Ah Kong Bernard as members. In discharging their duties, the RC members have access to advice from the internal human resources personnel, and if required, advice from external consultants.

The RC recommends to the Board a framework for the remuneration for the Board and key management personnel and to determine specific remuneration packages for each Executive Director, which is based on transparency and accountability.

The RC is regulated by its terms of reference and its key functions include, inter alia:

- Reviewing and recommending to the Board a framework of remuneration and specific remuneration packages for all Directors and key management personnel of the Company;
- Reviewing the service agreements of the Executive Directors and key management personnel of the Company;
- Reviewing and enhancing the compensation structure with incentive performance base for key executives;
- Carrying out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board from time to time.
- Overseeing the general compensation of employees of the Group with a goal to motivate, recruit
  and retain employees and Directors through competitive compensation and progressive policies;
  and
- Administering the Ramba Group Share Option Scheme ("RGSOS"), Ramba Group Performance Share Plan ("RGPSP") and any other incentive schemes which may be set up from time to time and to do all acts necessary in connection therewith.

The RC held six (6) meetings during the financial year. The RC recommends, in consultation with the Chairman of the Board, a framework of remuneration policies for key management personnel and Directors serving on the Board and Board Committees, and determines specifically the remuneration package for each Executive Director of the Company. The review covers all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, share options, performance shares and benefits-in-kind. In addition, the RC also reviews the remuneration of key management personnel. The RC ensures that the remuneration packages for the Executive Directors and key management personnel are fair. The RC's recommendations are submitted to the entire Board for endorsement. Each member of the RC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC in respect of his remuneration package.

The RC will review the Company's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service and ensure that such contracts of service contain fair and reasonable termination clauses.

The RC administers both the RGSOS, RGPSP, RGSOS 2017 and RGPSP 2017 for the Company's executives, including its Directors and employees (the "**Schemes**"). Both Schemes will provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty.

The RC determines and approves the allocation of the share options and awards, the date of grant and the price thereof under the Schemes. Details of the Schemes are set out on page 51 of this Annual Report.

The Ramba Group Exploration and Production Cash Based Incentive Plan ("**E&P Plan**") was introduced and adopted by the Company in 2013. During the year, due to challenging oil and gas environment, the Board has decided to cease the E&P Plan. No payment has been made since inception of the E&P Plan.

#### **BOARD PERFORMANCE**

#### Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

In setting remuneration packages, the Company takes into consideration the remuneration packages and employment conditions within the industry as well as the Group's relative performance and the performance of its individual Directors. The level and structure of remuneration is aligned with the long-term interest and risk policies of the Company.

The Independent and Non-Executive Directors are paid Directors' fees, which take into account factors including but not limited to the effort, time spent and the scope of responsibilities of the Directors. Directors' fees are recommended by the Board for approval at the Company's AGM. The Non-Executive and Independent Directors should not be over compensated to the extent that their independence may be compromised and no Director is involved in deciding his own remuneration.

The Executive Directors do not receive Directors' fees. The remuneration packages of the Executive Directors and the key management personnel comprise primarily a basic salary and a variable component, which is inclusive of bonuses, based on the performance of the Group as a whole, the individual Director's performance and other benefits. This performance-related remuneration aligns the interests of the Executive Directors and key management personnel with that of the shareholders and promotes the long-term success of the Company.

In addition, the Company has implemented long-term incentive schemes, as described under Principle 7. The RGSOS, RGPSP, RGSOS 2017 and RGPSP 2017 are structured with deferred vesting schedules, whereby only a portion of the benefits can be exercised each year, the previous Schemes which were adopted in 2007 has expired in 2017. The Directors and key management personnel are strongly encouraged to hold their shares beyond the vesting period.

The Company has adopted a Share Trading Policy outlined the guidance and requirements to govern the trading of the Company's shares held by the Directors and key management personnel of the Company.

The service contracts entered into with the three (3) Executive Directors, namely (1) Mr Aditya Wisnuwardana Seky Soeryadjaya, (2) Mr Daniel Zier Johannes Jol and (3) Mr Lee Seck Hwee are subject to review by the RC. The service agreements include a fixed term of appointment with termination by either party giving to the other not less than six (6) months prior written notice. The Company will review, consider and adopt contractual provisions in the service agreements or employment agreements to reclaim incentive components of remuneration paid in prior years from the Executive Directors and key management personnel.

During the year the RC has seek independent expert advice on the remuneration of Executive Directors and Independent Directors.

#### **DISCLOSURE ON REMUNERATION**

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and Key Management personnel, and performance.

A breakdown showing the level and mix of each Director's and Key Management personnel's remuneration for the financial year ended 31 December 2017 is set out below:

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Salary (%)	Bonus/Profit Sharing (%)	Benefits- In-Kind (%)	Share Options (%)	Share Awards (%)	Directors' Fees (%) <sup>(2)</sup>	Total (%)
44.210	43.270	5.930	0.00	6.590	0.00	100
61.207	5.100	20.234	0.00	13.459	0.00	100
78.407	6.534	7.610	0.00	7.449	0.00	100
0.00 0.00 0.00	0.00 0.00 0.00	0.00 0.00 0.00	0.00 0.00 0.00	11.50 11.35 11.35	88.50 88.65 88.65	100 100 100
	(%) 44.210 61.207 78.407 0.00 0.00	Salary (%)         Sharing (%)           44.210         43.270           61.207         5.100           78.407         6.534           0.00         0.00           0.00         0.00	Salary (%)         Sharing (%)         In-Kind (%)           44.210         43.270         5.930           61.207         5.100         20.234           78.407         6.534         7.610           0.00         0.00         0.00           0.00         0.00         0.00	Salary (%)         Sharing (%)         In-Kind (%)         Options (%)           44.210         43.270         5.930         0.00           61.207         5.100         20.234         0.00           78.407         6.534         7.610         0.00           0.00         0.00         0.00         0.00           0.00         0.00         0.00         0.00	Salary (%)         Sharing (%)         In-Kind (%)         Options (%)         Awards (%)           44.210         43.270         5.930         0.00         6.590           61.207         5.100         20.234         0.00         13.459           78.407         6.534         7.610         0.00         7.449           0.00         0.00         0.00         0.00         11.50           0.00         0.00         0.00         0.00         11.35	Salary (%)         Sharing (%)         In-Kind (%)         Options (%)         Awards (%)         Fees (%)           44.210         43.270         5.930         0.00         6.590         0.00           61.207         5.100         20.234         0.00         13.459         0.00           78.407         6.534         7.610         0.00         7.449         0.00           0.00         0.00         0.00         11.50         88.50           0.00         0.00         0.00         11.35         88.65

#### Notes:

- (1) Son of substantial shareholder, Mr Edward Sekv Soervadiava.
- (2) Directors' Fees for FY2017 were approved by shareholders on 24 April 2017.

#### Top 2 Key Management Personnel of the Group

There are only two (2) Key Management personnel of the Group and the gross remuneration received by these 2 key management personnel was as follows:-

Range	No. of Executives
S\$250,001 to S\$500,000	1
S\$500,000 to S\$750,000	1

The aggregate total remuneration paid to the two (2) Key Management personnel (who are not Directors or the CEO) for FY2017 was approximately \$\$844,000.

The Board believes that it is for the benefit of the Company and the Group that the remuneration of the Executive Directors is kept confidential due to its sensitive nature. Similarly, the remuneration of the top executives (who are not Directors of the Company) was shown on a "no-name" basis due to the Company's concern over poaching of these Executives by competitors.

There were no termination, retirement or post-employment benefits granted to Directors and key management personnel other than the standard contractual notice period termination payment in lieu of service for the FY 2017.

#### Remuneration of Employee Related to Director

There are no employees of the Company and its subsidiaries who are immediate family members of a Director or CEO during FY2017 whose remuneration exceeded \$\$50,000 during FY2017.

#### **ACCOUNTABILITY AND AUDIT**

#### Accountability

# Principle 10: The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

The Board understands its accountability to the shareholders on the Group's position, performance and progress. The objectives of the presentation of the annual audited financial statements, full-year and quarterly results to its shareholders are to provide the shareholders with a balanced and understandable analysis and explanation of the Group's financial performance, position and prospects.

In line with the SGX Listing Rules, the Board provides a negative assurance statement to the shareholders in respect of the interim financial statements. For the financial year under review, the CEO and the CFO have provided assurance to the Board on the integrity of the Group's financial statements.

The Board is updated with significant events that have occurred or material to the Group during the financial year. The Management provides the Board with a continual flow of relevant information on a timely basis as well as quarterly management accounts of the Group such that it may effectively discharge its duties. The Management understands its role to provide all members of the Board with appropriate management reports in a balanced and understandable assessment of the Group's performance, position and prospects. Particularly, prior to the release of quarterly and full year results to the public, Management will present the Group's financial performance together with explanatory details of its operations to the AC, which will review and recommend the same to the Board for approval and authorisation for the release of the results.

The Board also takes adequate steps to ensure compliance with legislative and regulatory requirements. For instance, subsequent to the implementation of the Personal Data Protection Act, which took effect from 2 July 2014, the Board reviewed and established a written Personal Data Protection Policy for the Company.

The Directors and key Executive Officers have provided undertakings of compliance with the requirements of the SGX in accordance with Rule 720(1).

#### **RISK MANAGEMENT AND INTERNAL CONTROLS**

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board is responsible for the overall internal control framework. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss. The internal controls in place will address the financial, operational, compliance and information technology risks.

The Group has in place a Risk Management Committee ("RMC") comprising Executive Directors and senior management to assist the Board in its oversight of risk governance and risk management in the Group.

An Enterprise Risk Management ("**ERM**") programme has been implemented to identify, prioritise, assess, manage and monitor key risks. The risk management process in place addresses, *inter alia*, financial, operational (including information technology) and compliance risks faced by the Group. Key risks identified are deliberated by senior management and reported to the RMC on a quarterly basis. The RMC reviews the adequacy and effectiveness of the ERM programme against identified significant risks vis-à-vis changes in the Group's operating environment. Action plans to manage the risks are continually being monitored and refined by the Management and the Board.

Complementing the ERM programme is a Group-wide system of internal controls, which includes the Code of Conduct, documented policies and procedures, proper segregation of duties and approval procedures and authorities.

To ensure that internal controls and risk management processes are adequate and effective, the AC is assisted by various independent professional service providers. The assistance of the internal and external auditors enabled the AC to carry out assessments of the adequacy and effectiveness of key internal controls during the year. Any material non-compliance or weaknesses in internal controls or recommendations from the internal and external auditors to further improve the internal controls were reported to the AC. The AC will also follow up on actions taken by the Management on the recommendations made by the internal and external auditors.

The Directors have received assurances from the CEO, the CFO and Management of the subsidiaries in the form of representation letters that (a) the financial records have been properly maintained, the financial statements are in accordance with the Companies Act and Singapore Financial Reporting Standards and are not false or misleading in any material aspect, and give a true and fair view of the Group's operations and finances; and (b) the risk management and internal control systems are operating effectively to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations.

Based on the internal controls and risk management processes established and maintained by the Group, the work performed by the internal and external auditors, and the reviews performed by the Management and the Board with the concurrence of the AC, the Board is of the opinion that the Group's system of internal controls and risk management procedures are adequate and effective as at 31 December 2017, in addressing the financial, operational (including information technology) and compliance risks of the Group. The Board acknowledges that the internal controls and risk management systems in place provide reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

#### **AUDIT COMMITTEE**

Principle 12: The Board should establish an AC with written terms of reference which clearly set out its authority and duties.

The AC currently comprises three (3) Directors, the majority of whom are independent. Mr Tay Ah Kong Bernard chairs the AC. The other members are Mr Chee Teck Kwong Patrick and Mr Tan Chong Huat.

The Board is of the view that the members of the AC are appropriately qualified in that they have sufficient accounting or related financial management expertise and experiences to discharge the AC's function.

The AC comprises members who have sufficient and recent experience in finance, legal and business fields. The members of the AC are kept updated on changes to accounting standards and issues which have a direct impact on the financial statements through seminars, courses and briefings by the external professionals.

The role of the AC is to assist the Board with discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records and develop and maintain effective systems of internal control.

The terms of reference of the AC is in accordance with the guidelines recommended in the guidebook by the Audit Committee Guidance Committee released in August 2014 and the Code.

The principal responsibilities of the AC are set out in the terms of reference and its key functions include:

- Reviewing with the Group's external auditors, their audit plan, evaluation of the internal accounting controls, scope and results of the external audit report, any matters which the external auditors wish to discuss and their independence and objectivity of the external auditors;
- Reviewing the Group's financial reports to ensure its integrity and all financial announcements relating to the Group's financial performance for submission to the Board for approval;
- Reviewing with the internal auditors ("IA") the scope and results of internal audit procedures, as well as the effectiveness of the internal audit function and their evaluation of the Company's internal controls, including financial, operational, compliance and information technology controls
- Reporting to the Board the adequacy and effectiveness of the company's internal controls, including financial, operational, compliance and information technology controls;
- Reviewing interested person transactions in accordance with the requirements of the SGX-ST Listing Manual;
- Evaluating the scope and results of the audit and its cost effectiveness and the objectivity and independence of the external auditors annually;
- Reviewing the Company's procedures for detecting fraud and whistle-blowing policy endorsed by the AC and ensure that arrangements are in place by which the Group's personnel may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control, or any other matters; and
- Consider and make recommendations to the Board on the proposals to the shareholders on the appointment or re-appointment of the external auditors, approving the remuneration and terms of engagement of the external auditors, and matters relating to resignation or dismissal of the auditors.

The AC has the explicit authority to investigate any matter within its terms of reference and will have full access to and co-operation by the Group's management. It has the discretion to invite any Director or member of the Group's management to its meetings. The AC has been given reasonable resources to enable it to discharge its functions properly. The AC has, within its terms of reference, the authority to obtain independent professional advice and reasonable resources at the Company's expense to enable it to discharge its functions properly.

Where, by virtue of any vacancy in the membership of the AC for any reason, the number of members is reduced to less than three (3), the Board shall, within three (3) months thereafter, appoint such number of new members to the AC. The AC meets at least four (4) times a year and as and when necessary.

Apart from the duties listed above, the AC shall commission and review the findings of internal investigations into matters when there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position.

Each member of the AC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the AC in respect of matters in which he is interested.

Annually, the AC meets with the internal and external auditors separately without the presence of the Management to review any matter that might be raised. For the financial year under review, the AC had reviewed the non-audit services provided by the external auditors, which comprise tax advisory services and was satisfied to the extent that such services would not prejudice the independence and objectivity of the external auditors. The fees that were charged to the Group by the external auditors for audit and non-audit services were approximately S\$154,000 and S\$70,000 respectively for the financial year ended 31 December 2017.

In July 2010, SGX-ST and ACRA launched the "Guidance to Audit Committees on Evaluation of Quality of Work performed by External Auditors" (the "Guidance") which aims to facilitate the AC in evaluating the external auditors. In October 2015, with the support from SGX and Singapore Institute of Directors, ACRA issued the Audit Quality Indicators ("AQIs") Disclosure Framework to assist the AC in the said evaluation. Accordingly, the AC had evaluated the performance of the external auditors based on the AQIs, such as performance, adequacy of resources and experience of their audit engagement partner and auditing team assigned to the Group's audit, taking into account the size and complexity of the Group.

With the introduction of the new and revised Auditor Reporting Standards applicable to the audit of financial statements for periods ending on or after 15 December 2016, the external auditors are required to include the Key Audit Matters ("KAM") in the Company's Annual Report. KAM typically include significant risk areas of the financial statements most susceptible to misstatements, involving key judgements and estimates, as well as major transactions that require extensive auditing efforts.

The AC has considered and discussed, together with the external auditors and the Management, on the approach and methodology applied by the external auditors in relation to the assessment of judgements and estimates on the significant matters reported in the KAM.

Changes to accounting standards and accounting issues which have a direct impact on the financial statements were reported and highlighted by the external auditor in their meetings with the AC. No former partner or Director of the Company's existing auditing firm has acted as a member of the AC.

The AC has undertaken a review of the services, scope, independence and objectivity of the external auditors, Ernst & Young LLP. The external auditors of the Company, has confirmed that they are a Public and Chartered Accounting Firm registered with ACRA and provided a confirmation of their independence to the AC. Having assessed the external auditors based on factors, such as performance and quality of their audit partners and auditing team, their overall qualification and their independence status, the AC is satisfied that Rule 712(2)(a) of the Listing Manual of the SGX-ST has been complied with. In this regard, the AC recommends to the Board the nomination of Ernst & Young LLP for re-appointment as the external auditor at the forthcoming AGM.

The AC and Board of Directors of the Company confirmed that in appointing the auditing firms for the Company, subsidiaries and significant associated companies, the Group has complied with SGX-ST Listing Rules 712 and 715 respectively.

#### Fraud and Whistle-Blowing Policy

The AC has in consultation with the Board, initiated the implementation of fraud and whistle-blowing policy for all employees including overseas subsidiaries and associates of the Group. This policy aims to provide an avenue for employees to raise concerns and provide reassurance that they will be protected from reprisals or victimisation for raising any concerns about incidents of fraud and whistle-blowing in good faith.

The Board noted that no incidents in relation to the fraud and whistle-blowing matters have been raised during the year by any staff to indicate possible improprieties in matters of financial reporting, financial control, or any other matters.

#### INTERNAL AUDIT

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Company has appointed KPMG Services Pte. Ltd. as its IA, to conduct the internal audits for FY2017.

The IA are adequately resourced with competent professionals and reported directly to the Chairman of the AC. In discharging its responsibilities, the IA have full access to the Company's documents, records and personnel.

The AC reviewed and approved the annual internal audit plans, ensured that the internal functions were adequately resourced with competence and had appropriate standing within the Group and cooperation of the Management to carry out its duties effectively. The IA assist the AC in reviewing the adequacy and effectiveness of key internal controls in accordance with the internal audit plan at least annually and all key findings, recommendations and corrective action plans are reported and presented to the AC and senior management. Information on outstanding issues and follow up on the recommendations are included in the quarterly reports to the AC, the Chairman of the Board and senior management

In carrying out its duties, the IA have adopted the Standards for Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The AC also met with the internal and external auditors, without Management's presence, to discuss the reasonableness of the financial reporting process, the system of internal controls and the significant comments and recommendations by the IA.

The AC reviews the adequacy and effectiveness of the internal audit function annually and as and when the circumstances require.

#### SHAREHOLDER RIGHTS AND RESPONSIBILITIES

#### **Shareholder Rights**

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

In line with the continuous obligations of the Company under SGX-ST Listing Manual and the Companies Act, high standard of transparent corporate disclosure, the Board firmly believes that all shareholders should be equally and on a timely basis be informed of all major developments that would be likely to materially impact the Group. All material and price-sensitive information of the Company are released through SGXNet and the Company recognises that regular, effective, timely and fair communication with shareholders is essential to enable its shareholders to make informed decisions about the Company.

All shareholders of the Company will receive the Annual Report together with the notice of AGM by post, published in a newspaper and via SGXNet within the mandatory period. Besides that, all the shareholders also will receive the relevant circular together with the notice of Extraordinary General Meeting ("EGM") by post, published in a newspaper and via SGXNet. Accompanying the notice of AGM and EGM, a copy of the proxy form is attached for the shareholders so that the shareholders may appoint maximum up to two (2) proxies to attend, vote and question the Board and Management, for and on behalf of the shareholders who are not able to attend the general meetings personally.

In view of the above, all the shareholders are given an opportunity to participate effectively and vote at the general meetings.

# Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company adopts the practice of providing adequate and timely disclosure of material information to its shareholders. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly as soon as practicable.

The Company treats all its shareholders fairly and equitably and keeps all its shareholders and other stakeholder informed of its corporate activities, including changes in the Company and its business which would be likely to materially affect the price or value of its shares, on a timely basis.

Communication is made through:-

- Annual Reports that are prepared and sent to all shareholders. The Board ensures that the Annual Report includes all relevant information about the Company and the Group, including future developments and other disclosures required by the Singapore Companies Act and Singapore Financial Reporting Standards;
- Quarterly announcements containing a summary of the financial information and affairs of the Group for that period;
- Notices of an explanatory memoranda for AGM and EGM;
- Press and news releases on major developments of the Company and the Group;
- Disclosure of all major announcements to the SGX-ST; and
- The Company's website at http://www.ramba.com at which our shareholders can access financial information, corporate announcements, press releases, Annual Reports and a profile of the Group.

Although the Company currently does not have an investor relations policy, the Company has engaged RHT Communications & Investor Relations Pte. Ltd. for investor relation matters and to assist with the effective communication between the Company and shareholders.

The Company does not practice selective disclosure and price sensitive information is first publicly released through SGXNet prior to the Company meeting with any investors or analysts. All shareholders of the Company will receive the Annual Report with notice of AGM and/or the relevant circular with notice of EGM.

#### **Dividend Policy**

The Company is committed to enhancing value for its shareholders and strives to achieve an efficient capital structure that balances the returns to shareholders with the Company's capital need for investment and growth. The Board will review the frequency, form and amount of dividend to be declared and paid, depending on the Group's profit, cash flow, capital requirements for investment and growth, general business conditions and other considerations.

Principle 16: Companies should encourage greater shareholder participation at AGMs, and allow shareholder the opportunity to communicate their views on various matters affecting the company.

Our shareholders are encouraged to attend the AGM to ensure a high level of accountability and to be updated on the Company's strategies and goals. Notice of the AGM is dispatched to shareholders, together with explanatory notes or a circular on items of special businesses (if necessary), at least fourteen (14) clear calendar days before the meeting for ordinary resolutions and/or twenty-one (21) clear calendar days before the meeting for special resolutions. The Board welcomes questions from shareholders who wish to raise issues concerning the Company, either informally or formally, before or during the AGM. Voting procedures and rules that govern general meetings of shareholders are clearly disclosed to the shareholders in the AGM.

The Chairman, Board members, Senior Management and the Company Secretary are present at general meetings to respond to questions from shareholders. Furthermore, the external auditors are present to assist the Board in addressing any relevant queries by the shareholders.

The Company's Constitution allows corporations and members of the Company to appoint one (1) or two (2) proxies to attend and vote at general meetings. A Relevant Intermediary¹ may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her (which number and class of shares shall be specified). An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the general meeting in person. CPF and SRS Investors who are unable to attend the general meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the general meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the general meeting.

Every matter requiring shareholders' approval is proposed as a separate resolution at the general meeting to address each distinct issue and all the resolutions are put to vote by poll. To promote greater transparency and effective participation, the Company has implemented the system of voting of all its resolutions by poll at all its general meetings since the general meetings for the financial year ended 31 December 2015. Independent Scrutineer will be appointed to assist in the counting and validation of votes during the AGM. Results of each resolution put to vote at the AGM and EGM will be announced with the detailed voting results, including the total number and/or percentage of votes cast for or against each resolution tabled in the AGM and EGM, immediately at the AGM and EGM and via SGXNet.

Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution.

The Company Secretary and/or his representatives prepares minutes of general meetings incorporating the substantial and relevant comments or queries from shareholders that is relevant to the agenda of the meeting and responses from the Board and Management. Such minutes are available to shareholders upon their request.

<sup>1</sup> A Relevant Intermediary is:

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

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

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

#### **MATERIAL CONTRACTS**

Save as disclosed in the Directors' Statement and notes to the financial statements, there are no other material contracts of the Company or its subsidiaries involving the interest of any Director or controlling shareholders subsisting as at FY2017 or have been entered into since the end of the previous financial year.

#### **INTERESTED PERSON TRANSACTIONS**

The Board is mindful of its obligations to comply with Chapter 9 of the SGX-ST Listing Manual in respect of interested person transactions ("IPTs"). The AC reviews the IPTs as and when they arise and on a quarterly basis to ensure that the relevant disclosure on the transactions is complied with and that all IPTs are conducted at arm's length and on normal commercial terms. In addition, where there is a potential conflict of interest, the Board ensures that the Director involved does not participate in discussions and refrains from exercising any influence over other matters of the Board.

The following is the aggregate value of all transactions with Interested Persons (as defined in Chapter 9 of the Listing Manual of the SGX-ST) for FY2017:

Name of Interested Person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)
Rental of office space from PT Ortus Kapital Indonesia	S\$248,000

Save as disclosed above and in the Director's Statement and notes to the financial statements, there were no interested party transactions except as disclosed above equal to or exceeding S\$100,000 in aggregate between the Company and any of its Interested Persons (namely, Directors, executive officers or controlling shareholders of the Group or the associates of such Directors, executive officers or controlling shareholders) subsisting for FY2017.

#### **DEALINGS IN SECURITIES**

The Company has adopted its own internal Code of Conduct to provide guidance to all officers and employees of the Company and its subsidiaries with regard to dealings in the Company's securities in compliance with Rule 1207(19) of the Listing Manual of the SGX-ST. In compliance with the SGX-ST Listing Manual, the Group's officers and employees are prohibited from dealing in the Company's securities while in possession of unpublished price-sensitive information of the Group, as well as during the periods commencing two (2) weeks before the announcement of the Company's quarterly results and one (1) month before the announcement of the Company's full year results and ending on the date of the announcement of the relevant results.

Directors and executives are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period. They are also encouraged not to deal in the Company's securities on short-term considerations.

#### **WARRANTS ISSUED**

The Company issued 56,618,703 Warrants pursuant to a Rights cum Warrants exercise in 2016. Each Warrant shall carry the right to subscribe for one (1) ordinary share in the capital of the Company (the "Warrant Share") at the exercise price of S\$0.20 for each Warrant Share.

The date of expiry of the Warrants is 18 September 2019, being the date immediately preceding the third anniversary of the date of issuance the Warrants on 19 September 2016. No warrants were exercised during the year 2017.

#### **NON-CONFLICT OF INTERESTS**

Mr Tan Chong Huat, non-executive Chairman of the Company, has declared to the Directors that he is the Managing Partner of RHTLaw Taylor Wessing LLP ("RHTLaw Taylor Wessing"). Mr Tan Chong Huat has also declared to the Directors that he is a Director and Shareholder of RHT Lex Ultra Pte. Ltd., the legal and beneficial shareholder of RHT Group of Companies ("RHT GOC") which includes RHT Corporate Advisory Pte. Ltd. ("RHT Corporate Advisory") and RHT Capital Pte. Ltd. ("RHT Capital"). We are not presently aware of any conflict of interest arising from his aforesaid roles. He abstains from any voting on any resolution where it relates to the appointment of RHTLaw Taylor Wessing or RHT Corporate Advisory and their related companies.

Mr Tay Ah Kong Bernard, AC Chairman of the Company, has declared to the Directors that he is a Non-Executive Director of RHT Rajah Menon Foundation Limited and RHT Capital. Mr Tay Ah Kong Bernard is appointed as the Independent Non-Executive Chairman of the Board and a member of the Risk Committee of RHT Capital which, *inter-alia*, oversees and advises on all risk, independence and conflict of interest aspects of RHT Capital's activities. Mr Tay Ah Kong Bernard is not a shareholder of RHT Capital. The NC with the concurrence of the Board is of the view that there is no conflict of interest arising from his aforesaid roles. He abstains from any voting on any resolution where it relates to the appointment of RHTLaw Taylor Wessing or RHT Corporate Advisory or any companies related to RHT GOC.

# APPLICATION FOR WAIVER FROM REQUIREMENT TO INCLUDE QUALIFIED PERSON REPORT ("QPR") IN THE ANNUAL REPORT

The Company has on 2 March 2018 submitted an application to SGX-ST to seek waiver of the Annual Report QPR disclosure requirements in Rule 1207(21)(a) and Practice Note 6.3 for Mineral, Oil and Gas Companies in the SGX-ST Listing Manual to include a QPR in the Company's annual report for the financial year ended December 2017 ("AR2017") for the following reasons:-

- (i) The bulk of the information required to be included in the QPR (as prescribed by Practice Note 6.3 of the SGX Listing Manual, and particularly, paragraph 5) is of a highly confidential and sensitive nature. The inclusion of such information in the AR2017 will affect the Company's competitive ability and expose it to potential liability and sanctions. A material amount of technical information on the Company's contract areas, including any geological, geophysical, petrophysical, engineering, well logs and completion, status reports and other data, is proprietary to the Government of Indonesia as a matter of law and contract. Permission from the relevant Indonesian authorities is required to be sought before public disclosure of such proprietary data. There is no certainty that approval for such public disclosure will be granted;
- (ii) The QPR contains extensive and detailed technical information which are complex and lengthy. Much of this information is intended for professionals. Such technical information, if disclosed, may be more advantageous to competitors instead of shareholders;
- (iii) The cost of including the QPR in the Company's annual report with the added logistics, time and resources required would cause excessive burdens on the Company. Furthermore, the potential costs, repercussions and prejudice to the interests of the Company and its shareholders out-weigh the benefit of including the information required to be disclosed by the Company under Rule 1207(21)(a) and Practice Note 6.3 of the Listing Manual; and
- (iv) As the Company is listed on the SGX-ST, the Company is also subject to periodic and continuous disclosure requirements under its respective listing rules and applicable laws, including financial reports and activities statements. Shareholders may refer to these announcements for information and would not be unduly prejudiced by a waiver granted to the Company.

Having reviewed the Company's application, SGX-ST responded that it has no objections to the Company's application for a waiver from compliance with Listing Rule 1207(21)(a) and Practice Note 6.3 of the SGX-ST Listing Manual for AR2017 and has no objection for the Company to disclose, by way of an announcement on the SGXNet ("**QPR Announcement**") before the upcoming Annual General Meeting, (i) the information required under paragraphs 2 and 5.4(e) of Practice Note 6.3 of the Listing

Manual and (ii) a confirmation statement by the qualified person that the information disclosed in accordance with (i) has been fully and accurately extracted from the QPR. The Company had released an announcement regarding SGX-ST's decision via the SGXNet on 4 April 2018 and will release the QPR Announcement in due course.

A copy of the QPR in CD-ROM will also be submitted for SGX-ST's records.

#### PARTICULARS OF DIRECTORS PURSUANT TO THE CODE OF CORPORATE GOVERNANCE

Name of Director	Academic/ Professional Qualifications	Board Appointment Executive/ Non-executive	Board Committees as Chairman or Member	Directorship Date First Appointed	Directorship/ in other Listed Companies and other major appointments	Past Directorships in other Listed Companies and other major appointments over the preceding 3 years
Mr Tan Chong Huat	Bachelor of Law degree from the National University of Singapore and Master of Law degree from the University of London.  He is an Advocate and Solicitor in Singapore, England and Wales, and New South Wales, Australia, a Notary Public and a Commissioner for Oaths	Non-executive Chairman and Non-independent Director	Member of the Audit Committee, Nominating Committee, and Remuneration Committee, and Non-executive Chairman of the Board	17 Feb 2004	Ascendas Trust Management Pte. Ltd.     Ascendas Hospitality Fund Management Pte. Ltd.     P99 Holdings Limited     Takbo Group Holdings Limited (listed on The Stock Exchange of Hong Kong Limited) (with effect from 29 September 2017)     Deputy Chairman of SGX Disciplinary Committee (with effect from 1 April 2017)	SIIC Environment Holdings Ltd.
Mr Aditya Wisnuwardana Seky Soeryadjaya	Bachelor of Science degree in Accounting from the University of Southern California in Los Angeles, California, United States of America	Chief Executive Officer and Executive Director	NIL	30 Jun 2008	NIL	NIL
Mr Daniel Zier Johannes Jol	Bachelor of Science degree in Civil Engineering from Purdue University in West Lafayette, Indiana, United States of America and Master in Business Administration degree from the National University of Singapore	Commercial Director and Executive Director	NIL	17 Nov 2008	NIL	NIL

Name of Director	Academic/ Professional Qualifications	Board Appointment Executive/ Non-executive	Board Committees as Chairman or Member	Directorship Date First Appointed	Directorship/ in other Listed Companies and other major appointments	Past Directorships in other Listed Companies and other major appointments over the preceding 3 years
Mr Lee Seck Hwee	He is a Chartered Certified Accountant of United Kingdom and a Chartered Accountant of Singapore. He holds a Master of Applied Finance from Macquarie University in Australia. He is also a Fellow of the Association of Chartered Certified Accountants of United Kingdom and the Institute of Singapore Chartered Accountants, and a member of the Singapore Institute of Directors.	Chief Financial Officer and Executive Director	NIL	28 April 2016	NIL	NIL
Mr Chee Teck Kwong Patrick	Bachelor of Law (Hons) degree from the University of Singapore. He is an Advocate and Solicitor of the Supreme Court of the Republic of Singapore, a Notary Public and a Commissioner for Oaths. He is admitted as a Solicitor of the Senior Courts of England and Wales.	Independent Director	Chairman of the Nominating Committee and Remuneration Committee, and member of the Audit Committee	17 Feb 2004	CSC Holdings Limited Hai Leck Holdings Limited China International Holdings Limited	Hengxin Technology Ltd Tat Seng Packaging Group Ltd Hanwell Holdings Limited
Mr Tay Ah Kong Bernard	Fellow of the Association of the Chartered Certified Accountants of United Kingdom, the Institute of Singapore Chartered Accountants, and the Singapore Institute of Directors. He is also a Chartered Accountant of Malaysia.	Independent Director	Chairman of the Audit Committee, member of the Nominating Committee and Remuneration Committee	4 Jun 2008	China Hongxing Sports Limited	Hengxin     Technology Ltd     China     Yongsheng     Limited     OEL (Holdings)     Limited     SIIC     Environment     Holdings Ltd

The details on shareholdings of the Directors are disclosed on page 50 of the Annual Report under Directors' Interest in Shares or Debentures section of the Directors' Statement.

# **FINANCIAL STATEMENTS**

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The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Ramba Energy Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2017.

#### **Opinion of the Directors**

In the opinion of the Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position 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 2017 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

#### **Directors**

The Directors of the Company in office at the date of this statement are:

Tan Chong Huat Aditya Wisnuwardana Seky Soeryadjaya - Chief Executive Officer/Executive Director Daniel Zier Johannes Jol Lee Seck Hwee Chee Teck Kwong Patrick Tay Ah Kong Bernard

- Non-Executive Chairman/Director
- Commercial Director/Executive Director
- Chief Financial Officer/Executive Director
- Independent Director
- Independent Director

In accordance with Regulation 111 of the Company's Constitution, Mr Chee Teck Kwong Patrick and Mr Lee Seck Hwee retire and being eligible for, offer themselves for re-election at the forthcoming AGM.

#### Arrangements to enable Directors to acquire shares and debentures

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

#### **Directors' interests in shares**

The following Directors, who held office at the end of the financial year, had, according to the register of Directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares, share options and warrants of the Company as stated below:

Name of Director	At the beginning of financial year or date of	At the end of
	appointment	financial year
The Company		
Aditya Wisnuwardana Seky Soeryadjaya	100 100 50 4*	160.656.057*
<ul><li>Ordinary shares</li><li>Options to subscribe for ordinary shares between</li></ul>	162,196,564*	162,656,053*
14/9/2016 to 22/3/2018	1,084,086	595,325
- Warrants	46,000,000	46,000,000
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	.,,
Daniel Zier Johannes Jol		
- Ordinary shares	8,472,732	8,942,662
- Options to subscribe for ordinary shares between		
14/9/2016 to 1/3/2021	8,771,814	8,237,307
Lee Seck Hwee		
- Ordinary shares	896.417	1,050,427
- Warrants	149,600	149,600
	,,,,,,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Tan Chong Huat		
- Ordinary shares	2,774,822	2,923,897
- Warrants	462,500	462,500
Chan Took Kwang Datrick		
Chee Teck Kwong Patrick - Ordinary shares	300,000	417,482
- Warrants	50,000	50,000
	20,000	20,000
Tay Ah Kong Bernard		
- Ordinary shares	2,124,564	2,242,046
- Warrants	354,094	354,094

<sup>\*</sup> Mr Aditya Wisnuwardana Seky Soeryadjaya is deemed to be interested in 107,699,200 shares held on trust by Telecour Limited pursuant to Section 7 of the Companies Act.

There were no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2018.

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

#### **Share Scheme**

At an Extraordinary General Meeting held in 2007, the Company's shareholders approved the Ramba Group Share Option Scheme ("**RGSOS**") and Ramba Group Performance Share Plan ("**RGPSP**") for the granting of non-transferable options and share awards, which are settled by physical delivery of ordinary shares of the Company, to eligible senior executives and employees.

The RGSOS and RGPSP has expired on 25th April 2017 and on the same day, the Company announced that an Extraordinary General Meeting was held on 24th April 2017 and the Company's shareholders have approved and adopted a new share option scheme to be known as the Ramba Group Share Option Scheme 2017 ("RGSOS 2017") and a performance share plan known as Ramba Group Performance Share Plan 2017 ("RGPSP 2017").

The Remuneration Committee ("RC") is responsible for administering the RGSOS and the RGPSP.

The RC comprises three Directors, Mr Chee Teck Kwong Patrick (Chairman), Mr Tan Chong Huat and Mr Tay Ah Kong Bernard.

Both RGSOS 2017 and RGPSP 2017 will provide employees of the Group with an opportunity to participate in the equity of the Company and to attract, retain and motivate them towards better performance through increased dedication and loyalty.

The RGSOS 2017 and RGPSP 2017 are designed to complement each other in the Company's efforts to reward, retain and motivate employees to achieve better performance. The aim of implementing more than one incentive plan is to grant the Company the flexibility in tailoring reward and incentive packages suitable for each group of the Participants by providing an additional tool to motivate, reward and retain employees so that the Company can offer compensation packages that are competitive.

Each of the RGSOS 2017 and RGPSP 2017 shall continue in force at the discretion of the RC subject to a maximum period of 10 years commencing on the date it is adopted by the Company in general meeting, provided always that it may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

#### **Share Options**

No share options were granted during the year.

At the end of the financial year, details of the options granted under the RGSOS, are as follows:

Date of grant of options	Adjusted exercise price of the options	Options outstanding at 01/01/2017	Options granted	Options lapsed and cancelled	Adjustment during the year	Options expired	Options outstanding at 31/12/2017
14/09/2012	S\$0.3326	1,023,268	-	_	_	(1,023,268)	_
22/03/2013	S\$0.5090	1,403,974	-	-	-	-	1,403,974
26/02/2014	S\$0.5039	808,649	-	-	-	-	808,649
16/02/2015	S\$0.2885	1,539,906	_	-	-	-	1,539,906
01/03/2016	S\$0.1800	5,080,103					5,080,103
		9,855,900		_		(1,023,268)	8,832,632

#### **Share Options** (Continued)

Details of the options to subscribe for ordinary shares of the Company granted to the Directors of the Company pursuant to the RGSOS are as follows:

Name of Director	Balance as at 01/01/2017	Options granted during the year	Aggregate options granted since commencement of Scheme to 31/12/2017	Aggregate options expired since commencement of Scheme to 31/12/2017	Options adjusted	Aggregate options exercised	Aggregate option lapsed and cancelled	Aggregate options outstanding as at 31/12/2017
Aditya Wisnuwardana Seky Soeryadjaya Daniel Zier	1,084,086	-	-	(488,761)	-	-	(488,761)	595,325
Johannes Jol	8,771,814 9.855,900		-	(534,507)	-	-	(534,507)	8,237,307 8,832,632

Since the commencement of the RGSOS and RGSOS 2017 till the later of the expiry date or end of the financial year:

- No options have been granted to the controlling shareholders of the Company and their associates as disclosed above;
- No participants other than the Directors mentioned above have received 5% or more of the total options available under the plans;
- No options have been granted to Directors and employees of the immediate and ultimate holding company and its subsidiaries, excluding the Group;
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted; and
- No options have been granted at a discount of more than 20% of the weighted average price on the day the options were granted.

#### **Share Awards**

During the year, the Company vested 2,232,755 (2016: 19,489,571) by way of allotment of new shares under the RGPSP. At the end of the reporting period, the total number of outstanding share awards and bonus awards granted by the Company to the employees and Directors amounted to 2,836,564 (2016: 5,093,000).

#### **Share Awards** (Continued)

As at 31 December 2017, details of share awards and bonus share awards granted to the Directors of the Company under the RGPSP are set out as below:

Name of Divastor	Balance as at	New	Granted during	Vested during	Lapsed and	Adjustments during	Balance as at
Name of Director	01/01/2017	appointment	the year	the year	cancelled	the year	31/12/2017
Share award							
Aditya Wisnuwardana							
Seky Soeryadjaya	287,289	-	-	(287,289)	-	-	-
Daniel Zier Johannes Jol	778,939	-	-	(469,930)	-	-	309,009
Lee Seck Hwee	255,697	-	-	(154,010)	_	-	101,687
Tan Chong Huat	246,813	-	-	(149,075)	-	-	97,738
Chee Teck Kwong							
Patrick	194,487	-	-	(117,482)	-	-	77,005
Tay Ah Kong Bernard	194,487			(117,482)			77,005
	1,957,712	_		(1,295,268)		_	662,444
Bonus share award							
Daniel Zier Johannes Jol	691,074	-	-	-	-	-	691,074
Lee Seck Hwee	256,684	-	-	-	-	-	256,684
Tan Chong Huat	135,846	-	-	-	-	-	135,846
Chee Teck Kwong							
Patrick	108,598	-	-	-	-	-	108,598
Tay Ah Kong Bernard	108,598						108,598
	1,300,800	_					1,300,800

#### Warrants

The Company issued 56,618,703 Warrants pursuant to a Rights cum Warrants exercise in 2016. Each Warrant shall carry the right to subscribe for one (1) ordinary share in the capital of the Company (the "Warrant Shares") at the exercise price of S\$0.20 for each Warrant Share.

The date of expiry of the Warrants is 18 September 2019, being the date immediately preceding the third anniversary of the date of issuance the Warrants on 19 September 2016. No Warrants were exercised during the year 2017.

#### Warrants (Continued)

The movements of warrants during the financial year were as follows:

Date of issue	Exercise price of warrants	Balance at 01/01/2017	Granted during the financial year	Exercised during the financial year	Expired during the financial year	Balance at 31/12/2017
19/09/2016	S\$0.20	56,618,703				56,618,703

#### **Audit Committee**

The Audit Committee ("AC") comprises three Board members, all of whom are Non-Executive Directors. The majority of the members, including the Chairman, are independent. The members of the AC during the financial year and at the date of this report are:

Tay Ah Kong Bernard - Chairman Tan Chong Huat Chee Teck Kwong Patrick

The AC carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act, Chapter 50, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and Company and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors:
- Reviewed the quarterly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the Board of Directors;
- Reviewed the effectiveness of the Group and the Company's material internal controls, including financial, operational, compliance and information technology controls and risk management via reviews carried out by the internal auditor;
- Met with the external and internal auditors, other Board Committees and Management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviewed legal and regulatory matters which may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- Reviewed the nature and extent of non-audit services provided by the external auditor;
- Recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor and reviewed the scope and results of the audit;

#### Audit Committee (Continued)

- Reported actions and minutes of the AC to the Board of Directors with such recommendations as the AC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The AC convened five meetings during the financial year with full attendance from Mr Chee Teck Kwong Patrick and Mr Tay Ah Kong Bernad while Mr Tan Chong Huat absent twice for AC meetings held during the year 2017. The AC has also met with the internal and external auditors, without the presence of the Company's Management, at least once a year.

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor.

The AC has recommended to the Board of Directors that the independent auditor, Ernst & Young LLP, be nominated for re-appointment as external auditor at the forthcoming AGM of the Company.

Further details regarding the AC are disclosed in the Corporate Governance Report of the Annual Report of the Company.

#### Auditor

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

On behalf of the Board of Directors,

Tan Chong Huat Non-Executive Chairman

Aditya Wisnuwardana Seky Soeryadjaya Chief Executive Officer

Singapore 3 May 2018

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Independent auditor's report to the members of Ramba Energy Limited and its Subsidiaries

Report on the audit of the financial statements

#### **Opinion**

We have audited the financial statements of Ramba Energy Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2017, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the 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 Group 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.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addresses the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including, the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Key audit matters (Continued)

#### Areas of focus

#### How our audit addressed the risk factors

# Impairment assessment of assets relating to PT Hexindo Gemilang Jaya Cash Generating Unit ("CGU")

The carrying amounts of oil and gas properties, goodwill, exploration and evaluation assets, and receivables arising from advances to and cash calls due from NCI holders as at 31 December 2017 are disclosed in Note 11, 12, 13 and 18 to the financial statements respectively. These assets, which relate to the PT Hexindo Gemilang Jaya CGU, represent 42% of the Group's total assets. The impairment assessment is significant to our audit because the recoverability of these assets is dependent on management's estimation and judgement of the future cash flows and profits of the oil exploration and production business. As these are long-lived assets, the most critical assumptions are the longer-term oil and gas prices, discount rates, inflation rates, decommissioning costs and estimation of the oil and gas reserves and considerations for farming arrangements.

Management undertook an impairment test during the year to assess the recoverable value of these assets. The recoverable amount of these assets were estimated based on the higher of value in use and fair value less costs of disposal ("FVLCD"). Notes 11 to 13 and Note 18 to the financial statements include details of the Group's exploration and evaluation assets, oil and gas properties, goodwill, receivables from its NCI and the related impairment charge recorded during the financial year.

We obtained an understanding of the Group's process for identifying impairment indicators and evaluated management's assessment of impairment indicators and whether a formal estimate of recoverable amount was required for each of these cash generating units ("CGUs").

In assessing the reasonableness of management's impairment assessment and the related estimates, we performed the following procedures, amongst others:

- reviewed the computation of the fair value of consideration received on the farm-out arrangement with an external party during the year, which is used to determine the fair value less cost of disposal;
- benchmarked and analysed oil price assumptions against forward curves and other market data;
- agreed hydrocarbon production profiles to approved budgets and proved and probable reserves to third party reserve reports;
- checked the mathematical accuracy of management's value-in-use calculations using cash flow projections from the production forecasts covering periods until the end of the production sharing contracts;
- assessed the objectivity and competence of external experts engaged by management to estimate the reserves;
- compared estimated future costs to budgets provided by the operator;
- recalculated and benchmarked discount rates and inflation rates applied against third party data; and
- reviewed the appropriateness of disclosures in the financial statements.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Key audit matters (Continued)

#### Areas of focus

#### How our audit addressed the risk factors

#### **Contingent liabilities**

As stated in Note 21 and Note 33, the Group was Our audit procedures include the following involved in various legal matters during the year. This area is significant to our audit because of the potential significance of these matters to . the financial statements. Any adverse outcome from these legal matters could have a bearing on the ability of the Group to comply with certain financial covenants and to meet its obligations throughout the going concern assessment period. In addition, the assessment of provision for claims • and litigations is complex, requires management judgement and the outcome is dependent on future developments.

procedures, amongst others:

- reviewed documents relating to the legal proceedings, including correspondences with legal counterparties, court rulings, minutes of meetings and legal advice obtained by the Group;
- held periodic discussions with management, Group's corporate legal advisors, the Audit Committee and the Board of Directors to discuss developments in the legal proceedings and unasserted claims;
- assessed management's legal and financial assessment, and considered the assumptions in determining the estimated settlement amounts:
- obtained confirmations from the Group's external legal counsels and compared their expert opinions to management's assessment and/or disclosures of each of the material contingencies; and
- assessed the reasonableness of judgement applied by management in assessing the Group's ability to meet its financial covenants and capital commitments for oil and gas exploration and development projects and ability to settle its liabilities as and when they fall due.

#### Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, 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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### Responsibilities of Management and Directors for the financial statements

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

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

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

#### Auditor's responsibilities for the audit of the financial statements

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

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

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### Auditor's responsibilities for the audit of the financial statements (Continued)

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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Yew Kiang.

Ernst & Young LLP

Public Accountants and Chartered Accountants Singapore

# CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Notes	2017 S\$'000	2016 S\$'000
Revenue			
Turnover	4	59,163	57,027
Other income	5	4,463	2,145
Total revenue		63,626	59,172
Costs and operating expenses			
Service costs and related expenses		(34,661)	(31,746)
Royalties payment		(440)	(386)
Salaries and employee benefits	6	(26,111)	(30,235)
Depreciation and amortisation expenses		(2,409)	(2,159)
Finance costs	7	(1,142)	(750)
Other operating expenses	8(a)	(8,857)	(20,402)
Loss on farm-out of participating interest	8(c)	_	(1,800)
Total costs and operating expenses		(73,620)	(87,478)
Loss before tax	8(b)	(9,994)	(28,306)
Income tax	9	(701)	2,128
Loss for the year		(10,695)	(26,178)
Attributable to:			
Owners of the Company		(8,705)	(25,314)
Non-controlling interests		(1,990)	(864)
		(10,695)	(26,178)
Loss per share attributable to owners of the Company (cents per share)			
Basic and diluted	10	(1.59)	(5.06)

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	2017 S\$'000	2016 S\$'000
Loss for the year	(10,695)	(26,178)
Other comprehensive income: Item that may be reclassified subsequently to income statement Foreign currency translation	(3,537)	(4,259)
Item that will not be reclassified to income statement Re-measurement of defined benefit obligation	(54)	231
Other comprehensive income for the year, net of tax		
	(3,591)	(4,028)
Total comprehensive income for the year, net of tax		
	(14,286)	(30,206)
Attributable to:		
Owners of the Company	(12,551)	(29,283)
Non-controlling interests	(1,735)	(923)
	(14,286)	(30,206)

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

		Group		Com	panv
	Notes	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Non-current assets					
Oil and gas properties	11	29,425	22,635	-	-
Property, plant and equipment	11	7,254	5,372	56	199
Intangible assets	12	1,299	1,333	3	6
Investments in exploration and evaluation assets	13	21,403	23,195	_	_
Investment in marketable	10	21,400	23,133		
securities		-	3	-	3
Investments in subsidiaries	14	-	-	9,426	9,426
Loans to subsidiaries	15 16	_	-	29,289	29,289
Other assets Other receivables	16 18	9,352	2 9,278	_	_
Deferred tax assets	26	55	115	_	_
Fixed deposits	19	_	2,423	-	-
		68,788	64,356	38,774	38,923
Current assets					
Trade receivables	17	13,963	12,269	-	
Other receivables Prepaid operating expenses	18	12,661 1,141	31,470 736	62,199 94	67,265 108
Inventories		179	172	-	-
Other assets	16	2	10	-	_
Fixed deposits	19	1,200	-	-	-
Cash and cash equivalents	19	10,711	11,730	139	584
		39,857	56,387	62,432	67,957
Current liabilities					
Trade payables	20	18,299	16,357	7 700	4 0 0 7
Other payables Provisions	21 22	18,502 1,564	28,740 499	3,389 39	4,823
Loans and borrowings	23	-	2,083	-	_
Finance lease liabilities	24	873	812	31	79
Mark to market oil options		270	_	-	_
Income tax payable		219	49		16
		39,727	48,540	3,459	4,918
Net current assets		130	7,847	58,973	63,039
Non-current liabilities					
Other payables	21	15,472	13,632	-	-
Provisions Abandonment and site	22	1,415	1,831	-	39
restoration liabilities	25	992	850	_	_
Finance lease liabilities	24	3,016	989	-	30
Loans and borrowings	23	9,022	2,083	-	-
Deferred tax liabilities	26	2,752	2,733	-	_
		32,669	22,118		69
Net assets		36,249	50,085	97,747	101,893
Equity attributable to owners of					
the Company Share capital	27	138,232	137,886	138,232	137,886
Treasury shares	27	(935)	(935)	(935)	(935)
Other reserves	28	222	4,582	4,511	5,025
Accumulated losses		(96,881)	(88,794)	(44,061)	(40,083)
No. of the Head of the Control of th		40,638	52,739	97,747	101,893
Non-controlling interests		(4,389)	(2,654)		101 007
Total equity		36,249	50,085	97,747	101,893

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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		Equity attributable to owners					Share		Foreign	Gain on		
		of the			Accu-	Other	based		currency	reissuance		Non-
	Equity,	Company,	Share	Treasury	mulated	reserves,	payment		translation	of treasury	Capital	controlling
2017	total	total	capital	shares	losses	total	reserve	Others	reserve	shares	reserve	interests
Group	000,\$\$	000,\$8	000,\$\$	000.\$S	000.\$\$	000,\$\$	000,\$\$	000.\$\$	000,\$\$	2\$,000	000,\$\$	000,\$8
Opening balance as at 1 January 2017	50,085	52,739	137,886	(935)	(88,794)	4,582	2,395	406	(1,197)	2,630	348	(2,654)
Loss for the year  Other comprehensive income	(10,695)	(8,705)	1	1	(8,705)		1	1	1		1	(1,990)
Re-measurement of defined benefit obligation	(54)	(54)		,	,	(54)		(54)		,	1	1
Foreign currency translation	(3,537)	(3,792)	٠	٠	٠	(3,792)	•	•	(3,792)		•	255
Total comprehensive income for the year, net of tax  Contributions by and distributions to owners	(14,286)	(12,551)	1	1	(8,705)	(3,846)	1	(54)	(3,792)	1	1	(1,735)
Share issuance expenses	(8)	(8)	(8)					٠			1	1
Issuance of shares pursuant to RGPSP/RGSOS	'		354	ı	491	(845)	(845)	•	•		1	1
Grant of equity settled share based payment to employees	458	458	٠	٠	•	458	458	1	•	٠	ı	•
Expiry of employee share options	•	٠	٠	٠	127	(127)	(127)	٠	•		•	1
Total contributions by and distributions to owners Total transactions with owners	450	450	346	1	618	(514)	(514)		ı	1	1	ı
in their capacity as owners	450	450	346	•	618	(514)	(514)	•	•	•	1	1
Closing balance as at 31 December 2017	36,249	40,638	138,232	(935)	(96,881)	222	1,881	352	(4,989)	2,630	348	(4,389)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3,003 2,630	Foreign Gain on Non- currency reissuance Capital controlling reserve shares reserve interests S\$'000 S\$'000	
1	translation Others reserve S\$'000	231 (4,200)
	payment ceserve Oth S\$'000 S\$'	1 1
	Other d reserves, total	231 (4,200)
	Accu- Treasury mulated shares losses \$\$'000 \$\$'000	1 1
	Share Tr capital s	1 1
	Equity attributable to owners of the Company, total S\$'000	231 (4,200)
	Equity, total S\$'000	231 (4,259)
		Other comprehensive income Re-measurement of defined benefit obligation Foreign currency translation

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2017 Company Opening balance as at	Equity, total S\$'000	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves, total \$\$'000	Share based payment reserve \$\$'000	Gain on reissuance of treasury shares S\$'000
1 January 2017	101,893	137,886	(935)	(40,083)	5,025	2,395	2,630
Loss for the year	(4,438)	-	-	(4,438)	-	-	-
Total comprehensive income for the year Contributions by and distributions to owners	(4,438)	-	-	(4,438)	-	-	-
Share issuance expenses Issuance of shares pursuant to RGPSP/	(8)	(8)	-	-	-	-	-
RGSOS Grant of equity settled	(158)	354	-	333	(845)	(845)	-
share based payment to employees Expiry of employee	458	-	-	-	458	458	-
share options	-	-	-	127	(127)	(127)	-
Total contributions by and distributions to owners Closing balance as at	292	346		460_	(514)	(514)	
31 December 2017	97,747	138,232	(935)	(44,061)	4,511	1,881	2,630

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2016 Company	Equity, total S\$'000	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves, total \$\$'000	Share based payment reserve \$\$'000	Gain on reissuance of treasury shares S\$'000
Opening balance as at 1 January 2016	94,644	123,601	(935)	(34,613)	6.591	3,961	2,630
Loss for the year	(7,198)	-	-	(7,198)	-	-	
Total comprehensive income for the year Contributions by and distributions to owners	(7,198)	-	-	(7,198)	-	-	-
Issuance of shares from rights issue Share issuance expenses Issuance of shares	10,724 (21)	10,724 (21)	-	-	-		-
pursuant to RGPSP/ RGSOS Grant of equity settled	1,684	3,582	-	1,258	(3,156)	(3,156)	-
share based payment to employees Expiry of employee	2,060	-	-	-	2,060	2,060	-
share options	-	-	-	470	(470)	(470)	-
Total contributions by and distributions to owners	14,447	14,285		1,728	(1,566)	(1,566)	
Closing balance as at 31 December 2016	101,893	137,886	(935)	(40,083)	5,025	2,395	2,630

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Notes	2017 S\$'000	2016 S\$'000
Operating activities: Loss before tax		(9,994)	(28,306)
Adjustments for: Depreciation and amortisation expenses Intangible asset written off	8(a)	2,409	2,159 651
Gain on disposal of property, plant and equipment Finance costs	8(a) 7 -	(25) 1,142	(52) 750
Interest income from banks Share based payment Loss on farm-out of participating interest	5 6 8(c)	(64) 458	(178) 4,119 1,800
Impairment loss on oil and gas properties Property, plant and equipment written-off	8(a) 8(a)	169	10,946
Impairment of property, plant and equipment Forfeiture of advances from third party	8(a) 5	(3,072)	142
Write back for doubtful other receivables Allowance for doubtful trade receivables	8(a) 8(a)	- 29	(13) 817
Net fair value loss on oil options Foreign exchange translation adjustments	8(a)	270 553	(4,283)
Operating cash flows before working capital change Change in inventories Change in trade receivables Change in other receivables		(8,125) (7) (1,792) (709)	(11,416) 19 1,428 (23)
Change in prepaid operating expenses Change in trade payables		(405) 1,942	570 842
Change in other payables and provisions  Cash used in operations		(5,722)	3,606 (4,974)
Interest income received Income tax paid Finance costs paid		64 (452) (1,077)	178 (238) (679)
Net cash flows used in operating activities		(7,187)	(5,713)
Investing activities: Proceeds from disposal of property, plant and equipment Purchase of property, plant and equipment and oil and		51	52
gas properties Acquisition of exploration and evaluation assets Acquisition of intangible assets	13	(9,037) (207) (80)	(4,011) (2,969) (342)
Proceeds from farm-out of participating interest Proceeds from disposal of marketable securities	8(c)	3	12,012
Net cash flows (used in)/generated from investing activities		(9,270)	4,742
Financing activities:  Net proceeds from issuance of new shares  Share issuance expenses		- (8)	10,724 (21)
Release in fixed deposits pledged Repayment of finance lease Proceeds from loans and borrowings		1,223 (1,124) 5,330	- (1,513) 4,650
Repayment of loans and borrowings Advances (provided to)/from third party Net advances from/(provided to) joint venture partners/NCI		- (4,556)	(4,823) 1,080
holders		15,224	(9,047)
Net cash flows generated from financing activities		16,089	1,050
Net (decrease)/increase in cash and cash equivalents Effect of exchange rate changes on cash and cash equivalents Cash and cash equivalents at beginning of financial year		(368) (651) 11,730	79 119 11,532
Cash and cash equivalents at end of financial year	19	10,711	11,730

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 1. Corporate information

Ramba Energy Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office and principal place of business of the Company is at 300 Tampines Avenue 5, #05-02, Singapore 529653.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

#### 2. Summary of significant accounting policies

#### 2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("**FRS**").

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

The financial statements are presented in Singapore Dollars ("S\$" or "SGD") and all values are rounded to the nearest thousand ("S\$'000") except when otherwise indicated.

#### Convergence with International Financial Reporting Standards

The Accounting Standards Council announced on 29 May 2014 that Singapore incorporated companies listed on the Singapore Exchange will apply Singapore Financial Reporting Framework (International) ("SFRS(I)"), a new financial reporting framework identical to International Financial Reporting Standards. The Group will adopt SFRS(I) on 1 January 2018.

The Group has performed an assessment of the impact of adopting SFRS(I). On transition to SFRS(I), the Group expects that the adoption of SFRS(I) will have no material impact on the financial statements in the year of initial application. The Group expects that the impact of adopting SFRS(I) 15 and SFRS(I) 9 will be similar to the impact on adoption of FRS 115 and FRS 109 as disclosed in Note 2.3.

#### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2017, including the amendments to FRS 7 Disclosure Initiatives. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 2. Summary of significant accounting policies (Continued)

#### 2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Improvements to FRSs (December 2016)	
- Amendments to FRS 28 Investments in Associates and Joint Ventures	1 January 2018
Amendments to FRS 40 Transfers of Investment Property	1 January 2018
Amendments to FRS 102 Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 109 Financial Instruments	1 January 2018
FRS 116 Leases	1 January 2019
INT FRS 122 Foreign Currency Translations and Advance Consideration	1 January 2018
INT FRS 123 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to FRS 109 Prepayment Features with Negative Compensation	1 January 2019
Amendments to FRS 28 Long-term Interests in Associates and Joint Ventures	1 January 2019
Improvements to FRSs (March 2018)	
- Amendments to FRS 12 Income Taxes	1 January 2019
- Amendments to FRS 23 Borrowing Costs	1 January 2019
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

As disclosed in Note 2.1, the Group will adopt SFRS(I) on 1 January 2018. Upon adoption of SFRS(I), the SFRS(I) equivalent of the above standards that are effective on 1 January 2018 will be adopted at the same time.

Except for FRS 115, FRS 109 and FRS 116, the Directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policies on adoption of FRS 109 and FRS 116 are described below.

#### FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is effective for annual periods beginning on or after 1 January 2018.

The Group has performed a preliminary impact assessment of adopting FRS 115 based on currently available information. This assessment may be subject to changes arising from ongoing analysis until the Group adopts FRS 115 in 2018. The Group plans to apply the changes in accounting policies retrospectively to each reporting year presented, using the full retrospective approach. The Group also plans to apply the following practical expedients:

- For completed contracts, the Group plans not to restate completed contracts that begin and end within the same year or are completed contracts at 1 January 2017, and
- For completed contracts that have variable consideration, the Group plans to use the transaction price at the date the contract was completed instead of estimating variable consideration amounts in the comparative year.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 2. Summary of significant accounting policies (Continued)

#### 2.3 **Standards issued but not yet effective** (Continued)

#### FRS 115 Revenue from Contracts with Customers (Continued)

The Group is in the business of provision of logistics, transportation and freight forwarding services, exploration, production and sales of oil and gas and rental of commercial office. The Group does not expect any significant impact arising from the adoption of FRS 115 except for the following:

Provision of logistics, transportation and freight forwarding services

For the provision of logistics, transportation and freight forwarding services, some contracts with customers provide volume discounts. Such provisions give rise to variable consideration under FRS 115. The Group currently recognises revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowance, trade discounts and volume rebates. If revenue cannot be reliably measured, the Group defers revenue recognition until the uncertainty is resolved. Under FRS 115, variable consideration is estimated and is constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty is subsequently resolved.

The Group has assessed individual contracts with customer and based on the preliminary assessment, the Group does not expect the application of the volume discount to have a material impact on the financial performance or position of the Group as the volume discount provision within the contracts with customers reset on a monthly basis or within the financial year.

#### FRS 109 Financial Instruments

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

The Group plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

The Group has performed a preliminary impact assessment of adopting FRS 109 based on currently available information. This assessment may be subject to changes arising from ongoing analysis, until the Group adopts FRS 109 in 2018.

#### (a) Classification and measurement

The Group's trade and other receivables are expected to give rise to cash flows representing solely payments of principal and interest, except for the interest-free loans (non-current) to subsidiaries. The Group intends to hold these receivables to collect contractual cash flows, and accordingly measured at amortised cost when it applies FRS 109. The Group does not expect any significant impact to retained earnings or profit or loss that may arise from these changes.

#### (b) Impairment

FRS 109 requires the Group and the Company to record expected credit losses on all of its debt securities, loans, trade receivables and financial guarantees, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. Upon application of the expected credit loss model, the Group does not expect any significant impact to the consolidated financial statements.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 2. Summary of significant accounting policies (Continued)

#### 2.3 **Standards issued but not yet effective** (Continued)

#### FRS 109 Financial Instruments (Continued)

Based on preliminary assessment, management has assessed that the adoption of FRS 109 is not likely to have significant impact to the consolidated financial statements in the initial year of adoption.

#### FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group has performed a preliminary impact assessment of the adoption of FRS 116 and expects that the adoption of FRS 116 will result in increase in total assets and total liabilities, EBITDA and gearing ratio. The Group will be undergoing a planned relocation of its office and certain warehouse in 2018 and will further evaluate the impact of the adoption of FRS 116 based on the new leased terms.

#### 2.4 Basis of consolidation and business combinations

#### (a) Basis of consolidation

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

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

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

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

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

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 2. Summary of significant accounting policies (Continued)

#### 2.4 **Basis of consolidation and business combinations** (Continued)

#### (b) Business combinations and goodwill

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

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

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

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

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

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

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

#### 2.5 Transactions with non-controlling interests

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

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 2. Summary of significant accounting policies (Continued)

#### 2.6 Foreign currency

The financial statements are presented in SGD, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### (a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

#### (b) Consolidated financial statements

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

#### 2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

Office equipment
Furniture & fittings
Renovation
Office container
Tools and equipment
Transport equipment
3 to 4 years
5 to 10 years
5 to 10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in the profit or loss in the year the asset is de-recognised.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 2. Summary of significant accounting policies (Continued)

#### 2.8 Oil and gas properties

The Group applies the successful efforts method of accounting for Exploration and Evaluation ("**E&E**") costs, having regard to the requirements of FRS 106, *Exploration for and Evaluation of Mineral Resources*.

#### (a) E&E assets

Under the successful efforts method of accounting, all license acquisition, exploration and appraisal costs are initially capitalised in field or specific exploration area as appropriate. Expenditure incurred during the various exploration and appraisal phases is written-off unless commercial reserves have been established or the determination process has not been completed.

*Pre-license costs* - Costs incurred prior to having obtained the legal rights to explore an area are expensed directly to profit or loss as they are incurred.

*E&E costs* - Costs of E&E are initially capitalised as E&E assets. Payments to acquire the legal right to explore, costs of technical services and studies, seismic acquisition, exploratory drilling and testing are capitalised as intangible E&E assets.

Tangible assets used in E&E activities are classified as oil and gas properties. However, to the extent that such a tangible asset is consumed in developing an intangible E&E asset, the amount reflecting the consumption is recorded as part of the cost of the intangible asset. Such intangible costs include directly attributable overheads, including the depreciation of property, plant and equipment utilised in E&E activities, together with the cost of other materials consumed during the E&E phases.

E&E costs are not amortised prior to the conclusion of appraisal activities.

Intangible E&E assets are carried forward until the existence (or otherwise) of commercial reserves has been determined subject to certain limitations including review for indications of impairment. If commercial reserves have been discovered, the carrying value, after any impairment loss of the relevant E&E assets, is then reclassified as development and production assets. If, however, commercial reserves have not been found, the capitalised costs are charged to profit or loss after conclusion of appraisal activities.

#### (b) Development and production assets

Development and production assets are accumulated generally on a specific exploration area basis and represent the cost of developing the commercial reserves discovered and bringing them into production, together with the E&E expenditures incurred in finding commercial reserves transferred from intangible E&E assets as outlined in Note 2.8(a).

The cost of development and production assets also includes the cost of acquisitions and purchases of such assets, directly attributable overheads, borrowing costs capitalised, and the cost of recognising provisions for future restoration and decommissioning.

The cost of development and production assets are capitalised as completed wells and related facilities when drilling or construction is completed. Uncompleted wells and related facilities are not depreciated as these assets are not yet available for use.

The carrying amount of producing assets are depreciated generally on a specific exploration area basis using the unit-of-production ("**UOP**") method by reference to the ratio of production in the period and the related commercial reserve of the field.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 2. Summary of significant accounting policies (Continued)

#### 2.9 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is de-recognised.

Software was acquired separately and is amortised on a straight line basis over its finite useful life of 3 to 4 years.

#### 2.10 Impairment of non-financial assets

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

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

Impairment losses of continuing operations are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 2. Summary of significant accounting policies (Continued)

#### 2.11 Subsidiaries

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

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

#### 2.12 **Joint arrangements**

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of any arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The joint arrangements of the Group are classified as joint operations whereby the Group recognises in relation to its interest in a joint operation:

- (a) its assets, including its share of any assets held jointly;
- (b) its liabilities, including its share of any liabilities incurred jointly;
- (c) its revenue from the sale of its share of the output arising from the joint operation;
- (d) its share of the revenue from the sale of the output by the joint operation; and
- (e) its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

#### 2.13 Financial instruments

#### (a) Financial assets

#### Initial recognition and measurement

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

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 2. Summary of significant accounting policies (Continued)

#### 2.13 *Financial instruments* (Continued)

#### (a) Financial assets (Continued)

#### Initial recognition and measurement (Continued)

Derivatives are classified as held for trading financial assets unless they are designated as effective hedging instruments as defined by FRS 39. Financial assets at fair value through profit or loss are carried in the financial statements at fair value with net changes in fair value in the profit and loss.

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

#### De-recognition

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

#### (b) Financial liabilities

#### Initial recognition and measurement

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

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

The Group has not designated any financial liability upon initial recognition at fair value through profit or loss.

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

#### De-recognition

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 2. Summary of significant accounting policies (Continued)

#### 2.14 Impairment of financial assets

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

#### (a) Financial assets carried at amortised cost

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

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

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

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

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

#### (b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 2. Summary of significant accounting policies (Continued)

#### 2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

#### 2.16 **Provisions**

#### General

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

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

Provision for cargo and motor vehicle claims

Provision for cargo and motor vehicle claims is recognised for all claims lodged by the customers or external parties which relate to services rendered by the Group or motor accident claims up to the end of the reporting period. The amount of provision made is based on the nature of the claims, the extent of the damages and the record of settlements in previous years.

Provision for reinstatement cost

Provision for reinstatement cost arises from the leases of office and building. The provision for reinstatement cost is provided based on actual quotations by third parties.

Provision for abandonment and site restoration liabilities ("ASR")

The Group recognises its obligations for the future removal and site restoration of gas production facilities, wells, pipelines and related assets in accordance with the provisions in the technical assistance contracts or in line with applicable regulations.

Initial estimated costs for dismantlement and site restoration of oil and gas properties are to be recognised as part of acquisition costs of the oil and gas properties, which will subsequently be depreciated as part of the acquisition costs of the asset.

In most instances, the removal of these assets will occur many years in the future. The provision for future restoration costs is the best estimate of the present value of the future expenditures required to undertake the restoration obligation at the reporting date, based on current legal requirements. The estimate of future removal costs therefore requires management to make judgements regarding the timing of removal, the extent of restoration activities required and future removal technologies.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 2. Summary of significant accounting policies (Continued)

#### 2.17 **Borrowing costs**

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

#### 2.18 Employee benefits

#### (a) Defined contribution plan

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

#### (b) Defined benefit plan

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 2. Summary of significant accounting policies (Continued)

#### 2.18 *Employee benefits* (Continued)

#### (b) Defined benefit plan (Continued)

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognised as a separate asset at fair value when and only when reimbursement is virtually certain.

#### (c) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

#### (d) Employee share option scheme

Eligible employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the share based payment reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in "share based payment expenses".

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation. The employee share option reserve is transferred to retained earnings upon expiry of the share options.

The fair value of the employee share option is determined on conditional grant date using the Black Scholes pricing model which takes into account the market conditions and non-vesting conditions.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 2. Summary of significant accounting policies (Continued)

#### 2.18 *Employee benefits* (Continued)

#### (e) Employee share award plan

Pursuant to the Ramba Group Performance Share Plan ("RGPSP"), the Company's shares are granted to eligible employees and Directors of the Group.

The performance shares cost is charged at the share price of grant date and recognised in the profit or loss over the vesting periods from the grant date.

When the options are exercised or share awards are vested, the share based payment reserve is transferred to share capital if new shares are issued, or to treasury shares if the options or awards vested are satisfied by the reissuance of treasury shares.

#### 2.19 **Leases**

#### (a) As lessee

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

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

#### (b) As lessor

Leases where the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.21(e). Contingent rents are recognised as revenue in the period in which they are earned.

#### 2.20 Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 2. Summary of significant accounting policies (Continued)

#### 2.20 *Financial guarantees* (Continued)

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

#### 2.21 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) Rendering of services

Revenue is recognised upon service rendered.

(b) Oil and gas sales

Revenue from sales of oil and gas are recognised upon delivery to customers. Oil and gas revenue is recorded on the entitlement method.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Leasing income

Leasing income arising from rental of transport equipment and it is accounted for based on the usage of the transport equipment.

(e) Rental income

Rental income adjusted for rent free incentives is recognised on a straight-line basis over the lease terms.

#### 2.22 Government grant

Government grant is recognised in profit or loss upon cash receipt. Grants are deducted against the related expenses.

#### 2.23 *Taxes*

(a) Current income tax

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 2. Summary of significant accounting policies (Continued)

#### 2.23 *Taxes* (Continued)

#### (a) Current income tax (Continued)

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

#### (b) Deferred tax

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

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

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

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 2. Summary of significant accounting policies (Continued)

#### 2.23 *Taxes* (Continued)

(b) Deferred tax (Continued)

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

(c) Sales tax

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

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

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

#### 2.24 Share capital and share issuance expenses

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

#### 2.25 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

#### 2.26 Contingencies

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 2. Summary of significant accounting policies (Continued)

#### 2.26 **Contingencies** (Continued)

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

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

#### 3. Significant accounting judgement and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

#### 3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

Contingent liabilities

Recognition and measurement for contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts. Details of the Group's contingent liabilities are presented in Note 33.

#### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of exploration and evaluation assets, oil and gas properties and goodwill

The Group assesses whether there are any indicators of impairment for exploration and evaluation assets at each reporting date. Oil and gas properties are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Goodwill is tested for impairment annually and at other times when such indicators exist.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the key assumptions applied in the impairment assessment of oil and gas properties and goodwill are given in Notes 11 and 12 respectively.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 4. Turnover

	Group	
	2017 S\$'000	2016 S\$'000
Revenue from:		
Logistics services	54,537	52,417
Oil and gas sales	3,424	2,255
Property rental income	1,202	2,355
	59,163	57,027

#### 5. Other income

	Group	
	2017	2016
	S\$'000	S\$'000
Leasing income	67	164
Diesel consumed by service partners	58	78
Port rebate	516	584
Interest income from banks	64	178
Management fee income from joint venture partner	171	256
Others	515	885
Forfeiture of advances from third party	3,072	
	4,463	2,145

#### 6. Salaries and employee benefits

	Group	
	2017 S\$'000	2016 S\$'000
Salaries and bonuses (including Directors' fees)	21,206	20,492
Central Provident Fund contributions	1,652	1,685
Share based payments	458	4,119
Other benefits	2,795	3,939
	26,111	30,235

Included in share based payments was an amount of S\$Nil (2016: S\$2,059,000) charged to the current year's profit and loss on share awards which were granted and vested during the same financial year.

#### **Share Options**

At an Extraordinary General Meeting held in 2017, the Company's shareholders approved the Ramba Group Share Option Scheme ("RGSOS 2017") for the granting of non-transferrable options that are settled by physical delivery of the ordinary shares of the Company, to eligible senior executives and employees.

No share options under the RGSOS 2017 was granted during the year.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 6. Salaries and employee benefits (Continued)

#### Movement of share options during the financial year

The following table illustrates the number (No.) and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

	20	17	201	16
	No. '000	WAEP S\$	No. '000	WAEP S\$
Outstanding at 1 January	9,856	0.23	9,386	0.32
- Granted	-	-	5,120	0.18
- Lapsed and cancelled	(1,023)	(0.33)	(4,573)	(0.36)
- Rights adjustment			(77)	(0.29)
Outstanding at 31 December	8,833	0.28	9,856	0.23
Exercisable at 31 December	8,833	0.28	3,479	0.42

- No options were granted during the financial year.
- No options were exercised during the financial year.
- The range of exercise prices for options outstanding at the end of the year was \$\$0.180 to \$\$0.509 (2016: \$\$0.180 to \$\$0.509). The weighted average remaining contractual life of these options is 2.5 years (2016: 3 years).

#### Fair value of share options

The fair value of the share based compensation granted under the RGSOS is estimated at the grant date using Black-Scholes Pricing Model, taking into account the terms and conditions upon which the instruments were granted.

The model takes into account historical dividends and the covariance on the share price fluctuation of the Company to predict the distribution of relative share performance.

The following table lists the inputs to the option pricing models for the years ended 31 December 2016:

	1 March 2016
Dividend yield (%)	0.00
Expected volatility (%)	52.3
Risk-free interest rate (% p.a.)	1.29
Expected life of option (years)	3.0
Share price as of valuation date (S\$)	0.179

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 6. Salaries and employee benefits (Continued)

#### Share Awards

On 1st March 2016, the Company granted one off 10,679,500 share awards (other than controlling shareholder and their associates) under the RGPSP. The share awards were released and vested on 4 March 2016. On the same date, the Company granted 62,000 share awards to Mr Aditya Wisnuwardana Seky Soeryadjaya, which was later approved by the shareholders at the **AGM** held on 28 April 2016. At the same AGM, the shareholders also approved the grant of 1,200,000 share awards to Mr Aditya Wisnuwardana Seky Soeryadjaya granted on 10 August 2015.

During the year, the Company vested 2,232,755 (2016: 19,489,571) by way of allotment of new shares under the RGPSP. At the end of the reporting period, the total number of outstanding share awards and bonus awards granted by the Company to the employees and Directors amounted to 2,836,564 (2016: 5,093,000).

#### Fair value of share awards

The fair value of share awards granted under the RGPSP is based on the share price at the date of the grant.

#### 7. Finance costs

	Group	
	2017	2016
	S\$'000	S\$'000
Interest expense - loans and borrowings	977	563
Finance charges - finance lease obligations	100	110
Accretion of interest on abandonment and site restoration		
liabilities (Note 25)	65	77
	1,142	750

#### 8. (a) Other operating expenses

The following items have been included in the arriving at other operating expenses:

Audit fees paid to auditors of the Company Audit fees paid to auditors of the Company Audit fees paid to auditors of the Company Audit fees paid to other auditors Allowance for doubtful trade receivables (Note 17) Write back for doubtful other receivables (Note 18) Impairment loss on oil and gas properties (Note 11) Impairment of property, plant and equipment (Note 11) Property, plant and equipment written-off Gain on disposal of property, plant and equipment Intangible assets written off Net foreign exchange gain Rental expenses - office Legal and other professional fees Net fair value loss on oil options  2017 2018 2018 2018 2018 2018 2018 2018 2018		Group	
Audit fees paid to auditors of the Company Non-audit fees paid to auditors of the Company Audit fees paid to other auditors Allowance for doubtful trade receivables (Note 17) Write back for doubtful other receivables (Note 18) Impairment loss on oil and gas properties (Note 11) Impairment of property, plant and equipment (Note 11) Property, plant and equipment written-off Gain on disposal of property, plant and equipment (25) Intangible assets written off Net foreign exchange gain Rental expenses - office Legal and other professional fees  148 148 148 148 148 148 148 148 148 14			
Non-audit fees paid to auditors of the Company Audit fees paid to other auditors Allowance for doubtful trade receivables (Note 17) Write back for doubtful other receivables (Note 18) Impairment loss on oil and gas properties (Note 11) Impairment of property, plant and equipment (Note 11) Property, plant and equipment written-off Gain on disposal of property, plant and equipment (25) Intangible assets written off Net foreign exchange gain Rental expenses - office Legal and other professional fees  77 87 77 88 77 817 818 77 817 817 817		<u>S\$'000</u>	S\$'000
Audit fees paid to other auditors Allowance for doubtful trade receivables (Note 17) Write back for doubtful other receivables (Note 18) Impairment loss on oil and gas properties (Note 11) Impairment of property, plant and equipment (Note 11) Property, plant and equipment written-off Gain on disposal of property, plant and equipment (25) Intangible assets written off Net foreign exchange gain Rental expenses - office Legal and other professional fees  181 173 173 175 175	Audit fees paid to auditors of the Company	148	148
Allowance for doubtful trade receivables (Note 17)  Write back for doubtful other receivables (Note 18)  Impairment loss on oil and gas properties (Note 11)  Impairment of property, plant and equipment (Note 11)  Property, plant and equipment written-off  Gain on disposal of property, plant and equipment  (25)  Intangible assets written off  Net foreign exchange gain  Rental expenses - office  Legal and other professional fees  817  817  818  619  629  817  610  629  630  64,321  658  658  658	Non-audit fees paid to auditors of the Company	78	77
Write back for doubtful other receivables (Note 18) Impairment loss on oil and gas properties (Note 11) Impairment of property, plant and equipment (Note 11) Property, plant and equipment written-off Gain on disposal of property, plant and equipment (25) Intangible assets written off Net foreign exchange gain Rental expenses - office Legal and other professional fees  - (13) - (14) - (13) - (13) - (13) - (13) - (13) - (13) - (14) - (13) - (13) - (14) - (13) - (14) - (13) - (13) - (13) - (14) - (13) - (13) - (13) - (14) - (13) - (13) - (14) - (13) - (14) - (13) - (13) - (13) - (14) - (14) - (14) - (15) - (14) - (15) - (14) - (15) - (15) - (14) - (15) -	Audit fees paid to other auditors	181	173
Impairment loss on oil and gas properties (Note 11)  Impairment of property, plant and equipment (Note 11)  Property, plant and equipment written-off  Gain on disposal of property, plant and equipment  (25)  Intangible assets written off  Net foreign exchange gain  Rental expenses - office  Legal and other professional fees  10,946  - 142  - 169  32  (52)  (52)  (53)  (4,321)  658  2,754	Allowance for doubtful trade receivables (Note 17)	29	817
Impairment of property, plant and equipment (Note 11)  Property, plant and equipment written-off  Gain on disposal of property, plant and equipment  (25)  Intangible assets written off  Net foreign exchange gain  Rental expenses - office  Legal and other professional fees  142  - 142  - 142  - 159  (52)  (52)  - 651  (508)  (4,321)  658  2,754	Write back for doubtful other receivables (Note 18)	-	(13)
Property, plant and equipment written-off Gain on disposal of property, plant and equipment (25) Intangible assets written off Net foreign exchange gain Rental expenses - office Legal and other professional fees  169 32 (52) (52) (52) (53) (54) 531 658 2,754	Impairment loss on oil and gas properties (Note 11)	-	10,946
Gain on disposal of property, plant and equipment (25) (52) Intangible assets written off - 651 Net foreign exchange gain (508) (4,321) Rental expenses – office 934 658 Legal and other professional fees 3,175 2,754	Impairment of property, plant and equipment (Note 11)	-	142
Intangible assets written off - 651  Net foreign exchange gain (508) (4,321)  Rental expenses - office 934 658  Legal and other professional fees 3,175 2,754	Property, plant and equipment written-off	169	32
Net foreign exchange gain Rental expenses - office Legal and other professional fees (508) (4,321) 934 658 2,754	Gain on disposal of property, plant and equipment	(25)	(52)
Rental expenses - office 934 658 Legal and other professional fees 3,175 2,754	Intangible assets written off	-	651
Legal and other professional fees 3,175 2,754	Net foreign exchange gain	(508)	(4,321)
	Rental expenses - office	934	658
Net fair value loss on oil options 270 -	Legal and other professional fees	3,175	2,754
	Net fair value loss on oil options	270	_

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 8. (b) Loss before tax

The following items have been included in the arriving at loss before tax:

	Group	
	2017 20	17 2016
	S\$'000	S\$'000
Rental expenses - warehouse and leasehold building	3,935	4,118
Lease of transport equipment and ISO tanks	1,492	1,850
Upkeep of transport equipment	5,616	5,438

#### 8. (c) Loss on farm-out of participating interest

On 4 October 2015, the Group, through its 80.4% owned subsidiary, Hexindo farmed-out a net 20% participation interest in the Lemang Production Sharing Contract ("Lemang PSC").

Hexindo entered into a farm-in agreement with Mandala Energy, to which Hexindo farmed-out a 35% interest in the Lemang PSC and concurrently entered into a back-to-back agreement with Eastwin Global Investments Limited ("Eastwin"), to acquire a 15% participation interest in the Lemang PSC.

On 10 February 2016, the Group completed its farm-out transaction. Upon the completion of the farm-out, Hexindo now own 31%, with Eastwin and Mandala Energy owns 34% and 35% in the Lemang PSC respectively.

The carrying value of assets and liabilities of Ramba Energy Lemang Limited ("**RELL**"), the immediate holding company of Hexindo, and Hexindo, recorded in the consolidated financial statement as at the disposal date, and the effect of the disposal were as follows:

	2016 S\$'000
Oil and gas properties	12,401
Investment in exploration and evaluation asset	4,939
Prepayment	17
Other receivables	769
Inventory	14
Trade and other payables	(2,366)
Provision for employee benefits	(184)
Abandonment and site restoration liabilities	(13)
Other comprehensive income	(33)
Net assets farmed-out	15,544
Gross consideration	14,149
Less: Tax and professional fees	(2,137)
Net proceeds	12,012
Cumulative exchange difference in respect of the net	
interest disposed	(1,732)
Loss on farm-out of participating interest	(1,800)

2016

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 9. Income tax

(a) The major components of income tax expense/(credit) for the years ended 31 December were:

	Group	
	2017	2016
	S\$'000	S\$'000
Consolidated income statement:		
Current income tax		
- Current year	621	214
- Under/(over) provision in respect of prior years	1	(108)
Deferred income tax (Note 26)		
- Under provision in respect of prior years	27	-
- Origination and reversal of temporary differences	52	(2,234)
Income tax expense/(credit)	701	(2,128)

(b) Relationship between tax expense/(credit) and accounting loss

Reconciliation between income tax expense/(credit) and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 31 December were as follows:

	Group	
	2017	2016
	S\$'000	S\$'000
Loss before tax	(9,994)	(28,306)
Tax at domestic rates applicable to losses in the countries		
in which the Group operates	(3,588)	(936)
Adjustments for tax effects of:		
Expenses non-deductible for tax purposes	1,728	1,826
Income not subject to taxation	(1,965)	(801)
Tax exempt profits/rebates	(256)	(49)
Under/(over) provision in respect of prior years	28	(108)
De-recognition of previously recognised deferred tax	-	(2,136)
Deferred tax assets not recognised	4,689	-
Others	65	76
Income tax expense/(credit)	701	(2,128)

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction. The tax rates of the major jurisdictions that the Group operates in are as follows:

	Gro	Group	
	2017	2016	
Singapore	17%	17%	
Indonesia	25%/44%	25%/44%	

Expenses not deductible for tax purposes include overhead charges of investment holding companies and prepaid corporate taxes.

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#### 10. Basic and diluted loss per share

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

	Group		
	2017 S\$'000	2016 S\$'000	
Loss net of tax attributable to owners of the Company used in the computation of basic/diluted loss per share	(8,705)	(25,314)	
	No. of shares	No. of shares	
Weighted average number of ordinary shares for basic/diluted loss per share computation	547,405,159	500,251,482	
Basic/diluted loss per share attributable to owners of the Company (cents per share)	(1.59)	(5.06)	

Basic loss per share is calculated by dividing loss for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share is calculated on the same basis as basic loss per share as there are no dilutive potential ordinary shares as at 31 December 2017 and 31 December 2016.

There are 8,832,632 (2016: 9,855,900) share options granted under the RGSOS and 56,618,703 (2016: 56,618,703) warrants that have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

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# 11. Oil and gas properties/property, plant and equipment

Group	Office equipment S\$'000	Furniture and fittings \$\$'000	Renovation S\$'000	Office container S\$'000	Tools and equipment S\$'000	Transport equipment S\$'000	Property, plant and equipment, total S\$'000	Oil and gas properties S\$'000	Total S\$'000
<b>Cost:</b> At 1 January 2016 Additions	3,308	1,993	1,463	36	162	14,783	21,745	62,935 3,213	84,680
Disposals/Farm-out of participating interests (Note 8(c)) Change in ASR provision Written off Net exchange differences	(12)	(84)	)		)	(850)	(862) (84) (84) 245	(12,401) 63 1,445	(13,263) 63 (84) 1,690
At 31 December 2016 and 1 January 2017 Additions Disposals	3,546 95 (2)	1,950	1,556	41	184	15,510 3,634 (1,285)	22,787 4,029 (1,290)	55,255 8,617	78,042 12,646 (1,290)
Change in ASR provision Written off Net exchange differences	- (68) (19)	(3)	- (141) (7)	(2)	- (1) (6)	(142)	(352)	150 - (4,201)	150 (352) (4,685)
At 31 December 2017	3,552	1,976	1,641	39	210	17,272	24,690	59,821	84,511
Accumulated depreciation and impairment loss: At 1 January 2016 Charge for the financial year	2,962	1,336	834 277	20 3	135	10,812	16,099	20,583	36,682 2,040
Impairment Disposals Written off Net exchange differences	(12)	// - (52) 1	2	1 1 1 1		(850) - 135	(862) (52) (52)		11,088 (862) (52) 1,139
At 31 December 2016 and 1 January 2017 Charge for the financial year Disposals Written off Net exchange differences	3,221 155 (1) (20)	1,540 229 (3)	1,238 160 - (47)	23	164 24 - (1)	11,229 1,229 (1,260)	17,415 1,800 (1,264) (183)	32,620 266 - - - (2,490)	50,035 2,066 (1,264) (183)
At 31 December 2017  Net carrying amount: At 31 December 2016	3,337	1,762	<b>1,348</b> 318	<b>25</b>	181	10,783	17,436 5,372	<b>30,396</b> 22,635	<b>47,832</b> 28,007
At 31 December 2017	215	214	293	14	29	6,489	7,254	29,425	36,679

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#### 11. Oil and gas properties/property, plant and equipment (Continued)

	Renovation S\$'000	Transport equipment S\$'000	Office equipment S\$'000	Total S\$'000
Company				
Cost:				
At 1 January 2016	50	508	137	695
Additions			62	62
At 31 December 2016 and				
1 January 2017	50	508	199	757
Additions	-	-	4	4
Written off			(68)	(68)
At 31 December 2017	50	508	135	693
Accumulated depreciation:				
At 1 January 2016	28	307	73	408
Charge for the financial year	16	101	33	150
At 31 December 2016 and				
1 January 2017	44	408	106	558
Charge for the financial year	6	63	30	99
Written off	-	-	(20)	(20)
At 31 December 2017	50	471	116	637
Net carrying amount:				
At 31 December 2016	6	100	93	199
At 31 December 2017	_	37	19	56

#### Oil and gas properties

In October 2015, the Group entered into an arrangement with Mandala Energy whereby the Group, through its 80.4% owned subsidiary, Hexindo farm-out 35% of its participation interest in the Lemang PSC. On the same date, the Group has entered into a back-to-back agreement with Eastwin to acquire its 15% participating interest in the Lemang PSC, which resulted in a farm-out of net 20% participating interest in the Lemang PSC at total net consideration of up to US\$102.6 million.

In the prior year, the Group received S\$12,012,000 from the farm-out (Note 8(c)) being the 1st milestone receipt pending satisfaction of certain conditions precedent.

#### Impairment loss on oil and gas properties

During the financial year, the Group carried out an annual review of recoverable amount of the Group's oil and gas properties in the Jatirarangon Block. An impairment loss of S\$Nil (2016: S\$10,946,000) representing the write down of the production equipment properties to the recoverable amount was recognised in 'other operating expenses' (Note 8(a)). The recoverable amount of the production equipment properties was based on its value in use and the pre-tax discount rate used was 12.9% (2016: 12.9%) per annum.

#### Impairment of property, plant and equipment

In 2016, a subsidiary of the Group within the rental segment carried out a review of the recoverable amount of its renovation and furniture and fittings in view of the segment's loss making position. An impairment loss of S\$142,000, representing the impairment of these properties to their recoverable amounts was recognised in "Other operating expenses" (Note 8(a)) of the income statement for the financial year ended 31 December 2016.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 11. Oil and gas properties/property, plant and equipment (Continued)

#### Assets held under finance leases

The Group and the Company has certain office and transport equipment under finance lease arrangements with net book value as detailed below:

	Group		Comp	oany
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Cost	3,621	1,043	-	_
Consideration paid in cash	409	98		
Amount under finance lease	3,212	945		
Net carrying amount of assets at end of year held under finance				
leases	4,671	1,469	37	110

The office and transport equipment purchased under finance leases is pledged to financial institutions as security for facilities granted (Note 24) and some are guaranteed by the Group.

The management had assessed that the fair value of financial guarantee is not material to the Group.

#### 12. Intangible assets

Group	Goodwill S\$'000	Software S\$'000	Total S\$'000
Cost:			
At 1 January 2016	993	2,752	3,745
Addition	_	342	342
Written off	-	(687)	(687)
De-recognition		(447)	(447)
At 31 December 2016 and 1 January 2017	993	1,960	2,953
Addition	-	80	80
Written off	-	(20)	(20)
Net exchange difference		(23)	(23)
At 31 December 2017	993	1,997	2,990
Accumulated amortisation and impairment:			
At 1 January 2016	-	1,537	1,537
Charge for the financial year	_	119	119
Written off		(36)	(36)
At 31 December 2016 and 1 January 2017	-	1,620	1,620
Charge for the financial year	-	97	97
Written off	-	(20)	(20)
Net exchange difference		(6)	(6)
At 31 December 2017		1,691	1,691
Net carrying amount:			
At 31 December 2016	993	340	1,333
At 31 December 2017	993	306	1,299

In 2016, intangible assets relating to software was written off.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### **12. Intangible assets** (Continued)

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to the following cash generating unit ("CGU"):

	Gro	up
	2017 S\$'000	2016 S\$'000
PT Hexindo Gemilang Jaya	993	993

The other assets relating to PT Hexindo Gemilang Jaya CGU include oil and gas properties, exploration and evaluation assets, receivables arising from advances to and cash calls due from NCI holders which amounted to \$\$29,126,000, \$\$4,552,000, \$\$9,112,000 and \$\$1,977,000 respectively. Details on these assets are disclosed in Note 11 to 13 and 18 to the financial statements.

The recoverable amount of PT Hexindo Gemilang Jaya is determined based on value-in-use calculations using cash flow projection from the production forecast approved by management, covering periods until the end of the production sharing contract. The future cash flows are discounted to their present value using a pre-tax discount rate of 13.0% (2016: 13.0%) per annum.

The calculation of the value in use is most sensitive to the following assumptions:

Production volume - The production volumes are estimated based on the latest reserve evaluation report and the development and production plans of the participating contractors for the contract areas. The reserves are categorised as proved, probable and contingent. When necessary, risk factors are applied to the extraction of contingent reserves and/or reserves which are forecasted to be extracted during the extension period of the PSC.

Crude oil and gas prices and production cost - The future oil and gas prices and the production cost per barrel are based on management assumption and the forecast from the operation.

Discount rate – Discount rate represents the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the CGUs and derived from weighted average cost of capital ("WACC") of the CGUs. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Sensitivity to changes in assumptions

With regards to the assessment of value in use for PT Hexindo Gemilang Jaya, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying values of the units to materially exceed their recoverable amounts.

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#### 12. Intangible assets (Continued)

	Software S\$'000
Company	
Cost:	
At 1 January 2016	233
Additions	9
Written off	(46)
At 31 December 2016, 1 January 2017 and 31 December 2017	196
Accumulated amortisation and impairment:	
At 1 January 2016	175
Charge for the financial year	51
Written off	(36)
At 31 December 2016 and 1 January 2017	190
Charge for the financial year	3
At 31 December 2017	193
Net carrying amount:	
At 31 December 2016	6
At 31 December 2017	3

#### 13. Investments in exploration and evaluation assets

Investments in exploration and evaluation assets refer to the participation rights in the oil and gas sharing contract, signature bonus and capitalised cost relating to the directly attributable overheads in the exploration and evaluation activities.

	Group		
	2017	2016	
	S\$'000	S\$'000	
Cost			
As at 1 January	23,195	24,602	
Additions during the financial year	207	2,969	
Amortisation during the year	(246)	-	
Farm-out of participating interests (Note 8(c))	-	(4,939)	
Net exchange differences	(1,753)	563	
	21,403	23,195	

#### 14. Investments in subsidiaries

	Com	pany
	2017	2016
	S\$'000	S\$'000
Unquoted shares, at cost	9,926	9,926
Less: Impairment loss	(500)	(500)
	9,426	9,426

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#### **14. Investments in subsidiaries** (Continued)

#### (a) Composition of the Group

The Group has the following investments in subsidiaries:

						Effective	
Nan		Dringinal activities	Country of	2017	ost 2016	inte 2017	rest 2016
Nan	ne	Principal activities	incorporation	S\$'000	S\$'000	2017 %	2016 %
Held	d by the Company:						
*	REL Oil & Gas Pte Ltd	Investment holding	Singapore	198	198	100	100
*	RichLand Global Pte Ltd	Investment holding	Singapore	9,228	9,228	100	100
*	RBC Properties Pte Ltd	Provision of real estate management services and investment holding	Singapore	500	500	100	100
				9,926	9,926		
Nan	ne	Principal activ	ities	Country incorpor		Effective inte	
Held	d through RichLand	d Global Pte Ltd:					
*	RichLand Logisti Services Pte Ltd	cs Provision of tra management a cargo terminal	nd airport	Singapor	re	100	100
*	RichLand Project Logistics Pte Ltd		upply	Singapor	re	100	100
*	RichLand Chemic Logistics Pte Ltd		and freight vices for the	Singapor	re	100	100
**	PT. RichLand Indonesia	Investment hol	ding	Indonesia	а	99	99
Held	d through PT. Richi	Land Indonesia:					
**	PT. RichLand Logistics Indone	Provision of tra sia and logistics se		Indonesia	а	^100	^100
Held	d through RichLand	d Project Logistics Pte i	Ltd:				
**	PT. RichLand Indonesia	Investment hol	ding	Indonesia	а	1	1

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 14. Investments in subsidiaries (Continued)

#### (a) **Composition of the Group** (Continued)

Nam	ne	Principal activities	Country of incorporation	Effective inter	
				2017 %	2016 %
Hela	through RichLand Chen	nical Logistics Pte Ltd:	_		
@@	RichLand Chemical Logistics Sdn Bhd	Provision of logistics, transportation and freight forwarding services for the chemical industry	Malaysia	100	100
Hela	through RichLand Logis	tics Services Pte Ltd:			
*	RichLand Commercial Properties Pte Ltd	Provision of real estate management services	Singapore	100	100
Hela	through REL Oil & Gas I	Pte Ltd:			
##	Ramba Energy Investment Limited	Investment holding	British Virgin Islands	100	100
Hela	l through Ramba Energy	Investment Limited:			
##	Ramba Energy Indonesia Limited	Investment holding	British Virgin Islands	100	100
Hela	l through Ramba Energy	Indonesia Limited:			
##	Ramba Energy Exploration Ltd	Investment holding	British Virgin Islands	100	100
##	Ramba Resource Services Limited	Investment holding	British Virgin Islands	100	100
Hela	l through Ramba Energy	Exploration Ltd:			
**	Ramba Energy West Jambi Limited	Exploration and production of oil and gas	British Virgin Islands	100	100
##	Ramba Energy Lemang Limited	Investment holding	British Virgin Islands	100	100
**	Ramba Energy Jatirarangon Limited	Exploration and production of oil and gas	Bermuda	100	100
##	Ramba Energy Corridor Limited	Investment holding	British Virgin Islands	100	100
Hela	through Ramba Energy	Lemang Limited:			
**	PT Hexindo Gemilang Jaya	Exploration and production of oil and gas	Indonesia	80.4	80.4

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 14. Investments in subsidiaries (Continued)

#### (a) **Composition of the Group** (Continued)

- ^ 51% of the shares are being held by PT Lumbung Surya Putra, which in turn has pledged its shares to RichLand Global Pte Ltd
- @@ The subsidiary is in process of liquidation and therefore is not required to be audited

#### Audited by:

- \* Ernst & Young LLP, Singapore
- \*\* Ernst & Young, Indonesia for the purpose of group consolidation
- ## Not required to be audited under laws of incorporation and these entities are also not material to the Group.

In accordance with Rule 716 of SGX-ST Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they have complied with Listing Rules 712 and 715 with regard to the appointment of the auditing firm for the Company.

#### (b) Interest in subsidiary with material non-controlling interest ("NCI")

The NCI of PT Hexindo Gemilang Jaya has 19.6% (2016: 19.6%) interest in PT Hexindo Gemilang Jaya as at the end of the reporting period.

	PT He	PT Hexindo	
	Gemila	ng Jaya	
	2017	2016	
	S\$'000	<u>S\$'000</u>	
Loss allocated to NCI during the reporting period Accumulated NCI at the end of the reporting period -	1,990	864	
accumulated losses	4,389	2,654	

#### (c) Summarised financial information about subsidiary with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiary with material NCI are as follows:

#### Summarised statement of financial position

	PI He	PI Hexindo		
	Gemilar	<b>Gemilang Jaya</b>		
	2017	2016		
	S\$'000	S\$'000		
Current				
Assets	19,502	40,185		
Liabilities	(17,227)	(19,175)		
Net current assets	2,275	21,010		
Non-current				
Assets	32,651	25,346		
Liabilities	(57,315)	(59,916)		
Net non-current liabilities	(24,664)	(34,570)		
Net liabilities	(22,389)	(13,560)		

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 14. **Investments in subsidiaries** (Continued)

#### (c) Summarised financial information about subsidiary with material NCI (Continued)

#### Summarised statement of comprehensive loss

	PT Hexindo	
	<b>Gemilang Jaya</b>	
	2017 2016	
	S\$'000	S\$'000
Revenue	998	166
Loss before income tax	10,153	4,413
Other comprehensive income	(1,324)	(33)
Total comprehensive loss	8,829	4,380

#### Other summarised information

	PT Hexindo	
	<b>Gemilang Jaya</b>	
	2017 2016	
	S\$'000	S\$'000
Net cash flow (used in)/generated from operations	(10,116)	2,430
Acquisition of oil and gas properties	8,617	3,213

#### Movement in provision for impairment was as follows:

	Company	
	2017 2016 S\$'000 S\$'000	
As at 1 January	(500)	(1,255)
Impairment loss during the year	-	(295)
Utilised during the year		1,050
Balance at 31 December	(500)	(500)

#### Impairment loss recognised

During the current financial year, an impairment loss of S\$Nil (2016: S\$295,000) was recognised to write down the carrying value of the investment in RBC Properties Pte Ltd to its recoverable amount.

#### (d) Interest in joint operations held through the subsidiaries

The Group holds interests in each contract area for the right to explore and produce oil and gas through its subsidiaries. The Group's interests in oil and gas blocks are listed in the following table.

<b>Contract Area</b>	Held by		Effe	ctive
(Date of Expiry)	(Place of operation)	Description	working	interest
			2017	2016
			%	%
Jatirarangon TAC Block (Expiry: year 2020)	Ramba Energy Jatiararangon Limited (Indonesia)	Oil and gas exploration and production	70	70
Lemang PSC Block (Expiry: year 2037)	PT Hexindo Gemilang Jaya (Indonesia)	Oil and gas exploration and production	31	31

For each contract area where the Group and other partners jointly hold interests in, the respective interests are accounted for as joint operations.

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#### 15. Loans to subsidiaries

These loans are unsecured, non-interest bearing and expected to be settled in cash or offset against intercompany balances in future. They have no fixed repayment terms and the Directors of the Company do not expect the amounts to be receivable within the next 12 months. As the loans are repayable only when the cash flows of the subsidiaries permit, the fair values are not determinable as the timing of the future cash flows arising from the loans cannot be reasonably estimated.

#### 16. Other assets

	Gro	Group	
	2017 	2016 S\$'000	
Current Leased assets	2	10	
Non-current Leased assets		2	

Leased assets refer to the capitalised agent fees and stamp duty incurred in negotiating an operating lease. The capitalised costs are amortised over the relevant lease period on a straight line basis.

#### 17. Trade receivables

	Group		Company	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Third party customers Less: Allowance for doubtful trade	14,544	13,129	-	-
receivables	(581)	(860)	_	-
Total trade receivables	13,963	12,269	-	-
Other receivables (Note 18)	17,667	34,418	62,199	67,265
Loans to subsidiaries (Note 15)	-	-	29,289	29,289
Cash and bank deposits (Note 19)	11,911	14,153	139	584
Total loans and receivables	43,541	60,840	91,627	97,138

Trade receivables are non-interest bearing and are generally on 30-90 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

#### Trade receivables that are past due but not impaired

The Group has trade receivables amounting to \$\$3,267,000 (2016: \$\$4,293,000) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:

	Group	
	2017	2016
	S\$'000	S\$'000
Trade receivables past due but not impaired:		
Less than 30 days	1,835	2,461
30 to 60 days	631	891
61 to 90 days	185	31
91 to 120 days	2	51
More than 120 days	614	859
	3,267	4,293

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#### Trade receivables (Continued) 17.

Trade receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group Individually impaired	
	2017 S\$'000	2016 S\$'000
Trade receivables - nominal amounts	581	860
Less: Allowance for doubtful trade receivables	(581)	(860)
		_
Movement in allowance for doubtful trade receivables:		
At 1 January	860	15
Allowance for the year (Note 8(a))	29	817
Utilised during the year	(239)	(2)
Exchange difference	(69)	30
At 31 December	581	860

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

All trade receivables are denominated in the respective functional currencies of the entities in the Group.

#### Other receivables 18.

Company
2016
000 S\$'000
<b>71</b> 68
<u>-</u> -
<b>,764</b> 67,197
-
<b>-</b> -
,364 -
<b>2,199</b> 67,265
<u> </u>
<b>2,199</b> 67,265
<b>2,199</b> 67,265
<b>2,199</b> 67,265
,

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#### **18.** Other receivables (Continued)

#### Other receivables that are impaired

The Group's movement of the allowance accounts used to record the impairment and other receivables that are impaired at the end of the reporting period are as follows:

	Group Individually impaired	
	2017 S\$'000	2016 S\$'000
Movement in allowance for doubtful other receivables:		
At 1 January	3,671	3,591
Write back for the year (Note 8(a))	-	(13)
Exchange difference	(278)	93
At 31 December	3,393	3,671
	Gro	up
	2017	2016
	S\$'000	S\$'000
Other receivables - nominal amounts	3,393	3,671
Less: Allowance for doubtful other receivables	(3,393)	(3,671)
	_	

#### Due from joint venture partner

In the previous years, the Group had recognised an allowance for doubtful other receivables of \$\$3,393,000 (US\$2,548,000) for the advance made to joint venture partner of Ramba Energy Jatirarangon Limited Block. The amount recoverable was to be paid through the joint venture partner's portion of entitlement based on the funding agreement between the subsidiary and the joint venture partner.

#### Due from subsidiaries

Amounts due from subsidiaries are non-trade in nature, unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash or offset against intercompany balances in future.

#### Due from/cash calls due from NCI holder

These balances, which are due from the non-controlling interest ("**NCI**") holder of Hexindo are non-trade in nature, secured by shares in a subsidiary. Included in the amounts due from NCI holder is a loan amount of S\$8,822,000 (2016: S\$9,546,000) that bears an interest rate of 10% per annum and is repayable in February 2017. The loan has been extended for another year till February 2018. The remaining balances are non-interest bearing and expected to be repaid in the next 12 months.

#### Cash call advance to joint venture partner

The amount is non-trade in nature, unsecured, non-interest bearing, has no fixed repayment terms and expected to be repayable within the next twelve months.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### **18.** Other receivables (Continued)

#### Other receivables (non-current)

Other receivables refer to reimbursable Value Added Tax ("VAT") receivable on oil and gas activities which is reimbursable from the Indonesian government upon full recovery of the cost recovery pool.

#### Advance to joint venture partner (non-current)

The advance to joint venture partner is non-trade in nature, unsecured and non-interest bearing. It is repayable from the sales proceeds of 60% of the joint venture partner's participating share of crude oil and natural gas. The advance to joint venture has been classified as non-current, as repayment is not expected to be received within the next 12 months, based on the budgeted oil lifting and sales.

#### 19. Cash and bank balances

	Group		Company	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Cash on hand and at bank	10,711	11,730	139	584
Fixed deposits	1,200	2,423		
Cash and bank deposits	11,911	14,153	139	584
Less: Restricted cash (non-current)	-	(2,423)	-	-
Less: Restricted cash (current)	(1,200)			
Cash and cash equivalents	10,711	11,730	139	584

Fixed deposits earn interest at 0.21% to 0.61% (2016: 0.45% to 0.9%) per annum.

Restricted cash represents the amount of fixed deposits pledged to certain banks to secure banking facilities.

Cash and bank balances denominated in foreign currencies as at 31 December 2017 are \$3,042,000 (2016: \$3,264,000) and \$4,679,000 (2016: \$5,044,000) in Indonesian Rupiah ("**IDR**") and United States Dollars ("**USD**") respectively.

#### 20. Trade payables

	Group		Company	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Third party suppliers	10,837	12,505	_	_
Accrued operating expenses	7,462	3,852	-	_
Total trade payables	18,299	16,357	-	-
Other payables (Note 21)	33,797	39,963	3,389	4,823
Loans and borrowings (Note 23)	9,022	4,166	-	-
Finance lease liabilities (Note 24)	3,889	1,801	31	109
Total financial liabilities carried				
at amortised cost	65,007	62,287	3,420	4,932

Trade payables are non-interest bearing and are normally settled on 60 days terms.

Trade payables denominated in foreign currencies other than the subsidiaries' respective functional currencies as at 31 December 2017 are \$\$3,835,000 (2016: \$\$2,039,000) in IDR.

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#### 21. Other payables

	Gro	oup	Comp	Company	
	2017	2016	2017	2016	
	S\$'000	<u>S\$'000</u>	S\$'000	S\$'000	
Current					
Advances from Joint Venture					
Partner	2,686	3,254	-	-	
Cash calls advanced from					
Joint Venture Partner	7,251	9,760	_	_	
Amount due to Subsidiaries	-	- 170	652	68	
Amount due to Directors	393	172	393	172	
Accrued salaries and employee benefits	7 007	F FGG	791	7 071	
Sundry payables	3,897 3,734	5,566 5,020	1,553	3,231 1,352	
Security deposits from tenants	3,734	3,020	1,555	1,332	
Deferred rent payable	73	197	_	_	
Advances received from third	, ,	137			
parties	_	4,556	_	_	
Advance billing to tenants	104	104	-	_	
	18,502	28,740	3,389	4,823	
Non-current					
Deferred rent payable	_	73	-	_	
Amount due to NCI holder	1,977	2,139	-	_	
Production bonus	228	228	-	-	
Advances from Joint Venture					
Partner	8,686	9,399	-	-	
Sundry payables	4,581	1,793			
	15,472	13,632			
Total other payables	33,974	42,372	3,389	4,823	
Comprises of: Financial liabilities	77 707	70.007	7 700	4.007	
Non-financial liabilities	33,797 177	39,963 2,409	3,389	4,823	
NOII-IIIIdiiCidi iidbiiitieS			7.700	4.007	
	33,974	42,372	3,389	4,823	

#### Advances from Joint Venture Partner

The advance from joint venture partner were non-trade in nature, unsecured and non-interest bearing. It is repayable from the sales proceeds of 60% of the Group's participating interest share of crude oil and natural gas. The non-current portion of the advances from joint venture is not expected to be repaid within the next 12 months, based on the budgeted oil lifting and sales.

#### Cash calls advanced from Joint Venture Partner

The cash calls advances from joint venture partner were non-trade in nature, unsecured, noninterest bearing and have no fixed terms of repayment.

#### Amounts due to Subsidiaries/Directors

The amounts due to Subsidiaries and Directors are non-trade in nature, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 21. Other payables (Continued)

#### Advances received from third parties

Included in advances received from third parties was an amount of US\$2,220,000 (equivalent to S\$3,220,000) relating to the exploration and evaluation activities of the West Jambi Block. In May 2015, the Group entered into an investment agreement with this third party, in which the third party will make advances to the Group of a non-refundable amount of US\$4,000,000, but not more than US\$6,000,000 for exploration and evaluation activities of West Jambi Block and US\$1,000,000 for general and administrative costs. These advances are non-interest bearing, have no fixed term of repayment and are denominated in USD. These advances have a conversion feature which entitles the third party to convert the loan into shares of Ramba Energy West Jambi Limited only when the third party has disbursed the stipulated advances to the Group in full. At the end of the reporting period, the third party have not made the full amount of such advances to the Group. Consequently, the option to convert has expired. Following the default of the investment agreement by the third party, the advances from third party of US\$2,225,000 (equivalent to S\$3,072,000) has been forfeited. The amount has been recognised under "Other income" in Note 5.

#### Amount due to NCI holder (non-current)

The amount which are due to non-controlling interest ("NCI") holder, is non-trade in nature, non-interest bearing and unsecured. The amount has no fixed repayment terms and the Directors of the Group do not expect the amounts to be repaid within the next 12 months.

#### Sundry payables (non-current)

Sundry payables include amounts relating to legal claims and oral judgments which the Group intends to contest. The Group does not expect the amount to be paid within the next 12 months.

#### 22. Provisions

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Current				
Provision for cargo and motor				
vehicles claims	512	499	-	-
Provision for reinstatement costs	1,052		39	
	1,564	499	39	
Non-current				
Provision for employee benefits				
(Note 31)	1,340	1,101	-	-
Provision for reinstatement costs	75	730		39
	1,415	1,831		39

Movements in provision for cargo and motor vehicles claims for the logistics business during the year are as follows:

	Group		
	2017		
	S\$'000	S\$'000	
Balance at 1 January	499	631	
Provision made during the financial year	141	236	
Utilised during the financial year	(128)	(368)	
Balance at 31 December	512	499	

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### **22. Provisions** (Continued)

As at the end of the reporting period, management is of the view that the expected timing of the settlement of these claims is not determinable.

Movements in provision for reinstatement costs for leased units during the year are as follows:

	Group		Company	
	2017 2016		2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January	730	764	39	39
Provision made during				
the financial year	397	5	-	-
Utilised during the year		(39)		
Balance at 31 December	1,127	730	39	39

It is expected that most of these costs will be incurred upon termination of the leases.

#### 23. Loans and borrowings

	Gro	Group		
	2017	2016		
	S\$'000	S\$'000		
Loan	9,022	4,166		

In 2015, a financial institution granted a US\$10,000,000 loan facility at an interest rate of 10% per annum, to RELL, BVI, a wholly-owned subsidiary. The facility is for working capital needs in relation to the exploration and development activities of the Group.

On 6 June 2017, RELL entered into a loan restructuring and the loan facility commitment remains at US\$10,000,000 at an interest rate of 15% per annum with the first repayment commencing from January 2019.

At the end of the reporting period, US\$6,750,000 (equivalent to S\$9,022,000) had been drawn down from the facility and will be repayable over 24 instalments commencing from January 2019 with final repayment on December 2020. The loan bears an effective interest of 15% (2016: 10%) per annum.

The loan is secured by way of a fixed charge over the subsidiary's operating accounts, a share charge over the Group's equity share in RELL, a corporate guarantee by the Company and personal guarantee provided by related party, Edward Seky Soeryadjaya.

The Company also entered into an option agreement with the financial institution, subject to satisfaction of condition precedents, in which the Company will grant up to 15 million of the call options. At the end of the reporting period, the precedent conditions have not been met. Upon satisfaction of the conditions, the number of options granted will be prorated to the loan amount drawn down at an exercise price equal to 90% of the trailing volume weighted average price of each share for the trading day immediately preceding the exercise date. The option is exercisable only in 2018.

The facility mandated oil hedge over a portion of the Group's net entitlement during the term of the facility period. The fair value of the oil option contracts as at 31 December 2017 is disclosed in Note 36 to the financial statements.

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#### 23. Loans and borrowings (Continued)

A reconciliation of liabilities arising from financing activities is as follows:

			Nor	es		
	2016 S\$'000	Cash flows S\$'000	Additions in finance lease \$\$'000	Foreign exchange movement S\$'000	Other S\$'000	2017 S\$'000
Loans and borrowings						
- Current	2,083	_	_	-	(2,083)	-
- Non-current	2,083	5,330		(474)	2,083	9,022
Total loans and borrowings	4,166	5,330		(474)		9,022
Finance lease payable (Note 24)						
- Current	812	(1,124)	426	-	759	873
- Non-current	989		2,786		(759)	3,016
Total finance lease payable	1,801	(1,124)	3,212			3,889

The 'other' column relates to reclassification of non-current portion of loans and borrowings including obligations under finance leases due to passage of time.

#### 24. Finance lease liabilities

The Group purchased certain software, office and transport equipment under finance lease agreements. There are no restrictions placed upon the Group by entering into these leases. The finance leases are repayable in full by year 2021 (2016: 2021) and the effective interest rates range from 2.9% to 5.5% (2016: 2.9% to 5.8%) per annum.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Total minimum lease payments 2017 S\$'000	Present value of payments 2017 S\$'000	Total minimum lease payments 2016 S\$'000	Present value of payments 2016 S\$'000
Group				
Not later than one year Later than one year but not later	1,016	873	871	812
than five years	3,187	3,016	1,051	989
Total minimum lease payments Less: Amount representing	4,203	3,889	1,922	1,801
finance charges	(314)		(121)	
Present value of minimum lease payments	3,889	3,889	1,801	1,801
Company Not later than one year Later than one year but not later	31	31	82	79
than five years			31	30
Total minimum lease payments Less: Amount representing finance	31	31	113	109
charges	_*		(4)	
Present value of minimum lease payments	31	31	109	109

<sup>\*</sup> Denotes less than S\$1,000

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#### 25. Abandonment and site restoration liabilities

The Group is required to provide for abandonment of all exploration wells and restoration of its drill sites, together with all estimates of monies required for the funding of any abandonment and site exploration program established in conjunction with an approved plan of development for a commercial discovery.

The abandonment and site restoration liabilities represent the present value of abandonment costs relating to all its exploration wells and restoration of its drill sites, which are expected to be incurred up to year 2020 for Jatirarangon Block and up to year 2037 for Lemang PSC when the producing oil and gas properties are expected to cease operations. These provisions have been created based on the Group's internal estimates. Assumptions based on current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability.

Expenditures incurred in the abandonment of exploratory wells and the restoration of their drill sites shall be charged as operating costs, calculated based on the total estimated cost of abandonment and site restoration for each discovery divided by the total estimated number of economic years of each discovery. The estimates shall be reviewed on an annual basis and shall be adjusted each year as required. The range of discount rate applicable in 2017 was 5.35% to 7.94% (2016: 5.35% to 7.94%) per annum. Furthermore, the timing of abandonment is likely to depend on when the fields cease to produce at economically viable rates. This, in turn, will depend upon future oil and gas prices, which are inherently uncertain.

Movements in provision for abandonment and site restoration liabilities during the year are as follows:

	Group	
	2017 S\$'000	2016 S\$'000
Balance at 1 January	850	709
Farm-out of participating interests (Note 8(c))	-	(13)
Additions during the year	150	-
Accretion during the year (Note 7)	65	77
Exchange differences	(67)	20
Changes in assumption	-	63
Less: cash set aside during the financial year	(6)	(6)
Balance at 31 December	992	850

#### 26. Deferred tax

Deferred income tax as at 31 December relates to the following:

		Gro	up		
	Consolidated				
	statement o			Consolidated come statement	
	posit	tion	income st		
	2017	2016	2017	2016	
	S\$'000	S\$'000	S\$'000	S\$'000	
Deferred tax liabilities:					
Difference in timing of allowance					
recognition	(16)	-	16	-	
Oil and gas properties	(2,736)	(2,733)	3	(2,468)	
	(2,752)	(2,733)	19	(2,468)	
Deferred tax assets:					
Difference in timing of allowance					
recognition	_	33	33	179	
Provisions	55	82	27	55	
1 10 11310113					
	55	115	79	(2,234)	

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#### **26. Deferred tax** (Continued)

As at the end of the reporting period, the Group has unutilised tax losses of approximately S\$14,411,000 (2016: S\$3,361,000) that are available for offset against future taxable profits of the companies in which the losses arose for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authority and compliance with certain provisions of the tax legislation of the countries in which the companies operate.

The unabsorbed tax losses have no expiry date except for the unabsorbed tax losses disclosed below. Expiry dates of the unabsorbed tax losses which can be carried forward for a limited duration is as follows:

	Gro	Group		
	2017	2016		
	S\$'000	S\$'000		
Can be utilised up to:				
- 2018	629	916		
- 2019	244	265		
	873	1,181		

### 27. Share capital and treasury shares

#### (a) Share capital

	Group and Company					
	20	17	2016			
	No. of shares	S\$'000	No. of shares '000	S\$'000		
Issued and fully paid ordinary shares						
At 1 January	547,323	137,886	471,214	123,601		
New share issuance for						
rights issue	-	-	56,619	10,724		
New share issuance for						
share awards	2,233	354	19,490	3,582		
Share issuance expense	-	(8)	-	(21)		
At 31 December	549,556	138,232	547,323	137,886		

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

The Company has an employee share option plan under which options to subscribe for the Company's ordinary shares have been granted to employees of the Group (Note 6).

#### (b) Treasury shares

	Group and Company					
	20	17	20	2016		
	No. of shares '000	S\$'000	No. of shares	S\$'000		
At 1 January and 31 December	1,807	(935)	1,807	(935)		

Treasury shares relate to ordinary shares of the Company that is held by the Company.

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#### 28. Other reserves

#### (a) Share based payment reserve

Share based payment reserve represents the equity settled share options and awards granted to employees and Directors (Note 6). The reserve is made up of the cumulative value of services received from employees and Directors, recorded over the vesting period commencing from the grant date of equity settled share options and awards. It is reduced by the expiry or exercise of the share options and upon share issue for the share awards.

### (b) Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

#### (c) Capital reserve

Capital reserve arose from the acquisition of the remaining interest in subsidiaries in prior years. The Group has adopted the entity concept approach in recording these transactions.

#### (d) Gain on reissuance of treasury shares

This represents the gain or loss arising from purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

#### (e) Others

This relates to the re-measurement of defined benefit obligation.

#### 29. Related party transactions

### (a) Compensation of key management personnel

Directors' fees
Directors' remuneration
Share based payments
Central Provident Fund contributions

Key management personnel's remuneration Central Provident Fund contributions Share based payments

Group				
2017	2016			
S\$'000	S\$'000			
471	486			
1,165	1,254			
144	2,966			
9	9			
1,789	4,715			
820	987			
_	3			
24	44			
844	1,034			
2,633	5,749			

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#### 29. Related party transactions (Continued)

#### (a) Compensation of key management personnel (Continued)

#### Directors' interests in share based payment scheme

In the prior financial year, 5,120,000 share options and 5,167,200 share awards were granted to the Company's Directors under the RGSOS and RGPSP respectively (Note 6). The share options have an exercise price of S\$0.18.

During the current financial year, there was no share options or share awards granted.

At the end of the reporting period, the total number of outstanding share options, share awards and bonus shares granted by the Company to the Directors under the RGSOS and RGPSP amounted to 8,832,632, 662,444 and 1,300,800 (2016: 9,855,900, 1,957,712 and 1,300,800) respectively.

#### (b) Sales and purchase of goods and services

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

	Group	
	2017	2016
	S\$'000	S\$'000
Legal, secretarial fees, share registrar and corporate communication services payable to a firm of which		
a Director is the managing partner	951	853
Rental of office space payable to a firm related to the Group	271	430

#### 30. Segment information

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

- I. The oil and gas segment;
- II. The logistics segment comprises transportation management and air cargo terminal handling services;
- III. The rental segment relates to the property rental business; and
- IV. The corporate segment relates to group level corporate services and treasury function.

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

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

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

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### **30.** Segment information (Continued)

	Oil and gas	Logistics	Rental	Corporate	Eliminations/ adjustments	Total	Note
	S\$'000	S\$'000	S\$'000	S\$'000	\$\$'000	S\$'000	
2017							
Revenue:							
Sales to external							
customers	3,424	54,537	1,202	-	-	59,163	
Other income	3,221	1,191	28	23	-	4,463	Α.
Inter-segment sales		30	931	25	(986)		А
Total revenue	6,645	55,758	2,161	48	(986)	63,626	
Segment (loss)/profit	(4,912)	2,568	(1,272)	(5,236)	-	(8,852)	
Finance costs						(1,142)	
Loss before tax						(9,994)	
Tax credit						(701)	
Net loss for the year						(10,695)	
2017							
Interest income from							
bank	-	60	4	-	-	64	
Depreciation and							
amortization							
expenses	591	1,576	139	103	-	2,409	
Other non-cash	2.656	147	4	410		7 015	П
expenses Other segment	2,656	143	4	412	-	3,215	В
information							
Segment assets	77,783	28,009	1,430	375	1,048	108,645	С
Segment liabilities	49,783	15,633	1,203	2,806	2,971	72,396	D
Additions to	,	,	-,	-,	_,	,	_
non-current assets	8,826	4,094	9	4		12,933	

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### **30.** Segment information (Continued)

	Oil and				Eliminations/		
	gas \$\$'000	Logistics S\$'000	Rental S\$'000	Corporate S\$'000	adjustments S\$'000	Total S\$'000	Note
2016 Revenue: Sales to external							
customers	2,255	52,417	2,355	_	_	57,027	
Other income	321	1,761	44	19	_	2,145	
Inter-segment sales		25	756	37	(818)		Α
Total revenue	2,576	54,203	3,155	56	(818)	59,172	
Segment (loss)/profit Finance costs	(19,746)	1,319	(1,065)	(8,064)	-	(27,556) (750)	
Loss before tax Tax credit						(28,306) 2,128	
Net loss for the year						(26,178)	
2016							
Interest income from							
bank	84	77	16	1	-	178	
Depreciation and amortization							
expenses	158	1,560	240	201	-	2,159	
Impairment loss on oil and gas properties	10,946	_	_	_	_	10,946	
Other non-cash	,					.0,0 .0	
expenses	456	1,542	190	3,508	-	5,696	В
Other segment							
information	02 500	27 227	2.072	972	1100	120 747	C
Segment assets Segment liabilities	92,508 50,022	23,223 11,572	2,932 3,097	3,185	1,108 2,782	120,743 70,658	C D
Additions to	30,022	11,572	3,037	5,105	۷,702	70,030	D
non-current assets	6,462	779	10	71		7,322	

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#### **30.** Segment information (Continued)

- Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements
- A Inter-segment sales are eliminated on consolidation.
- B Other non-cash expenses/(income) consist of share based payment, gains and losses on disposal of property, plant and equipment, allowance/write back for doubtful receivables, plant and equipment written off and impairment loss on property, plant and equipment and intangible assets.
- C The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	Gro	oup
	2017	2016
	S\$'000	S\$'000
Deferred tax assets	55	115
Goodwill	993	993
	1,048	1,108

D The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

Deferred tax liabilities	2,752	2,733
Income tax payable	219	49
	2,971	2,782

#### Geographical information

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

	<b>Geographical location</b>		
	Singapore	Indonesia	Total
	S\$'000	S\$'000	S\$'000
2017			
Revenue	32,738	30,888	63,626
Non-current assets	5,809	62,979	68,788
2016			
Revenue	34,579	24,593	59,172
Non-current assets	5,682	58,674	64,356

#### Information about major customers

Revenue from 5 major customers amounted to \$\$41,774,000 (2016: 5 customers - \$\$40,252,000) arising from revenue of the logistics segment.

Revenue from 1 major customer amounted to \$\$2,425,000 (2016: 1 customer - \$\$2,953,000) arising from revenue of the oil and gas segment.

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#### 31. Defined benefit plan

The Group operates a defined benefit pension plan which requires contributions to be made to separately administered funds. The Group also provides unfunded post-employment benefits to certain employees. The Group provides provision for employees' benefits based on the independent actuarial report of PT Padma Raya Aktuaria, dated 27 February 2018 (2016: PT Padma Raya Aktuaria, dated 27 February 2017).

	Gro	Group	
	2017	2016	
	S\$'000	S\$'000	
Defined benefit obligations at 31 December	1,340	1,101	

Breakdown of the Group's defined benefit obligations were as follows:

	Group			
			Unfu	nded
	Funded pension plan post-employm		nent benefits	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Present value of defined benefit				
obligations	233	252	1,340	1,101
Fair value of plan assets	(233)	(252)		
Net liability arising from defined				
benefit obligations			1,340	1,101

Changes in present value of the defined benefit obligations were as follows:

	Group				
		nded			
	Funded pe	nsion plan	post-employment bene		
	2017	2016	2017	2016	
	S\$'000	S\$'000	S\$'000	S\$'000	
At 1 January	252	291	1,101	1,149	
Interest cost	-	2	341	76	
Current service cost	-	102	-	274	
Actuarial gains arising from changes					
in financial assumptions	-	(75)	-	(35)	
Past service cost	-	_	-	(161)	
Plan amendments	-	_	-	21	
Benefit paid	-	(99)	-	(1)	
Disposal	-	_	-	(184)	
Exchange differences	(19)	31	(102)	(38)	
At 31 December	233	252	1,340	1,101	

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#### 31. Defined benefit plan (Continued)

Changes in fair value of plan assets were as follows:

	Group		
	Funded pension plan		
	2017	2016	
	S\$'000	S\$'000	
At 1 January	252	278	
Return/(loss) on plan assets	-	13	
Contributions	-	42	
Benefit paid	-	(96)	
Exchange differences	(19)	15	
At 31 December	233	252	

All the Group's plan assets are in the Indonesian entities' equities as at 31 December 2017 and 2016. The Group expects to contribute S\$231,500 (2016: S\$69,600) to the defined benefit pension plans in 2017.

The principal assumptions used in determining pension and post-employment benefit obligations for the defined benefit plan are shown below:

	2017	2016
Discount rates:	7.25% - 8.8%	7.5% - 8.8%
Expected annual rate of return on plan assets:	7.5%	7.5%
Future annual salary increases:	7.5% - 10%	7.5% - 10.0%
	Indonesian	Indonesian
	Mortality	Mortality
Mortality rate reference:	<b>Table 2011</b>	Table 2011
	10% of	10% of
	mortality	mortality
Disability rate:	rate	rate
Retirement age:	55 - 60	55 - 60

Sensitivity to changes in assumptions

Management believes that no reasonably possible changes in any of the above key assumptions would result in a material change in the carrying value of the pension and post-employment benefit obligation for the defined benefit plan.

#### 32. Commitments

#### (a) Capital commitments

	Group		
	2017 2016		
	S\$'000	S\$'000	
Capital commitments in respect of oil and gas exploration	61,476	35,730	

The capital commitments in respect of oil and gas exploration relates to committed work programmes at the Group's oil and gas properties. These work commitments are expected to be carried out over the next 1 to 2 years (2016: 1 to 2 years).

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#### **32.** Commitments (Continued)

#### (b) Operating leases commitments - as lessee

The Group has entered into commercial leases for properties and transport equipment. These leases have remaining uncancellable lease terms of between 1 to 4 years (2016: 1 to 5 years) with renewal options negotiable before the lease expires and escalation clauses in the contracts. There were no restrictions placed upon the Group by entering into these leases. Future minimum lease payments payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group		
	2017 S\$'000	2016 S\$'000	
Not later than one year	3,016	5,061	
Later than one year but not later than five years	2,204	5,401	
	5,220	10,462	

#### (c) Operating lease commitments - as lessor

The Group has entered into commercial property leases on its leased property. These non-cancellable leases have remaining lease terms of less than 1 year (2016: 1 to 2 years). Future minimum rentals receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Gro	Group		
	2017 S\$'000	2016 S\$'000		
Not later than one year	450	1,243		
Later than one year but not later than five years		426		
	450	1,669		

#### 33. Contingencies

#### Contingent liabilities

#### (a) Legal claim

On 30 March 2015, Super Power Enterprise Group Ltd ("SPE") commenced arbitration proceedings against Hexindo, an 80.4% owned subsidiary. Hexindo and SPE entered into a contractual joint venture established under a joint operating agreement ("JOA") on 13 October 2009. Under the JOA, Hexindo and SPE each held a 51% and 49% participating interests in Lemang PSC respectively.

SPE's interest was however forfeited by the Government of Indonesia as a result of a supposed breach in JOA, which resulted in the eventual substitution by third party, Eastwin.

SPE is seeking that the forfeiture and subsequent substitution with Eastwin were unlawful and the forfeiture provisions relied upon by Hexindo were allegedly penal and unenforceable. SPE is also suing Hexindo for damages, less any compensation due to Hexindo, plus interest up to the date of award.

An originating summons has been filed in the High Court of Singapore by Hexindo to set aside the partial final awards dated 1 August 2016 in favour of SPE, arising from an arbitration between the two parties on the forfeiture and subsequent substitution of SPE's interests in the Lemang PSC ("Awards").

Leave to serve the originating summons outside jurisdiction on SPE was granted to Hexindo on 29 December 2016 and legal proceedings are pending. Based on the advice of the Group's legal counsel, the Directors are of the opinion that there is at least a 50% or more chance that the Awards will be set aside. The Group intends to vigorously pursue the setting aside application or negotiate a satisfactory settlement with SPE.

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#### **33.** Contingencies (Continued)

#### (b) Guarantees

The Group has provided the following guarantees at the end of the reporting period.

- (i) Guarantee to Pertamina of S\$Nil (2016: S\$4,200,000) for its obligation as a contractor on a seismic acquisition and drilling commitment of the oil and gas project.
- (ii) Guarantee to landlord on the rental obligation taken by subsidiaries of \$\$2,672,000 (2016: \$\$2,636,000).
- (iii) Guarantee to a vendor and a customer for a performance bond of S\$327,000 (2016: S\$212,000).

#### (c) Oil and gas operations

The Group's oil and gas operations in Indonesia are subject to Indonesian laws and regulations governing the discharge of materials into the environment or otherwise relating to environment protection. These laws and regulations may require the acquisition of a permit before drilling commences, which may restrict the types, quantities and concentration of various substances that can be released into the environment in connection with drilling and production activities, limit or prohibit drilling activities on certain lands lying within wilderness, wetlands and other protected areas, and require remedial measures to prevent pollution resulting from the Group's operations. The Government has imposed environmental regulations on oil and gas companies operating in Indonesia and in Indonesian waters. Operators are prohibited from allowing oil into the environment and must ensure that the area surrounding any onshore well is restored to its original state insofar as this is possible after the Operator has ceased to operate on the site.

Management believes that the Group and the Operator of the Block are in compliance with current applicable environmental laws and regulations.

#### (d) Operating hazards and uninsured risks

The Group's oil and gas operations are subject to hazards and risks inherent in drilling for and production and transportation of natural gas and oil, such as fires, natural disasters, explosions, encountering formations with abnormal pressures, blowouts, cratering, pipeline ruptures and spills, which can result in the loss of hydrocarbons, environmental pollution, personal injury claims and other damage to properties of the Group. Additionally, certain of the Group's oil and natural gas operations are located in areas that are subject to tropical weather disturbances, some of which can be severe enough to cause substantial damage to facilities and possibly interrupt production. As protection against operating hazards, the Group maintains insurance against some, but not all potential losses. The Group's insurance coverage for its oil and gas exploration and production activities includes, but is not limited to, loss of wells, blowouts and certain costs of pollution control, physical damage to certain assets, employer's liability, comprehensive general liability, and automobile and worker's compensation insurance.

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#### 34. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, credit risk and liquidity risk. The Board of Directors reviews and agrees on policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

#### (a) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily SGD, USD and IDR. The Group does not enter into forward foreign currency contracts to hedge against its foreign currency risk resulting from sale and purchase transactions denominated in foreign currencies. The Group manages the risk by a policy to maintain its revenue based on the respective functional currencies of the Group entities.

At the end of the reporting period,

- 98.9% (2016: 100%) of the Group's sales are denominated in the respective Group's entities' functional currencies; and
- Included in payables of the subsidiaries are the amounts of S\$Nil (2016: S\$3,229,000) that are not denominated in the subsidiaries' functional currencies.

Sensitivity analysis for foreign currency risk

A 5% (2016: 5%) strengthening of SGD and USD against IDR at the reporting date would have the impact as shown below. A 5% (2016: 5%) weakening of SGD and USD against IDR at the reporting date would have the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates and tax rates remain constant.

	Increase/(	Group Increase/(decrease) Loss net of tax		
	2017 	2016 S\$'000		
SGD/IDR	(55)	161		
USD/IDR	144	83		

In addition to transactional exposure, the Group is also exposed to foreign exchange movement in its investments in foreign subsidiaries. The Group does not hedge its currency exposure arising from investments in foreign subsidiaries as they are considered to be long term in nature.

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#### 34. Financial risk management objectives and policies (Continued)

#### (b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis. Receivables arising from advances to joint venture partner and cash calls due from NCI holder is dependent on recoverable amount of the oil and gas operations. The Group obtains collateral from counterparties to mitigate the risk of recoverability from such advances and receivables.

#### Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

#### Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an on-going basis. The credit risk concentration profiles of the Group's trade receivables at the end of the reporting period were as follows:

	Group				
	2	017	2016		
	S\$'000	% of total	S\$'000	% of total	
By country:					
Singapore	9,069	64.9	8,570	69.9	
Indonesia	4,894	35.1	3,699	30.1	
	13,963	100.0	12,269	100.0	

At the end of the reporting period, approximately 42% (2016: 47%) and 22% (2016: 16%) of the Group trade receivables were due from 4 (2016: 4) and 2 (2016: 2) major customers who are located in Singapore and Indonesia respectively.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and short-term deposits that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17 (Trade receivables) and Note 18 (Other receivables).

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 34. Financial risk management objectives and policies (Continued)

#### (c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's long term liquidity risk management policy is that to maintain sufficient liquid financial assets and stand-by credit facilities with banks. At the end of the reporting period, approximately 6.8% (2016: 48.5%) of the Group's loans and borrowings (Note 23) and finance lease liabilities (Note 24) will mature in less than one year based on the carrying amount reflected in the financial statements.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	2017			2016		
	1 year or less S\$'000	1 to 5 years \$\$'000	Total S\$'000	1 year or less S\$'000	1 to 5 years S\$'000	Total S\$'000
Group						
Financial assets:						
Trade and other						
receivables	26,618	5,012	31,630	41,263	5,424	46,687
Cash and bank deposits	11,911		11,911	11,730_	2,423	14,153
Total undiscounted						
financial assets	38,529	5,012	43,541	52,993	7,847	60,840
Financial liabilities:						
Trade and other payables	36,624	15,472	52,096	44,900	11,420	56,320
Provisions	1,564	1,415	2,979	499	1,831	2,330
Finance lease liabilities	1,016	3,187	4,203	871	1,051	1,922
Mark to market on						
oil options	270	-	270	_	_	_
Loans and borrowings	1,373	11,770	13,143	2,408	2,198	4,606
Total undiscounted						
financial liabilities	40,847	31,844	72,691	48,678	16,500	65,178
Total net undiscounted financial (liabilities)/						
assets	(2,318)	(26,832)	(29,150)	4,315	(8,653)	(4,338)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

### Financial risk management objectives and policies (Continued)

### (c) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

		2	2017 2016			2016		
			No fixed		No fixed			
	1 year	1 to 5	term of		1 year	1 to 5	term of	
	or less	years	repayment	Total	or less	years	repayment	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Company								
Financial assets:								
Other receivables	62,199	-	-	62,199	67,265	-	_	67,265
Loans to								
subsidiaries	-	-	29,289	29,289	_	_	29,289	29,289
Cash and cash								
equivalents	139	-	-	139	584	-	-	584
Total								
undiscounted								
financial assets	62,338		29,289	91,627	67,849		29,289	97,138
Financial								
liabilities:								
Trade and other								
payables	3,389	-	-	3,389	4,823	-	_	4,823
Provisions	39	-	-	39	-	39	_	39
Finance lease								
liabilities	31			31	82	31		113
Total								
undiscounted								
financial								
liabilities	3,459	-	-	3,459	4,905	70	_	4,975
Total net								
undiscounted								
financial assets/								
(liabilities)	58,879	_	29,289	88,168	62,944	(70)	29,289	92,163
•	-					. ,		

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

### 34. Financial risk management objectives and policies (Continued)

#### (c) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

The table below shows the contractual expiry by maturity of the Group's and the Company's capital and operating lease commitments. The maximum amounts of the commitments are allocated to the earliest period in which the commitments could be called.

	1 year or less S\$'000	1 to 5 years \$\$'000	Total S\$'000
Group			
2017 Capital commitments Operating lease commitments (net)	40,016 3,016	19,488 2,204	59,504 5,220
Total commitments	43,032	21,692	64,724
2016 Capital commitments Operating lease commitments (net) Total commitments	13,403 3,818 17,221	22,327 4,975 27,302	35,730 8,793 44,523
Company 2017 Operating lease commitments	36	9	45
<b>2016</b> Operating lease commitments	82		82

The table below shows the contractual expiry by maturity of the Group's financial guarantee contracts. The maximum amounts of the financial guarantee contracts are allocated to the earliest period in which the guarantees could be called.

C = 0 ...

	Group
	1 year
	or less
	S\$'000
2017	
Financial guarantees	2,999
2016	
Financial guarantees	2,800

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### 35. Capital management

Capital includes debt and equity items as disclosed in the table below.

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2017 and 2016.

The Group monitors capital using a gearing ratio, which is total borrowings divided by total equity and borrowings. The Group's policy is to keep gearing ratio beneficial to the Group. The Group's total borrowings include loans and borrowings and finance lease liabilities.

	Group		
	2017 201		
	S\$'000	S\$'000	
Loans and borrowings (Note 23)	9,022	4,166	
Finance lease liabilities (Note 24)	3,889	1,801	
Total borrowings	12,911	5,967	
Equity	36,249	50,085	
Total borrowings and equity	49,160	56,052	
Gearing ratio	26.3%	10.6%	

#### 36. Fair value of assets and liabilities

#### (a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 Unobservable inputs for the asset or liability.

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

There was no transfer from Level 1 and Level 2 to Level 3 during the financial years ended 31 December 2017 and 2016.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

#### **36.** Fair value of assets and liabilities (Continued)

#### (b) Liabilities measured at fair value

Total financial liabilities at fair value through

profit or loss

		reporting period using				
Group	Notional amount S\$'000	Quoted prices in active markets for identical instruments Level 1 S\$'000	Significant other observable inputs Level 2 S\$'000	Significant unobservable inputs Level 3 S\$'000	Total S\$'000	
2017						
Financial liabilities:						
Oil options	2,129		(270)		(270)	

Fair value measurements at the end of the

(270)

(270)

The fair value of the oil options is valued using a valuation technique with market observable inputs. The model incorporate various inputs including the forward rate curves of the underlying commodities. The financial effect of oil options as at 31 December 2016 is not material.

#### Financial instruments with carrying amounts that approximate their fair values

The carrying amounts of cash and cash equivalents, trade and other receivables (excluding non-current portion), trade and other payables (excluding non-current portion), loans and borrowings (excluding non-current portion) and finance lease liabilities are reasonable approximation of their fair values due to their short-term nature or are repriced frequently to market interest rates.

# Fair value of financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

Information related to other receivables (non-current) and other payables (non-current) and loans to subsidiaries - Company Level is disclosed in Note 18, 21 and 15 of the financial statements respectively.

#### 37. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2017 were authorised for issue in accordance with a resolution of Directors on 3 May 2018.

## STATISTICS OF SHAREHOLDINGS

AS AT 23 APRIL 2018

Issued and Fully Paid-Up Capital : \$\$140,356,167.4265\* Class of Shares : Ordinary share Voting Rights : One vote per share

#### **DISTRIBUTION OF SHAREHOLDINGS**

	NO. OF		NO. OF	
SIZE OF SHAREHOLDINGS	SHAREHOLDERS	%	SHARES	%
1 – 99	20	1.25	203	0.00
100 – 1,000	78	4.88	63,929	0.01
1,001 - 10,000	531	33.23	3,529,922	0.64
10,001 - 1,000,000	931	58.26	70,194,466	12.82
1,000,001 AND ABOVE	38	2.38	473,960,157	86.53
TOTAL	1,598	100.00	547,748,677	100.00

#### SUBSTANTIAL SHAREHOLDERS

	Direct		Deemed		Total	
	Interest	%	Interest	%	Interest	%
Aditya Wisnuwardana Seky						
Soeryadjaya <sup>(3)</sup>	_	_	162,656,053	29.70	162,656,053	29.70
Edward Seky Soeryadjaya <sup>(2)</sup>	_	_	107,871,400	19.69	107,871,400	19.69
Mohammad Soetrisno Bachir <sup>(2)</sup>	_	_	107,871,400	19.69	107,871,400	19.69
Precious Treasure Global Inc.(2)	_	_	107,871,400	19.69	107,871,400	19.69
Redmount Holdings Limited(1)	_	_	107,871,400	19.69	107,871,400	19.69
Telecour Limited <sup>(3)</sup>	107,699,200	19.66	_	_	107,699,200	19.66
Dato' Sri Prof. Dr. Tahir, MBA						
and family <sup>(4)</sup>	_	_	68,000,000	12.41	68,000,000	12.41
Wing Harvest Limited <sup>(4)</sup>	68,000,000	12.41	_	_	68,000,000	12.41

#### NOTES:

- (1) Redmount Holdings Limited ("**Redmount**"), pursuant to a trust deed dated 4 February 2016, has a deemed interest in the 107,699,200 shares registered in the name of Telecour Limited ("**Telecour**") and 172,200 shares registered in the name of JP Morgan Nominees Private Limited, that are held on trust for Redmount.
- (2) Both Mr Mohammad Soetrisno Bachir and Mr Edward Seky Soeryadjaya control in equal proportion of shareholdings in the capital of Precious Treasure Global Inc. ("**Precious**"). Precious controls 100% of the total issued share capital of Redmount. Pursuant to Section 7(4) of the Companies Act, Mr Mohammad Soetrisno Bachir and Mr Edward Seky Soeryadjaya are deemed interested in the shares held by Redmount.
- (3) Mr Aditya Wisnuwardana Seky Soeryadjaya has a deemed interest in the 3,505,201 shares registered in the name of JP Morgan Nominees Private Limited of which 172,200 shares are held on trust by Redmount, 5,451,652 shares registered in the name of DB Nominees (Singapore) Pte Ltd and 46,000,000 Right Shares registered with RHB Securities Singapore Pte Ltd for his benefit, and a deemed interest in the 107,699,200 shares held by Telecour pursuant to Section 7(4) of the Companies Act, through his position as the sole Director and Shareholder of Telecour.
- (4) The sole Director and Shareholder of Wing Harvest Limited, Clement Wang Kai, is holding the shares on trust for Dato' Sri. Prof. Dr. Tahir, MBA and his family.

<sup>\*</sup> excludes non-voting issued and fully paid-up share capital held as treasury shares

## STATISTICS OF **SHAREHOLDINGS**

AS AT 23 APRIL 2018

#### PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Approximately 54.11% of the Company's shares are held in the hands of the public (on the basis of information available to the Company). Accordingly the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

#### TREASURY SHARES

The total number of treasury shares held as at 23 April 2018 is 1,807,215 shares, approximately 0.33% of the total number of issued shares (excluding treasury shares).

#### TWENTY LARGEST SHAREHOLDERS

		NO. OF	
NO.	NAME	SHARES	%
1	RHB SECURITIES SINGAPORE PTE. LTD.	217,425,700	39.69
2	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	72,729,000	13.28
3	DBS NOMINEES (PRIVATE) LIMITED	20,782,662	3.79
4	SUMMIT GAIN CONSULTANTS LIMITED	19,800,000	3.61
5	CITIBANK NOMINEES SINGAPORE PTE LTD	15,789,760	2.88
6	OCBC SECURITIES PRIVATE LIMITED	15,364,308	2.80
7	UOB KAY HIAN PRIVATE LIMITED	14,002,931	2.56
8	PHILLIP SECURITIES PTE LTD	9,369,096	1.71
9	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	7,729,780	1.41
10	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	7,268,400	1.33
11	RAFFLES NOMINEES (PTE.) LIMITED	7,026,700	1.28
12	DBSN SERVICES PTE. LTD.	5,484,201	1.00
13	DB NOMINEES (SINGAPORE) PTE LTD	5,451,652	1.00
14	LIM CHWEE KIM	5,000,000	0.91
15	LIN TING YIE @ LAM TIN YIE	4,826,200	0.88
16	GOH BEE LAN	4,334,000	0.79
17	LIM HOCK CHEE	3,100,000	0.57
18	MAYBANK KIM ENG SECURITIES PTE LTD	3,064,900	0.56
19	TAN CHONG HUAT	2,923,897	0.53
20	TEE GOON ENG	2,800,000	0.51
	TOTAL	444,273,187	81.09

# STATISTICS OF WARRANTHOLDINGS

AS AT 23 APRIL 2018

#### **DISTRIBUTION OF WARRANTHOLDINGS**

	NO. OF		NO. OF	
SIZE OF WARRANTHOLDINGS	WARRANTHOLDERS	%	WARRANTS	%
1 – 99	0	0.00	0	0.00
100 – 1,000	13	7.93	10,445	0.02
1,001 - 10,000	75	45.73	346,400	0.61
10,001 - 1,000,000	73	44.51	6,592,099	11.64
1,000,001 AND ABOVE	3	1.83	49,669,759	87.73
TOTAL	164	100.00	56,618,703	100.00

#### TWENTY LARGEST WARRANTHOLDERS

		NO. OF	
NO.	NAME	WARRANTS	%
1	ADITYA WISNUWARDANA SEKY SOERYADJAYA	46,000,000	81.25
2	CITIBANK NOMINEES SINGAPORE PTE LTD	2,169,759	3.83
3	HSBC (SINGAPORE) NOMINEES PTE LTD	1,500,000	2.65
4	LIN TING YIE @ LAM TIN YIE	765,200	1.35
5	OCBC SECURITIES PRIVATE LIMITED	528,000	0.93
6	LAM CHENG LONG	503,600	0.89
7	TAN CHONG HUAT	462,500	0.82
8	TAY AH KONG	354,094	0.63
9	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	324,360	0.57
10	LEE WEI JEANETTE	320,000	0.57
11	SONG & WEN HOLDINGS PTE LTD	319,000	0.56
12	LEE MIN JACLYN	300,000	0.53
13	DBS NOMINEES (PRIVATE) LIMITED	253,200	0.45
14	PEH KOK WAH @ PEH WAH CHYE	182,000	0.32
15	HUI TSANG CHING	180,000	0.32
16	LEE SECK HWEE	149,600	0.26
17	CHU JIN JY	120,000	0.21
18	GOH AH TEE @ GOH HUI CHUA	100,000	0.18
19	UOB KAY HIAN PRIVATE LIMITED	79,000	0.14
20	KOH SAUK-LI	78,400	0.14
	TOTAL	54,688,713	96.60

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of Ramba Energy Limited (the "Company") will be held at Emerald Suite, Orchid Country Club, 1 Orchid Club Road, Singapore 769162 on Wednesday, 30 May 2018 at 3.00 p.m. for the following purposes:

#### AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2017 together with the Auditors' Report thereon.

(Resolution 1)

- 2. To re-elect the following Directors of the Company retiring pursuant to Regulation 111 of the Constitution of the Company:
  - (i) Chee Teck Kwong Patrick

(Resolution 2)

(ii) Lee Seck Hwee

(Resolution 3)

[See Explanatory Note (i)]

3. To approve the payment of Directors' fees up to S\$471,250 for the financial year ending 31 December 2018.

(Resolution 4)

4. To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

(Resolution 5)

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

#### **AS SPECIAL BUSINESS**

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

#### 6. Authority to issue shares

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

- (a) (i) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or
  - (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

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

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

#### (the "Share Issue Mandate")

#### provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:-
  - (i) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
  - (ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of the resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8; and
  - (iii) any subsequent bonus issue, consolidation or subdivision of shares.
- (3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provision of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

[See Explanatory Note (ii)]

(Resolution 6)

# 7. Authority to issue shares under the Ramba Group Share Option Scheme ("RGSOS") and RGSOS 2017

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to offer and grant options ("Options") under the RGSOS and RGSOS 2017 and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the RGSOS and RGSOS 2017, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the respective RGSOS and RGSOS 2017 shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, but subject to the aggregate number of shares available under all schemes including share award/share plans (as defined in "Resolution 8") must not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)]

(Resolution 7)

# 8. Authority to issue shares under the Ramba Group Performance Share Plan ("RGPSP") and RGPSP 2017

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to offer and grant awards ("Awards") in accordance with the provision of RGPSP and RGPSP 2017 and to issue and/or deliver from time to time such number of shares in the capital of the Company (excluding treasury shares and subsidiary holdings) as may be required to be issued and/or delivered pursuant to the respective RGPSP and RGPSP 2017 shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, but subject to the aggregate number of shares available under all schemes including share award/share plans must not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iv)]

(Resolution 8)

By Order of the Board

Chew Kok Liang
Company Secretary
Singapore
14 May 2018

#### **Explanatory Notes:**

- (i) Mr Chee Teck Kwong Patrick will, upon re-election as Director of the Company, remain as Chairman of the Nominating Committee and Remuneration Committee, a member of the Audit Committee and he will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.
  - Mr Lee Seck Hwee will, upon re-election as Director of the Company, remain as Executive Director and he will be considered non-independent.
- (ii) The Ordinary Resolution 6 in item 6 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company.
  - For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities or the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent consolidation or subdivision of shares.
- (iii) The Ordinary Resolution 7 in item 7 above, if passed, will empower the Directors of the Company, effective from the date of this AGM until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the RGSOS and RGSOS 2017 up to a number not exceeding in total (for the entire duration of the RGSOS 2017) 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time, but subject to the aggregate number of shares available under all schemes including the Awards (as defined in "Resolution 8") must not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) from time to time
- (iv) The Ordinary Resolution 8 in item 8 above, if passed, will empower the Directors of the Company, effective from the date of this AGM until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the vesting of awards under the RGSOS, RGSOS 2017 (as defined in "Resolution 7") RGPSP and RGPSP 2017 (as defined in "Resolution 8"), and other share-based incentive schemes of the Company up to a number not exceeding in total (for the entire duration of the RGPSP 2017) 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time, but subject to the aggregate number of shares available under all schemes including share award/share plans must not exceed 15% of the total number of issued shares (excluding treasury shares) from time to time.

#### Notes:

- 1. A Member of the Company (other than a Relevant Intermediary\*) entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
- 2. A Relevant Intermediary may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her (which number and class of shares shall be specified.)
- 3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 300 Tampines Ave 5 #05-02 Singapore 529653 not less than seventy-two (72) hours before the time appointed for holding the Meeting.
- \* A Relevant Intermediary is:
- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

#### PERSONAL DATA PRIVACY

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



#### RAMBA ENERGY LIMITED

Company Registration No. 200301668R (Incorporated in the Republic of Singapore)

#### **PROXY FORM**

(Please see notes overleaf before completing this Form)

#### IMPORTANT:

- 1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
- This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We*,	(Name)	(NRIC/	Passport No.)
ofbeing a member/members of Ramba Energy	y Limited (the " <b>Company</b> "), hereby ap		(Address)
Name	NRIC/Passport No.	Proportion of Sha	areholdings
		No. of Shares	%
Address			
and/or (delete as appropriate)			ı
Name	NRIC/Passport No.	Proportion of Sha	reholdings
		No. of Shares	%
Address			

as \*my/our \*proxy/proxies or failing him/her\*, the Chairman of the Meeting, to attend and vote for \*me/us on \*my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held at Emerald Suite, Orchid Country Club, 1 Orchid Club Road, Singapore 769162 on Wednesday, 30 May 2018 at 3.00 p.m. and at any adjournment thereof. \*I/We direct \*my/our \*proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the \*proxy/proxies will vote or abstain from voting at \*his/her/their discretion.

If you wish to exercise all your votes 'For' or 'Against', please tick ( $\sqrt{}$ ) within the box provided. Alternatively, please indicate the number of votes as appropriate.

No.	Resolutions relating to:	No. of votes 'For'	No. of votes 'Against'
1.	Audited Financial Statements for the financial year ended 31 December 2017		
2.	Re-election of Mr Chee Teck Kwong Patrick as a Director		
3.	Re-election of Mr Lee Seck Hwee as a Director		
4.	Approval of Directors' fees up to S\$471,250 for the financial year ending 31 December 2018		
5.	Re-appointment of Ernst & Young LLP as Auditors and authority to Directors to fix remuneration		
6.	Authority to issue shares		
7.	Authority to issue shares under Ramba Group Share Option Scheme		
8.	Authority to issue shares under Ramba Group Performance Share Plan		

Dated this	day of	2018

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



Signature of Shareholder(s) and Common Seal of Corporate Shareholder

#### Notes:

- 1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
- 2. A member of the Company (other than a Relevant Intermediary\*), entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
- 3. Where a member (other than a Relevant Intermediary\*) appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- 4. A Relevant Intermediary may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).
- 5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
- 6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 300 Tampines Ave 5 #05-02 Singapore 529653 not less than seventy-two (72) hours before the time appointed for the Meeting.
- 7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
- 8. A corporation which is a member may authorise by resolution of its Directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a Director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
- 9. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his/her vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
- \* A Relevant Intermediary is:
- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

#### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 May 2018.

#### General

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





## **Ramba Energy Limited**

300 Tampines Avenue 5 #05-02 Singapore 529653

Tel: 6223 8022 Fax: 6223 3022

Website: www.ramba.com

Company Reg No. 200301668R