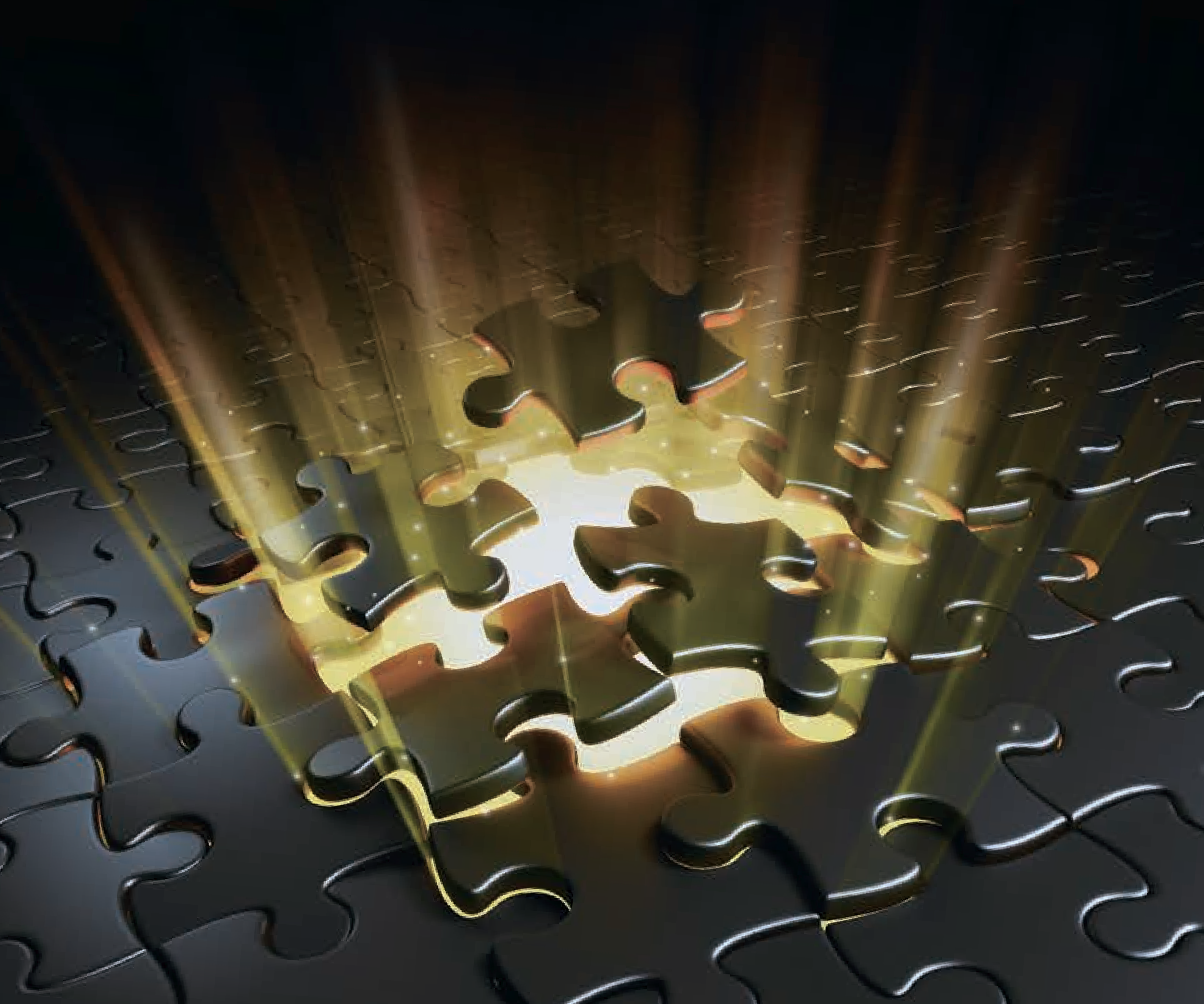
Eneco ENERGY

TRANSFORM AND REVOLUTIONISE

ANNUAL REPORT 2018



Eneco Energy Limited ("**Eneco Energy**" or "**the Group**") (formerly known as Ramba Energy Limited) is a Singapore Stock Exchange-listed Company engaged in oil and gas exploration and production in Indonesia. Eneco Energy ventured into the energy sector in 2008 with the goal of becoming a significant energy producer in Indonesia.

Eneco Energy holds a 70% interest in the Jatirarangon TAC Block, located in West Java, Indonesia; a 100% interest in the West Jambi KSO Block, located in Sumatra, Indonesia; and its local subsidiary, PT Hexindo Gemilang Jaya holds a 16% interest in the Lemang PSC Block, also located in Sumatra, Indonesia. All of Eneco Energy's assets are located in onshore regions on the Western Indonesian islands of Java and Sumatra.

Eneco Energy's logistics business unit, RichLand Logistics, provides supply chain services including inbound and outbound transportation activities, distribution management, seaport and airport cargo handling services. RichLand employs more than over 700 full time and contract employees. It operates over 300 trucks and more than 200 trailers which are either owned or leased by RichLand Logistics. RichLand manages more than 1,250,000 square feet of warehousing capacity, and transports more than 2 million tonnes of cargo per year.

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MESSAGE FROM *CHAIRMAN & CEO*

FOCUSING ON EXECUTION

MR LOW CHAI CHONG
Chairman, Independent Director

MR ADITYA WISNUWARDANA SEKY SOERYADJAYA
Chief Executive Officer and Executive Director

DEAR SHAREHOLDERS,

On behalf of the Board of Directors of Eneco Energy Limited ("**Eneco Energy**" or "the **Group**"), we are pleased to present the Eneco Energy annual report for the year ended 31 December 2018 ("**FY2018**").

FINANCIAL REVIEW

Eneco Energy recorded a revenue of S$46.8 million for FY2018, which was lower by S$12.4 million as compared to S$59.2 million for the prior year ("**FY2017**"). This was mainly attributable to the decreased revenue from our Logistics segment, which recorded lower revenue of S$41.0 million as a result of lower sales volume. However, this was partially negated by an increase in revenue of S$1.9 million from Oil & Gas segment due to increased production from the Lemang Block.

Overall, the Group incurred a higher net loss after tax attributable to shareholders of S$41.7 million for FY2018 compared to S$8.4 million for FY2017.

The Group registered a net cash outflow from operating activities of S$1.1 million.

OIL & GAS SEGMENT

Regarding the farm-out of participating interest in the production sharing contract ("**PSC**") relating to the Lemang Block, the Group wishes to update that following the completion of 15% farm out agreement which took place on 10 July 2018, the participating interests of Eneco Energy's 80.4% owned Indonesian subsidiary, PT Hexindo Gemilang Jaya ("**Hexindo**") in Lemang PSC is 16%. The Group has received notice of the intention to exercise a call option, by Mandala, on 27 July 2018, pursuant to the Call Option Deed to acquire an additional 6% participating interest in the Lemang PSC from Hexindo. Mandala's exercise to acquire the additional 6% participating interest is currently awaiting approval from Indonesian authorities.

Since the commencement of our partnership with Mandala in February 2016, we have been actively working together to bring more exploration wells into production.

We are heartened to report that the drilling of five new wells at well pads A and B at the Lemang Block in Lemang PSC were completed in 2017. In addition, we have constructed an access road, bridges and well pads C and D. We have also mobilised a drilling rig and further drilled 2 development wells at well pad C and 1 development well at well pad D. By completing the abovementioned development in 2018, the Lemang Block had successfully fulfilled the works set out in the scope of the approved Akatara Field Plan of Development ("**POD**").

We are working towards increasing production and further developing the Akatara field in the Lemang Block through a few key initiatives, one of which is the installation of artificial lift, by which we aim to increase total production to approximately 2,000 barrels of oil per day. This has been revised from the previously announced target due to higher gas properties in one of the hydrocarbon formations.

In the near term, we are aiming to commercialise the Akatara Field natural gas. Current negotiations are targeting a supply contract of 25 mmscf of gas per day to Perusahaan Gas Negara ("**PGN**"). The commercialisation of the Akatara gas fields will mark a significant milestone for Eneco Energy.

The concession for the Jatirarangon gas field will expire in May 2020. We are currently reviewing the viability of applying to the authorities to extend this concession beyond 2020.

In the coming months, the Board will review the long-term prospects of Oil & Gas segment.

LOGISTICS SEGMENT

Our Logistics segment contributed S$41.0 million to the Group's revenue and recorded a segment loss of S$0.2 million for FY2018.

The Group's wholly-owned logistics subsidiary, RichLand Logistics, continues to establish itself as a leading Supply Chain Management company in Singapore and Indonesia.

The soft economic environment and current high costs in terms of fuel and manpower within a slowing market presents significant challenges. Extreme rate pressure and cost increases are driving margins lower against a backdrop of lower volumes from our existing business, thus further compounding the impact.

While the economic backdrop is still fragile, RichLand Logistics is seeing encouraging signs and remains committed to growing its customer base. Our renewed focus on growth has started to activate new customers and is building a stronger pipeline of new business opportunities. Our operating margins remain stable despite strong headwinds in our cost base.

On a brighter note, new contracts signed will help to increase revenue growth into 2019. In a challenging market we remain focused on cost control, margin management and new business growth whilst being open minded to alternative revenue growth opportunities. The firm is also building a strong capability that can be utilised across various segments of its customers' supply chain, as well as adapting innovation and technology into its logistics services, to strengthen productivity and efficiency.

MESSAGE FROM *CHAIRMAN & CEO*

SETTLEMENT OF LEGAL PROCEEDINGS

We refer to our previous announcements on the legal proceedings by Super Power Enterprises Group Ltd ("**SPE**") against Hexindo. On 4 June 2018, the Company and Hexindo have entered into a settlement agreement with SPE ("**Settlement Agreement**") under which Hexindo shall pay SPE a settlement sum of US$10 million. The Board was of the view that the terms of settlement were in the best interests of the Group as the settlement sum was significantly lower than originally claimed by SPE, and would discharge the Group against all present and future claims and legal proceedings in relation to the dispute with SPE, thus allowing the Group to re-focus its resources towards strengthening its businesses. Furthermore, the settlement sum will not have a material adverse effect on the cash flow of the Group as all payments towards the settlement sum would be paid from and limited to the reserve bonuses and future revenues from the Group's oil and gas segment.

PLACEMENT

On 14 December 2018, the Company welcomed a new shareholder, Eneco Investment Pte. Ltd ("**Eneco Investment**"), after completing a placement of 96.8 million new Shares at a S$0.105 per share to Eneco Investment. With the placement, Eneco Investment now holds approximately 14.99% of the Company's expanded share capital. Through this placement, the Company raised net proceeds amounting to approximately S$9.82 million after deducting related expenses incurred in connection with the placement. Part of the proceeds were used for the payables for Oil & Gas, payment of professional fees, subsidiaries' payables and payment of general working capital.

CHANGE OF NAME

We would like to thank our shareholders in supporting the Company's proposal to change the Company's name from "**Ramba Energy Limited**" to "**Eneco Energy Limited**", which came into effect on 14 March 2019. This change in Company's name aims to reap the benefits of the Company's association with our new shareholder, Eneco Investment Pte. Ltd. as well as its parent company Eneco Investment Inc.

TAPPING OPPORTUNITIES AND BUILDING FUTURE VALUE

2018 has been a year of volatility and uncertainty for the oil and gas sector, but the Group remains committed to build upon its Logistics business.

We will persevere to build shareholder value and look forward to your continued support as we steer the Group to new platforms of growth. The Board and Management will continue its efforts to build businesses that can help improve its overall financial performance and bring greater returns for all shareholders.

Yours Sincerely,

Mr Low Chai Chong
Chairman, Independent Director

Mr Aditya Wisnuwardana Seky Soerydjaya
Chief Executive Officer and Executive Director

BUILDING STRONG *BUSINESS PLATFORMS*

BOARD OF *DIRECTORS*

MR ADITYA WISNUWARDANA SEKY SOERYADJAYA

Chief Executive Officer and Executive Director

Mr Soeryadjaya was appointed as an Executive Director on 30 June 2008 and last re-elected on 28 April 2016. Mr Soeryadjaya was a founding member of the Group in its current form and has helped develop the Group's logistics and oil and gas business units into what they are today. His vision is to make the Company a significant energy producer in Indonesia through continued diversification and growth.

Prior to joining the Company, 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 LOW CHAI CHONG

Chairman, Independent Director

Mr Low Chai Chong joined the Board as the Lead Independent Director of the Company on 14 December 2018 and appointed as Chairman of the Board on 13 March 2019. He is an advocate and solicitor of the Supreme Court of Singapore. He joined Messrs Dentons Rodyk & Davidson LLP in 1986, and has been with the same firm his entire career. He has many years of legal experience representing multinational companies, financial institutions and listed companies in a wide array of commercial and corporate matters regionally, including dispute resolutions. He is the Independent Chairman of Moya Holdings Asia Limited, as well as the Lead Independent Director of Pollux Properties Ltd., both listed on the stock exchange of Singapore.

Mr Low graduated with a Bachelor of Laws (Honours) degree from the National University of Singapore.

MR PATRICK TAN TSE CHIA

Independent Director

Mr Patrick Tan Tse Chia joined the Board as an Independent Director of the Company on 14 December 2018. He is the founder and Chief Executive Officer of Fortis Law Corporation and the Head of the Private Client Practice Group. His areas of practice include general litigation and arbitration, wealth management, real estate and private client matters.

Mr Tan is a Notary Public, Commissioner for Oaths, a Fellow of the Singapore Institute of Arbitrators, as well as an accredited Associate Mediator, appointed by the Singapore Mediation Centre and a Volunteer Mediator appointed by the State Courts of Singapore.

Mr Tan obtained his LL.B. (Hons) at the Nottingham University, where he received top honours, clinching several academic awards in land law, company law and partnership law.

BOARD OF *DIRECTORS*

MR TEO CHEOW BENG
Independent Director

Mr Teo Cheow Beng joined the Board as an Independent Director of the Company on 14 December 2018. Mr Teo retired from the Singapore Police Force ("**SPF**") in 2018 after having serviced SPF for almost 39 years. In SPF, he held several key positions in the investigation fraternity, namely Head Investigation in Jurong Police Division, Head of Secret Society Branch, Head of Serious Sexual Crime Branch and Head of Intellectual Property Rights Branch in the Criminal Investigation Department (CID). He also served several years in the Special Investigations Section and Organised Crime Branch of CID that dealt in firearms, kidnapping and murder investigations. Mr Teo received numerous commendations and awards during his service.

Mr Teo possessed a Graduate Diploma in Business and Management from The Society of Business Practitioners, Cheshire, England, and a Bachelor of Science in Business Administration from the Bulacan State University, Philippines.

MR KOJI YOSHIHARA
Non-Independent Non-Executive Director

Nominated by Eneco Investment Pte. Ltd., Mr Koji Yoshihara joined the Board as a Non-Independent Director of the Company on 14 December 2018. Having spent 26 years in Daiwa Securities, Mr Yoshihara brings with him his wealth of knowledge of the investment and finance industry into the Company. He is currently the Head of Listing Preparation Office of Eneco Holdings, Inc..

Before joining Eneco, he worked as the Head of M&A Consulting Practice Group of Pactera Consulting Japan Co., Ltd., the Japanese arm for the global IT service company. He also acted as the Executive Officer, Planning Division of the Overseas Business Group for Tsuneishi Kamtecs between 2014 and 2015, which specialised in industrial waste management and recycling.

Mr Yoshihara currently also sits on the Board of Refresh Group Limited, a company listed on the Australian stock exchange.

Mr Yoshihara graduated with a Bachelor of Liberal Arts in Social Science, International Economics and Politics from the International Christian University in Tokyo, Japan.

SENIOR *MANAGEMENT*

MR COLIN MORAN
CEO Logistics

Colin Moran is the CEO 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 28 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

Eneco Energy Limited ("**Eneco Energy**" or the "**Group**") reported a revenue of S$46.8 million for the 12 months ended 31 December 2018 ("**FY2018**"), which was lower by S$12.4 million as compared to S$59.2 million for FY2017. The revenue was mainly derived from the Group's Logistics segment, Richland Logistics, which contributed S$41.0 million to the Group's FY2018 revenue, representing a decrease of S$13.5 million from the S$54.5 million reported in this segment for FY2017. The lower revenue in the Logistics segment was mainly due to lower sales volume arising from the expiration of a customer contract in Indonesia.

The Oil and Gas segment contributed S$5.3 million to the Group's FY2018 revenue, compared to S$3.4 million for FY2017. The improved revenue in the Oil and Gas segment was due to higher oil production in Lemang field.

The Rental segment of the Group contributed S$0.5 million to the Group's FY2018 revenue compared to S$1.2 million for FY2017, due to discontinuation of the Group's rental management business.

SEGMENTAL PROFIT

The Logistics segment reported segmental loss of S$0.2 million in FY2018 compared to segmental profit of S$2.6 million in FY2017, largely due to lower sales volume and expiry of a key contract in Indonesia.

After taking into account the higher revenue in the Oil and Gas segment, the Group reported a higher segmental loss of S$40.0 million compared to a segmental loss of S$4.9 million in the previous year. This was largely due to higher operating costs from Lemang field, higher depreciation for Lemang field, impairment and recognition of final legal settlement allowance.

The Rental segment registered lower segmental loss of S$61,000 in FY2018 compared to a segmental loss of S$1.3 million in FY2017, due to savings following the discontinuation of our rental management business.

OPERATING COSTS AND EXPENSES

Overall, for FY2018, the Group registered a net loss after tax attributable to shareholders of S$41.7 million compared to a loss of S$8.4 million in FY2017.

The Group registered higher total costs and operating expenses of approximately S$93.1 million for FY2018 compared to S$73.3 million for FY2017. The above were mainly due to higher depreciation and amortisation expenses which increased by S$10.3 million to S$12.8 million for FY2018, higher finance costs which increased by S$1.1 million to S$2.3 million for FY2018, higher foreign exchange loss, higher operating costs from Lemang field as well as impairment and legal settlement allowance.

The above were offset by effective cost control initiatives, lower salaries and employee benefits which declined by S$1.9 million to S$23.9 million for FY2018 and lower service costs which declined by S$13.3 million to S$21.4 million for FY2018 in tandem with lower revenue.

BALANCE SHEET

In terms of financial position, the Group's net asset value stood at S$4.2 million as at 31 December 2018, compared to S$34.3 million as at 31 December 2017.

The changes in both assets and liabilities are as follows:

The Group's non-current assets decreased by S$18.9 million to S$49.9 million. This was mainly due to 15% farm out of participating interest in Lemang field, impairment loss on Lemang field.

Current assets decreased by S$17.5 million to S$22.4 million, mainly due to decrease in trade receivables by S$2.7 million to S$11.3 million, decrease in other receivable of S$10.8 million largely due to impairment recognised for non-controlling interest holder and decrease of S$3.7 million in cash and bank balances and fixed deposit.

Current liabilities decreased by S$7.8 million to S$33.8 million, mainly due to decrease of S$12.2 million in trade and other payables and S$0.9 million in provisions. This was offset by reclassification of loans and borrowings from non-current liabilities of S$4.6 million and an increase of S$1.0 million in finance lease liabilities.

Non-current liabilities increased by S$1.6 million to S$34.3 million, mainly due to increase in other payables of S$3.8 million and an increase of S$2.5 million in finance lease liabilities. This was offset by the reclassification of loans and borrowings to current liabilities of $4.6 million.

OPERATIONS *REVIEW*

OUTLOOK AND PLANS

Overall, the outlook for the oil and gas segment remains uncertain due to weaker global economic growth, ongoing trade tensions and uncertainties over the pace of global oil demand growth. Despite greater oil price volatility in recent months, the Group remains quietly confident in the long-term prospects of its Indonesian Oil and Gas business. In the Group's Logistics segment, the Group believes that Singapore and the region will continue to face a challenging economic environment. Nonetheless, the Group continues to focus on growth and to strengthen its pipeline of opportunities.

As Eneco Energy continues to pursue further growth, the Group remains committed to financial prudence across all its operating segments. The Group remains focused on developing the Lemang PSC through a number of key initiatives, which includes:

- Installation of artificial lift to increase total production to 2,000 barrels of oil per day
- Commercialisation of Akatara Field natural gas through ongoing negotiations
- Finalise contract with Perusahaan Gas Negara "PGN" to deliver 25 mmscf of gas per day via their pipeline

Eneco Energy and its partner, Mandala Energy, remains steadfast in further unlocking the exploration potential of the Lemang Block and will continue efforts to bring more wells online for commercial production. The Group continues to review its assets portfolio as it seeks to unlock the value of its West Jambi Block, which is still in the exploration phase. The Group's Jatirarangon Block is expected to maintain its production in the near term and currently supplies gas produced from the Block to PT Perusahaan Gas Negara.

LOGISTICS *REVIEW*

RESILIENCE IN A TOUGH YEAR

OVERVIEW

Eneco Energy's wholly-owned subsidiary, RichLand Logistics ("**RichLand**"), is an established Supply Chain Management company with more than 27 years of experience in Southeast Asia. Throughout the years, RichLand's track record has earned itself a longstanding reputation as a leading Supply Chain Management company within the contract logistics arena as it continues to design and operate cost effective and innovative industry solutions for clients. RichLand's depth of experience, asset ownership and strong market knowledge has enabled it to deliver best in class solutions for clients across a myriad of sectors, including technology, petrochemical, consumer goods, manufacturing, oil and gas, and the freight-forwarding industry.

In its home base of Singapore, RichLand continues to further develop its capabilities to handle 3PL contract logistics, distribution, brokerage, container haulage and last mile e-commerce deliveries.

In 2010, Richland expanded into the Indonesian market, providing logistics services mainly to the petrochemical sector. Despite recent economic headwinds in Indonesia, the largest economy in ASEAN remains a key focus for RichLand's growth and expansion. RichLand continues to build its capability between Singapore and Indonesia to handle cross border movement of goods.

As a third-party contract logistics provider, RichLand aims to manage every aspect of services in-house in order to provide its customers with greater visibility and control whilst ensuring cost effective solutions throughout the entire supply chain. These in-house capabilities will enable RichLand to deliver focused and robust integrated solutions that can be utilised and scaled across numerous segments of its customers' supply chains. As an asset-based supply chain management company, RichLand believes it has a unique selling proposition against many of its non asset-based competitors. The asset-based model enables RichLand to ensure maximum control over its service standards and customer satisfaction.

LOGISTICS *REVIEW*

DELIVERING VALUE FOR FUTURE GAINS

RichLand reported a revenue of S$41.0 million for the 12 months ended 31 December 2018 ("**FY2018**") as compared to S$54.5 million for FY2017. The decline was mainly due to lower sales volume in Indonesia due to the downscaling of RichLand's largest customer contract and negative foreign exchange movement between the Indonesian Rupiah and the Singapore Dollar. Whilst at the same time, Singapore reflected year on year growth with three new contract wins and the exit of one of its non-performing customer contracts within its air cargo services portfolio. The flight to quality in its customer base and its shift in focus to third party contract logistics is a key element of RichLand's ability to survive the major shifts the industry is going through, particularly in Singapore.

RichLand believes that the common industry-wide challenges such as strong competition, rising operating costs, fuel price increases and customer downward rate pressure must be proactively managed and dealt with on a day to day basis. Strategically, RichLand continues to find ways to deliver growth in higher margin activities and across its geographical footprint to deliver long-term sustainable results.

Nonetheless, RichLand remains steadfast in its efforts to pursue further quality growth within its customer portfolio and new business pipeline as well as strengthening its capabilities within the supply chain management arena. RichLand continues to review its operations and remains focused on cost control, margin management and new business growth while exploring alternative non-organic revenue growth opportunities, including new service offerings, new partnerships and alliances or acquisitions that will drive value and improve its capabilities.

Technology is a key driver in delivering greater productivity and visibility to customers, enabling RichLand to sustain a competitive edge in the logistics sector. In order to meet customer demands for faster and more efficient solutions, RichLand continues to invest in new technology and App development. RichLand's proprietary Apps enable customers to access real time delivery data and dramatically improves transparency and the speed of information flow. Given its well-developed IT strategy and platform, RichLand is prepared for future industry challenges.

Despite uncertainties in the global economic outlook for 2019, RichLand will continue to pursue innovation and talent development to enhance its current capabilities and strengthen its integrated service offerings to deliver long-term sustainable value for shareholders.

CORPORATE *INFORMATION*

REGISTERED OFFICE

300 Tampines Avenue 5
#05-02
Singapore 529653

Website: www.enecoenergy.com

BOARD OF DIRECTORS

Aditya Wisnuwardana Seky Soeryadjaya
Chief Executive Officer/Executive Director

Low Chai Chong
Chairman, Independent Director

Patrick Tan Tse Chia
Independent Director

Teo Cheow Beng
Independent Director

Koji Yoshihara
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Low Chai Chong
Patrick Tan Tse Chia
Teo Cheow Beng

NOMINATING COMMITTEE

Patrick Tan Tse Chia
Low Chai Chong
Teo Cheow Beng

REMUNERATION COMMITTEE

Teo Cheow Beng
Low Chai Chong
Patrick Tan Tse Chia

COMPANY SECRETARY

Ang Siew Koon

AUDITORS

Ernst & Young LLP

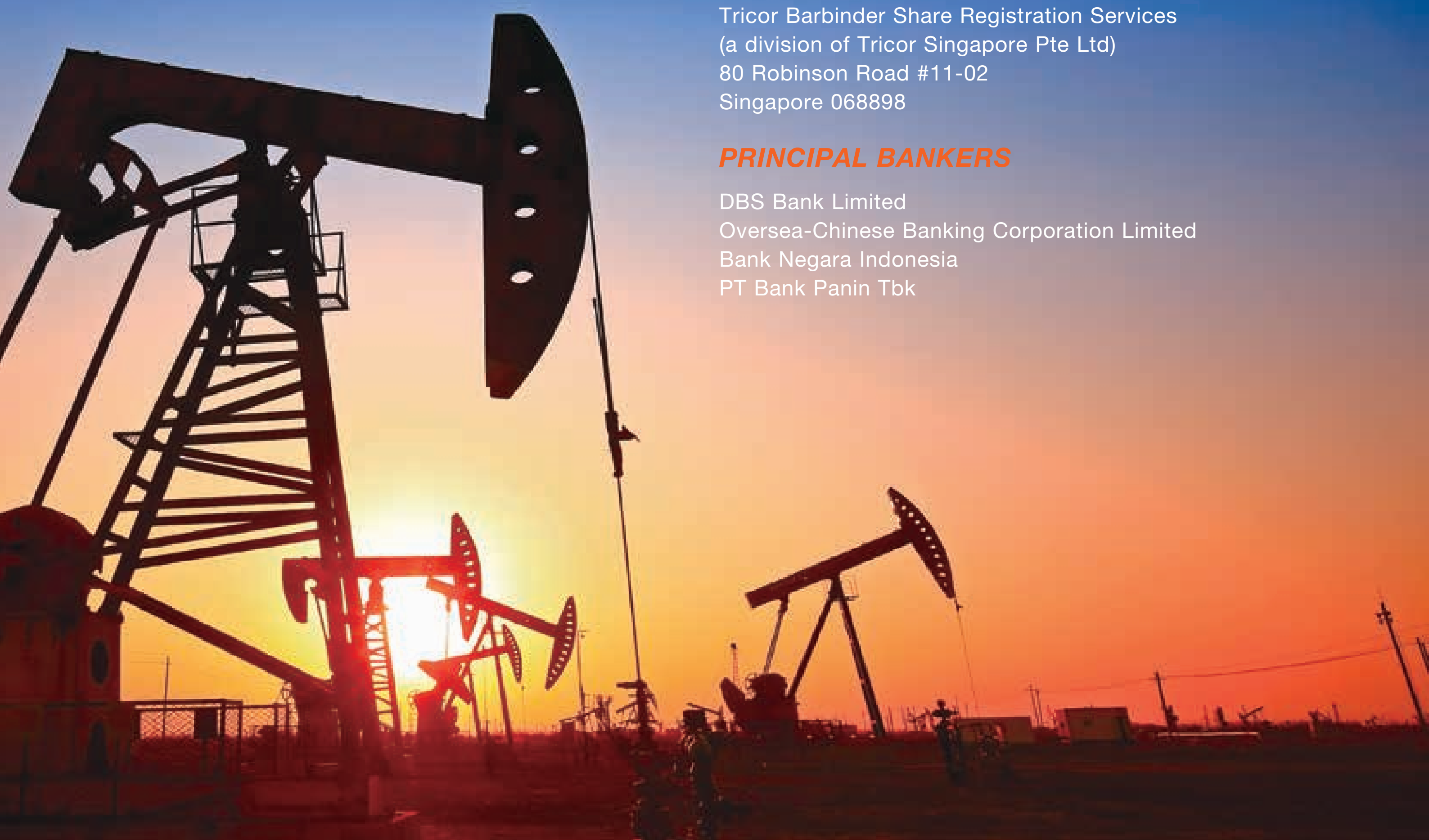
Partner-In-Charge
Vincent Toong Weng Sum
(with effect from financial year ended 31 December 2018)

SHARE REGISTRAR AND WARRANT AGENT

Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte Ltd)
80 Robinson Road #11-02
Singapore 068898

PRINCIPAL BANKERS

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



CORPORATE *GOVERNANCE REPORT*

The Board of Directors (the "**Board**") and Management of Eneco 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.

In the opinion of the Board, the Company has generally complied with all the provisions as set out in the Code for the financial year ended 31 December 2018 ("FY2018").

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.

The Board provides entrepreneurial leadership and assumes responsibility for stewardship of the Group in terms of its strategic objectives. It 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 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;

CORPORATE *GOVERNANCE REPORT*

- 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. In FY2018, the Board held a total of ten (10) 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' meetings, which provide a fair and accurate record of the discussion and key deliberation and decisions taken during the meetings, are circulated to all the members of 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 each meeting is prepared in consultation with the Chairman and the Chairman of the respective Board Committees, and where necessary, the Executive Director cum Chief Executive Officer ("**CEO**"). The agenda and documents are circulated in advance of the scheduled meetings.

The frequency of meetings and the attendance of each Director at every Board and Board Committee meetings for FY2018 are disclosed in the table below:

In FY2018, there were no alternate Directors appointed to the Board. The Board would generally avoid approving the appointment of alternate Directors unless in exceptional cases, such as when a Director has a medical emergency.

CORPORATE *GOVERNANCE REPORT*

Attendance Report of Directors

Name of Director	Board		AC		RC		NC		AGM	
	No. of meetings		No. of meetings		No. of meetings		No. of meetings		No. of meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr Tan Chong Huat(1)	10	8	4	3	2	0	3	3	1	1
Mr Aditya Wisnuwardana Seky Soeryadjaya	10	10	–	–	–	–	–	–	1	0
Mr Daniel Zier Johannes Jol(2)	10	9	–	–	–	–	–	–	1	1
Mr Chee Teck Kwong Patrick(1)	10	10	4	4	2	2	3	3	1	1
Mr Tay Ah Kong Bernard(1)	10	10	4	4	2	2	3	3	1	1
Mr Lee Seck Hwee(2)	10	10	–	–	–	–	–	–	1	1
Mr Koji Yoshihara(3)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr Patrick Tan Tse Chia(3)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr Teo Cheow Beng(3)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr Low Chai Chong(3)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

(1) Messrs Tan Chong Huat, Chee Teck Kwong Patrick, and Tay Ah Kong Bernard resigned on 18 December 2018.

(2) Messrs Daniel Zier Johannes Jol and Lee Seck Hwee resigned on 31 December 2018.

(3) Messrs Koji Yoshihara, Patrick Tan Tse Chia, Teo Cheow Beng, and Low Chai Chong were appointed on 14 December 2018.

In FY2018, four new non-executive Directors (three Independent, one Non-Independent) were appointed on 14 December 2018. The Non-Independent Non-Executive Director, Mr Koji Yoshihara was nominated by Eneco Investment Pte. Ltd., one of the substantial shareholders of the Company. Of the new Directors, the three Independent Directors have been appointed as members of the Board committees as follows:

Name of Director	AC	RC	NC
Mr Low Chai Chong	Chairman	Member	Member
Mr Teo Cheow Beng	Member	Chairman	Member
Mr Patrick Tan Tse Chia	Member	Member	Chairman

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 programs 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, first-time Directors will attend training in areas such as accounting, legal and industry-specific knowledge. All Director(s) appointed to the Board will be provided with a formal letter of appointment indicating their roles, obligations, among other matters, duties and responsibilities as members of the Board.

New Directors are also informed about matters such as the Code of Dealing in the Company's securities. The Company also provides opportunities for new Directors to receive briefing on Board processes and best practices, as well as current financial reporting standards, legislations, regulations and guidelines from the SGX-ST and other relevant authorities that may 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.

All the Directors (existing and new) also have the opportunity to regularly 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 and discussed at the quarterly Board meetings. The External Auditors would update the AC and the Board on the new financial reporting standards annually.

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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 Koji Yoshihara (appointed on 14 December 2018)
Mr Tan Chong Huat (Chairman) (resigned on 18 December 2018)

EXECUTIVE DIRECTORS
Mr Aditya Wisnuwardana Seky Soeryadjaya
Mr Daniel Zier Johannes Jol (resigned on 31 December 2018)
Mr Lee Seck Hwee (resigned on 31 December 2018)

INDEPENDENT NON-EXECUTIVE DIRECTORS
Mr Low Chai Chong (Chairman) (appointed on 14 December 2018 as the Lead Independent Director and as Chairman on 18 March 2019)
Mr Patrick Tan Tse Chia (appointed on 14 December 2018)
Mr Teo Cheow Beng (appointed on 14 December 2018)
Mr Chee Teck Kwong Patrick (resigned on 18 December 2018)
Mr Tay Ah Kong Bernard (resigned on 18 December 2018)

The Board has adopted the Code's criteria of an Independent Director in its review and is of the view that all Independent Directors have satisfied the criteria of independence. 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 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.

Annually, the Independent Director is required to confirm the following:

- That they are not an Executive Director of the Company or any of its related corporation and have not been employed by the Company or any of its related corporation for the current or any of past three financial years;

- That they do not have an immediate family member (spouse/parent/brother/sister, son or adopted son or step-son or daughter or adopted daughter or step-daughter) who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the Company's Remuneration Committee;

- That they have not been a Director for an aggregate period of more than 9 years (whether before or after listing) and whose continued appointment as an Independent Director has not been sought and approved in separate resolutions by (i) all shareholders, and (ii) all shareholders, excluding shareholders who also serve as the Directors or the CEO of the Company, and associates of such persons and the CEO;

- That they (including their immediate family member) have not accepted any significant compensation from the Company or any of its related corporations for the provisions of services, for the current or immediate past financial year, other than compensation for Board service;

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- That they (including their immediate family member) are not a 5% shareholder of/a Partner in (with 5% or more stake)/an Executive Officer of/a Director of any organisation to which the Company or any of its subsidiaries made/from which the Company or any of its subsidiaries received, significant payments or material services (which may include auditing, banking consulting, and legal services) in the current or immediate past financial year. As a guide, payments aggregated over any financial year in excess of S$200,000 generally be deemed significant.

- That they do not have a relationship with the Company, its related corporations or its officers that could interfere or be reasonably perceived to interfere, with their exercise of independent business judgement with a view to the best interests of the Company and in carrying out their functions as an Independent Director and as a member of any Board Committee(s).

- That they are not a 5% shareholder of the Company.

- That they are not directly associated with a 5% of the Company in the current or immediate past financial year.

- That they have not served on the Board beyond nine years from the date of their first appointment.

In view of the foregoing, the Independent Directors would be considered as independent of the Company's Management as contemplated by the Code.

The confirmation will be signed and submitted to the Secretary, where they will be tabled at the NC meeting for the NC's review. At the NC meeting, the NC will determine if an Independent Director is indeed independent based on the confirmations received, and if each Independent Director can still exercise independent judgement.

As the current Independent Directors were appointed on 14 December 2018 and taking into consideration the confirmation of independence by each Independent Director, as well as relevant factors set out under Principle 4 in page 22, the NC, with the concurrence of the Board, considered Messrs Low Chai Chong, Patrick Tan Tse Chia, and Teo Cheow Beng independent for FY2018. 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 does not adopt a written Board Diversity Policy. However, 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, management experience, and industry knowledge.

The profiles of the Board are set out on pages 7 to 8 of the Annual Report.

Independent Directors of the Board exercise no management functions but have equal responsibility for the performance of the Group. The role of the 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 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 Independent Directors communicate amongst themselves and with the Company's Auditors and Senior Management. When necessary, the Company coordinates informal meetings for Independent Directors to meet without the presence of the Executive Director(s) and/or Management to discuss and facilitate a more effective check on the Management.

CORPORATE *GOVERNANCE REPORT*

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 Low Chai Chong. As the Chairman, Mr Low 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 Director(s) and Independent Directors ensuring the Company strives to achieve and maintain a high standard of corporate governance practices by establishing a shared 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 Patrick Tan Tse Chia, an Independent Director who has no relationship with the Company, its related corporations, its 5% shareholders or its Management and is not directly associated with 5% shareholders, whom could impair his fair judgement.

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The composition of the NC is as follows:

Mr Patrick Tan Tse Chia (appointed on 14 December 2018)	–	Chairman of the NC, Independent Director
Mr Low Chai Chong (appointed on 14 December 2018)	–	Independent Director
Mr Teo Cheow Beng (appointed on 14 December 2018)	–	Independent Director
Mr Chee Teck Kwong Patrick (resigned on 18 December 2018)	–	Independent Director
Mr Tay Ah Kong Bernard (resigned on 18 December 2018)	–	Independent Director
Mr Tan Chong Huat (resigned on 18 December 2018)	–	Independent Director

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, in particular for the CEO and other Key Management personnel as and when it deems fit.

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.

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All Directors, including the 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 Aditya Wisnuwardana Seky Soeryadjaya	Chief Executive Officer and Executive Director	30 June 2008	28 April 2016
Mr Low Chai Chong	Chairman, Independent Director	14 December 2018	N/A
Mr Patrick Tan Tse Chia	Independent Director	14 December 2018	N/A
Mr Teo Cheow Beng	Independent Director	14 December 2018	N/A
Mr Koji Yoshihara	Non-Independent Non-Executive Director	14 December 2018	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 the 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 did not appoint any alternate Directors as recommended by the Guideline 4.5 of the Code.

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.

The Board has accepted the NC's recommendation on the re-election of Mr Aditya Wisnuwardana Seky Soeryadjaya, who is retiring pursuant to Regulation 111 of the Company's Constitution and the re-election of Messrs Koji Yoshihara, Low Chai Chong, Patrick Tan Tse Chia, and Teo Cheow Beng who are retiring pursuant to Regulation 122 of the Company's Constitution at the forthcoming AGM. Each Director had abstained from participating in the discussion and voting on any resolution related to their independence, nomination and re-appointment.

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 pages 127 to 137 of the Annual Report.

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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 adopted a formal evaluation processes to assess the overall effectiveness of the Board as a whole, its Board Committees and individual Board member performance. As majority of the Board members, with the exception of CEO, were newly appointed on 14 December 2018, the NC and the Board had agreed to waive the use of the adopted evaluation forms for the evaluation of the newly appointed Directors, its Board, and Board Committees for FY2018.

Notwithstanding that majority of the Board was appointed to their respective roles on 14 December 2018, the Board agreed that the extent of the Directors' attendance, participation and contributions to the Board up to the date of this report were satisfactory.

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. In consultation with the NC, the Chairman will act on the results of the Board performance and propose, where appropriate, new members to be appointed to the Board or propose changes to the Board.

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 Board 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 her representatives ensure timely and good information flows within the Board and its Board Committees and between

CORPORATE *GOVERNANCE REPORT*

Management and Non-Executive Directors. The Company Secretary or her 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 all of whom are independent. 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 composition of the RC is as follows:

Mr Teo Cheow Beng (appointed on 14 December 2018)	–	Chairman of the RC, Independent Director
Mr Patrick Tan Tse Chia (appointed on 14 December 2018)	–	Independent Director
Mr Low Chai Chong (appointed on 14 December 2018)	–	Independent Director
Mr Chee Teck Kwong Patrick (resigned on 18 December 2018)	–	Independent Director
Mr Tay Ah Kong Bernard (resigned on 18 December 2018)	–	Independent Director
Mr Tan Chong Huat (resigned on 18 December 2018)	–	Independent Director

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 Director(s) 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 Eneco Group Share Option Scheme ("**EGSOS**"), Eneco Group Performance Share Plan ("**EGPSP**") 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 two (2) 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(s) 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 Director(s) and Key Management personnel are fair and not overly generous. 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 Director's and Key Management personnel's contracts of service and ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance.

The Eneco Group Exploration and Production ("**E&P**") Cash Based Incentive Plan ("**Plan**") was introduced and adopted by the Company in 2013 after having undergone rigorous review with Hay Group, Management, the RC and the Board. The key objectives of the Plan are to reward participants for their role in creating value for shareholders and growth potential for the Group and motivate participants to maintain a high level of performance and contribution, while attracting and retaining employees whose contributions are important to the long-term value generation, growth and profitability of the Group.

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 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 Independent Non-Executive 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 Director(s) do not receive directors' fees. The remuneration packages of the Executive Director(s) 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 performance and other benefits. This performance-related remuneration aligns the interests of the Executive Director(s) and Key Management personnel with that of the shareholders and promotes the long-term success of the Company.

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.

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The service contract entered into with the Executive Director, namely Mr Aditya Wisnuwardana Seky Soeryadjaya, is subject to review by the RC. The service agreement includes 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 is in the process of incorporating contractual provisions in the service agreements or employment agreements to reclaim incentive components of remuneration paid in prior years from the Executive Director(s) and Key Management personnel, especially in cases where incidents occur in exceptional circumstances such as misstatement of financial statements, or of misconduct resulting in financial loss to the Company. The Company expects to implement such provisions in FY2019.

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 2018 is set out below:

Directors

Name	Salary (%)	Bonus/Profit Sharing (%)	Benefits–In-Kind (%)	Share Options (%)	Share Awards (%)	Directors' Fees (%)(2)	Total (%)
S$500,001 to S$750,000							
Aditya Wisnuwardana Seky Soeryadjaya(1)	31.1	57.2	11.7	0.0	0.0	0.0	100
Daniel Zier Johannes Jol(4)	70.2	5.9	23.9	0.0	0.0	0.0	100
S$250,001 to S$500,000							
Lee Seck Hwee(4)	77.3	6.4	7.6	0.0	8.7	0.0	100
S$250,000 and below							
Tan Chong Huat(2)(3)	0.0	0.0	0.0	0.0	20.0	80.0	100
Chee Teck Kwong Patrick(2)(3)	0.0	0.0	0.0	0.0	16.5	83.5	100
Tay Ah Kong Bernard(2)(3)	0.0	0.0	0.0	0.0	16.5	83.5	100
Low Chai Chong(2)(5)	0.0	0.0	0.0	0.0	0.0	100.0	100
Patrick Tan Tse Chia(2)(5)	0.0	0.0	0.0	0.0	0.0	100.0	100
Teo Cheow Beng(2)(5)	0.0	0.0	0.0	0.0	0.0	100.0	100

Notes:

(1) Son of substantial shareholder, Mr Edward Seky Soeryadjaya.

(2) Directors' Fees for FY2018 were approved by shareholders on 30 May 2018.

(3) Messrs Tan Chong Huat, Chee Teck Kwong Patrick, and Tay Ah Kong Bernard resigned on 18 December 2018. Their fees were pro-rated.

(4) Messrs Daniel Zier Johannes Jol and Lee Seck Hwee resigned on 31 December 2018.

(5) Messrs Koji Yoshihara, Patrick Tan Tse Chia, Teo Cheow Beng, and Low Chai Chong were appointed on 14 December 2018. Their fees were pro-rated.

Top 2 Key Management Personnel of the Group

As at the date of this report, there are only two (2) Key Management personnel of the Group and the gross remuneration received by these 2 Key Management personnel is as follows:–

Range	No. of Executives
S$250,001 to S$500,000	1
S$500,001 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 FY2018 was approximately S$1,010,000.

The Code recommends that a Company should fully disclose the remuneration of each individual Director and the CEO on a named basis, and fully disclose the names and remuneration of at least the top 5 Key Management personnel (who are not Directors or the CEO) in bands of S$250,000. The Board, on review, is of the opinion that it is in the best interests of the Group not to disclose the actual remuneration as well as the names of the top 5 Key Management personnel (who are not Directors or the CEO) as such disclose is disadvantageous to the business interest of the Group given the competitive nature of the industry and the sensitive nature of such information. The Board is also of the opinion that the information disclosed above would be sufficient for Shareholders to have an adequate appreciation of the Company's compensation policies and practices and therefore does not intend to issue a separate remuneration report.

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 FY2018.

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 FY2018 whose remuneration exceeded S$50,000 during FY2018.

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-ST 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.

CORPORATE *GOVERNANCE REPORT*

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 risks. 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 risks and information technology controls. The Group has in place a Risk Management Committee ("**RMC**") comprising Executive Director 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 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 and Management of key subsidiaries in the form of representation letters that (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) the 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.

CORPORATE *GOVERNANCE REPORT*

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 reviews performed by the Management, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's system of internal controls and risk management procedures are adequate as at 31 December 2018, in addressing the financial, operational (including information technology) and compliance risks of the Group. The Board further 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, all of whom are independent.

The composition of the AC is as follows:

Mr Low Chai Chong (appointed on 14 December 2018)	–	Chairman of the AC, Independent Director
Mr Patrick Tan Tse Chia (appointed on 14 December 2018)	–	Independent Director
Mr Teo Cheow Beng (appointed on 14 December 2018)	–	Independent Director
Mr Tay Ah Kong Bernard (resigned on 18 December 2018)	–	Independent Director
Mr Chee Teck Kwong Patrick (resigned on 18 December 2018)	–	Independent Director
Mr Tan Chong Huat (resigned on 18 December 2018)	–	Independent Director

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;

CORPORATE *GOVERNANCE REPORT*

- 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$325,000 and S$40,000 respectively for the financial year ended 31 December 2018.

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.

In line with the recommendations by ACRA, Monetary Authority of Singapore and SGX, the AC can help to improve transparency and enhance the quality of corporate reporting by providing a commentary on key financial reporting matters as follows:

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 to the AC, 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.

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 FY2018.

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.

CORPORATE *GOVERNANCE REPORT*

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. All the shareholders will also 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.

CORPORATE *GOVERNANCE REPORT*

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.enecoenergy.com at which shareholders can access financial information, corporate announcements, press releases, annual reports and a profile of the Group.

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 currently does not have an investor relations policy.

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 adoption of a dividend policy for the Company. The frequency, form and amount of dividend to be declared and paid are dependent on the Group's profit, cash flow, capital requirements for investment and growth, general business conditions and other considerations as the Board deems appropriate.

In view of the financial results of the Company, no dividend has been declared nor recommended for FY2018.

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. The External Auditors are also present to assist the Board in addressing any relevant queries by the shareholders.

CORPORATE *GOVERNANCE REPORT*

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 Intermediary[1] 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 her 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. The minutes would be made available via SGXNet/Company website.

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 FY2018 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.

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1 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.

CORPORATE *GOVERNANCE REPORT*

There were no interested party transactions 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 FY2018.

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.

USE OF PROCEEDS ARISING FROM PRIVATE PLACEMENT

The Company had successfully raised net proceeds of approximately S$9.82 million from a private placement on 14 December 2018.

The net proceeds of S$5.82 million have been utilised as at 31 December 2018 for use in general working capital.

RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE

The Company had on 16 September 2016 successfully completed the Rights cum Warrants Issue with a final acceptance of 56,618,703 Rights Shares and 56,618,703 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. There was no exercise of Warrants during the year 2018.

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

The Company had on 13 March 2019 submitted an application to SGX-ST to seek waiver of the Annual Report QPR disclosure requirements in Rule 1207(21) 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 2018 ("**AR2018**") for the following reasons:–

(a) the bulk of the information required to be included in the QPR is of a highly confidential and sensitive nature. The inclusion of such information in the Annual Report 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;

CORPORATE *GOVERNANCE REPORT*

(b) the QPR contains extensive, lengthy and complex technical information, which may serve little purpose to the Company's shareholders ("**Shareholders**"), place unnecessary emphasis on technical information and overshadow other more important information in the Annual Report. Most of the technical information in the QPR is intended for professionals to assess the assets and may be more advantageous for the competitors than Shareholders;

(c) the cost of including the QPR in the Annual Report with the added logistics, time and resources required would be significant to the Company. Furthermore, the potential costs, repercussions and prejudice to the interest of the Company and its shareholders out-weigh the benefit of including the information required to be disclosed by the Company; and

(d) as the Company is listed on 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 the QPR Waiver being granted to the Company.

In the process of the application, it came to the Company's attention that for AR2018, the Company is no longer required to include a QPR. Instead, only a summary of reserves and resources as at the end of the Company's financial year needs to be included. As the Company is agreeable to disclose the said summary (Appendix 7.5 Summary of Reserves and Resources on pages 138 to 140), the Company withdrew its application for a waiver to include a QPR in AR2018 on 27 March 2019.

FINANCIAL STATEMENTS
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DIRECTORS' *STATEMENT*

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Eneco 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 2018.

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 2018 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

(b) at the date of this statement, based on the factors as described in Note 2.1 to the financial statements, 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:

Aditya Wisnuwardana Seky Soeryadjaya	–	Chief Executive Officer and Executive Director
Low Chai Chong	–	Chairman, Independent Director
Patrick Tan Tse Chia	–	Independent Director
Teo Cheow Beng	–	Independent Director
Koji Yoshihara	–	Non-Independent Non-Executive Director

In accordance with Regulation 111 of the Company's Constitution, Mr Aditya Wisnuwardana Seky Soeryadjaya, retires and being eligible for, offers himself for re-election at the forthcoming Annual General Meeting ("**AGM**").

In accordance with Regulation 122 of the Company's Constitution, Mr Low Chai Chong, Mr Patrick Tan Tse Chia, Mr Teo Cheow Beng and Mr Koji Yoshihara 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' *STATEMENT*

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:

	Direct interest		Deemed interest	
Name of Director	**At the beginning of financial year or date of appointment**	**At the end of financial year**	**At the beginning of financial year or date of appointment**	**At the end of financial year**
The Company				
Aditya Wisnuwardana Seky Soeryadjaya				
– Ordinary shares	54,956,853	54,956,853	107,699,200	107,699,200
– Options to subscribe for ordinary shares between 14/09/2016 to 22/03/2018	595,325	–	–	–
– Warrants	46,000,000	46,000,000	–	–
Low Chai Chong				
– Ordinary shares	–	–	6,134,100	6,134,100

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2019.

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 on 24 April 2017, the Company's shareholders approved the Ramba Group Share Option Scheme 2017 ("**RGSOS 2017**") and Ramba Group Performance Share Plan 2017 ("**RGPSP 2017**") for the granting of non-transferable options and share awards, which are settled by ordinary shares of the Company, to eligible senior executives and employees.

The Company had on 13 March 2019 convened an Extraordinary General Meeting and duly passed the resolution to change its name from Ramba Energy Limited to Eneco Energy Limited. Further to the circular to shareholders dated 19 February 2019, Ramba Group Share Option Scheme will be renamed as Eneco Group Share Option Scheme ("**EGSOS**"); and Ramba Group Performance Share Plan will be renamed as Eneco Group Performance Share Plan ("**EGPSP**") respectively.

The Remuneration Committee ("**RC**") is responsible for administering the EGSOS and the EGPSP.

The RC comprises three Directors, Mr Teo Cheow Beng (Chairman), Mr Low Chai Chong and Mr Patrick Tan Tse Chia.

Both EGSOS 2017 and EGPSP 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.

DIRECTORS' *STATEMENT*

Share Scheme (Continued)

The EGSOS 2017 and EGPSP 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 EGSOS 2017 and EGPSP 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 EGSOS, are as follows:

Date of grant of options	Adjusted exercise price of the options	Balance at 01/01/2018	Options lapsed and cancelled	Balance at 31/12/2018
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
		8,832,632	(1,403,974)	7,428,658

Details of the options to subscribe for ordinary shares of the Company granted to the Directors or eligible employees of the Company pursuant to the EGSOS are as follows:

Name of Director	Aggregate options granted since commencement of scheme to 31/12/2018	Options granted during the year	Aggregate options exercised since commencement of scheme to 31/12/2018	Aggregate Options lapsed and cancelled since commencement of scheme to 31/12/2018	Aggregate options outstanding as at 31/12/2018
Aditya Wisnuwardana Seky Soeryadjaya	595,325	–	–	(595,325)	–
Daniel Zier Johannes Jol	8,237,307	–	–	(808,649)	7,428,658
	8,832,632	–	–	(1,403,974)	7,428,658

DIRECTORS' *STATEMENT*

Share Options (Continued)

Since the commencement of the EGSOS and EGSOS 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

No new share awards were granted during the year.

During the year, the Company vested 1,319,163 (2017: 2,232,755) by way of allotment of new shares under the EGPSP. 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 1,000,083 (2017: 2,836,564).

As at 31 December 2018, details of share awards and bonus share awards granted to the Directors or eligible employees of the Company under the EGPSP are set out as below:

Name of participants	Balance as at 01/01/2018	Vested during the year	Balance as at 31/12/2018
Share award			
Daniel Zier Johannes Jol	309,009	–	309,009
Lee Seck Hwee	101,687	(101,687)	–
Tan Chong Huat	97,738	(97,738)	–
Chee Teck Kwong Patrick	77,005	(77,005)	–
Tay Ah Kong Bernard	77,005	(77,005)	–
	662,444	(353,435)	309,009
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	(609,726)	691,074

DIRECTORS' *STATEMENT*

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 2018.

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

Date of issue	Exercise price of warrants	Balance at 01/01/2018	Granted during the financial year	Exercised during the financial year	Expired during the financial year	Balance at 31/12/2018
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:

Low Chai Chong – Chairman
Patrick Tan Tse Chia
Teo Cheow Beng

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 Auditors;

- 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 Auditors;

- Reviewed the nature and extent of non-audit services provided by the External Auditors;

- Recommended to the Board of Directors the External Auditors to be nominated, approved the compensation of the External Auditors and reviewed the scope and results of the audit;

DIRECTORS' *STATEMENT*

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 four meetings during the financial year with full attendance from Mr Chee Teck Kwong Patrick and Mr Tay Ah Kong Bernard while Mr Tan Chong Huat was absent once for AC Meeting during the year 2018. 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 Auditors.

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

On behalf of the Board of Directors,

Low Chai Chong
Chairman, Independent Director

Aditya Wisnuwardana Seky Soeryadjaya
Chief Executive Officer and Executive Director

Singapore
10 June 2019

INDEPENDENT *AUDITOR'S REPORT*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Independent auditor's report to the members of Eneco Energy Limited (f.k.a. Ramba Energy Limited) and its Subsidiaries

Report on the audit of the financial statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Eneco Energy Limited (f.k.a. 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 2018, 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.

We do not express an opinion on the accompanying financial statements of the Group and the balance sheet and statement of changes in equity of the Company. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. Going concern assumption

As at 31 December 2018, the Group's current liabilities exceeded its current assets by S$11,431,000 and the Group incurred a net loss of S$45,200,000 for the year then ended. Additionally, the Company incurred a net loss of S$72,202,000 for the year ended 31 December 2018. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Group and the Company to continue as going concern.

As disclosed in Note 2 to the financial statements, the Directors have prepared the financial statements on a going concern basis as the Directors are of the view that the Group will be able to successfully restructure their loan and obtain additional funding. A substantial shareholder has also undertaken to provide continuing financial support.

However, we have not been able to obtain sufficient audit evidence to conclude whether the use of the going concern assumption to prepare these financial statements is appropriate as the outcome of the loan restructuring and securing of additional funding have yet to be concluded satisfactorily at the date of these financial statements and are inherently uncertain. We are also unable to obtain sufficient appropriate evidence to conclude on the ability of the substantial shareholder to provide the necessary financial support to the Group and the Company to meet their financial obligations as and when they fall due. Accordingly, we are unable to satisfy ourselves as to the appropriateness of the going concern assumption used in the preparation of these financial statements.

2. Impairment of investment in exploration and evaluation assets and receivables relating to West Jambi concession

As at 31 December 2018, the Group's carrying amounts of investment in exploration and evaluation assets and other receivables relating to West Jambi concession amounted to S$17,252,000 (Note 13) and S$1,022,000 (Note 18) respectively. The Company's loans to the related subsidiaries amounted to S$19,688,000 (Note 15).

INDEPENDENT *AUDITOR'S REPORT*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Basis for Disclaimer of Opinion (Continued)

2. Impairment of investment in exploration and evaluation assets and receivables relating to West Jambi concession (Continued)

The exploratory permit for West Jambi concession had expired and, as the Management was successful in obtaining the extension of the exploratory permit in the past, they are confident that further extension would be granted. As such, the Management has assessed the recoverability of the abovementioned assets and loans relating to West Jambi concession on the basis that the exploratory permit would be extended. Based on their assessment, no impairment loss is required in the current financial year.

As at the date of this report, the Management is still in the process of obtaining the extension of the exploratory permit. We are unable to obtain sufficient appropriate audit evidence to satisfy ourselves that the exploratory permit, which by now has expired for more than a year, would be extended. Accordingly, we are unable to determine whether any impairment loss is required to be recognised for the assets relating to the West Jambi concession. Similarly, we are also unable to satisfy ourselves that no impairment loss is required to be recognised against the loans extended by the Company to the related subsidiaries.

3. Amount due from a broker

Ramba Energy West Jambi Ltd ("**REWJ**"), a wholly owned subsidiary (that is also the contractor of the West Jambi concession), was required to furnish a bank guarantee to the concession holder in order to secure the extension of the exploratory permit for the concession mentioned in item 2 above. During the financial year, a Director (who is also a substantial shareholder of the Company) withdrew S$3,876,000 from another subsidiary company's bank account and we were informed that the amount was then advanced to a broker to secure a bank guarantee in favour of REWJ. The amount was initially recorded as an amount due from a broker and subsequently Management made a full impairment allowance of S$3,876,000 against the amount due (Note 18) after queries were raised about its recoverability.

The Director and Management have provided us with certain documents to show that the withdrawal of the funds was for the said purpose. However, information we independently obtained from the bank that purportedly issued the proforma bank guarantee and the concession holder appeared inconsistent with Management's representations to us. We also have not been provided with reliable evidence to show the flow of funds to the broker's account to corroborate Management's representations to us.

As at the date of this report, due to the inconsistencies in the explanations and documents provided to us, we were unable to obtain satisfactory audit evidence or explanations to ascertain the commercial rationale of this arrangement, and the nature, existence and recoverability of the amount. Consequently, we were unable to determine whether the payment is appropriately accounted for, presented, disclosed and whether the allowance recorded against the amount is appropriate.

We have reported our concerns on this matter to the Audit Committee and Board of Directors and suggested an investigation be conducted. As at date of this report, no investigation has been commenced and therefore we are unable to conclude if any other adjustments may be required to take into account any potential findings that may arise from the investigation.

INDEPENDENT *AUDITOR'S REPORT*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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 Companies Act, Chapter 50 (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)s**"), 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 responsibility is to conduct an audit of the financial statements in accordance with Singapore Standards on Auditing ("**SSAs**") and to issue an Auditor's Report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate evidence to provide a basis for an audit opinion on these financial statements.

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

Report on other legal and regulatory requirements

In our opinion, in view of the significance of the matter referred to in the Basis for Disclaimer of Opinion section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore 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 Vincent Toong Weng Sum.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

10 June 2019

CONSOLIDATED *INCOME STATEMENT*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Notes	2018 S$'000	2017 Restated S$'000
Revenue			
Turnover	4	**46,772**	59,163
Other income	5	**1,650**	4,463
Costs and operating expenses			
Service costs and related expenses		**(21,350)**	(34,661)
Royalties payment		**(278)**	(440)
Salaries and employee benefits	6	**(23,921)**	(25,813)
Depreciation and amortisation expenses		**(12,757)**	(2,409)
Finance costs	7	**(2,255)**	(1,142)
Other operating expenses	8(a)	**(32,548)**	(8,857)
Total costs and operating expenses		**(93,109)**	(73,322)
Loss before tax	8(b)	**(44,687)**	(9,696)
Income tax	9	**(513)**	(701)
Loss for the year		**(45,200)**	(10,397)
Attributable to:			
Owners of the Company		**(41,706)**	(8,407)
Non-controlling interests		**(3,494)**	(1,990)
		(45,200)	(10,397)
Loss per share attributable to owners of the Company (cents per share)			
Basic and diluted	10	**(7.55)**	(1.54)

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

CONSOLIDATED STATEMENT OF *COMPREHENSIVE INCOME*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018 S$'000	2017 Restated S$'000
Loss for the year	**(45,200)**	(10,397)
Other comprehensive income:		
Item that may be reclassified subsequently to income statement		
Foreign currency translation	**4,896**	(3,537)
Item that will not be reclassified to income statement		
Re-measurement of defined benefit obligation	**272**	(54)
Other comprehensive income for the year, net of tax	**5,168**	(3,591)
Total comprehensive income for the year, net of tax	**(40,032)**	(13,988)
Attributable to:		
Owners of the Company	**(36,384)**	(12,253)
Non-controlling interests	**(3,648)**	(1,735)
	(40,032)	(13,988)

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

STATEMENTS OF *FINANCIAL POSITION*

AS AT 31 DECEMBER 2018

	Notes	Group 2018 S$'000	Group 31.12.2017 Restated S$'000	Group 01.01.2017 Restated S$'000	Company 2018 S$'000	Company 31.12.2017 Restated S$'000	Company 01.01.2017 Restated S$'000
Non-current assets							
Oil and gas properties	11	**12,270**	29,425	22,635	**–**	–	–
Property, plant and equipment	11	**10,777**	7,254	5,372	**19**	56	199
Intangible assets	12	**167**	1,299	1,333	**–**	3	6
Investments in exploration and evaluation assets	13	**19,170**	21,403	23,195	**–**	–	–
Investment in marketable securities		**–**	–	3	**–**	–	3
Investments in subsidiaries	14	**–**	–	–	**9,426**	9,426	9,426
Loans to subsidiaries	15	**–**	–	–	**19,755**	29,289	29,289
Other assets	16	**–**	–	2	**–**	–	–
Other receivables	18	**7,190**	9,352	9,278	**–**	–	–
Deferred tax assets	26	**35**	55	115	**–**	–	–
Fixed deposits	19	**310**	–	2,423	**–**	–	–
		49,919	68,788	64,356	**29,200**	38,774	38,923
Current assets							
Trade receivables	17	**11,270**	13,963	12,269	**–**	–	–
Other receivables	18	**1,847**	12,661	31,470	**3,595**	62,199	67,265
Prepaid operating expenses		**829**	1,141	736	**78**	94	108
Inventories		**181**	179	172	**–**	–	–
Other assets	16	**–**	2	10	**–**	–	–
Fixed deposits	19	**–**	1,200	–	**–**	–	–
Cash and cash equivalents	19	**8,231**	10,711	11,730	**4,166**	139	584
		22,358	39,857	56,387	**7,839**	62,432	67,957
Current liabilities							
Trade payables	20	**15,027**	18,299	16,357	**–**	–	–
Other payables	21	**11,493**	20,406	30,942	**2,878**	5,293	7,025
Provisions	22	**621**	1,564	499	**–**	39	–
Loans and borrowings	23	**4,619**	–	2,083	**–**	–	–
Finance lease liabilities	24	**1,823**	873	812	**–**	31	79
Mark to market oil options		**–**	270	–	**–**	–	–
Income tax payable		**206**	219	49	**90**	–	16
		33,789	41,631	50,742	**2,968**	5,363	7,120
Net current (liabilities)/ assets		**(11,431)**	(1,774)	5,645	**4,871**	57,069	60,837
Non-current liabilities							
Other payables	21	**19,262**	15,472	13,632	**743**	–	–
Provisions	22	**1,092**	1,415	1,831	**19**	–	39
Abandonment and site restoration liabilities	25	**880**	992	850	**–**	–	–
Loans and borrowings	23	**4,619**	9,022	2,083	**–**	–	–
Finance lease liabilities	24	**5,524**	3,016	989	**–**	–	30
Deferred tax liabilities	26	**2,933**	2,752	2,733	**–**	–	–
		34,310	32,669	22,118	**762**	–	69
Net assets		**4,178**	34,345	47,883	**33,309**	95,843	99,691
Equity attributable to owners of the Company							
Share capital	27	**148,181**	138,232	137,886	**148,181**	138,232	137,886
Treasury shares	27	**(935)**	(935)	(935)	**(935)**	(935)	(935)
Other reserves	28	**4,706**	222	4,582	**3,673**	4,511	5,025
Accumulated losses		**(139,737)**	(98,785)	(90,996)	**(117,610)**	(45,965)	(42,285)
		12,215	38,734	50,537	**33,309**	95,843	99,691
Non-controlling interests		**(8,037)**	(4,389)	(2,654)	**–**	–	–
Total equity		**4,178**	34,345	47,883	**33,309**	95,843	99,691

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

STATEMENTS OF *CHANGES IN EQUITY*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2018 Group	Equity, total S$'000	Equity attributable to owners of the Company, total S$'000	Share capital S$'000	Treasury shares S$'000	Accu-mulated losses S$'000	Other reserves, total S$'000	Share based payment reserve S$'000	Others S$'000	Foreign currency translation reserve S$'000	Gain on reissuance of treasury shares S$'000	Capital reserve S$'000	Non-controlling interests S$'000
		Attributable to owners of the Company										
Opening balance as at 1 January 2018 (As previously reported)	36,249	40,638	138,232	(935)	(96,881)	222	1,881	352	(4,989)	2,630	348	(4,389)
Restatement adjustments (Note 37)	(1,904)	(1,904)	–	–	(1,904)	–	–	–	–	–	–	–
Opening balance as at 1 January 2018, (As restated)	34,345	38,734	138,232	(935)	(98,785)	222	1,881	352	(4,989)	2,630	348	(4,389)
Loss for the year	(45,200)	(41,706)	–	–	(41,706)	–	–	–	–	–	–	(3,494)
Other comprehensive income												
Re-measurement of defined benefit obligation	272	272	–	–	–	272	–	272	–	–	–	–
Foreign currency translation	4,896	5,050	–	–	–	5,050	–	–	5,050	–	–	(154)
Total comprehensive income for the year, net of tax	(40,032)	(36,384)	–	–	(41,706)	5,322	–	272	5,050	–	–	(3,648)
Contributions by and distributions to owners												
Issuance of shares	10,164	10,164	10,164	–	–	–	–	–	–	–	–	–
Share issuance expenses	(321)	(321)	(321)	–	–	–	–	–	–	–	–	–
Issuance of shares pursuant to EGPSP/EGSOS	–	–	106	–	315	(421)	(421)	–	–	–	–	–
Grant of equity settled share based payment to employees	22	22	–	–	–	22	22	–	–	–	–	–
Expiry of employee share options	–	–	–	–	439	(439)	(439)	–	–	–	–	–
Total contributions by and distributions to owners	9,865	9,865	9,949	–	754	(838)	(838)	–	–	–	–	–
Total transactions with owners in their capacity as owners	9,865	9,865	9,949	–	754	(838)	(838)	–	–	–	–	–
Closing balance as at 31 December 2018	4,178	12,215	148,181	(935)	(139,737)	4,706	1,043	624	61	2,630	348	(8,037)

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

STATEMENTS OF *CHANGES IN EQUITY*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

			Attributable to owners of the Company									
2017 Group	**Equity, total S$'000**	**Equity attributable to owners of the Company, total S$'000**	**Share capital S$'000**	**Treasury shares S$'000**	**Accu-mulated losses S$'000**	**Other reserves, total S$'000**	**Share based payment reserve S$'000**	**Others S$'000**	**Foreign currency translation reserve S$'000**	**Gain on reissuance of treasury shares S$'000**	**Capital reserve S$'000**	**Non-controlling interests S$'000**
Opening balance as at 1 January 2017 (As previously reported)	50,085	52,739	137,886	(935)	(88,794)	4,582	2,395	406	(1,197)	2,630	348	(2,654)
Restatement adjustments (Note 37)	(2,202)	(2,202)	–	–	(2,202)	–	–	–	–	–	–	–
Opening balance as at 1 January 2017 (As restated)	47,883	50,537	137,886	(935)	(90,996)	4,582	2,395	406	(1,197)	2,630	348	(2,654)
Loss for the year (As previously reported)	(10,695)	(8,705)	–	–	(8,705)	–	–	–	–	–	–	(1,990)
Restatement adjustments (Note 37)	298	298	–	–	298	–	–	–	–	–	–	–
Loss for the year (As restated)	(10,397)	(8,407)	–	–	(8,407)	–	–	–	–	–	–	(1,990)
Other comprehensive income												
Re-measurement of defined benefit obligation	(54)	(54)	–	–	–	(54)	–	(54)	–	–	–	–
Foreign currency translation	(3,537)	(3,792)	–	–	–	(3,792)	–	–	(3,792)	–	–	255
Total comprehensive income for the year, net of tax	(13,988)	(12,253)	–	–	(8,407)	(3,846)	–	(54)	(3,792)	–	–	(1,735)
Contributions by and distributions to owners												
Share issuance expenses	(8)	(8)	(8)	–	–	–	–	–	–	–	–	–
Issuance of shares pursuant to EGPSP/EGSOS	–	–	354	–	491	(845)	(845)	–	–	–	–	–
Grant of equity settled share based payment to employees	458	458	–	–	–	458	458	–	–	–	–	–
Expiry of employee share options	–	–	–	–	127	(127)	(127)	–	–	–	–	–
Total contributions by and distributions to owners	450	450	346	–	618	(514)	(514)	–	–	–	–	–
Total transactions with owners in their capacity as owners	450	450	346	–	618	(514)	(514)	–	–	–	–	–
Closing balance as at 31 December 2017	34,345	38,734	138,232	(935)	(98,785)	222	1,881	352	(4,989)	2,630	348	(4,389)

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

STATEMENTS OF *CHANGES IN EQUITY*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2018 Company	**Equity, total S$'000**	**Share capital S$'000**	**Treasury shares S$'000**	**Accumulated losses S$'000**	**Other reserves, total S$'000**	**Share based payment reserve S$'000**	**Gain on reissuance of treasury shares S$'000**
Opening balance as at 1 January 2018 (As previously reported)	97,747	138,232	(935)	(44,061)	4,511	1,881	2,630
Restatement adjustments (Note 37)	(1,904)	–	–	(1,904)	–	–	–
Opening balance as at 1 January 2018 (As restated)	95,843	138,232	(935)	(45,965)	4,511	1,881	2,630
Loss for the year, representing total comprehensive income for the year	(72,202)	–	–	(72,202)	–	–	–
Contributions by and distributions to owners							
Issuance of shares	10,164	10,164	–	–	–	–	–
Share issuance expenses	(321)	(321)	–	–	–	–	–
Issuance of shares pursuant to EGPSP/EGSOS	(42)	106	–	273	(421)	(421)	–
Grant of equity settled share based payment to employees	22	–	–	–	22	22	–
Expiry of employee share options	(155)	–	–	284	(439)	(439)	–
Total contributions by and distributions to owners	9,668	9,949	–	557	(838)	(838)	–
Closing balance as at 31 December 2018	33,309	148,181	(935)	(117,610)	3,673	1,043	2,630

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

STATEMENTS OF *CHANGES IN EQUITY*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2017 **Company**	**Equity, total S$'000**	**Share capital S$'000**	**Treasury shares S$'000**	**Accumulated losses S$'000**	**Other reserves, total S$'000**	**Share based payment reserve S$'000**	**Gain on reissuance of treasury shares S$'000**
Opening balance as at 1 January 2017 (As previously reported)	101,893	137,886	(935)	(40,083)	5,025	2,395	2,630
Restatement adjustments (Note 37)	(2,202)	–	–	(2,202)	–	–	–
Opening balance as at 1 January 2017 (As restated)	99,691	137,886	(935)	(42,285)	5,025	2,395	2,630
Loss for the year (As previously reported)	(4,438)	–	–	(4,438)	–	–	–
Restatement adjustments (Note 37)	298	–	–	298	–	–	–
Loss for the year (As restated)	(4,140)	–	–	(4,140)	–	–	–
Total comprehensive income for the year	(4,140)	–	–	(4,140)	–	–	–
<u>**Contributions by and distributions to owners**</u>							
Share issuance expenses	(8)	(8)	–	–	–	–	–
Issuance of shares pursuant to EGPSP/EGSOS	(158)	354	–	333	(845)	(845)	–
Grant of equity settled share based payment to employees	458	–	–	–	458	458	–
Expiry of employee share options	–	–	–	127	(127)	(127)	–
Total contributions by and distributions to owners	292	346	–	460	(514)	(514)	–
Closing balance as at 31 December 2017	95,843	138,232	(935)	(45,965)	4,511	1,881	2,630

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

CONSOLIDATED *CASH FLOW STATEMENT*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Notes	2018 S$'000	2017 S$'000
Operating activities:			
Loss before tax		**(44,687)**	(9,696)
Adjustments for:			
Depreciation and amortisation expenses		**12,757**	2,409
Gain on disposal of property, plant and equipment	8(a)	**(105)**	(25)
Finance costs	7	**2,255**	1,142
Interest income from banks	5	**(84)**	(64)
Forfeiture of advances from third party	5	**–**	(3,072)
Write-back of other payables	5	**(244)**	–
Share based payment	6	**22**	458
Impairment loss on intangible assets	8(a)	**993**	–
Impairment loss on exploration and evaluation assets	8(a)	**540**	–
Impairment loss on oil and gas properties	8(a)	**83**	–
Property, plant and equipment written-off	8(a)	**–**	169
Loss on farm-out of participating interest	8(c)	**896**	–
(Write-back)/allowance for doubtful trade receivables	8(a)	**(26)**	29
Allowance for doubtful receivables	8(a)	**19,149**	–
Net fair value (gain)/loss on oil options	8(a)	**(270)**	270
Foreign exchange translation adjustments		**4,715**	553
Operating cash flows before working capital change		**(4,006)**	(7,827)
Change in inventories		**(24)**	(7)
Change in trade receivables		**2,393**	(1,792)
Change in other receivables		**(6,538)**	(709)
Change in prepaid operating expenses		**260**	(405)
Change in trade payables		**(2,354)**	1,942
Change in other payables and provisions		**10,877**	3,076
Cash generated from/(used in) operations		**608**	(5,722)
Interest income received		**84**	64
Income tax paid		**(325)**	(452)
Finance costs paid		**(1,513)**	(1,077)
Net cash flows used in operating activities		**(1,146)**	(7,187)
Investing activities:			
Proceeds from disposal of property, plant and equipment		**141**	51
Purchase of property, plant and equipment and oil and gas properties		**(11,046)**	(9,037)
Acquisition of exploration and evaluation assets	13	**–**	(207)
Acquisition of intangible assets		**(50)**	(80)
Proceeds from disposal of marketable securities		**–**	3
Net cash flows used in investing activities		**(10,955)**	(9,270)
Financing activities:			
Net proceeds from issuance of new shares		**10,163**	–
Share issuance expenses		**(322)**	(8)
Decrease in fixed deposits pledged		**890**	1,223
Repayment of finance lease		**(1,082)**	(1,124)
Proceeds from loans and borrowings		**–**	5,330
Advances provided to third party		**–**	(4,556)
Net advances from joint venture partners/NCI holders		**–**	15,224
Net cash flows generated from financing activities		**9,649**	16,089
Net decrease in cash and cash equivalents		**(2,452)**	(368)
Effect of exchange rate changes on cash and cash equivalents		**(28)**	(651)
Cash and cash equivalents at beginning of financial year		**10,711**	11,730
Cash and cash equivalents at end of financial year	19	**8,231**	10,711

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

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

1. CORPORATE INFORMATION

Eneco 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.

The Company had on 13 March 2019 convened an Extraordinary General Meeting and duly passed the resolution to change its name from Ramba Energy Limited to Eneco Energy Limited.

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 (International) ("**SFRS(I)**").

For all periods up to and including the year ended 31 December 2017, the Group prepared its financial statements in accordance with Financial Reporting Standards in Singapore (FRS). These financial statements for the year ended 31 December 2018 are the first the Group has prepared in accordance with SFRS(I). Refer to Note 2.2 for more information on how the Group adopted SFRS(I).

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.

<u>Going concern assumption</u>

The Group incurred a net loss of S$45,200,000 (2017: S$10,397,000) during the financial year ended 31 December 2018 and as at that date, the Group's current liabilities exceeded its current and total assets by S$11,431,000 (2017: S$1,774,000). These factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The Directors have prepared the financial statements on a going concern basis as the Group is able to generate sufficient cash flows from its operations, restructure its loans (Note 23) and obtain additional funding. A substantial shareholder has also undertaken to provide continuing financial support to enable the Group and Company to meet their financial obligations as and when they fall due.

If the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 First-time adoption of Singapore Financial Reporting Standards (International) (SFRS(I))

These financial statements for the year ended 31 December 2018 are the first the Group and the Company have prepared in accordance with SFRS(I). Accordingly, the Group and the Company have prepared financial statements that comply with SFRS(I) applicable as at 31 December 2018, together with the comparative period data for the year ended 31 December 2017, as described in the summary of significant accounting policies. On preparing the financial statements, the Group's and the Company's opening balance sheets were prepared as at 1 January 2017, the Group and the Company's date of transition to SFRS(I).

The principal adjustments made by the Group on adoption of SFRS(I) and the adoption of the new standards that are effective on 1 January 2018 are disclosed below.

Exemptions applied on adoption of SFRS(I)

SFRS(I) allows first-time adopters exemptions from the retrospective application of certain requirements under SFRS(I). The Group has applied the following exemptions:

- SFRS(I) 3 *Business Combinations* has not been applied to either acquisitions of subsidiaries that are considered businesses under SFRS(I), or acquisitions of interests in associates and joint ventures that occurred before 1 January 2017. The carrying amounts of assets and liabilities at the date of transition to SFRS(I) is the same as previously reported under FRS.

- SFRS(I) 1-21 The *Effects of Changes in Foreign Exchange Rates* has not been applied retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to SFRS(I). Such fair value adjustments and goodwill are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.

- The comparative information do not comply with SFRS(I) 9 *Financial Instruments* or SFRS(I) 7 *Financial Instruments: Disclosures* to the extent the disclosures relate to items within the scope of SFRS(I) 9.

New accounting standards effective on 1 January 2018

The accounting policies adopted are consistent with those previously applied under FRS except that in the current financial year, the Group has adopted all the SFRS(I) which are effective for annual financial periods beginning on or after 1 January 2018. Except for the impact arising from the exemptions applied as described above and the adoption of SFRS(I) 9 and SFRS(I) 15 described below, 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 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 First-time adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) (Continued)

SFRS(I) 9 Financial Instruments

On 1 January 2018, the Group adopted SFRS(I) 9 Financial instruments, which is effective for annual periods beginning on or after 1 January 2018.

The changes arising from the adoption of SFRS(I) 9 have been applied retrospectively. The Group has elected to apply the exemption in SFRS(I) 1 and has not restated comparative information in the year of initial application. The impact arising from SFRS(I) 9 adoption was included in the opening retained earnings at the date of initial application, 1 January 2018. The comparative information was prepared in accordance with the requirements of FRS 39.

Classification and measurement

SFRS(I) 9 requires debt instruments to be measured either at amortised cost, fair value through other comprehensive income ("**FVOCI**") or fair value through profit or loss (FVPL). Classification of debt instruments depends on the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). An entity's business model is how an entity manages its financial assets in order to generate cash flows and create value for the entity either from collecting contractual cash flows, selling financial assets or both. If a debt instrument is held to collect contractual cash flows, it is measured at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held both to collect the assets' contractual cash flows and to sell the assets are measured at FVOCI. Financial assets are measured at FVPL if they do not meet the criteria of FVOCI or amortised cost.

The assessment of the business model and whether the financial assets meet the SPPI requirements was made as of 1 January 2018, and then applied retropectively to those financial assets that were not derecognised before 1 January 2018.

The Group's debt instruments have contractual cash flows that are solely payments of principal and interest. Debt instruments that were measured at amortised cost previously are held to collect contractual cash flows, and accordingly measured at amortised cost under SFRS(I) 9. The initial application of SFRS(1) 9 does not have any reclassification effect to the Group's financial statement.

Impairment

SFRS(I) 9 requires the Group to record expected credit losses ("ECLs") on all of its financial assets measured at amortised cost or FVOCI and financial guarantees. The Group previously recorded impairment based on the incurred loss model when there is objective evidence that a financial asset is impaired.

The adoption of SFRS(I) 9 did not give rise to additional impairment as at 1 January 2018.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 First-time adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) (Continued)

SFRS(I) 15 Revenue from Contracts with Customers

The Group adopted SFRS(I) 15 which is effective for annual periods beginning on or after 1 January 2018.

The Group applied SFRS(I) 15 retrospectively and has elected to apply the exemption in SFRS(I) 1 to apply the practical expedient in accordance with the transition provisions in SFRS(I) 15. For completed contracts, the Group has not restated contracts that begin and end within the same year or are completed contracts at 1 January 2017. There would have been no material impact had the Group elected to not apply this practical expedient.

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. There is no material impact on adoption of SFRS(I) 15 detailed as follows:

For the provision of logistics, transportation and freight forwarding services, some contracts with customers provide volume discounts but there is no 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.

2.3 Standards issued but not yet effective

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

Description	**Effective for annual periods beginning on or after**
SFRS(I) 16 Leases	1 January 2019
SFRS(I) INT 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to SFRS(I) 9 Prepayment Features with Negative Compensation	1 January 2019
Amendments to IAS 19 Plan Amendment, Curtailment or Settlement	1 January 2019
Annual Improvements to SFRS(I)s 2015-2017 Cycle	1 January 2019
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 Definition of Material	1 January 2020

Except for SFRS(I) 16, the Directors expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of SFRS(I) 16 are described below.

SFRS(I) 16 *Leases*

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group plans to adopt SFRS(I) 16 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 January 2019.

NOTES TO THE *FINANCIAL STATEMENTS*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective (Continued)

SFRS(I) 16 *Leases* (Continued)

On the adoption of SFRS(I) 16, the Group expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

(i) its carrying amount as if SFRS(I) 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 January 2019; or

(ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2019.

In addition, the Group plans to elect the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases

- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019

- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

The Group has performed a preliminary impact assessment of the adoption of SFRS(I) 16 and expects that the adoption of SFRS(I) 16 will result in increase in total assets and total liabilities, earnings before interest, tax, depreciation and amortisation ("**EBITDA**") and gearing ratio.

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.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation and business combinations (Continued)

(a) ***Basis of consolidation*** (Continued)

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.

(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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 SFRS(I) 6, *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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Oil and gas properties (Continued)

(a) *E&E assets* (Continued)

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.

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.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Intangible assets (Continued)

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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 an 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 entity becomes party to the contractual provisions of the instruments.

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

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Financial instruments (Continued)

(a) ***Financial assets*** (Continued)

Initial recognition and measurement (Continued)

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments – Amortised Cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Derecognition

A financial assets is derecognised where the contractual right to receive cash flows from the assets has expired. On derecognition of a financial assets in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income for debt instruments 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.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Impairment of financial assets

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Provisions (Continued)

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.

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.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Employee benefits (Continued)

(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.

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.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Employee benefits (Continued)

(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.

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.

(d) *Employee share award plan*

Pursuant to the Eneco Group Performance Share Plan ("**EGPSP**"), 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.

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

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.14 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.21 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Revenue (Continued)

(a) *Rendering of logistics services*

Revenue is recognised over the period in which the service was rendered.

(b) Oil and gas sales

Revenue from sales of oil and gas are recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods as performance obligation is judged to have been satisfied and revenue is therefore recognised upon delivery to customers.

(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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Taxes (Continued)

(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, 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.

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.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Taxes (Continued)

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

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

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

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

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

Contingent liabilities and assets are not recognised on the 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, goodwill and exploration and evaluation assets are given in Notes 11, 12 and 13 respectively.

Allowance for ECL of trade receivables, other receivables and amount due from subsidiaries

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

Allowance for ECL of trade receivables, other receivables and amount due from subsidiaries (Continued)

The Group and the Company use the probability of default approach for other receivables and amounts due from subsidiaries respectively. To estimate the loss allowance for credit losses, the Group perform recoverability assessments to derive the difference between contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, including cash flows from the sale of collateral that are integral to the contractual terms. The fair value of the collateral and forecast economic conditions in the recoverability assessment is a significant estimate where changes in which can result in different levels of allowances.

The information about the ECLs are disclosed in Note 34(b). The carrying amount of trade receivables and other as at 31 December 2018 are disclosed in Note 17 and 18 to the financial statements respectively.

4. TURNOVER

	Group	
	2018	**2017**
	S$'000	**S$'000**
Disaggregation of revenue by nature:		
Logistics services	**40,967**	54,537
Oil and gas sales	**5,303**	3,424
Property rental income	**502**	1,202
	46,772	59,163

For further disaggregation of revenue by business and geographical segments, refer to Note 30 to the financial statements.

5. OTHER INCOME

	Group	
	2018	**2017**
	S$'000	**S$'000**
Leasing income	**18**	67
Diesel consumed by service partners	**54**	58
Port rebate	**480**	516
Interest income from banks	**84**	64
Management fee income from joint venture partner	**–**	171
Forfeiture of advances from third party	**–**	3,072
Write-back of other payables	**244**	–
Others	**770**	515
	1,650	4,463

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

6. SALARIES AND EMPLOYEE BENEFITS

	Group	
	2018	2017 Restated
	S$'000	S$'000
Salaries and bonuses (including Directors' fees)	**19,506**	20,908
Central Provident Fund contributions	**1,520**	1,652
Share based payments	**22**	458
Other benefits	**2,873**	2,795
	23,921	25,813

Share Options

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

	2018		2017	
	No. '000	WAEP S$	No. '000	WAEP S$
Outstanding at 1 January	**8,833**	**0.28**	9,856	0.23
– Lapsed and cancelled	**(1,404)**	**0.51**	(1,023)	(0.33)
Outstanding at 31 December	**7,429**	**0.24**	8,833	0.28
Exercisable at 31 December	**7,429**	**0.24**	8,833	0.28

- 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 S$0.18 to S$0.50 (2017: S$0.180 to S$0.509). The weighted average remaining contractual life of these options is 2.2 years (2017: 2.5 years).

Share Awards

During the year, the Company vested 1,319,163 (2017: 2,232,755) of share awards by way of allotment of new shares under the EGPSP. 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 1,000,083 (2017: 2,836,564).

7. FINANCE COSTS

	Group	
	2018	2017
	S$'000	S$'000
Interest expenses on loans and borrowings	**1,381**	977
Finance charges on overdue cash calls	**705**	–
Finance charges on finance lease obligations	**132**	100
Accretion of interest on abandonment and site restoration liabilities (Note 25)	**37**	65
	2,255	1,142

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

8. OTHER OPERATING EXPENSES

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

	Group	
	2018	**2017**
	S$'000	**S$'000**
Audit fees paid to auditors of the Company	**184**	148
Non-audit fees paid to auditors of the Company	**40**	78
Audit fees paid to other auditors	**140**	181
Impairment loss on oil and gas properties (Note 11)	**83**	–
Impairment loss on intangible assets (Note 12)	**993**	–
Impairment loss on investment in exploration and evaluation assets (Note 13)	**540**	–
(Writeback)/Allowance for doubtful trade receivables (Note 17)	**(26)**	29
Allowance for doubtful receivables (Note 18)	**19,149**	–
Property, plant and equipment written-off	**–**	169
Gain on disposal of property, plant and equipment	**(105)**	(25)
Net foreign exchange loss/(gain)	**5,079**	(508)
Rental expenses – office	**825**	934
Legal settlement and other professional fees	**4,533**	3,175
Net fair value (gain)/loss on oil options	**(270)**	270

(b) Loss before tax

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

	Group	
	2018	**2017**
	S$'000	**S$'000**
Rental expenses – warehouse and leasehold building	**3,179**	3,935
Lease of transport equipment and ISO tanks	**1,313**	1,492
Upkeep of transport equipment	**5,143**	5,616

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

8. OTHER OPERATING EXPENSES (CONTINUED)

(c) Loss on farm-out of participating interest

On 16 September 2017, the Group through its 80.4% owned subsidiary, PT Hexindo Gemilang Jaya ("**Hexindo**") entered into an agreement to farm-out 15% participating interest which included a call option granted by the Group to farm-out another 6% participating interest in the Lemang Production Sharing Contract ("**Lemang PSC**") to Mandala Energy Lemang Ltd ("**Mandala**").

The call option is effective from 1 January 2018 to 31 December 2018.

On 10 July 2018, the Group completed its farm-out of the 15% participating interest. Upon completion, Hexindo owns 16% participating interest in the Lemang PSC.

On 27 July 2018, Mandala Energy has exercised the call option. As at year end, the completion of the 6% farm-out arrangement is subject to approval by the authorities.

The carrying value of assets and liabilities of Ramba Energy Lemang Limited, 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:

	S$'000
Oil and gas properties	16,752
Investment in exploration and evaluation assets	1,899
Intangible assets	65
Prepayment	52
Trade and other receivables	948
Inventories	22
Trade and other payables	(2,833)
Provision for employee benefits	(372)
Abandonment and site restoration liabilities	(47)
Net assets farmed-out (excluding amount due to Mandala Energy)	16,486
Gross consideration	15,584
Less: Net assets farmed out	(16,486)
Cumulative exchange difference in respect of the net interest disposed	6
Loss on farm-out of participating interest	(896)
Consideration transferred for the farm-out	
Gross consideration	15,584
Less: Transfer tax and finance charges on past cash calls	(2,183)
Less: Amount due to Mandala Energy, net	(10,973)
Net consideration receivable from Mandala Energy	2,428

As at 31 December 2018, the net consideration receivable from Mandala Energy has been offset against the Group's share of cash calls payable to Mandala Energy in full.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

9. INCOME TAX

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

	Group	
	2018	2017
	S$'000	S$'000
Current income tax		
– Current year	112	621
– (Over)/under provision in respect of prior years	(93)	1
Deferred income tax (Note 26)		
– Under provision in respect of prior years	–	27
– Origination and reversal of temporary differences	134	52
Withholding tax expense	360	–
Income tax expense	513	701

(b) Relationship between tax expense and accounting loss

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

	Group	
	2018	2017
		Restated
	S$'000	S$'000
Loss before tax	(44,687)	(9,696)
Tax at domestic rates applicable to losses in the countries in which the Group operates	(10,282)	(3,537)
Adjustments for tax effects of:		
Expenses non-deductible for tax purposes	3,772	1,677
Income not subject to taxation	(928)	(1,965)
Tax exempt profits/rebates	(215)	(256)
(Over)/under provision in respect of prior years	(93)	28
Deferred tax assets not recognised	7,885	4,689
Withholding tax expense	360	–
Others	14	65
Income tax expense	513	701

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

9. INCOME TAX (CONTINUED)

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:

	Group	
	2018	**2017**
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.

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	
	2018	**2017 Restated**
	S$'000	**S$'000**
Loss net of tax attributable to owners of the Company used in the computation of basic/diluted loss per share	**(41,706)**	(8,407)
	No. of shares	**No. of shares**
Weighted average number of ordinary shares for basic/diluted loss per share computation	552,752,308	547,405,159
Basic/diluted loss per share attributable to owners of the Company (cents per share)	(7.55)	(1.54)

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 2018 and 31 December 2017.

There are 7,428,658 (2017: 8,832,632) share options granted under the EGSOS and 56,618,703 (2017: 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$'000	Furniture and fittings S$'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
Cost:									
At 1 January 2017	3,546	1,950	1,556	41	184	15,510	22,787	55,255	78,042
Additions	95	34	233	–	33	3,634	4,029	8,617	12,646
Disposals	(2)	(3)	–	–	–	(1,285)	(1,290)	–	(1,290)
Change in ASR provision	–	–	–	–	–	–	–	150	150
Written off	(68)	–	(141)	–	(1)	(142)	(352)	–	(352)
Net exchange differences	(19)	(5)	(7)	(2)	(6)	(445)	(484)	(4,201)	(4,685)
At 31 December 2017 and 1 January 2018	**3,552**	**1,976**	**1,641**	**39**	**210**	**17,272**	**24,690**	**59,821**	**84,511**
Additions	**92**	**198**	**803**	**13**	**22**	**4,366**	**5,494**	**10,116**	**15,610**
Disposals/Farm-out of participating interest (Note 8(c))	**(55)**	**(494)**	**(395)**	**–**	**(7)**	**(316)**	**(1,267)**	**(17,165)**	**(18,432)**
Change in ASR provision	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**290**	**290**
Written off	**(479)**	**(993)**	**(281)**	**–**	**(30)**	**–**	**(1,783)**	**–**	**(1,783)**
Net exchange differences	**–**	**(24)**	**(51)**	**–**	**–**	**(176)**	**(251)**	**8,124**	**7,873**
At 31 December 2018	**3,110**	**663**	**1,717**	**52**	**195**	**21,146**	**26,883**	**61,186**	**88,069**
Accumulated depreciation and impairment loss:									
At 1 January 2017	3,221	1,540	1,238	23	164	11,229	17,415	32,620	50,035
Charge for the year	155	229	160	3	24	1,229	1,800	266	2,066
Disposals	(1)	(3)	–	–	–	(1,260)	(1,264)	–	(1,264)
Written off	(20)	–	(47)	–	(1)	(115)	(183)	–	(183)
Net exchange differences	(18)	(4)	(3)	(1)	(6)	(300)	(332)	(2,490)	(2,822)
At 31 December 2017 and 1 January 2018	**3,337**	**1,762**	**1,348**	**25**	**181**	**10,783**	**17,436**	**30,396**	**47,832**
Charge for the year	**146**	**156**	**158**	**4**	**21**	**1,342**	**1,827**	**10,513**	**12,340**
Impairment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**83**	**83**
Disposals/Farm-out of participating interests (Note 8(c))	**(55)**	**(476)**	**(395)**	**–**	**(4)**	**(301)**	**(1,231)**	**(413)**	**(1,644)**
Written off	**(479)**	**(993)**	**(281)**	**–**	**(30)**	**–**	**(1,783)**	**–**	**(1,783)**
Net exchange differences	**9**	**(3)**	**(36)**	**–**	**(4)**	**(109)**	**(143)**	**8,337**	**8,194**
At 31 December 2018	2,958	446	794	29	164	11,715	16,106	48,916	65,022
Net carrying amount:									
At 1 January 2017	325	410	318	18	20	4,281	5,372	22,635	28,007
At 31 December 2017	215	214	293	14	29	6,489	7,254	29,425	36,679
At 31 December 2018	**152**	**217**	**923**	**23**	**31**	**9,431**	**10,777**	**12,270**	**23,047**

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11. OIL AND GAS PROPERTIES / PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Renovation S$'000	Transport equipment S$'000	Office equipment S$'000	Total S$'000
Cost:				
At 1 January 2017	50	508	199	757
Additions	–	–	4	4
Written off	–	–	(68)	(68)
At 31 December 2017 and 1 January 2018	**50**	**508**	**135**	**693**
Additions	**18**	**–**	**1**	**19**
Written off	**(31)**	**–**	**(20)**	**(51)**
Disposal	**–**	**(316)**	**–**	**(316)**
At 31 December 2018	**37**	**192**	**116**	**345**
Accumulated depreciation:				
At 1 January 2017	44	408	106	558
Charge for the year	6	63	30	99
Written off	–	–	(20)	(20)
At 31 December 2017 and 1 January 2018	**50**	**471**	**116**	**637**
Charge for the year	**3**	**21**	**17**	**41**
Written off	**(31)**	**–**	**(20)**	**(51)**
Disposal	**–**	**(301)**	**–**	**(301)**
At 31 December 2018	**22**	**191**	**113**	**326**
Net carrying amount:				
At 1 January 2017	6	100	93	199
At 31 December 2017	–	37	19	56
At 31 December 2018	**15**	**1**	**3**	**19**

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 and Lemang Blocks. An impairment loss of S$83,000 (2017: S$Nil) representing the write down of Jatirarangon's production equipment properties to the recoverable amount was recognised in 'other operating expenses' (Note 8(a)). The recoverable amount was based on the value-in-use calculations. The details to the annual review of recoverable amount of Lemang Block is disclosed in Note 12 to the financial statements.

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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			Company		
	2018	**31.12.2017**	**01.01.2017**	**2018**	**31.12.2017**	**01.01.2017**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Cost	**4,371**	3,621	1,043	**–**	–	–
Consideration paid in cash	**42**	409	98	**–**	–	–
Amount under finance lease	**4,329**	3,212	945	**–**	–	–
Net carrying amount of assets at end of year held under finance leases	**8,320**	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 2017	993	1,960	2,953
Addition	–	80	80
Written off	–	(20)	(20)
Net exchange difference	–	(23)	(23)
At 31 December 2017 and 1 January 2018	**993**	**1,997**	**2,990**
Addition	**–**	**50**	**50**
Disposals/Farm-out of participating interests (Note 8(c))	**–**	**(140)**	**(140)**
Net exchange difference	**–**	**9**	**9**
At 31 December 2018	**993**	**1,916**	**2,909**
Accumulated amortisation and impairment:			
At 1 January 2017	–	1,620	1,620
Charge for the year	–	97	97
Written off	–	(20)	(20)
Net exchange difference	–	(6)	(6)
At 31 December 2017 and 1 January 2018	**–**	**1,691**	**1,691**
Charge for the year	**–**	**128**	**128**
Impairment loss	**993**	**–**	**993**
Disposals/Farm-out of participating interests (Note 8(c))	**–**	**(75)**	**(75)**
Net exchange difference	**–**	**5**	**5**
At 31 December 2018	**993**	**1,749**	**2,742**
Net carrying amount:			
At 1 January 2017	993	340	1,333
At 31 December 2017	993	306	1,299
At 31 December 2018	**0**	**167**	**167**

12. INTANGIBLE ASSETS (CONTINUED)

Impairment testing of goodwill

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

	Group		
	2018 S$'000	31.12.2017 S$'000	01.01.2017 S$'000
PT Hexindo Gemilang Jaya	**0**	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 as follows:

		Group		
	Note	2018 S$'000	31.12.2017 S$'000	01.01.2017 S$'000
Oil and gas properties	11	**12,150**	29,126	22,309
Exploration and evaluation assets	13	**1,918**	4,552	5,186
Advances to NCI holders	18	**–**	9,112	9,859
Cash calls due from NCI holders	18	**–**	1,977	2,139
		14,068	44,767	39,493

Impairment testing as at 31 December 2017 and 1 January 2017

The recoverable amount of PT Hexindo Gemilang Jaya CGU was 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 were discounted to their present value using a pre-tax discount rate of 13.0% per annum.

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

Production volume – The production volumes were estimated based on the latest reserve evaluation report and the development and production plans of the participating contractors for the contract areas. The reserves were categorised as proved, probable and contingent. When necessary, risk factors were applied to the extraction of contingent reserves and/or reserves which were 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 were based on Management assumption and the forecast from the operation.

Discount rate – Discount rate represented 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 had not been incorporated in the cash flow estimates. The discount rate calculation was based on the specific circumstances of the CGUs and derived from weighted average cost of capital ("**WACC**") of the CGUs. The WACC took into account both debt and equity. The cost of equity was derived from the expected return on investment by the Group's investors. The cost of debt was based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk was incorporated by applying individual beta factors. The beta factors were 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 CGU, Management had believed 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)

Impairment testing in 2018

In 2018, the recoverable amount of PT Hexindo Gemilang Jaya CGU was determined based on fair value less costs of disposal calculations by making reference to a recent sale transaction.

Impairment loss recognised

During the year, an impairment loss was recognised to write down the carrying amount of PT Hexindo Gemilang Jaya CGU as the recoverable value is less than the carrying value of these assets. The impairment loss on goodwill and exploration and evaluation assets of S$993,000 (2017: S$Nil) and S$540,000 (2017: S$Nil) have been recognised in 'other operating expenses' (Note 8(a)). Refer to Note 18 for the impairment loss recognised for the other receivables.

Sensitivity to changes in assumptions

The estimated recoverable amount approximates its carrying amount and, consequently, any adverse change in any key assumptions would result in a further impairment loss.

Company	**Software S$'000**
Cost:	
At 1 January 2017 and 31 December 2017, 1 January 2018 and 31 December 2018	196
Accumulated amortisation and impairment:	
At 1 January 2017	190
Charge for the financial year	3
At 31 December 2017 and 1 January 2018	193
Charge for the financial year	3
At 31 December 2018	196
Net carrying amount:	
At 1 January 2017	6
At 31 December 2017	3
At 31 December 2018	–

13. INVESTMENTS IN EXPLORATION AND EVALUATION ASSETS

Investments in exploration and evaluation assets refer to the participating 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. It included S$17,252,000 of concessionary rights to West Jambi Block ("West Jambi Concession"), which is wholly owned by the Group through its subsidiary, Ramba Energy West Jambi Limited ("**REWJ**"). The exploratory permit for this concession has expired and the Management is in the process of obtaining the extension of the permit.

		Group	
	2018 S$'000	**31.12.2017 S$'000**	**01.01.2017 S$'000**
Cost			
As at 1 January	**21,403**	23,195	24,602
Additions during the year	**–**	207	2,969
Amortisation during the year	**(289)**	(246)	–
Impairment loss	**(540)**	–	–
Farm-out of participating interests (Note 8(c))	**(1,899)**	–	(4,939)
Net exchange differences	**495**	(1,753)	563
	19,170	21,403	23,195

The details to the impairment loss recognised during the current year are disclosed in Note 12 to the financial statements.

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14. INVESTMENTS IN SUBSIDIARIES

	Company 2018 S$'000	31.12.2017 S$'000	01.01.2017 S$'000
Unquoted shares, at cost	**9,926**	9,926	9,926
Less: Impairment loss	**(500)**	(500)	(500)
	9,426	9,426	9,426

(a) Composition of the Group

The Group has the following investments in subsidiaries:

Name	Principal activities	Country of incorporation	Effective equity interest 2018 %	31.12.17 %	01.01.17 %
Held by the Company:					
* REL Oil & Gas Pte Ltd	Investment holding	Singapore	**100**	100	100
* RichLand Global Pte Ltd	Investment holding	Singapore	**100**	100	100
* Eneco Singapore Pte Ltd (fka RBC Properties Pte Ltd)	Dormant	Singapore	**100**	100	100

Name	Principal activities	Country of incorporation	Effective equity interest 2018 %	31.12.17 %	01.01.17 %
Held through RichLand Global Pte Ltd:					
* RichLand Logistics Services Pte Ltd	Provision of transportation management and airport cargo terminal handling	Singapore	**100**	100	100
* RichLand Project Logistics Pte Ltd	Provision of specialised logistics and supply management services	Singapore	**100**	100	100
* RichLand Chemical Logistics Pte Ltd	Provision of logistics, transportation and freight forwarding services for the chemical industry	Singapore	**100**	100	100
** PT. RichLand Indonesia	Investment holding	Indonesia	**99**	99	99
Held through PT. RichLand Indonesia					
** PT. RichLand Logistics Indonesia	Provision of transportation and logistics services	Indonesia	**^100**	^100	^100
Held through RichLand Project Logistics Pte Ltd:					
** PT. RichLand Indonesia	Investment holding	Indonesia	**1**	1	1
Held through RichLand Chemical Logistics Pte Ltd:					
RichLand Chemical Logistics Sdn Bhd	Liquidated	Malaysia	**–**	100	100

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14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) Composition of the Group (Continued)

Name	Principal activities	Country of incorporation	Effective equity interest 2018 %	31.12.17 %	01.01.17 %
Held through RichLand Logistics Services Pte Ltd:					
* RichLand Commercial Properties Pte Ltd	Provision of real estate management services	Singapore	**100**	100	100
Held through REL Oil & Gas Pte Ltd:					
## Ramba Energy Investment Limited	Investment holding	British Virgin Islands	**100**	100	100
Held through Ramba Energy Investment Limited:					
## Ramba Energy Indonesia Limited	Investment holding	British Virgin Islands	**100**	100	100
Held through Ramba Energy Indonesia Limited:					
## Ramba Energy Exploration Ltd	Investment holding	British Virgin Islands	**100**	100	100
## Ramba Exploration Indonesia Limited (fka Ramba Resource Services Limited)	Investment holding	British Virgin Islands	**100**	100	100
Held through Ramba Energy Exploration Ltd					
** Ramba Energy West Jambi Limited	Exploration and production of oil and gas	British Virgin Islands	**100**	100	100
## Ramba Energy Lemang Limited	Investment holding	British Virgin Islands	**100**	100	100
** Ramba Energy Jatirarangon Limited	Exploration and production of oil and gas	Bermuda	**100**	100	100
## Ramba Energy Corridor Limited	Investment holding	British Virgin Islands	**100**	100	100
Held through Ramba Energy Lemang Limited:					
** PT Hexindo Gemilang Jaya	Exploration and production of oil and gas	Indonesia	**80.4**	80.4	80.4

^ 51% of the shares are being held by PT Lumbung Surya Putra, which in turn has pledged its shares to RichLand Global Pte Ltd

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.

14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

The NCI of PT Hexindo Gemilang Jaya has 19.6% (31 December 2017: 19.6%, 1 January 2017: 19.6%) interest in PT Hexindo Gemilang Jaya as at the end of the reporting period.

	PT Hexindo Gemilang Jaya		
	2018 S$'000	31.12.2017 S$'000	01.01.2017 S$'000
Loss allocated to NCI during the reporting period	**3,494**	1,990	864
Accumulated NCI at the end of the reporting period – accumulated losses	**8,037**	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

	PT Hexindo Gemilang Jaya		
	2018 S$'000	31.12.2017 S$'000	01.01.2017 S$'000
Current			
Assets	**3,986**	19,502	40,185
Liabilities	**(11,028)**	(17,227)	(19,175)
Net current assets	**(7,042)**	2,275	21,010
Non-current			
Assets	**18,392**	32,651	25,346
Liabilities	**(52,354)**	(57,315)	(59,916)
Net non-current liabilities	**(33,962)**	(24,664)	(34,570)
Net liabilities	**(41,004)**	(22,389)	(13,560)

Summarised statement of comprehensive loss

	PT Hexindo Gemilang Jaya		
	2018 S$'000	31.12.2017 S$'000	01.01.2017 S$'000
Revenue	**3,790**	998	166
Loss before income tax, representing loss net of tax	**17,825**	10,153	4,413
Other comprehensive income	**1,060**	(1,324)	(33)
Total comprehensive loss	**18,885**	8,829	4,380

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14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

Other summarised information

	PT Hexindo Gemilang Jaya		
	2018	**31.12.2017**	**01.01.2017**
	S$'000	**S$'000**	**S$'000**
Net cash flow (used in)/generated from operations	**(8,782)**	(10,116)	2,430
Acquisition of oil and gas properties	**9,915**	8,617	3,213

(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.

Contract Area (Date of Expiry)	Held by (Place of operation)	Description	% of effective participating interest		
			2018	**31.12.17**	**01.01.17**
Jatirarangon TAC Block (Expiry: year 2020)	Ramba Energy Jatirarangon Limited (Indonesia)	Oil and gas exploration and production	**70**	70	70
Lemang PSC Block (Expiry: year 2037)	PT Hexindo Gemilang Jaya (Indonesia)	Oil and gas exploration and production	**16**	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.

Refer to Note 8(c) for more details on the farm-out of the Group's 15% of participating interest in Lemang PSC Block.

15. LOANS TO SUBSIDIARIES

	Group		
	2018	**31.12.2017**	**01.01.2017**
	S$'000	**S$'000**	**S$'000**
Loans to subsidiaries – nominal amounts	**92,641**	31,505	31,534
Less: Allowance for doubtful receivables	**(72,886)**	(2,216)	(2,245)
	19,755	29,289	29,289

These loans are unsecured, non-interest bearing and expected to be settled in cash or offset against intercompany balances in future but the settlement is neither planned nor likely to occur in the foreseeable future as they are in substance, a part of the Company's net investment in the subsidiaries, of which S$19,688,000 were loans to REWJ.

The movement of the allowance account used to record the impairment is as follows:

	2018	**2017**
	S$'000	**S$'000**
At 1 January	**2,216**	2,245
Allowance for the year	**70,617**	141
Exchange difference	**53**	(170)
At 31 December	**72,886**	2,216

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16. OTHER ASSETS

	Group 2018 S$'000	31.12.2017 S$'000	01.01.2017 S$'000
Leased assets			
– Current	–	2	10
– Non-current	–	–	2
	–	2	12

Leased assets pertained 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		
	2018 S$'000	31.12.2017 S$'000	01.01.2017 S$'000	2018 S$'000	31.12.2017 S$'000	01.01.2017 S$'000
Third party customers	**11,270**	14,544	13,129	**–**	–	–
Less: Allowance for doubtful trade receivables	**–**	(581)	(860)	**–**	–	–
Total trade receivables	**11,270**	13,963	12,269	**–**	–	–
Other receivables (Note 18)	**1,847**	17,667	34,418	**3,595**	62,199	67,265
Cash and bank deposits (Note 19)	**8,541**	11,911	14,153	**4,166**	139	584
Total financial assets carried at amortised cost	**21,658**	43,541	60,840	**7,761**	62,338	67,849

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 S$2,652,000 (31 December 2017: S$2,686,000,1 January 2017: S$3,388,000) 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 2018 S$'000	31.12.2017 S$'000	01.01.2017 S$'000
Trade receivables past due but not impaired:			
Less than 30 days	**1,616**	1,835	2,461
30 to 60 days	**774**	631	891
61 to 90 days	**258**	185	31
91 to 120 days	**4**	2	50
More than 120 days	**–**	33	–
	2,652	2,686	3,433

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17. TRADE RECEIVABLES (CONTINUED)

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		
	2018 S$'000	**31.12.2017 S$'000**	**01.01.2017 S$'000**
Trade receivables – nominal amounts	**–**	581	860
Less: Allowance for doubtful trade receivables	**–**	(581)	(860)
	–	–	–

	2018 S$'000	**2017 S$'000**
Movement in allowance for doubtful trade receivables:		
At 1 January	**581**	860
Allowance for the year (Note 8(a))	**–**	29
Write-back during the year (Note 8(a))	**(26)**	–
Write-off during the year	**(535)**	(239)
Exchange difference	**(20)**	(69)
At 31 December	**–**	581

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.

18. OTHER RECEIVABLES

	Group			Company		
	2018 S$'000	**31.12.2017 S$'000**	**01.01.2017 S$'000**	**2018 S$'000**	**31.12.2017 S$'000**	**01.01.2017 S$'000**
Current						
Refundable deposits	**860**	638	651	**68**	71	68
Due from NCI holder	**–**	9,112	9,859	**–**	–	–
Due from subsidiaries	**–**	–	–	**3,512**	60,764	67,197
Deferred rent receivable	**–**	6	23	**–**	–	–
Cash calls due from NCI holder	**–**	1,977	2,139	**–**	–	–
Cash call advance to a former joint venture partner	**–**	432	18,287	**–**	–	–
Sundry receivables	**944**	471	457	**15**	1,364	–
Disbursements due from customers	**43**	25	54	**–**	–	–
	1,847	12,661	31,470	**3,595**	62,199	67,265

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18. OTHER RECEIVABLES (CONTINUED)

	Group			Company		
	2018 S$'000	31.12.2017 S$'000	01.01.2017 S$'000	2018 S$'000	31.12.2017 S$'000	01.01.2017 S$'000
Non-current						
Advance to a former joint venture partner	–	5,012	5,424	–	–	–
Other receivables	**7,190**	4,340	3,854	–	–	–
	7,190	9,352	9,278	–	–	–
Total other receivables	**9,037**	22,013	40,748	**3,595**	62,199	67,265
Comprises of:						
Financial assets	**1,847**	17,667	34,418	**3,595**	62,199	67,265
Non-financial assets	**7,190**	4,346	6,330	–	–	–
	9,037	22,013	40,748	**3,595**	62,199	67,265

Other receivables that are impaired

The Group's other 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		
	2018 S$'000	31.12.2017 S$'000	01.01.2017 S$'000
Other receivables – nominal amounts	**22,900**	3,393	3,671
Less: Allowance for doubtful other receivables	**(22,900)**	(3,393)	(3,671)
	–	–	–

	Group Individually impaired	
	2018 S$'000	2017 S$'000
Movement in allowance for doubtful other receivables:		
At 1 January	**3,393**	3,671
Allowance for the year	**19,149**	–
Exchange difference	**358**	(278)
At 31 December	**22,900**	3,393

Due from joint venture partner

In the previous years, the Group had recognised an allowance for doubtful other receivables of S$3,473,000 (US$2,538,000) 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.

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18. OTHER RECEIVABLES (CONTINUED)

Due from/cash calls due from NCI holder

These balances, which are due from the non-controlling interest ("**NCI**") holder of PT Hexindo Gemilang Jaya, are non-trade in nature, secured by shares in Hexindo. The amounts due from NCI holder included a loan amount of S$9,032,000 (31 December 2017: S$8,822,000 1 January 2017: S$9,546,000) with interest rate of 10% per annum and repayable by February 2018. During the year, the Group recorded an impairment of S$9,195,000 (2017: S$Nil) for the amount due from NCI holder.

Cash call advance to a joint venture partner

The amount is non-trade in nature, unsecured, non-interest bearing, and expected to be repayable within the next twelve months. During the year, the joint venture partner has farmed out its participating interest in full. The Group recorded an impairment of S$1,075,000 (2017: S$Nil) for the cash call advanced to the former joint venture partner.

Advance to a former joint venture partner (non-current)

The advance to a former 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 the former joint venture partner 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. The Group recorded an impairment of S$5,058,000 (2017: S$Nil) for the advance made to the former joint venture partner.

Amount due from broker (non-current)

As at 31 December 2018, the Group had recorded S$3,876,000 as an amount due from broker. The amount due from broker relates to cash which has been placed as collateral with a broker to secure a bank guarantee which has been issued in favour of the Group to apply for the extension of the exploratory permit for West Jambi concession as mentioned in Note 13 to the financial statements. The Group has made full allowance for the amount due from the broker.

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, of which S$1,022,000 relates to West Jambi Block.

19. CASH AND BANK BALANCES

	Group			Company		
	2018	**31.12.2017**	**01.01.2017**	**2018**	**31.12.2017**	**01.01.2017**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Cash on hand and at bank	**8,231**	10,711	11,730	**4,166**	139	584
Fixed deposits	**310**	1,200	2,423	**–**	–	–
Cash and bank deposits	**8,541**	11,911	14,153	**4,166**	139	584
Less: Restricted cash (non-current)	**(310)**	–	(2,423)	**–**	–	–
Less: Restricted cash (current)	**–**	(1,200)	–	**–**	–	–
Cash and cash equivalents	**8,231**	10,711	11,730	**4,166**	139	584

Fixed deposits earn interest at 2% (31 December 2017: 0.21% to 0.61%, 1 January 2017: 0.45% to 0.90%) 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 are as follows:

	Group			Company		
	2018	**31.12.2017**	**01.01.2017**	**2018**	**31.12.2017**	**01.01.2017**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Indonesia Rupiah ("**IDR**")	**874**	3,042	3,264	**–**	–	–
United States Dollars ("**USD**")	**150**	4,679	5,044	**–**	–	–

20. TRADE PAYABLES

	Group 2018 S$'000	Group 31.12.2017 Restated S$'000	Group 01.01.2017 Restated S$'000	Company 2018 S$'000	Company 31.12.2017 Restated S$'000	Company 01.01.2017 Restated S$'000
Third party suppliers	**8,588**	10,837	12,505	**–**	–	–
Accrued operating expenses	**6,439**	7,462	3,852	**–**	–	–
Total trade payables	**15,027**	18,299	16,357	**–**	–	–
Other payables (Note 21)	**30,737**	35,701	42,165	**3,621**	5,293	7,025
Loans and borrowings (Note 23)	**9,238**	9,022	4,166	**–**	–	–
Finance lease liabilities (Note 24)	**7,347**	3,889	1,801	**–**	31	109
Total financial liabilities carried at amortised cost	**62,349**	66,911	64,489	**3,621**	5,324	7,134

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 2018 are S$1,280,268 (31 December 2017: S$3,835,000, 1 January 2017: S$2,039,000) in IDR and S$178,129 (31 December 2017: S$Nil, 1 January 2017: S$Nil) in USD.

21. OTHER PAYABLES

	Group 2018 S$'000	Group 31.12.2017 Restated S$'000	Group 01.01.2017 Restated S$'000	Company 2018 S$'000	Company 31.12.2017 Restated S$'000	Company 01.01.2017 Restated S$'000
Current						
Advances from joint venture partner	**558**	2,686	3,254	**–**	–	–
Cash calls advanced by joint venture partner	**3,668**	7,251	9,760	**–**	–	–
Amount due to subsidiaries	**–**	–	–	**927**	652	68
Amount due to Directors	**600**	2,297	2,374	**600**	2,297	2,374
Accrued salaries and employee benefits	**2,918**	3,897	5,566	**131**	791	3,231
Sundry payables	**3,723**	3,734	5,020	**1,220**	1,553	1,352
Security deposits from tenants	**8**	364	111	**–**	–	–
Deferred rent payable	**18**	73	197	**–**	–	–
Advances received from third parties	**–**	–	4,556	**–**	–	–
Advance billing to tenants	**–**	104	104	**–**	–	–
	11,493	20,406	30,942	**2,878**	5,293	7,025

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21. OTHER PAYABLES (CONTINUED)

	Group			Company		
	2018	31.12.2017 Restated	01.01.2017 Restated	2018	31.12.2017 Restated	01.01.2017 Restated
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Non-current						
Deferred rent payable	**425**	–	73	**–**	–	–
Amount due to NCI holder	**–**	1,977	2,139	**–**	–	–
Production bonus	**242**	228	228	**–**	–	–
Amount due to Directors	**743**	–	–	**743**	–	–
Advances from joint venture partner	**8,891**	8,686	9,399	**–**	–	–
Sundry payables	**8,961**	4,581	1,793	**–**	–	–
	19,262	15,472	13,632	**743**	–	–
Total other payables	**30,755**	35,878	44,574	**3,621**	5,293	7,025
Comprises of:						
Financial liabilities	**30,737**	35,701	42,165	**3,621**	5,293	7,025
Non-financial liabilities	**18**	177	2,409	**–**	–	–
	30,755	35,878	44,574	**3,621**	5,293	7,025

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 are non-trade in nature, unsecured, non-interest bearing and are repayable no later than 30 September 2019.

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.

Advances received from third parties

Advances received from third parties included an amount of US$2,200,000 (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 would 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, had no fixed term of repayment and are denominated in USD. These advances had a conversion feature which entitled 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 financial year ended 31 December 2017, the third party had 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**" line item in 2017.

21. OTHER PAYABLES (CONTINUED)

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 amount to be repaid within the next 12 months.

Sundry payables (non-current)

Sundry payables include amounts relating to legal claims of US$1,426,000 (equivalent to S$1,952,000) with a third party, which the Group intends to contest and legal settlement sum of US$10,000,000 (equivalent to S$13,685,000), payable to a third party recorded at amortised cost of S$7,009,000 (Note 33). The amount of legal settlement sum recorded in the current year profit and loss amounted to S$4,210,000. The Group does not expect the amounts to be repaid within the next 12 months.

22. PROVISIONS

		Group			Company	
	2018	31.12.2017	01.01.2017	2018	31.12.2017	01.01.2017
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Current						
Provision for cargo and motor vehicles claims	**521**	512	499	**–**	–	–
Provision for reinstatement costs	**100**	1,052	–	**–**	39	–
	621	1,564	499	**–**	39	–
Non-current						
Provision for employee benefits (Note 31)	**824**	1,340	1,101	**–**	–	–
Provision for reinstatement costs	**268**	75	730	**19**	–	39
	1,092	1,415	1,831	**19**	–	39

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

	Group	
	2018	2017
	S$'000	S$'000
Balance at 1 January	**512**	499
Provision made during the year	**176**	141
Utilised during the year	**(167)**	(128)
Balance at 31 December	**521**	512

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.

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22. PROVISIONS (CONTINUED)

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

	Group		Company	
	2018	**2017**	**2018**	**2017**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Balance at 1 January	**1,127**	730	39	39
(Written-back)/Provision made during the year, net	**(273)**	397	(20)	–
Utilised during the year	**(486)**	–	–	
Balance at 31 December	**368**	1,127	19	39

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

23. LOANS AND BORROWINGS

		Group	
	2018	**31.12.2017**	**01.01.2017**
	S$'000	**S$'000**	**S$'000**
Loan	**9,238**	9,022	4,166

In 2015, a third party granted a US$10,000,000 loan facility at an interest rate of 10% per annum to Ramba Energy Lemang Limited ("**RELL**"), a BVI, a wholly-owned subsidiary. The facility was for working capital needs in relation to the exploration and development activities of the Group.

On 6 June 2017, RELL restructured the aforesaid loan facility with the said third party where the loan facility commitment remained at US$10,000,000 but with an interest rate of 15% per annum. In total, US$6,750,000 (equivalent to S$9,238,000) bearing an effective interest of 15% (31 December 2017: 15%, 1 January 2017: 10%) per annum had been drawn down from the facility and is repayable over 24 instalments commencing from January 2019 with final repayment on December 2020.

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 Call Options agreements with the said third party, whereby:

(a) the Company granted up to 15 million call options which are exercisable from 1 January 2018 to 31 December 2018, at an exercise price equal to 90% of the trailing volume weighted average price ("VWAP") of each share for the trading day immediately preceding the exercise date. Upon the exercise of these call options, the Company will pay the third party an amount equal to the number of call options multiplied by VWAP less exercise price; and

(b) the Company granted up to 20 million call options which are exercisable from 1 January 2018 to 31 December 2020, at an exercise price equal to 120% of the trailing VWAP of each share for the trading day immediately preceding the exercise date. Upon the exercise of these call options, the third party will pay to the Company an amount equal to the number of call options multiplied by exercise price and the Company will issue the number of shares equal to the call options exercised.

There was no exercise of Call Options as of 31 December 2018 and accordingly the cash-settled call options had lapsed.

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23. LOANS AND BORROWINGS (CONTINUED)

The facility also mandated that an oil hedge over a portion of the Group's net entitlement be taken during the term of the facility period. During the year, the Group ceased the oil hedge following the expiry of the of the last hedge contract. The fair value of the oil options contracts as at 31 December 2017 is disclosed in Note 36 to the financial statements.

As at date of financial statements, Group had commenced discussions with the said third party in relation to the restructuring of the Group's loans and borrowings amounting to S$9,238,000 which is due for repayment over 24 instalments commencing from January 2019 to December 2020. The Group had temporarily suspended the repayment of loan principal and interest expense as the discussions with the said third party are still ongoing.

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

			Non-cash changes			
	2017 S$'000	Cash flows S$'000	Additions in finance lease S$'000	Foreign exchange movement S$'000	Other S$'000	2018 S$'000
Loans and borrowings						
– Current	–	–	–	–	4,619	**4,619**
– Non-current	9,022	–	–	216	(4,619)	**4,619**
Total loans and borrowings	9,022	–	–	216	–	**9,238**
Finance lease payable (Note 24)						
– Current	873	(1,082)	948	(4)	1,088	**1,823**
– Non-current	3,016	–	3,616	(20)	(1,088)	**5,524**
Total finance lease payable	3,889	(1,082)	4,564	(24)	–	**7,347**

			Non-cash changes			
Group	**01.01.2017 S$'000**	**Cash flows S$'000**	**Additions in finance lease S$'000**	**Foreign exchange movement S$'000**	**Other S$'000**	**31.12.2017 S$'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.

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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 2023 (31 December 2017: 2021, 1 January 2017: 2021) and the effective interest rates range from 3.0 % to 12.8% (31 December 2017: 2.9% to 5.5%, 1 January 2017: 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:

	2018		31.12.2017		01.01.2017	
	Total minimum lease payments S$'000	Present value of payments S$'000	Total minimum lease payments S$'000	Present value of payments S$'000	Total minimum lease payments S$'000	Present value of payments S$'000
Group						
Not later than one year	**2,390**	**1,823**	1,016	873	871	812
Later than one year but not later than five years	**6,257**	**5,524**	3,187	3,016	1,051	989
Total minimum lease payments	**8,647**	**7,347**	4,203	3,889	1,922	1,801
Less: Amount representing finance charges	**(1,300)**	**–**	(314)	–	(121)	–
Present value of minimum lease payments	**7,347**	**7,347**	3,889	3,889	1,801	1,801
Company						
Not later than one year	**–**	**–**	31	31	82	79
Later than one year but not later than five years	**–**	**–**	–	–	31	30
Total minimum lease payments	**–**	**–**	31	31	113	109
Less: Amount representing finance charges	**–**	**–**	–*	–	(4)	–
Present value of minimum lease payments	**–**	**–**	31	31	109	109

* Denotes less than S$1,000

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 2018 was 3.86% to 5.27% (31 December 2017: 5.35% to 7.94%, 1 January 2017: 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.

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25. ABANDONMENT AND SITE RESTORATION LIABILITIES (CONTINUED)

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

	Group		
	2018 S$'000	31.12.2017 S$'000	01.01.2017 S$'000
Balance at 1 January	**992**	850	709
Farm-out of participating interests (Note 8(c))	**(47)**	–	(13)
Additions during the year (Note 11)	**290**	150	–
Accretion during the year (Note 7)	**37**	65	77
Exchange differences	**32**	(67)	20
Changes in assumption	**(418)**	–	63
Less: cash set aside during the year	**(6)**	(6)	(6)
Balance at 31 December	**880**	992	850

26. DEFERRED TAX

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

	Group				
	Consolidated statement of financial position			Consolidated income statement	
	2018 S$'000	31.12.2017 S$'000	01.01.2017 S$'000	2018 S$'000	2017 S$'000
Deferred tax liabilities:					
Difference in timing of allowance recognition	**–**	(16)	–	**(16)**	16
Oil and gas properties	**(2,933)**	(2,736)	(2,733)	**130**	3
	(2,933)	(2,752)	(2,733)	**(114)**	19
Deferred tax assets:					
Difference in timing of allowance recognition	**–**	–	33	**–**	33
Provisions	**35**	55	82	**(20)**	27
	35	55	115	**(20)**	79

As at the end of the reporting period, the Group has unutilised tax losses of approximately S$22,418,000 (31 December 2017: S$14,411,000, 1 January 2017: 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 and 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:

	Group		
	2018 S$'000	31.12.2017 S$'000	01.01.2017 S$'000
Can be utilised up to:			
– 1 year or less	**101**	629	916
– 1 to 5 years	**1,820**	244	265
	1,921	873	1,181

As at 31 December 2018, 31 December 2017 and 1 January 2017, there are no unrecognised temporary differences relating to investments in subsidiaries as the Group has determined that the portion of the undistributed earnings of its subsidiaries that will be distributed in the foreseeable future to be insignificant.

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27. SHARE CAPITAL AND TREASURY SHARES

(a) Share capital

	Group and Company					
	2018		31.12.2017		01.01.2017	
	No. of shares '000	S$'000	No. of shares '000	S$'000	No. of shares '000	S$'000
Issued and fully paid ordinary shares						
At 1 January	**549,556**	**138,232**	547,323	137,886	471,214	123,601
New share issuance for rights issue	**–**	**–**	–	–	56,619	10,724
New share issuance for share awards	**1,319**	**106**	2,233	354	19,490	3,582
New share issuance	**96,800**	**10,164**	–	–	–	–
Share issuance expense	**–**	**(321)**	–	(8)	–	(21)
At 31 December	**647,675**	**148,181**	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					
	2018		31.12.2017		01.01.2017	
	No. of shares '000	S$'000	No. of shares '000	S$'000	No. of shares '000	S$'000
At 1 January and 31 December	**1,807**	**(935)**	1,807	(935)	1,807	(935)

Treasury shares relate to ordinary shares of the Company that is held by the Company.

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.

NOTES TO THE *FINANCIAL STATEMENTS*

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28. OTHER RESERVES (CONTINUED)

(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

	Group	
	2018	**2017 Restated**
	S$'000	**S$'000**
Directors' fees	**234**	471
Directors' remuneration	**1,088**	867
Share based payments	**77**	144
Central Provident Fund contributions	**12**	9
	1,411	1,491
Key Management personnel's remuneration	**1,002**	820
Share based payments	**8**	24
	1,010	844
	2,421	2,335

Directors' interests in share based payment scheme

There is no share option or share award granted in 2017 and 2018.

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 EGSOS and EGPSP amounted to 7,428,658, 309,009, and 691,074 (2017: 8,832,632, 662,444 and 1,300,800) respectively.

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29. RELATED PARTY TRANSACTIONS (CONTINUED)

(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	
	2018	**2017**
	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	**652**	951
Rental of office space payable to a firm related to the Group	**33**	271

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 an arm's length basis in a manner similar to transactions with third parties.

30. SEGMENT INFORMATION (CONTINUED)

	Oil and gas S$'000	Logistics S$'000	Rental S$'000	Corporate S$'000	Eliminations/ adjustments S$'000	Total S$'000	Note
2018							
Revenue:							
Sales to external customers	5,303	40,967	502	–	–	46,772	
Other income	–	1,580	12	58	–	1,650	
Inter-segment sales	–	–	488	59	(547)	–	A
Total	5,303	42,547	1,002	117	(547)	48,422	
Segment loss	(39,976)	(218)	(61)	(2,177)	–	(42,432)	
Finance costs						(2,255)	
Loss before tax						(44,687)	
Income tax						(513)	
Net loss for the year						(45,200)	
2018							
Interest income from bank	–	76	4	4	–	84	
Depreciation and amortization expenses	10,895	1,777	42	43	–	12,757	
Other non-cash expenses	16,947	(8)	5	(78)	–	16,866	B
Other segment information							
Segment assets	39,894	27,968	35	4,345	35	72,277	C
Segment liabilities	45,250	16,917	93	2,700	3,139	68,099	D
Additions to non-current assets	10,139	5,501	2	18	–	15,660	

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30. SEGMENT INFORMATION (CONTINUED)

	Oil and gas S$'000	Logistics S$'000	Rental S$'000	Corporate Restated S$'000	Eliminations/ adjustments S$'000	Total Restated S$'000	Note
2017							
Revenue:							
Sales to external customers	3,424	54,537	1,202	–	–	59,163	
Other income	3,221	1,191	28	23	–	4,463	
Inter-segment sales	–	30	931	25	(986)	–	A
Total	6,645	55,758	2,161	48	(986)	63,626	
Segment (loss)/profit	(4,912)	2,568	(1,272)	(4,938)	–	(8,554)	
Finance costs						(1,142)	
Loss before tax						(9,696)	
Income tax						(701)	
Net loss for the year						(10,397)	
Interest income from bank	–	60	4	–	–	64	
Depreciation and amortization expenses	591	1,576	139	103	–	2,409	
Other non-cash expenses	2,656	143	4	412	–	3,215	B
31.12.2017							
Other segment information							
Segment assets	77,783	28,009	1,430	375	1,048	108,645	C
Segment liabilities	49,783	15,633	1,203	4,710	2,971	74,300	D
Additions to non-current assets	8,826	4,094	9	4	–	12,933	
01.01.2017							
Other segment information							
Segment assets	92,508	23,223	2,932	972	1,108	120,743	C
Segment liabilities	50,022	11,572	3,097	5,387	2,782	72,860	D
Additions to 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, intangible assets, exploration and evaluation assets and goodwill.

C The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	Group	
	2018	**2017**
	S$'000	**S$'000**
Deferred tax assets	**35**	55
Goodwill	**–**	993
	35	1,048

D The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	Group	
	2018	**2017**
	S$'000	**S$'000**
Deferred tax liabilities	**2,933**	2,752
Income tax payable	**206**	219
	3,139	2,971

Geographical information

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

	Geographical location		
	Singapore	**Indonesia**	**Total**
	S$'000	**S$'000**	**S$'000**
2018			
Revenue	**31,722**	**15,050**	**46,772**
Non-current assets	**5,970**	**43,949**	**49,919**
2017			
Revenue	31,544	27,619	59,163
Non-current assets	5,809	62,979	68,788

Information about major customers

Revenue from 5 major customers amounted to S$22,339,000 (2017: 5 customers – S$41,774,000) arising from revenue of the logistics segment.

Revenue from 1 major customer amounted to S$1,236,000 (2017: 1 customer – S$2,425,000) 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 (31 December 2017: PT Padma Raya Aktuaria, 1 January 2017: PT Padma Raya Aktuaria).

	Group		
	2018	**31.12.2017**	**01.01.2017**
	S$'000	**S$'000**	**S$'000**
Defined benefit obligations at 31 December	**824**	1,340	1,101

Breakdown of the Group's defined benefit obligations were as follows:

	Group					
	Funded pension plan			Unfunded post-employment benefits		
	2018	**31.12.2017**	**01.01.2017**	**2018**	**31.12.2017**	**01.01.2017**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Present value of defined benefit obligations	**238**	233	252	**824**	1,340	1,101
Fair value of plan assets	**(238)**	(233)	(252)	**–**	–	–
Net liability arising from defined benefit obligations	**–**	–	**–**	**824**	1,340	1,101

Changes in present value of the defined benefit obligations were as follows:

	Group			
	Funded pension plan		Unfunded post-employment benefits	
	2018	**2017**	**2018**	**2017**
	S$'000	**S$'000**	**S$'000**	**S$'000**
At 1 January	**233**	252	**1,340**	1,101
Interest cost	**–**	–	**249**	341
Current service cost	**–**	–	**423**	–
Past service cost	**–**	–	**89**	–
Actuarial gains arising from changes in assumptions	**–**	–	**(272)**	–
Benefit paid	**–**	–	**(618)**	–
Farm-out of participating interests (Note 8(c))	**–**	–	**(372)**	–
Exchange differences	**5**	(19)	**(15)**	(102)
At 31 December	**238**	233	**824**	1,340

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31. DEFINED BENEFIT PLAN (CONTINUED)

Changes in fair value of plan assets were as follows:

	Group Funded pension plan 2018 S$'000	Group Funded pension plan 2017 S$'000
At 1 January	**233**	252
Exchange differences	**5**	(19)
At 31 December	**238**	233

All the Group's plan assets are in the Indonesian entities' equities as at 31 December 2018, 31 December 2017 and 1 January 2017. The Group expects to contribute S$618,000 (31 December 2017: S$232,000, 1 January 2017: S$70,000) to the defined benefit pension plans in the respective financial years.

The principal assumptions used in determining pension and post-employment benefit obligations for the defined benefit plan are shown below:

	2018	31.12.2017	01.01.2017
Discount rates:	**8.25%**	7.25% – 8.8%	7.5% – 8.8%
Expected annual rate of return on plan assets:	**7.5%**	7.5%	7.5%
Future annual salary increases:	**7.5%**	7.5% – 10.0%	7.5% – 10.0%
Mortality rate reference:	**Indonesian Mortality Table III**	Indonesian Mortality Table III	Indonesian Mortality Table 2011
Disability rate:	**10% of mortality rate**	10% of mortality rate	10% of mortality rate
Retirement age:	**55**	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 2018 S$'000	Group 31.12.2017 S$'000	Group 01.01.2017 S$'000
Capital commitments in respect of oil and gas exploration	**14,834**	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 (31 December 2017: 1 to 2 years, 1 January 2017: 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 5 years (31 December 2017: 1 to 4 years, 1 January 2017: 1 to 2 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	
	2018	**31.12.2017**	**01.01.2017**
	S$'000	**S$'000**	**S$'000**
Not later than one year	**4,399**	3,016	5,061
Later than one year but not later than five years	**11,645**	2,204	5,401
	16,044	5,220	10,462

(c) Operating lease commitments – as lessor

In 2017, the Group entered into commercial property leases on its leased property. These non-cancellable leases had Nil (1 January 2017: less than one year) remaining lease terms. Future minimum rentals receivable under non-cancellable operating leases at the end of the reporting period are as follows:

		Group	
	2018	**31.12.2017**	**01.01.2017**
	S$'000	**S$'000**	**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 PT Hexindo Gemilang Jaya ("**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 interest in Lemang PSC respectively.

SPE's interest was however forfeited by the Government of Indonesia as a result of a supposed breach in the JOA, which resulted in the eventual substitution of a third party, Eastwin Global Investment Limited ("**Eastwin**").

SPE alleged that the forfeiture and subsequent substitution with Eastwin were unlawful and the forfeiture provisions relied upon by Hexindo were allegedly penal and unenforceable. SPE also sued Hexindo for damages, less any compensation due to Hexindo, plus interest up to the date of award.

Arising from the arbitration, the proceedings found in favour of SPE and granted them a partial final award on 1 August 2016. In response, Hexindo filed an originating summons in the High Court of Singapore, to set aside the partial final award granted to SPE.

33. CONTINGENCIES (CONTINUED)

Contingent liabilities (Continued)

(a) ***Legal claim*** (Continued)

During the year, Hexindo entered into a legal settlement, whereby it agreed to pay US$10,000,000 to SPE by way of assignment of proceeds from future sale of oil and gas from Lemang PSC, subject to carve out provisions that allow Hexindo to first repay other existing obligation identified to SPE, namely the repayments of advances from joint venture partner (Note 21) and loans and borrowings (Note 23).

Eastwin has previously agreed to indemnify Hexindo against any claims from SPE arising from the substitution. The Group intends to pursue the indemnification claim against Eastwin. As at 31 December 2018, the Group has not commenced any action to recover the indemnification from Eastwin and has not recognised the indemnity receivable on its statement of financial position due to uncertainty of recovery.

(b) ***Guarantees***

The Group has provided the following guarantees at the end of the reporting period.

(i) Guarantee to Pertamina of S$3,941,000 (31 December 2017: S$Nil, 1 January 2017: 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 S$834,000 (31 December 2017: S$2,672,000, 1 January 2017: S$2,636,000).

(iii) Guarantee to a vendor and customers for a performance bond of S$805,000 (31 December 2017: S$327,000, 1 January 2017: 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. 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% (2017: 99%) of the Group's sales are denominated in the respective Group's entities' functional currencies.

Sensitivity analysis for foreign currency risk

A 5% (2017: 5%) strengthening of SGD and USD against IDR at the reporting date would have the impact as shown below. A 5% (2017: 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.

	Group Increase/(decrease) Loss net of tax	
	2018 S$'000	**2017 S$'000**
SGD/IDR	**150**	(55)
USD/IDR	**197**	144

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.

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 investment securities, cash and short-term deposits and derivatives), 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 ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of the Head of Credit Control.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

– Internal credit rating
– External credit rating
– Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
– Actual or expected significant changes in the operating results of the borrower
– Significant increases in credit risk on other financial instruments of the same borrower
– Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
– Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

– There is significant difficulty of the issuer or the borrower
– A breach of contract, such as a default or past due event
– It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
– There is a disappearance of an active market for that financial asset because of financial difficulty

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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (Continued)

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from ECL for each class of financial assets.

Trade receivable

The Group provides for lifetime ECL for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region.

As the Group's credit exposure is monitored on an ongoing basis, the Group has determined that the ECL on trade and other receivables is insignificant. Information regarding loss allowance movement of trade receivables is disclosed in Note 17.

During the financial year, the Group wrote-off S$535,000 of trade receivables which are more than 120 days past due as the Group does not expect to receive future cash flows.

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 and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group					
	2018		**31.12.2017**		**01.01.2017**	
	$'000	**%**	**$'000**	**%**	**$'000**	**%**
By country:						
Singapore	**8,847**	**78.5**	9,069	64.9	8,570	69.9
Indonesia	**2,423**	**21.5**	4,894	35.1	3,699	30.1
	11,270	**100.0**	13,963	100.0	12,269	100.0

At the end of the reporting period, approximately: 52% (31 December 2017: 42%, 1 January 2017: 47%)) and 7% (31 December 2017: 22%, 1 January 2017: 16%)) of the Group trade receivables were due from 5 (31 December 2017: 4; 1 January 2017: 4) and 1 (31 December 2017: 2; 1 January 2017: 2) major customers who are located in Singapore and Indonesia respectively.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (Continued)

Other receivables

The Group and the Company provides for lifetime ECL for other receivables using the probability of default approach. In determining ECL for other receivables, the Group and the Company derive the difference between contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, including cash flows from the sale of collateral and considers events such as significant adverse changes in financial conditions of the debtors and determined that significant increase in credit risk occur when there is changes in the risk that the specific debtor will default on the payments.

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, investment securities and derivatives 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).

(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 38.8% (2017: 6.8%) 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.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (Continued)

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.

	2018			31.12.2017		
	1 year or less	1 to 5 years	Total	1 year or less Restated	1 to 5 years	Total Restated
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group						
Financial assets:						
Trade and other receivables	**13,117**	**–**	**13,117**	26,618	5,012	31,630
Cash and bank deposits	**8,231**	**310**	**8,541**	11,911	–	11,911
Total undiscounted financial assets	**21,348**	**310**	**21,658**	38,529	5,012	43,541
Financial liabilities:						
Trade and other payables	**26,502**	**19,262**	**45,764**	38,528	15,472	54,000
Provisions	**621**	**1,092**	**1,713**	1,564	1,415	2,979
Finance lease liabilities	**2,390**	**6,257**	**8,647**	1,016	3,187	4,203
Mark to market on oil options	**–**	**–**	**–**	270	–	270
Loans and borrowings	**6,024**	**6,028**	**12,052**	1,373	11,770	13,143
Total undiscounted financial liabilities	**35,537**	**32,639**	**68,176**	42,751	31,844	74,595
Total net undiscounted financial liabilities	**(14,189)**	**(32,329)**	**(46,518)**	(4,222)	(26,832)	(31,054)

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (Continued)

	01.01.2017 1 year or less Restated S$'000	1 to 5 years S$'000	Total Restated S$'000
Group			
Financial assets:			
Trade and other receivables	41,263	5,424	46,687
Cash and bank deposits	11,730	2,423	14,153
Total undiscounted financial assets	52,993	7,847	60,840
Financial liabilities:			
Trade and other payables	47,102	11,420	58,522
Provisions	499	1,831	2,330
Finance lease liabilities	871	1,051	1,922
Mark to market on oil options	–	–	–
Loans and borrowings	2,408	2,198	4,606
Total undiscounted financial liabilities	50,880	16,500	67,380
Total net undiscounted financial assets/(liabilities)	2,113	(8,653)	(6,540)

	2018 1 year or less S$'000	1 to 5 years S$'000	Total S$'000
Company			
Financial assets:			
Other receivables	3,595	–	3,595
Cash and cash equivalents	4,166	–	4,166
Total undiscounted financial assets	7,761	–	7,761
Financial liabilities:			
Trade and other payables	2,878	743	3,621
Provisions	–	19	19
Finance lease liabilities	–	–	–
Total undiscounted financial liabilities	2,878	762	3,640
Total net undiscounted financial assets/(liabilities)	4,883	(762)	4,121

	31.12.2017 1 year or less (Restated) S$'000	No fixed term of repayment S$'000	Total (Restated) S$'000
Company			
Financial assets:			
Other receivables	62,199	–	62,199
Loans to subsidiaries	–	29,289	29,289
Cash and cash equivalents	139	–	139
Total undiscounted financial assets	62,338	29,289	91,627
Financial liabilities:			
Trade and other payables	5,293	–	5,293
Provisions	39	–	39
Finance lease liabilities	31	–	31
Total undiscounted financial liabilities	5,363	–	5,363
Total net undiscounted financial assets	56,975	29,289	86,264

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (Continued)

	01.01.2017			
	1 year or less Restated S$'000	**1 to 5 years S$'000**	**No fixed term of repayment S$'000**	**Total Restated S$'000**
Company				
Financial assets:				
Other receivables	67,265	–	–	67,265
Loans to subsidiaries	–	–	29,289	29,289
Cash and cash equivalents	584	–	–	584
Total undiscounted financial assets	67,849	–	29,289	97,138
Financial liabilities:				
Trade and other payables	7,025	–	–	7,025
Provisions	–	39	–	39
Finance lease liabilities	82	31	–	113
Total undiscounted financial liabilities	7,107	70	–	7,177
Total net undiscounted financial assets/(liabilities)	60,742	(70)	29,289	89,961

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$'000	**1 to 5 years S$'000**	**Total S$'000**
Group			
2018			
Capital commitments	**300**	**14,534**	**14,834**
Operating lease commitments (net)	**4,399**	**11,645**	**16,044**
Total commitments	**4,699**	**26,179**	**30,878**
31.12.2017			
Capital commitments	40,016	21,460	61,476
Operating lease commitments (net)	2,566	2,204	4,770
Total commitments	42,582	23,664	66,246
01.01.2017			
Capital commitments	13,403	22,327	35,730
Operating lease commitments (net)	3,818	4,975	8,793
Total commitments	17,221	27,302	44,523
Company			
2018			
Operating lease commitments	**38**	**6**	**44**
31.12.2017			
Operating lease commitments	36	9	45
01.01.2017			
Operating lease commitments	82	–	82

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (Continued)

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.

	Group 1 year or less S$'000	Group 1 to 5 years S$'000
2018		
Financial guarantees:	**1,123**	**4,237**
31.12.2017		
Financial guarantees	2,999	–
01.01.2017		
Financial guarantees	2,848	–

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 2018, 31 December 2017 and 1 January 2017.

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	
	2018 S$'000	**31.12.2017 S$'000 Restated**	**01.01.2017 S$'000 Restated**
Loans and borrowings (Note 23)	**9,238**	9,022	4,166
Finance lease liabilities (Note 24)	**7,347**	3,889	1,801
Total borrowings	**16,585**	12,911	5,967
Equity	**4,178**	34,345	47,883
Total borrowings and equity	**20,763**	47,256	53,850
Gearing ratio	**79.9%**	27.3%	11.1%

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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 2018 and 2017 and 1 January 2017.

(b) Liabilities measured at fair value

		Fair value measurements at the end of the 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**
31.12.2017					
Financial liabilities:					
Oil options	2,129	–	(270)	–	(270)
Total financial liabilities at fair value through profit or loss		–	(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.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

37. COMPARATIVE FIGURES

In the previous financial years, the Remuneration Committee ("**RC**") has granted share options and awards to the eligible executives of the Group under EGPSP and EGSOS. As the number of shares held by one of the eligible directors was approaching or had reached the maximum entitlement pursuant to Rule 845(3) of SGX Mainboard Rules, the RC and the Board of Directors ("**Board**") have approved the balance of that director's entitlement to be paid by way of cash bonus at the respective vesting dates. However, the cash bonus has not been recognised as liabilities in the prior years.

Accordingly, the Group and the Company have, with the effect from this set of financial statements, retrospectively adjusted for the aforementioned matter as a prior year adjustment.

The prior year adjustment resulted in an increase in accumulated losses of S$1,343,000 as of 31 December 2018. As required by SFRS(I) 1-1 *Presentation of Financial Statements*, the comparatives have been restated accordingly and restated opening balance sheet as of 1 January 2017 has been presented. The effects of the restatement are as follows:

	Group			
	As restated		As previously reported	
	31.12.2017 S$'000	01.01.2017 S$'000	31.12.2017 S$'000	01.01.2017 S$'000
Salaries and employee benefits	25,813	–	26,111	–
Other payables – current	20,406	30,942	18,502	28,740
Accumulated losses	98,785	90,996	96,881	88,794

	Company			
	As restated		As previously reported	
	31.12.2017 S$'000	01.01.2017 S$'000	31.12.2017 S$'000	01.01.2017 S$'000
Other payables – current	5,293	7,025	3,389	4,823
Accumulated losses	45,965	42,285	44,061	40,083

38. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2018 were authorised for issue in accordance with a resolution of Directors on 10 June 2019.

STATISTICS OF *SHAREHOLDINGS*

AS AT 15 MAY 2019

ANALYSIS OF SHAREHOLDINGS AS AT 15 MAY 2019

Issued and fully paid-up shares (excluding treasury shares)	:	646,867,923
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share
Number of Treasury Shares	:	1,807,215

DISTRIBUTION OF SHAREHOLDERS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	19	1.25	308	0.00
100 – 1,000	78	5.14	61,500	0.01
1,001 – 10,000	502	33.07	3,325,222	0.51
10,001 – 1,000,000	880	57.97	68,622,306	10.61
1,000,001 AND ABOVE	39	2.57	574,858,587	88.87
TOTAL	**1,518**	**100.00**	**646,867,923**	**100.00**

SUBSTANTIAL SHAREHOLDERS

	Direct Interest	%	Deemed Interest	%	Total Interest	%
Aditya Wisnuwardana Seky Soeryadjaya(1)	0	0.00	162,656,053	25.15	162,656,053	25.15
Edward Seky Soeryadjaya(2)	0	0.00	107,871,400	16.68	107,871,400	16.68
Mohammad Soetrisno Bachir(2)	0	0.00	107,871,400	16.68	107,871,400	16.68
Precious Treasure Global Inc.(2)	0	0.00	107,871,400	16.68	107,871,400	16.68
Redmount Holdings Limited(3)(4)	0	0.00	107,871,400	16.68	107,871,400	16.68
Telecour Limited	107,699,200	16.65	0	0.00	107,699,200	16.65
Dato' Sri Prof. Dr. Tahir, MBA and family(5)	0	0.00	68,000,000	10.51	68,000,000	10.51
Wing Harvest Limited	68,000,000	10.51	0	0.00	68,000,000	10.51
Hisao Ishiyama(6)	0	0.00	96,800,000	14.96	96,800,000	14.96
Eneco Investment Pte. Ltd.	96,800,000	14.96	0	0.00	96,800,000	14.96

NOTES:

(1) 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.

(2) Both Mr Mohammad Soetrisno Bachir ("**Mr Bachir**") and Mr Edward Seky Soeryadjaya ("**Mr 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 Holdings Limited ("**Redmount**"). Pursuant to Section 7(4) of the Companies Act, Mr Bachir and Mr Soeryadjaya are deemed interested in the shares held by Redmount.

(3) Redmount Holdings Limited ("**Redmount**") holds 100% of the total issued share capital of York Hill Group Limited, Luciano Group Limited, Chimsy Holdings Limited, Glenville Group Limited and Benegain Holdings Limited (collectively, "**Subsidiaries**"). The sum of 107,699,200 ordinary shares have been transferred from the Subsidiaries to Telecour Limited, who now holds the Shares in trust for and on behalf of Redmount.

(4) 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 and 172,200 shares registered in the name of JP Morgan Nominees Private Limited, that are held in trust for Redmount.

(5) The sole director and shareholder of Wing Harvest Limited, Clement Wang Kai is holding the shares in trust for Dato' Sri Prof. Dr. Tahir MBA and his family.

(6) Eneco Investment Pte. Ltd. is wholly-owned by Eneco Investment Inc., which is in turn wholly-owned by Mr. Hisao Ishiyama.

STATISTICS OF *SHAREHOLDINGS*

AS AT 15 MAY 2019

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Approximately 55.54% 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 15 May 2019 is 1,807,215 shares, approximately 0.33% of the total number of issued shares (excluding treasury shares).

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	RHB SECURITIES SINGAPORE PTE LTD	216,626,700	33.49
2	ENECO INVESTMENT PTE LTD	96,800,000	14.96
3	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	72,000,000	11.13
4	DBS NOMINEES PTE LTD	21,309,445	3.29
5	SUMMIT GAIN CONSULTANTS LIMITED	19,800,000	3.06
6	CITIBANK NOMINEES SINGAPORE PTE LTD	18,269,360	2.82
7	OCBC SECURITIES PRIVATE LTD	14,769,908	2.28
8	UOB KAY HIAN PTE LTD	11,518,631	1.78
9	HSBC (SINGAPORE) NOMINEES PTE LTD	10,536,600	1.63
10	PHILLIP SECURITIES PTE LTD	8,580,796	1.33
11	UNITED OVERSEAS BANK NOMINEES PTE LTD	7,354,280	1.14
12	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	7,159,000	1.11
13	RAFFLES NOMINEES (PTE) LIMITED	6,017,200	0.93
14	DBSN SERVICES PTE LTD	5,484,201	0.85
15	DB NOMINEES (SINGAPORE) PTE LTD	5,451,652	0.84
16	LIN TING YIE @LAM TIN YIE	4,906,200	0.76
17	GOH BEE LAN	4,504,000	0.70
18	TAN CHONG HUAT	3,157,481	0.49
19	LIM HOCK CHEE	3,100,000	0.48
20	TEE GOON ENG	2,800,000	0.43
	TOTAL	**540,145,454**	**83.50**

STATISTICS OF *WARRANTHOLDINGS*

AS AT 15 MAY 2019

TWENTY LARGEST WARRANTHOLDERS (W190918)
AS AT 15 MAY 2019

NO.	WARRANTHOLDER'S NAME	NUMBER OF WARRANTS HELD	%
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	LAM CHENG LONG	503,600	0.89
6	OCBC SECURITIES PRIVATE LTD	498,000	0.88
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 PTE LTD	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	LIM KIM CHIN	82,000	0.14
20	UOB KAY HIAN PTE LTD	79,000	0.14
	TOTAL	**54,662,313**	**96.55**

DISTRIBUTION OF WARRANTHOLDERS (W190918) BY SIZE OF WARRANTHOLDINGS AS AT 15 MAY 2019

SIZE OF WARRANTHOLDINGS	NO. OF WARRANTHOLDERS	%	NO. OF WARRANTS	%
1 – 99	–	0.00	–	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**

DISCLOSURE OF INFORMATION ON *DIRECTORS SEEKING RE-ELECTION*

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following are the information relating to the directors seeking re-election at the forthcoming Annual General Meeting as recommended by the Nominating Committee ("**NC**") and the Board, as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	MR KOJI YOSHIHARA	MR TEO CHEOW BENG	MR PATRICK TAN TSE CHIA	MR LOW CHAI CHONG	MR ADITYA WISNUWARDANA SEKY SOERYADJAYA
Date of Appointment	14 December 2018	14 December 2018	14 December 2018	14 December 2018	30 June 2008
Date of last re-appointment	N/A	N/A	N/A	N/A	28 April 2016
Age	56	62	45	56	40
Country of principal residence	Japan	Singapore	Singapore	Singapore	Indonesia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board concurs with the recommendation of the NC and is of the view that based on his qualifications and work experience, Mr Koji Yoshihara will be able to contribute positively to the Group. Mr Koji Yoshihara is nominated by Eneco Investment Pte. Ltd. as Non-Independent Non-Executive Director of the Company.	The Board concurs with the recommendation of the NC and is of the view that based on his qualifications and work experience, Mr Teo Cheow Beng will be able to contribute positively to the Group.	The Board concurs with the recommendation of the NC and is of the view that based on his qualifications and work experience, Mr Patrick Tan Tse Chia will be able to contribute positively to the Group.	The Board of Directors (the "**Board**") concurs with the recommendation of Nominating Committee (the "**NC**") and is of the view that based on his qualifications and work experience, Mr Low Chai Chong will be able to contribute positively to the Group.	The Board concurs with the recommendation of the NC and is of the view that based on his qualifications and long working experience in the Company, Mr Aditya Wisnuwardana Seky Soeryadjaya will be able to contribute positively to the Group.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive	Non-Executive	Executive Area of responsibility is that of a Chief Executive Officer.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Independent Non-Executive Director.	Independent Director, Remuneration Committee Chairman, and member of the Audit Committee and the Nominating Committee.	Independent Director, Nominating Committee Chairman, and member of the Audit Committee and the Remuneration Committee.	Board Chairman, Audit Committee, Chairman, and member of the Nominating Committee and the Remuneration Committee.	Executive Director cum Chief Executive Officer.

DISCLOSURE OF INFORMATION ON *DIRECTORS SEEKING RE-ELECTION*

	MR KOJI YOSHIHARA	MR TEO CHEOW BENG	MR PATRICK TAN TSE CHIA	MR LOW CHAI CHONG	MR ADITYA WISNUWARDANA SEKY SOERYADJAYA
Professional qualifications	Bachelor of Liberal Arts (Social Science, International Economics and Politics) from the International Christian University, Tokyo	Graduate Diploma in Business and Management	LL.B. (Hons), the Nottingham University	Bachelor of Laws (Honours), National University of Singapore	Bachelor of Science degree in Accounting, University of Southern California
Working experience and occupation(s) during the past 10 years	October 2016 to Present Eneco Holdings, Inc. – Head of Listing Preparation Office January 2016 to September 2016 Pactera Consulting Japan Co., Ltd. – Consulting Division, Head of M&A Consulting Practice Group April 2014 to December 2015 Tsuneishi Kamtecs Corporation – Executive Officer, Planning Division – Overseas Business Group Tsuneishi Kamtecs (Thailand) Co., Ltd. – President Tsuneishi Alliance Solutions Limited (Bangladesh) – Managing Director October 2013 to March 2014 Daiwa Securities Group Inc., Daiwa Securities Co. Ltd. – Executive Director, Internal Audit Department	Singapore Police Force	Chief Executive Officer, Fortis Law Corporation	Senior Partner, Dentons Rodyk & Davidson LLP	A founding member of Eneco Energy Limited

	MR KOJI YOSHIHARA	MR TEO CHEOW BENG	MR PATRICK TAN TSE CHIA	MR LOW CHAI CHONG	MR ADITYA WISNUWARDANA SEKY SOERYADJAYA
	October 2010 to October 2013 Daiwa Capital Markets Singapore Limited – Executive Director & Head of Group Operations & Corporate Planning and Strategy, Member of the Board of Directors May 2009 to September 2010 Daiwa Securities Capital Markets Co. Ltd. – Deputy General Manager, International Planning Department May 2005 to April 2009 DBP-Daiwa Securities SMBC Philippines, Inc. – President & CEO				

DISCLOSURE OF INFORMATION ON *DIRECTORS SEEKING RE-ELECTION*

	MR KOJI YOSHIHARA	MR TEO CHEOW BENG	MR PATRICK TAN TSE CHIA	MR LOW CHAI CHONG	MR ADITYA WISNUWARDANA SEKY SOERYADJAYA
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Nil	6,134,100 shares held by his spouse, Tam Siew Foong	162,656,053 shares in deemed interest: (a) 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 Holdings Limited; (b) 5,451,652 shares registered in the name of DB Nominees (Singapore) Pte Ltd; (c) 46,000,000 Right Shares registered with RHB Securities Singapore Pte Ltd for his benefit; and (d) a deemed interest in the 107,699,200 shares held by Telecour Limited (“**Telecour**”) pursuant to Section 7(4) of the Companies Act, through his position as the sole Director and Shareholder of Telecour.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No	No	Son of substantial shareholder, Mr Edward Seky Soeryadjaya.
Conflict of Interest (including any competing business)	No	No	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes	Yes

DISCLOSURE OF INFORMATION ON *DIRECTORS SEEKING RE-ELECTION*

	MR KOJI YOSHIHARA	MR TEO CHEOW BENG	MR PATRICK TAN TSE CHIA	MR LOW CHAI CHONG	MR ADITYA WISNUWARDANA SEKY SOERYADJAYA
Other Principal Commitments* Including Directorships# Past (for the last 5 years) Present	Past (1) Tsuneishi Kamtecs (Thailand) Co., Ltd. (2) Tsuneishi Alliance Solutions Limited (Bangladesh) (3) Daiwa Capital Markets Singapore Limited Present Refresh Group Limited	Past Nil Present Nil	Past Nil Present (1) Fortis Law Corporation, Director (2) SgFortis Holdings Pte Ltd, Director (3) F Capital Pte Ltd, Director (4) Fortis Academy Pte Ltd, Director (5) Fortis Corporate Services Pte Ltd, Director (6) Fortis Life Group Pte Ltd, Director (7) Fortis Strategic Consulting Pte Ltd, Director (8) Fortiscare Pte Ltd, Director (9) Fortiswills Pte Ltd, Director (10) Fortis Legacy Centre Pte Ltd, Director (11) Fortiswills (HK) Limited, Director (12) Custodia Pte Ltd, Director (13) Kerry Medical Clinic (Hillford) Pte Ltd, Director (14) Kerry Medical Group Holdings Pte Ltd, Director (15) Fortis Digital LLP, Director (16) FLC Myanmar Limited, Director	Past Nil Present (1) Dentons Rodyk & Davidson LLP (2) Rodyk Services Pte Ltd (3) Rodyk IP Services Sdn Bhd (4) Moya Asia Holding Ltd (5) Pollux Properties Ltd	Past Nil Present Please refer to Appendix A

DISCLOSURE OF INFORMATION ON *DIRECTORS SEEKING RE-ELECTION*

	MR KOJI YOSHIHARA	MR TEO CHEOW BENG	MR PATRICK TAN TSE CHIA	MR LOW CHAI CHONG	MR ADITYA WISNUWARDANA SEKY SOERYADJAYA
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.					
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No	No

DISCLOSURE OF INFORMATION ON *DIRECTORS SEEKING RE-ELECTION*

	MR KOJI YOSHIHARA	MR TEO CHEOW BENG	MR PATRICK TAN TSE CHIA	MR LOW CHAI CHONG	MR ADITYA WISNUWARDANA SEKY SOERYADJAYA
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No	No

DISCLOSURE OF INFORMATION ON *DIRECTORS SEEKING RE-ELECTION*

	MR KOJI YOSHIHARA	MR TEO CHEOW BENG	MR PATRICK TAN TSE CHIA	MR LOW CHAI CHONG	MR ADITYA WISNUWARDANA SEKY SOERYADJAYA
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No	No

DISCLOSURE OF INFORMATION ON *DIRECTORS SEEKING RE-ELECTION*

	MR KOJI YOSHIHARA	MR TEO CHEOW BENG	MR PATRICK TAN TSE CHIA	MR LOW CHAI CHONG	MR ADITYA WISNUWARDANA SEKY SOERYADJAYA
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No	No
Disclosure applicable to the appointment of Director only					
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Yes	No. Mr Teo has enrolled into SID Training programmes for listed company directors.	No. Mr Patrick Tan had attended the SID Training programme on 25 September 2018.	Yes	Yes

DISCLOSURE OF INFORMATION ON *DIRECTORS SEEKING RE-ELECTION*

Appendix A – List of Companies in which Mr Aditya Wisnuwardana Seky Soeryadjaya is a Commissioner/ Director/Member

Name of Company	Nature of Interest (Director/Member)
Redmount Holdings Limited	Director
Luciano Group Limited	Director
York Hill Group Limited	Director
Chimsy Holdings Limited	Director
Glenville Group Limited	Director
Benegain Holdings Limited	Director
P.T. Siwani Makmur TBk	Commissioner
P.T. L&M System Indonesia	President Commissioner
P.T. Hexindo Gemilang Jaya	Commissioner
WB Capital Pte. Ltd.	Director & Member
Ortus Holdings Ltd	Director
Ortus Capital Partners Ltd	Director
Ortus Energy Capital Ltd	Director
Ortus Infrastructure Capital Ltd	Director
Ortus Infrastructure Capital Pte Ltd	Director
Ortus Tempus Ltd	Director
Ortus Advisory Group Pte Ltd	Director
New Quantum International Ltd	Director
Richland Logistics Services Pte Ltd	Director
Richland Chemical Logistics Pte. Ltd. (fka Richland LSP Pte Ltd)	Director
PT Richland Logistics Indonesia	Commissioner
PT Richland Indonesia	President Commissioner
P.T. Widtech Indonesia	Commissioner and Member
REL Oil & Gas Pte Ltd	Director
RBC Properties Pte Ltd	Director
Richland Project Logistics Pte Ltd	Director
Richland Global Pte Ltd	Director
REL Resources Services Pte Ltd	Director
Ramba Energy Investment Limited	Director
Ramba Energy Indonesia Limited	Director
Ramba Energy Corridor Limited	Director
Ramba Energy Production Limited	Director
Ramba Energy Exploration Limited	Director

DISCLOSURE OF INFORMATION ON *DIRECTORS SEEKING RE-ELECTION*

Name of Company	Nature of Interest (Director/Member)
Ramba Energy West Jambi Limited	Director
Ramba Energy Lemang Limited	Director
Ramba Exploration Indonesia Limited (formerly known as Ramba Resource Services Limited)	Director
Ramba Energy Jatirarangon Limited	Director
Southdale Holdings Limited	Director and Member
Telecour Limited	Director and Member

APPENDIX 7.5 *SUMMARY OF RESERVES AND RESOURCES*

Appendix 7.5 Lemang PSC Block

Category	Gross Attributable to Licence (MMstb/Bscf)	Net Attributable to Issuer[1]		Risk Factors[3]	Remarks
		(MMstb/Bscf)	Change from previous update[2] (%)		
RESERVES					
Oil Reserves					
1P	0.14	0.02	N/A	–	
2P	0.21	0.03	N/A	–	
3P	0.24	0.04	N/A	–	
Natural Gas Reserves					
1P	N/A	N/A	N/A	–	
2P	N/A	N/A	N/A	–	
3P	N/A	N/A	N/A	–	
Natural Gas Liquid Reserves					
1P	N/A	N/A	N/A	–	
2P	N/A	N/A	N/A	–	
3P	N/A	N/A	N/A	–	
CONTINGENT RESOURCES					
Oil					
1C	N/A	N/A	N/A	N/A	
2C	N/A	N/A	N/A	N/A	
3C	N/A	N/A	N/A	N/A	
Natural Gas					
1C	36.9	4.8	N/A	80%	
2C	58.6	7.2	N/A	80%	
3C	79.3	9.3	N/A	80%	
Natural Gas Liquid					
1C	1.5	0.2	N/A	80%	
2C	2.0	0.2	N/A	80%	
3C	2.6	0.3	N/A	80%	

Notes:

(1) Net Attributable to Issuer means the the volumes reported under these columns are based on Eneco Energy Limited net entitlement, which exclude the Indonesian Government's share under the PSC

(2) This is the first engagement between Eneco Energy Limited and RPS pertaining to annual reserves and resources audit. Net Attributable to Issuer is Net Entitlement but previous report prepared by LEAP is based on Working Interest hence unable to calculate the changes from Previous Update

(3) Applicable to Resources. "Risk Factor" for Contingent Resources means the estimated chance, or probability, that the volumes will be commercially extracted.

1P: Proved
2P: Proved + Probable
3P: Proved + Probable + Possible

1C: Low Estimate Contingent Resource
2C: Best Estimate Contingent Resource
3C: High Estimate Contingent Resource

MMstb: Millions of Stock Tank Barrels
Bscf: Billions of Standard Cubic Feet

Name of Qualified Person: Gordon Taylor
Date: May 8th 2019

Professional Society Membership: Fellow, Geological Society, Chartered Geologist (C.Geol)
Member, Institute Materials, Minerals & Mining,
Chartered Engineer (C.Eng)

APPENDIX 7.5 SUMMARY OF RESERVES AND RESOURCES

Appendix 7.5 Jatirarangon TAC Block

Category	Gross Attributable to Licence (MMstb/Bscf)	Net Attributable to Issuer[(1)]		Risk Factors[(3)]	Remarks
		MMstb/Bscf	Change from previous update[(2)] (%)		
RESERVES					
Oil Reserves					
1P	N/A	N/A	N/A	–	
2P	N/A	N/A	N/A	–	
3P	N/A	N/A	N/A	–	
Natural Gas Reserves					
1P	0.0	0.0	N/A	–	
2P	0.0	0.0	N/A	–	
3P	0.0	0.0	N/A	–	
Natural Gas Liquid Reserves					
1P	N/A	N/A	N/A	–	
2P	N/A	N/A	N/A	–	
3P	N/A	N/A	N/A	–	
CONTINGENT RESOURCES					
Oil					
1C	N/A	N/A	N/A	N/A	
2C	N/A	N/A	N/A	N/A	
3C	N/A	N/A	N/A	N/A	
Natural Gas					
1C	0.09	0.06	N/A	10%	
2C	0.12	0.07	N/A	10%	
3C	0.14	0.08	N/A	10%	
Natural Gas Liquid					
1C	N/A	N/A	N/A		
2C	N/A	N/A	N/A		
3C	N/A	N/A	N/A		

Notes:

(1) Net Attributable to Issuer means the the volumes reported under these columns are based on Eneco Energy Limited net entitlement, which exclude the Indonesian Government's share under the PSC.

(2) This is the first engagement between Eneco Energy Limited and RPS pertaining to annual reserves and resources audit. Net Attributable to Issuer is Net Entitlement but previous report prepared by LEAP is based on Working Interest hence unable to calculate the changes from Previous Update.

(3) Applicable to Resources. "Risk Factor" for Contingent Resources means the estimated chance, or probability, that the volumes will be commercially extracted.

1P: Proved
2P: Proved + Probable
3P: Proved + Probable + Possible

1C: Low Estimate Contingent Resource
2C: Best Estimate Contingent Resource
3C: High Estimate Contingent Resource

MMstb: Millions of Stock Tank Barrels
Bscf: Billions of Standard Cubic Feet

Name of Qualified Person: Gordon Taylor
Date: May 8th 2019

Professional Society Membership: Fellow, Geological Society, Chartered Geologist (C.Geol)
Member, Institute Materials, Minerals & Mining,
Chartered Engineer (C.Eng)

APPENDIX 7.5 SUMMARY OF RESERVES AND RESOURCES

Appendix 7.5 West Jambi KSO Block

Category	Gross Attributable to Licence (MMbbl/Bcf)	Net Attributable to Issuer[1]		Factors[3]	Remarks
		MMbbl/Bcf	Change from Previous Update (%)[2]		
RESERVES					
Oil Reserves (MMbbl)					
1P	–	–	–	–	
2P	–	–	–	–	
3P	–	–	–	–	
Natural Gas Reserves (Bcf)					
1P	–	–	–	–	
2P	–	–	–	–	
3P	–	–	–	–	
Natural Gas Liquid Reserves (MMbbl)					
1P	–	–	–	–	
2P	–	–	–	–	
3P	–	–	–	–	
CONTINGENT RESOURCES					
Oil Contingent Resources (MMbbl)					
1C	0.69	0.69	0%	N/A	Contingencies pertain to completion of KSO commitments and approval of PoD. SPE PRMS 2018 Project Maturity sub-class of "Development Unclarified"
2C	3.30	3.30	0%	N/A	
3C	8.66	8.66	0%	N/A	
Natural Gas Contingent Resources (Bcf)					
1C	10.98	10.98	0%	N/A	Contingencies pertain to completion of KSO commitments and approval of PoD. SPE PRMS 2018 Project Maturity sub-class of "Development Unclarified"
2C	24.24	24.24	0%	N/A	
3C	33.63	33.63	0%	N/A	
Natural Gas Liquid Contingent Resources (MMbbl)					
1C	0.09	0.09	0%	N/A	Contingencies pertain to completion of KSO commitments and approval of PoD. SPE PRMS 2018 Project Maturity sub-class of "Development Unclarified"
2C	0.20	0.20	0%	N/A	
3C	0.28	0.28	0%	N/A	

Notes:

(1) Tabulated values are "*Net Attributable to Issuer*", which relate here to Eneco Energy Limited's (ENECO's) **Net Working Interest** in the Asset (100%) and include the Indonesian State's share of volumes. They do not equate to ENECO's Net Entitlement share under the Kerja Sama Operasi (KSO) license contract terms. No conceptual Plan of Development (PoD) has been created to exploit the discovered petroleum resources at the West Jambi Field and, therefore, no discounted cash flow has been constructed from which ENECO's Net Entitlement Volumes may be estimated.

(2) "*Change from Previous Update*" compares our reporting to the December 31, 2017 Reserves and Contingent Resources Report (QPR compiled for ENECO {as Ramba Energy Limited} by LEAP Energy). This table must be read in conjunction with the Qualified Person's Report (QPR) prepared by LEAP Energy.

(3) No quantitative "*Risk Factors*" have been applied to any of the discovered Contingent Resources estimates. Qualitative risk is stated per SPE PRMS 2018 Project Maturity Sub-Category as "**Development Unclarified**".

- 1P: Proved; 2P: Proved + Probable; 3P: Proved + Probable + Possible Reserves.
- 1C: Low Estimate; 2C: Best Estimate; 3C: High Estimate Contingent Resources.
- MMbbl: Millions of stock tank barrels.
- Bcf: Billions of standard cubic feet.

Name of Qualified Person: Dr. Mike Reeder
Date: May 8, 2019

Professional Society Membership:
Member of the American Association of Petroleum Geologists (AAPG)
Certified Petroleum Geologist (CPG) with the AAPG (#6310)
Member of the Society of Petroleum Engineers (SPE)

NOTICE OF *ANNUAL GENERAL MEETING*

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Eneco Energy Limited (the "**Company**") will be held at Crowne Plaza Changi Airport, Alstonia Ballroom Level 2, 75 Airport Boulevard, Singapore 819664 on Friday, 28 June 2019 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 2018 together with the Auditors' Report thereon. **(Resolution 1)**

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

   (i) Aditya Wisnuwardana Seky Soeryadjaya (Regulation 111) **(Resolution 2)**
   (ii) Koji Yoshihara (Regulation 122) **(Resolution 3)**
   (iii) Low Chai Chong (Regulation 122) **(Resolution 4)**
   (iv) Patrick Tan Tse Chia (Regulation 122) **(Resolution 5)**
   (v) Teo Cheow Beng (Regulation 122) **(Resolution 6)**

   [See Explanatory Note (i)]

3. To approve the payment of Directors' fees up to S$165,000 for the financial year ending 31 December 2019. **(Resolution 7)**

4. 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:

5. **Ordinary Resolution**
   Authority to issue shares
   (Resolution 8)

   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,

NOTICE OF *ANNUAL GENERAL MEETING*

(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 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 SGX-ST for the time being in force (unless such compliance has been waived by 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 until: (i) 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)]

By Order of the Board

Ang Siew Koon
Company Secretary
13 June 2019

NOTICE OF *ANNUAL GENERAL MEETING*

Explanatory Notes:

(i) Mr Low Chai Chong will, upon re-election as Director of the Company, remain as the Lead Independent Director of the Company, Chairman of the Audit Committee, and as a member of the Remuneration Committee and Nominating Committee and he will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

Mr Patrick Tan Tse Chia will, upon re-election as Director of the Company, remain as Chairman of the Nominating Committee and as a member of the Audit Committee and Remuneration Committee and he will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

Mr Teo Cheow Beng will, upon re-election as Director of the Company, remain as Chairman of the Remuneration Committee and as a member of the Audit Committee and Nominating Committee and he will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

(ii) The Ordinary Resolution 8 in item 5 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.

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 Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), either by hand at 80 Robinson Road, #11-02, Singapore 068898 or by post at 80 Robinson Road, #02-00, Singapore 068898 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.

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ENECO ENERGY LIMITED

Company Registration No. 200301668R

(Incorporated in the Republic of Singapore)

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.
2. 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.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We*, ______________________________ (Name) ______________ (NRIC/Passport No.)

of ____ (Address)

being a member/members of Eneco Energy Limited (the "**Company**"), hereby appoint:

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

and/or (delete as appropriate)

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

or failing him, Chairman of the Meeting, as *my/our *proxy/proxies 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 Crowne Plaza Changi Airport, Alstonia Ballroom Level 2, 75 Airport Boulevard, Singapore 819664 on Friday, 28 June 2019 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 (✓) 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 2018		
2.	Re-election of Mr Aditya Wisnuwardana Seky Soeryadjaya as a Director		
3.	Re-election of Mr Koji Yoshihara as a Director		
4.	Re-election of Mr Low Chai Chong as a Director		
5.	Re-election of Mr Patrick Tan Tse Chia as a Director		
6.	Re-election of Mr Teo Cheow Beng as a Director		
7.	Approval of Directors' fees amounting to S$165,000 for the financial year ending 31 December 2019		
8.	Authority to issue shares		

Dated this __________ day of ______________ 2019

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

____

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

* Delete where inapplicable

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 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 7, 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 must be deposited at Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), either by hand at 80 Robinson Road, #11-02, Singapore 068898 or by post at 80 Robinson Road, #02-00, Singapore 068898 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 authorized 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 authorized. 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 authorize 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.

AFFIX
STAMP

The Share Registrar of Eneco Energy Limited
TRICOR BARBINDER SHARE REGISTRATION SERVICES
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road
#02-00
Singapore 068898

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 13 June 2019.

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.

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Eneco Energy Limited

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#05-02
Singapore 529653
Tel: 6223 8022
Fax: 6223 3022
Website: www.enecoenergy.com

Company Reg No. 200301668R