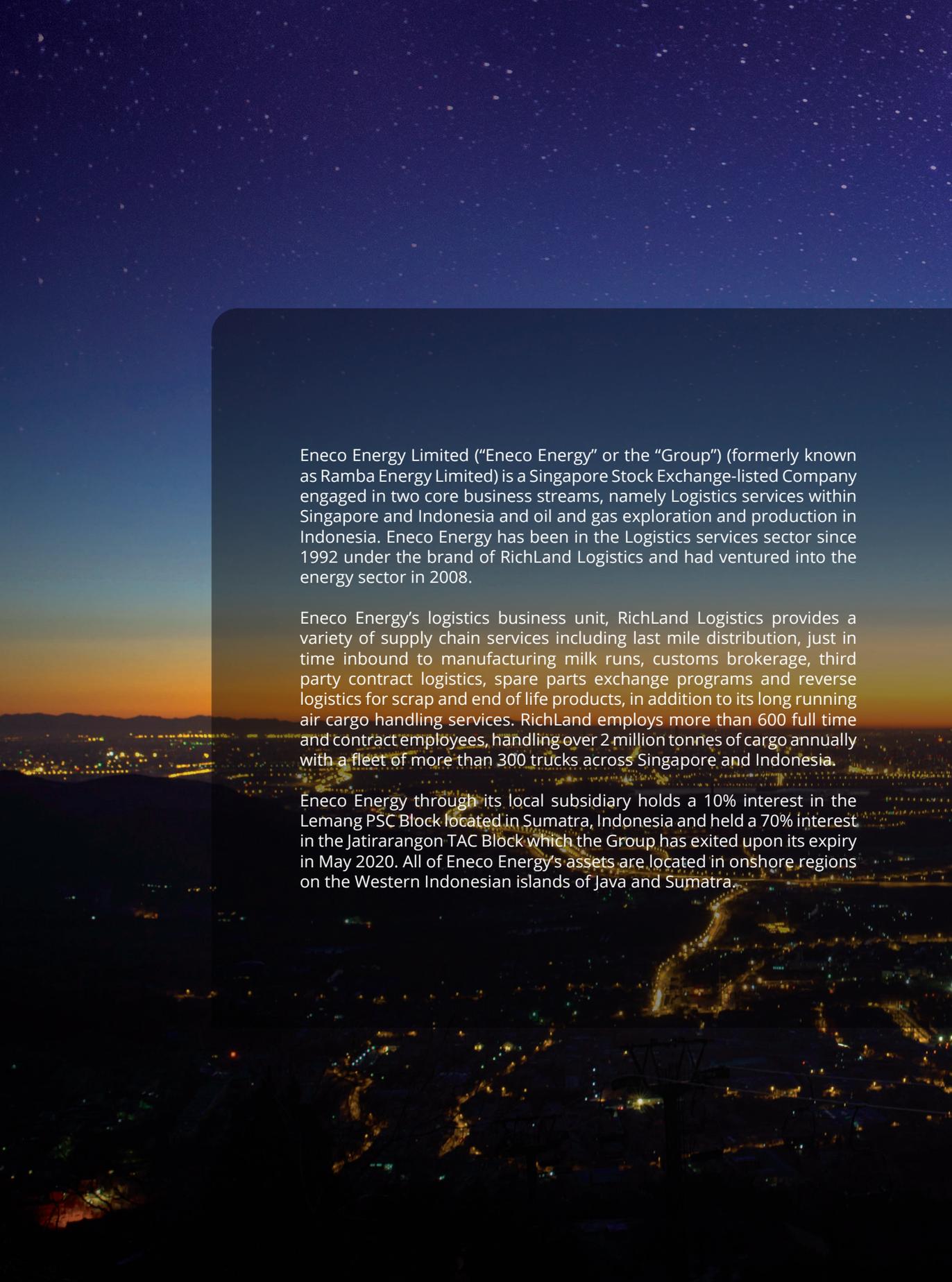
The image features a night view of a city with its lights glowing against a dark sky. Overlaid on the sky is a complex, glowing blue energy grid pattern composed of numerous small dots and lines, suggesting a network of power lines or data connections. The city lights are concentrated in the lower half of the frame, with a prominent road or highway winding through the landscape. The overall atmosphere is one of modern technology and energy infrastructure.

Eneco
ENERGY

Delivering More

Annual Report 2020



Eneco Energy Limited (“Eneco Energy” or the “Group”) (formerly known as Ramba Energy Limited) is a Singapore Stock Exchange-listed Company engaged in two core business streams, namely Logistics services within Singapore and Indonesia and oil and gas exploration and production in Indonesia. Eneco Energy has been in the Logistics services sector since 1992 under the brand of RichLand Logistics and had ventured into the energy sector in 2008.

Eneco Energy’s logistics business unit, RichLand Logistics provides a variety of supply chain services including last mile distribution, just in time inbound to manufacturing milk runs, customs brokerage, third party contract logistics, spare parts exchange programs and reverse logistics for scrap and end of life products, in addition to its long running air cargo handling services. RichLand employs more than 600 full time and contract employees, handling over 2 million tonnes of cargo annually with a fleet of more than 300 trucks across Singapore and Indonesia.

Eneco Energy through its local subsidiary holds a 10% interest in the Lemang PSC Block located in Sumatra, Indonesia and held a 70% interest in the Jatirarangon TAC Block which the Group has exited upon its expiry in May 2020. All of Eneco Energy’s assets are located in onshore regions on the Western Indonesian islands of Java and Sumatra.

CONTENTS

02

Message from
Chairman & CEO

09

Operations
Review

06

Board of
Directors

12

Corporate
Information

08

Eneco Energy Limited
Group Structure

13

Corporate
Governance Report

35

Financial
Contents



**MR. LOW
CHAI CHONG**

Independent
Non-Executive
Chairman

FOCUSING ON EXECUTION

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 2020 (“**FY2020**”).

It has been a watershed year as we faced a slew of legacy challenges that were compounded by the COVID-19 pandemic. Despite daunting conditions, the Group persevered and posted a strong set of results while reaching new milestones in strengthening its position as a leading logistics solutions provider.

FINANCIAL REVIEW

For the year under review, revenue amounted to S\$36.6 million, reflecting a decline of approximately S\$4.6 million as compared to the S\$41.2 million of the previous year. The majority of the decline can be attributed to the lower contribution from the oil and gas segment which recorded a S\$2.9 million decline in revenue due to the closure and handing back of the Jatirarangon field to the Indonesian regulator upon expiry of its lease and the production shutdown in the Lemang field. These events further strengthen our resolve to divest of the oil and gas segment and place greater emphasis on the logistics segment.

MESSAGE FROM CHAIRMAN & CEO

While the operating environment was challenging, the Group exhibited resilience, flexibility and ongoing commitment to deliver sustainable value. For the year under review, we achieved a net profit after tax attributable to shareholders of S\$12.8 million which is in welcome contrast to the net loss of S\$24.9 million in FY2019. The Group also registered a net cash inflow from operation activities of S\$8.0 million for the reporting period, an increase from S\$3.6 million registered in FY2019.

The Group achieved a significant improvement in the negative working capital position from S\$23.5 million in FY2019 to S\$8.5 million in FY2020, and an improved net liability position of S\$6.9 million for FY2020 compared to S\$20.1 million for FY2019.

OIL & GAS SEGMENT

Eneco Energy was placed on the Watch-List of the Singapore Exchange Securities Trading Limited ("SGX-ST") as of 4 December 2019 and we have since been actively working to fulfil the requirements and exit the list. Given the declining output from our oil and gas segment, and as part of our efforts to be lifted from the Watch-List, the Group has downsized its oil and gas overhead structure and has consolidated the remaining activities into its existing logistics Jakarta office, to achieve additional cost savings.

For the year under review, we achieved a major milestone in reducing our outstanding debts with the loan extinguishment amounting to S\$7.5 million with Mercuria Asset Holdings (Hong Kong) Limited and Mercuria Energy Trading Pte. Ltd. upon the completion of the Standstill and Settlement Deed in June 2020. The signing of the Deed of Release and Settlement ("the Deed") with Mandala Energy Lemang Pte. Ltd. ("Mandala") in December 2020, removed an additional S\$7.7 million of debt liability from the Group's books. Additionally, the Deed resolves and extinguishes the outstanding dispute with Mandala over the claims for US\$3.3 million, a positive development for the Company and the Group as it helps to further clean up the Group's balance sheet and reduce the net liability position. The Group remains fully committed to exiting this loss-making sector at the earliest opportunity. Our focus now is to minimise any cash requirements for the remaining oil and gas entities in Indonesia whilst trying to wind down and exit the loss-making business sector.



LOGISTICS SEGMENT

Our Logistics segment made up for the bulk of Group revenue with its contribution of S\$36.4 million, while segment profit amounted to S\$5.4 million for FY2020.

Our logistics segment achieved its performance with a marginal 4.3% dip in revenue for FY2020 despite the challenging environment. The segment's performance in Singapore was varied due to COVID-19; some contracts delivered year-on-year improvement, while businesses in the air cargo services, full container load haulage and infrastructure contracts declined, resulting in an overall lower volume contribution from the island nation. Undeterred by the minimal decline in revenue, Singapore recorded a sterling profit of S\$5.4 million for FY2020 compared to S\$0.5 million in the preceding year as a result of its continued strong focus on its operating costs. This has been a key management focus over the last two years, improving the efficiency of our operations and performance for our customers.

For Indonesia, revenue contribution rose due to a turnaround in our previously underperforming contract with Semen Baturaja. The improved results are reflective of the Semen Baturaja contract, which commenced in November 2018, now performing as projected. In FY2019, the customer was unable to meet committed volumes and performance was at less than 65% of contracted levels. The improved performance and results in FY2020 for the segment are encouraging as we believe the positive momentum has the ability to be carried through into 2021.

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ESSAGE FROM CHAIRMAN & CEO



We are further pleased to share that the Group had successfully obtained a S\$3.0 million working capital loan from a local bank and secured a committed S\$1.5 million credit facility from a lender. These financing facilities will support the Group in its efforts to grow its focal business segment in order to achieve avenues for sustainable growth.

The Group believes it will continue to be able to generate sufficient cash flows from its logistics operations, particularly following the successful and ongoing streamlining process of its business segments.

BUSINESS OUTLOOK

Due to the ongoing pandemic, the global economic outlook has worsened significantly for the reporting period. Despite the challenging environment, the Group has performed relatively well in terms of reducing liabilities and potential for future losses; our focus on cost efficiency has delivered improved gross profit margins during this difficult period, whilst maintaining our high service quality standards.

The Group will remain focused on exiting its loss-making oil and gas business and driving profitable growth within its logistics business in order to achieve our immediate objectives to be relisted in SGX-ST and being removed from the Watch-List.

COVID-19 UPDATE

The COVID-19 pandemic remains a concern in terms of business performance and activities. Whilst Singapore has managed the virus well in comparison to its neighbours, the volatility and clouded outlook of countries that continue to struggle with the pandemic remains an ongoing risk to the business landscape in 2021.

In Indonesia, our business continues to perform at an encouraging level despite the high number of cases, as demonstrated by the strong year-on-year revenue growth and gross margin improvement for FY2020. However, the situation there remains volatile and we will remain cautious and ready to respond as the situation evolves.

As our logistics business is considered an essential service, our facilities in both Singapore and Indonesia continued to operate with the necessary safe observances in place. Nonetheless, we have noted that performance is unevenly distributed and some sectors such as the air cargo industry remain subdued. There are signs of recovering volume that may translate to an upturn over time—an encouraging sign for the coming financial year. We will continue to uphold high service and solution standards to reinforce customer confidence and be prepared for the eventual upturn.

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ESSAGE FROM CHAIRMAN & CEO

In addition to the cautiously optimistic outlook of our operations and progress in cementing the Group as a key logistics player, we also closed the year in a much stronger cash position than prior year. The Board is confident that we have sufficient cash balances to support our immediate to medium-term needs throughout 2021.

ACKNOWLEDGEMENTS

The Group is pleased to announce that Ms Lee Shih Yi has joined the Company as our new Chief Financial Officer (“CFO”) as of 7th October 2020, and would like to extend a warm welcome to her.

We would like to extend our appreciation to our customers who have supported our business throughout this difficult time so that we can help keep their supply chains running. We would also like to acknowledge the support we have received from the Singapore Government in response to the economic slowdown brought about by the pandemic; the impact on businesses and their people have been significantly cushioned due to its timely response.

On behalf of the Board, we wish to extend our gratitude to all shareholders, business partners, staff, and stakeholders for standing by us through these tumultuous times. We will continue to strive to navigate the obstacles for the upcoming year as we remain focused on delivering sustainable results for the Group.

Thank you and we wish you all good health.

Yours Sincerely,

MR. LOW CHAI CHONG

Independent Non-Executive Chairman

MR. COLIN MORAN

Chief Executive Officer and
Executive Director



MR. COLIN MORAN

Chief Executive
Officer and
Executive
Director

BOARD OF DIRECTORS



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 was appointed as Chairman of the Board on 13 March 2019. He was last re-elected to the Board of Directors on 23 June 2020. 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 an Independent Director of three other companies listed on the Singapore Stock Exchange.

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



MR. COLIN MORAN
Chief Executive Officer
and Executive Director

Mr. Moran joined the Board as the Executive Director on 28 June 2019 and was appointed as Chief Executive Officer of the Company on 05 July 2019. He is also the Chief Executive Officer for the Logistics Group which trades under the brand RichLand Logistics in Singapore and Indonesia. He was last re-elected to the Board of Directors on 23 June 2020.

Colin joined the group in 2010 as Director for the Logistics Group, he brings with him over 30 years of management experience in supply chain management.

He has developed his skillset whilst working in Australia, Singapore and Indonesia during which time he held several senior regional positions in Asia including Managing Director for TNT Logistics Asia, VP Business Development for Ceva Logistics Asia Pacific and Managing Director for the TNT Indonesia Express and Logistics entities.

These roles have enabled him to garner experience within all three major components of the logistics industry being, Express Courier, Third Party Logistics and Freight Forwarding.

Colin holds a Diploma in Business Studies from the Port Adelaide College of TAFE and has attended numerous vocational programs with such institutions as INSEAD, Warwick University, Penn State/NUS in addition to several additional management and leadership programs.

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 and was last re-elected to the Board of Directors on 23 June 2020. Mr. Teo retired from the Singapore Police Force (“SPF”) in 2018 after having served SPF for almost 39 years. In SPF, he held several key positions in the investigation fraternity, namely Head of 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 holds 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. 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 was last re-elected to the Board of Directors on 28 June 2019 and will stand for re-election to the Company's Board of Directors at the forthcoming AGM. 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.

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.



MR. KOJI YOSHIHARA
Non-Independent
Non-Executive Director

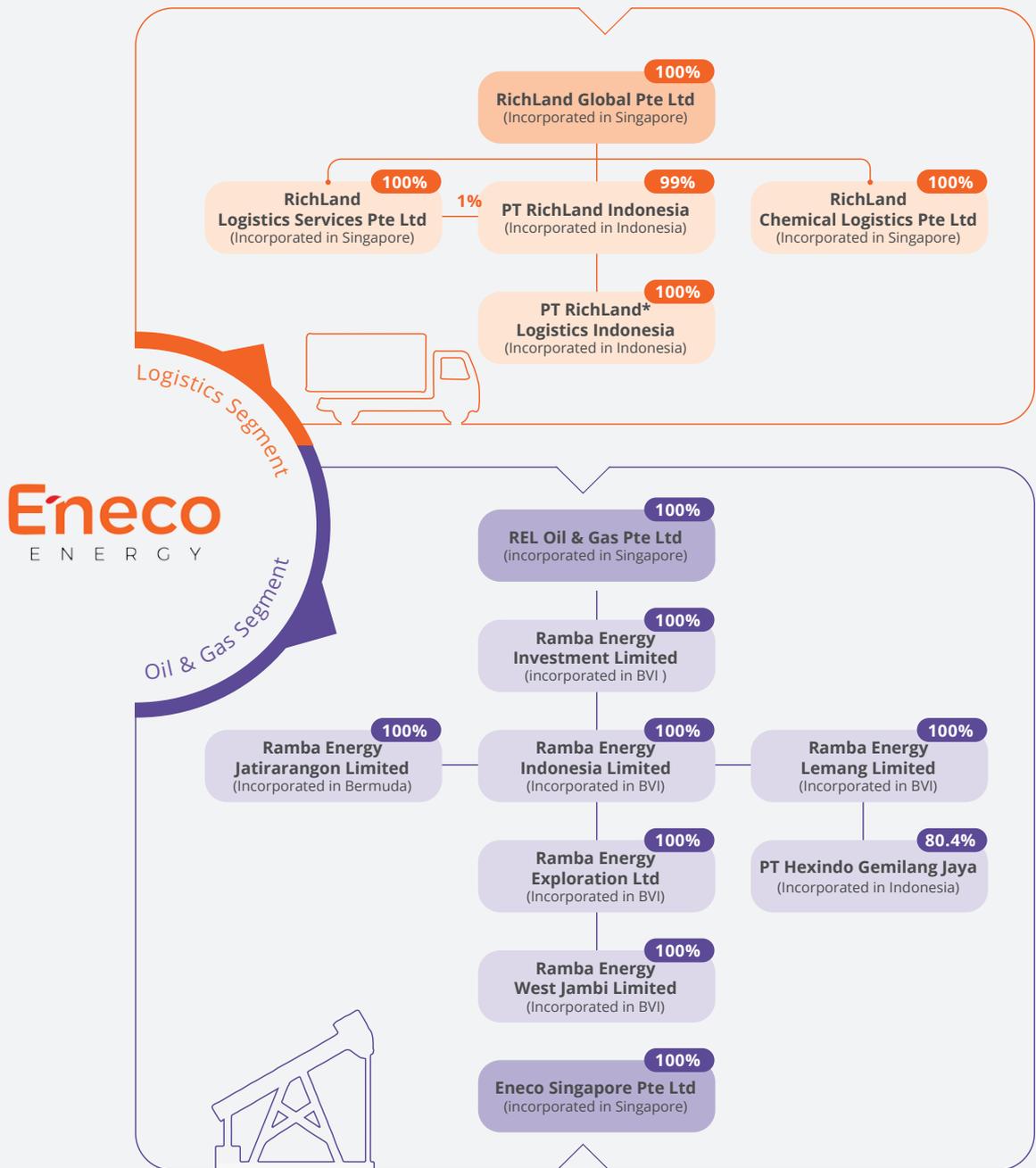
Nominated by Eneco Investment Pte. Ltd., Mr. Koji Yoshihara joined the Board as a Non-Independent Director of the Company on 14 December 2018. He was last re-elected to the Board of Directors on 28 June 2019 and will stand for re-election to the Company's Board of Directors at the forthcoming AGM. Having spent 26 years in Daiwa Securities, Mr. Yoshihara brings with him his wealth of knowledge of the investment and finance industry into the Company.

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 Eneco Refresh 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.

NECO ENERGY LIMITED GROUP STRUCTURE



* PT RichLand Logistics Indonesia is directly owned by PT RichLand Indonesia (49%) and a corporate 3rd party, PT Lumbung Surya Putra (51%), which in turn has pledged its shares to RichLand Global Pte Ltd

FY2020
WAS A YEAR
WHERE THE
GROUP
RECORDED
ONE OF ITS
STRONGEST
PERFORMANCES
SINCE ITS
ESTABLISHMENT

OVERALL REVENUE

Eneco Energy Limited's ("Eneco Energy" or the "Group") revenue for FY2020 amounted to S\$36.6 million, a S\$4.6 million reduction from the S\$41.2 million recorded for FY2019. Top line results were composed almost entirely from within the Group's logistic segment which reflected a slight slowdown in performance due to the ongoing coronavirus ("COVID-19") pandemic and its impact on customer volumes.

The oil and gas segment contributed only S\$0.2 million to the Group's FY2020 revenue, compared to S\$3.1 million for FY2019. The steep drop in revenue is directly related to the cessation of production in the Jatirarangon ("Jati") gas field and the decline in production volumes and shutdown within the Lemang PSC, this was an expected result for oil and gas as both events were forecast to occur.

SEGMENTAL PROFIT

The Logistics segment reported a profit of S\$5.4 million in FY2020, a significant improvement from the S\$0.5 million in FY2019. This was driven by greatly improved operating efficiencies that increased gross margin results despite softness from within customer volumes and the Job Support Scheme grants from the Singapore government during the year in response to the COVID-19 pandemic. Additionally, the turnaround performance from the Semen Baturaja contract contributed to an improvement in the logistics segment's profits from its Indonesian business.

The oil and gas segment reported a profit of S\$12.0 million for FY2020, compared to the loss of S\$19.4 million in FY2019 (restated). There were several contributing factors to this result. The major contributions attributed from, (i) the loan extinguishment amounting to S\$7.5 million with Mercuria Asset Holdings (Hong Kong) Limited and Mercuria Energy Trading Pte. Ltd. upon the completion of the Standstill and Settlement Deed in June 2020; (ii) extinguishment of S\$ 7.7 million with Mandala upon the execution of the Deed of Release and Settlement in December 2020; (iii) the write back of S\$3.03 million of revenue tax in one of its oil and gas entities as it is no longer required, based on tax advice received; and (iv) lower service costs and related expenses following the closure and handing back of Jati, and the shutdown of production in Lemang.



OPERATIONS REVIEW

OPERATING COSTS AND EXPENSES

Despite the lower revenue, FY2020 was a year where the Group recorded one of its strongest performances since its establishment, with a net profit after tax attributable to shareholders of S\$12.8 million in contrast to the net loss of S\$24.9 million in FY2019.

For FY2020, the Group nearly halved its total costs and operating expenses to S\$47.4 million from S\$71.6 million in the year before. This was achieved through several key items, the first being lower salaries and employee benefits at S\$3.7 million as we continued to focus on delivering better gross operating margins through improved efficiencies and productivity, and lower service costs and related expenses of S\$0.6 million. Depreciation and amortisation expenses were likewise lower at S\$2.0 million while finance costs came in at S\$2.3 million lower, as there were no interest costs with Mercuria following the Settlement Deed and lower finance charges on lease obligations.

In addition to the above, the Group's other operating expenses also shrank to S\$15.4 million mainly due to FY2019 impairment losses for West Jambi field of S\$17.2 million and doubtful receivable of S\$4.4 million, setoff against impairment of S\$5.6 million in FY2020 year which relates to the Group's 10% interest in the Lemang PSC Block held via its subsidiary, PT Hexindo Gemilang Jaya.



BALANCE SHEET

In terms of financial position, the Group's net liability stood at S\$6.9 million as at 31 December 2020, a much-improved result from the net liability of S\$20.1 million as at 31 December 2019.

The major changes in both assets and liabilities are as follows:

The Group's non-current assets decreased by S\$10.7 million mainly due to impairment loss recognised on the Lemang field, depreciation/amortisation of right-of-use asset, plant and equipment, lower VAT receivable from Lemang and a write-off of VAT



OPERATIONS REVIEW

receivable from West Jambi. Current assets increased by S\$1.6 million mainly due to an increase in cash and bank balances of S\$2.2 million, resulting in the Group year-end close of S\$6.8 million compared with S\$4.6 million in prior year.

Current liabilities decreased by S\$13.3 million to S\$26.6 million mainly due to the write-backs and extinguishment of liabilities, repayment of lease liabilities, and offset by current portion of the working capital loan obtained by a wholly-owned subsidiary during the year.

Non-current liabilities decreased by S\$8.9 million to S\$20.2 million, mainly due to the extinguishment of advances from the previous Lemang PSC operator Mandala, following the finalisation of the Settlement Deed, repayment of lease liabilities, translation losses on foreign denominated liabilities (USD/SGD exchange rates for 4Q2020: 1.3221 vs. 4Q2019: 1.3472), and offset by non-current portion of the working capital loan mentioned above.

OUTLOOK AND PLANS

Given the global economic uncertainty brought about by the COVID-19 pandemic, it goes without saying that 2020 has proven to be a most challenging year. Global progress in overcoming the virus is uneven with some countries still regressing and as such there is much uncertainty in the short to medium term and we will temper expectations and adjust projections accordingly for 2021.

Despite the challenges of the past year, we are delighted with the progress made in reducing liabilities and our oil and gas operational losses significantly.

Our logistics segment continues to perform well within a very difficult and demanding environment and we are grateful to all employees for keeping us running during this year and particularly for the understanding displayed by our clients, it has been a great collaboration of effort, change management and dynamics to keep the wheels spinning. Our focus on margins has paid off handsomely and our investments in App-based technology continues to differentiate us from many competitors in the market place today. In fact, we are pleased to advise that only just in February 2021 we were recognised by one of our larger customers, Schneider Electric, during its East Asia, Japan & Pacific region supplier conference, where RichLand Logistics Singapore was awarded the winner for DIGITIZATION innovation



for the 2020 year amongst all other suppliers. This outstanding recognition truly reflects our desire to be a key supplier of visibility and seamless services for our clients whilst delivering supply chain efficiencies within their own process. With technology being the tool of today and the future, we remain committed and focussed on further developments in this area as we seek to deepen our value proposition and differentiation to our valued clients.

Looking forward, we need to focus on several key areas, they are: (i) prepare the business for accelerated growth as we seek to secure new contracts; (ii) be prepared for possible growth from within our existing client base, resulting from any economic upswing as the global economy turns the corner; and (iii) to increase activity in seeking acquisition opportunities to drive market value of the Group. Moving forward, we will remain focused on our overarching strategy to divest of the loss-making oil and gas entities and focus on the growth and development of our logistics business.

To support this endeavour, the Group has successfully acquired a S\$3.0 million working capital loan and a S\$1.5 million credit facility, which will support the Group in its efforts to develop and grow its logistics business for the long-term.

On the corporate front, our immediate concern is to do all possible to secure the relisting of our securities after the voluntary suspension in 2020 and the removal from the SGX-ST Watch-List. These two milestone events will help us to further rebuild confidence in the Group for the long term and will secure a more sustainable financial position as we roll forward.

CORPORATE INFORMATION

REGISTERED OFFICE

300 Tampines Avenue 5
#05-02
Singapore 529653
Website: www.enecoenergy.com

BOARD OF DIRECTORS

Low Chai Chong
Chairman, Independent Director

Colin Moran
Chief Executive Officer
and Executive Director

Teo Cheow Beng
Independent Director

Patrick Tan Tse Chia
Independent Director

Koji Yoshihara
Non-Independent Non-Executive
Director

AUDIT COMMITTEE

Low Chai Chong (Chairman)
Patrick Tan Tse Chia
Teo Cheow Beng

NOMINATING COMMITTEE

Patrick Tan Tse Chia (Chairman)
Low Chai Chong
Teo Cheow Beng

REMUNERATION COMMITTEE

Teo Cheow Beng (Chairman)
Low Chai Chong
Patrick Tan Tse Chia

COMPANY SECRETARY

Ang Siew Koon

AUDITORS

Foo Kon Tan LLP
Partner-In-Charge
Kong Chih Hsiang, Raymond
(with effect from financial year
ended 31 December 2019)

SHARE REGISTRAR

**Tricor Barbinder Share
Registration Services**
(a division of Tricor Singapore Pte
Ltd)
80 Robinson Road #02-00
Singapore 068898

PRINCIPAL BANKERS

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



C ORPORATE 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 revised Code of Corporate Governance 2018 issued on 06 August 2018 (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 provisions 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 2020 (“**FY2020**”).

BOARD MATTERS

The Board’s Conduct of its Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

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.

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

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;

C ORPORATE GOVERNANCE REPORT

- Appointing Directors and key management staff, including the review of their performances and remuneration packages;
- Assuming the responsibilities for corporate governance, such as reviewing and endorsing corporate policies in keeping with good 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.

Director Orientation and Training

Rule 210(5) of the Listing Manual of the SGX-ST ("**Listing Rule**") requires any director who has no prior experience as a director of a listed company to undergo training in the roles and responsibilities of a listed company director. In FY2020, no new Director was appointed to the Board.

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.

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, and key changes to the relevant regulatory requirements and financial standards by the secretary, auditors or external consultants, so as to enable them to properly discharge their duties as the 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.

C ORPORATE GOVERNANCE REPORT

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, 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.

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. Each Board Committee is chaired by a Non-Executive and Independent Director. 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 FY2020, the Board held a total of nine (9) 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 FY2020 are disclosed in the table below:

Attendance Report of Directors

Names of Directors	Board		AC		RC		NC		General Meetings	
	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 Low Chai Chong	9	9	4	4	1	1	1	1	1	1
Mr Colin Peter Moran	9	9	-	-	-	-	-	-	1	1
Mr Patrick Tan Tse Chia	9	8	4	4	1	1	1	1	1	1
Mr Teo Cheow Beng	9	9	4	4	1	1	1	1	1	1
Mr Koji Yoshihara	9	8	-	-	-	-	-	-	1	1

C ORPORATE GOVERNANCE REPORT

In FY2020, 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.

The Board committees are as follows:

Names of Directors	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

The profiles of the Directors are set out on page 6 and 7 of the Annual Report.

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 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.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

As at 31 December 2020, the Board comprised the following directors:

NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR

Mr Koji Yoshihara

EXECUTIVE DIRECTORS

Mr Aditya Wisnuwardana Seky Soeryadjaya (resigned on 21 February 2020)
Mr Colin Peter Moran

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr Low Chai Chong (Chairman)
Mr Patrick Tan Tse Chia
Mr Teo Cheow Beng

The Board has adopted the criteria of an Independent Director as set out in the Listing Rules of SGX-ST 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 their 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 the 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;

C ORPORATE GOVERNANCE REPORT

- 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 would 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% shareholder 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 and the Mainboard Listing Rules of SGX-ST.

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.

Taking into consideration the confirmation of independence by each Independent Director, as well as relevant factors set out under Principle 4 on page 20, the NC, with the concurrence of the Board, considered Messrs Low Chai Chong, Patrick Tan Tse Chia, and Teo Cheow Beng independent for FY2020. 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 page 6 and 7 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.

C ORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

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 Colin Peter Moran. The CEO 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.

The Company does not have a lead Independent Director because the Chairman is independent.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of 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.

The composition of the NC is as follows:

Mr Patrick Tan Tse Chia	-	Chairman of the NC, Independent Director
Mr Low Chai Chong	-	Independent Director
Mr Teo Cheow Beng	-	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 Constitution of the Company, 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.

C ORPORATE GOVERNANCE REPORT

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 their 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 Low Chai Chong	Chairman, Independent Director	14 December 2018	23 June 2020
Mr Patrick Tan Tse Chia	Independent Director	14 December 2018	28 June 2019
Mr Teo Cheow Beng	Independent Director	14 December 2018	23 June 2020
Mr Koji Yoshihara	Non-Independent Non-Executive Director	14 December 2018	28 June 2019
Mr Colin Peter Moran	Executive Director cum Chief Executive Officer	28 June 2019	23 June 2020

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.

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 Messrs Patrick Tan Tse Chia and Koji Yoshihara, who are retiring pursuant to Regulation 111 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, and whether the appointment is executive or non-executive, are set out on pages 135 to 139 of the Annual Report.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

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.

The Board has met to discuss the evaluation of the Board and its Board Committees and the individual directors in February 2021 and following the review, the Board agreed that the extent of the Directors' attendance, participation and contributions to the Board up in FY2020 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.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her 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	-	Chairman of the RC, Independent Director
Mr Patrick Tan Tse Chia	-	Independent Director
Mr Low Chai Chong	-	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.

C ORPORATE GOVERNANCE REPORT

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 one (1) meeting 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 RC did not engage any external Human Resource Consultant in FY2020 to assist with the remuneration review for the Executive Director and Key Management Personnel.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

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.

C ORPORATE GOVERNANCE REPORT

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 which 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.

As the Company was still focused on returning to operational profit in FY2020, there were no long-term incentive schemes in place. This would be reviewed and revised as and when the RC deems to be the right time to implement.

The service contract entered into with the Executive Director, namely Mr Colin Peter Moran, 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 will review, consider, and adopt contractual provisions in the service agreements or employment agreements to reclaim incentive components of remuneration paid in prior years from the Executive Directors and key management personnel. The RC may choose at any time to seek independent expert advice on the remuneration of Executive Directors and Independent Directors if it deems necessary.

The RC will review on a case-by-case basis 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.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

A breakdown showing the level and mix of each Director's remuneration for the financial year ended 31 December 2020 is set out below:

Names	Directors							Total (%)
	Salary (%)	Bonus/ Profit Sharing (%)	Benefits -In-Kind (%)	Share Options (%)	Share Awards (%)	Directors' Fees (%) ⁽²⁾	Severance Package (%)	
S\$500,001 to S\$750,000								
Colin Peter Moran	66.8	5.6	27.6	-	-	-	-	100
S\$250,000 and below								
Aditya Wisnuwardana								
Seky Soeryadjaya ⁽¹⁾⁽³⁾	27.7	-	-	-	-	-	72.3	100
Low Chai Chong ⁽²⁾	-	-	6.2	-	-	93.8	-	100
Patrick Tan Tse Chia ⁽²⁾	-	-	-	-	-	100	-	100
Teo Cheow Beng ⁽²⁾	-	-	-	-	-	100	-	100

CORPORATE GOVERNANCE REPORT

Notes:

- (1) Son of substantial shareholder, Mr Edward Seky Soeryadjaya.
- (2) Directors' Fees for FY2020 were approved by shareholders on 23 June 2020.
- (3) Mr Aditya Wisnuwardana Seky Soeryadjaya resigned as ED on 21 February 2020. His salary was pro-rated.

For FY2021, subject to approval from the shareholders at the forthcoming AGM, the fee structure for the Non-Executive Directors would be as follows:

Names	Basic Retainer Fee (\$)	Board Chairman (\$)	AC Chairman (\$)	RC Chairman (\$)	NC Chairman (\$)	Total (\$)
Low Chai Chong	55,000	16,500	11,000	-	-	82,500
Patrick Tan Tse Chia	33,000	-	-	-	5,500	38,500
Teo Cheow Beng	33,000	-	-	5,500	-	38,500
Koji Yoshihara	22,000	-	-	-	-	22,000

Top 5 Key Management Personnel ("KMP") of the Group

In FY2020, there are only five (5) KMP in the Group (inclusive of those who had resigned during the year) and the gross remuneration received by these 5 KMP is as follows:-

Range	No of Executives
S\$250,000 and below	5

The aggregate total remuneration paid to the five (5) KMP (who are not Directors or the CEO) for FY2020 is approximately S\$705,000 (inclusive of termination package to one KMP).

In setting the remuneration packages, the Company takes into consideration the remuneration packages and employment conditions within the industry as well as the Group's relative performance and the performance of its individual Directors. The level and structure of remuneration is aligned with the long-term interest and risk policies of the Company. The Independent and Non-Executive Directors are paid Directors' fees, which take into account factors including but not limited to the effort, time spent and the scope of responsibilities of the Directors. Directors' fees are recommended by the Board for approval at the Company's AGM. The Non-Executive and Independent Directors should not be over compensated to the extent that their independence may be compromised and no Director is involved in deciding his own remuneration. The Executive Directors do not receive Directors' fees.

The remuneration packages of the Executive Directors and the key management personnel comprise primarily a basic salary and a variable component, which is inclusive of bonuses, based on the performance of the Group as a whole, the individual Director's performance and other benefits. This performance-related remuneration aligns the interests of the Executive Directors and key management personnel with that of the shareholders and promotes the long-term success of the Company.

C ORPORATE GOVERNANCE REPORT

Due to the current focus of the Company there is no long-term incentive scheme in place, this will be reviewed and revised as and when the Remuneration Committee (“RC”) deems to be the right time to implement. The service agreement may be terminated by either party giving to the other not less than six (6) months prior written notice. The Company will review, consider and adopt contractual provisions in the service agreements or employment agreements to reclaim incentive components of remuneration paid in prior years from the Executive Directors and key management personnel. The RC may choose at any time to seek independent expert advice on the remuneration of Executive Directors and Independent Directors if it deems necessary.

In the 2018 Corporate Governance Code requires the Company to name and disclose the remuneration of at least the top five KMP (who are not directors or the CEO) in bands of S\$250,000. The Board is of the view that it is not in the interests of the Company to disclose the names of the top five KMP (who are not Directors) of the Company due to the sensitive and confidential nature of such information over poaching concern. If members of the experienced and qualified senior management team are poached, this may affect the Company’s ability to nurture a sustainable talent pool and ensure the continuity in leadership needed for the Company strategic objectives.

Save for as disclosed above for Mr Aditya Wisnuwardana Seky Soeryadjaya as part of his severance package and termination package to one KMP in view of their long service with the Company, 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 FY2020.

Remuneration of Employees Related to Director and Substantial Shareholders

There are no employees of the Company and its subsidiaries who are immediate family members of a Director or CEO during FY2020 whose remuneration exceeded S\$100,000 during FY2020. There are also no employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company.

ACCOUNTABILITY AND AUDIT

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 has provided assurance to the Board on the integrity of the Group’s financial statements.

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

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

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

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 and compliance risks and information technology controls. The Group has in place a Risk Management Committee (“RMC”) comprising the 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, CFO, and Management of the 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.

Based on the internal controls and risk management processes established and maintained by the Group, the work performed by the Internal and External Auditors, and the reviews performed by the Management, the Board, with the concurrence of the AC, is of the opinion that the Group’s system of internal controls and risk management procedures are adequate and effective as at 31 December 2020, in addressing the financial, operational (including information technology risks), and compliance risks of the Group. The Board acknowledges that the internal controls and risk management systems in place provide reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee (“AC”) which discharges its duties objectively.

The AC currently comprises three (3) Directors, all of whom are independent.

The composition of the AC is as follows:

Mr Low Chai Chong	-	Chairman of the AC, Independent Director
Mr Patrick Tan Tse Chia	-	Independent Director
Mr Teo Cheow Beng	-	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;
- 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.

C ORPORATE GOVERNANCE REPORT

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 they are 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\$186,000 and S\$44,000 respectively for the financial year ended 31 December 2020.

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 (last updated in January 2020) 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 Auditors 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.

C ORPORATE GOVERNANCE REPORT

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

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

Fraud and Whistle-Blowing Policy

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

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

The Company has appointed Wensen Consulting Asia (S) Pte. Ltd. ("Wensen"), a firm specialising in the provision of audit and assurance, corporate services, transaction support and risk advisory services as its IA, to conduct the internal audits for FY2020.

The engagement is headed by Sin Siew Mun (Director) being assigned to Eneco Energy Limited who reports to Edward Yap (Group Managing Director).

Edward Yap started his career in Year 1995 when he joined Ernst & Young, where he audited a diversified portfolio of companies in banking, trading and manufacturing, hotel management, property development, plantations, constructions and project management, etc. In addition, he was involved in special audits and financial due diligence reviews. In Year 1998, he progressed his career in Deloitte, where besides auditing a diversified portfolio of companies, he was also involved in special audits as reporting accountant, valuation engagements, financial due diligence and litigation support engagements. He was also involved in conducting other inhouse technical training organised by the firm.

Edward left Deloitte in 2002 where he founded and started Wensen. He is responsible for directing the Group's operations and business development, including managing a diversified portfolio of companies listed in Singapore and Malaysia which have operations in Singapore, Malaysia, People's Republic of China ("PRC"), United Arab Emirates ("UAE"), etc. Edward Yap is a practicing member of the Institute of Singapore Chartered Accountants ("ISCA"), a member of the Malaysian Institute of Accounts ("MIA") and a fellow member of the Association of Chartered Certified Accountants ("ACCA") of the United Kingdom.

Sin Siew Mun started her career as Internal Auditor with a local Malaysian based internal audit outsourcing firm in 2007. During her employment, she was involved in assessing and evaluating the overall effectiveness of client's internal controls and business processes. Upon completion of her certification as Information Systems Auditor, she progressed her career with Deloitte Enterprise Risk Services Sdn. Bhd., specialising in reviewing general computer controls, application/automated business transactions and data processing (i.e. Information Technology Audit) and has extensive experience in industries such as retail, trading, manufacturing, insurance, property development, construction and servicing industries. She subsequently joined Wensen since Year 2010, managing various portfolios of clients with operations in Singapore, Malaysia, Indonesia, PRC and UAE.

C ORPORATE GOVERNANCE REPORT

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

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

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

The AC also met with the Internal and External Auditors at least once a year, 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 last private session with the IA and EA was held in February 2021.

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

SHAREHOLDER RIGHTS AND ENGAGEMENT WITH SHAREHOLDERS / STAKEHOLDERS

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

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.

C ORPORATE GOVERNANCE REPORT

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

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

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

Communication is made through:-

- Annual reports that are prepared and sent to all shareholders. The Board ensures that the annual report includes all relevant information about the Company and the Group, including future developments and other disclosures required by the Singapore Companies Act and Singapore Financial Reporting Standards;
- Quarterly announcements containing a summary of the financial information and affairs of the Group for that period;
- Notices and 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://enecoenergy.com> at which shareholders can access financial information, corporate announcements, press releases, annual reports and a profile of the Group.

The Company has published its investor relation email and contact details on the Company's website 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 when its financial position improves. 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 FY2020.

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.

C ORPORATE GOVERNANCE REPORT

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.

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

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

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

The Company Secretary and/or 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 the Company's website as well as on SGXNet.

In FY2020, due to COVID-19 pandemic outbreak, the AGM was held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order"). The Notice of AGM and proxy forms were published on SGXNet and the Company's website before the AGM, and shareholders were invited to submit their queries to be answered before the AGM. The response to the queries raised were published on SGXNet on the day before the AGM was held.

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.

C ORPORATE GOVERNANCE REPORT

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 FY2020 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.

There were no interested party transactions equal to or exceeding \$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 FY2020.

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 Company and 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.

SUSTAINABILITY REPORT

The Company will publish its Sustainability Report in respect of FY2020 before 31 May 2021 and will be publicly accessible through the Company's website as well as on SGXNet. The Sustainability Report should be read in conjunction with this Annual Report.

FINANCIAL CONTENTS

36

Directors'
Statement

49

Statements of
Changes in Equity

135

Disclosure of Information
on Directors Seeking
Re-Election

40

Independent
Auditor's Report

51

Consolidated
Statements
of Cash Flows

140

Appendix 7.5
Summary of Reserves
and Resources

47

Statements of
Financial Position

53

Notes to the
Financial Statements

143

Notice of Annual
General Meeting

48

Consolidated Statement
of Comprehensive Income

133

Statistics of
Shareholdings

Proxy Form

DIRECTORS' STATEMENT

The directors submit this statement to the members of the Company together with the audited consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 31 December 2020.

Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements of the Group and 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 2020 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, having regard to the matters disclosed in Note 2 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Name of directors

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

Low Chai Chong	-	Independent Non-Executive Chairman
Colin Peter Moran	-	Chief Executive Officer and Executive 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 Patrick Tan Tse Chia and Mr Koji Yoshihara retire and being eligible for, offer themselves for re-election at the forthcoming annual general meeting ("AGM").

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose 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 in, or debentures of, the Company or any other body corporate, other than as disclosed below.

DIRECTORS' STATEMENT

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, none of the directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Direct interest		Deemed interest	
	As at 1.1.2020	As at 31.12.2020	As at 1.1.2020	As at 31.12.2020
The Company – Ordinary shares				
Low Chai Chong	-	-	6,134,100	6,134,100
Colin Peter Moran	1,031,906	1,031,906	-	-

There were no changes in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2021.

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 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 ("RGSOS") was renamed as Eneco Group Share Option Scheme ("EGSOS") and Ramba Group Performance Share Plan ("RGPSP") was renamed as Eneco Group Performance Share Plan ("EGPSP").

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.

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.

DIRECTORS' STATEMENT

Share options

No share options were granted and exercised during the financial year.

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

<u>Date of grant of options</u>	<u>Date of expiry of options</u>	<u>Adjusted exercise price of the options</u>	<u>Balance at 1 January 2020</u>	<u>Options lapsed and cancelled</u>	<u>Balance at 31 December 2020</u>
16/02/2015	16/02/2020	S\$0.2885	1,539,906	(1,539,906)	-
01/03/2016	01/03/2021	S\$0.1800	5,080,103	-	5,080,103
			<u>6,620,009</u>	<u>(1,539,906)</u>	<u>5,080,103</u>

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

- No options have been granted to Directors and employees of the Group to subscribe for shares in the Company's subsidiaries; and
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted.

Audit Committee

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

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

DIRECTORS' STATEMENT

Audit Committee (Continued)

- Reviewed the nature and extent of non-audit services provided by the external auditor;
- Recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor and reviewed the scope and results of the audit;
- 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 Low Chai Chong, Mr Teo Cheow Beng, and Mr Patrick Tan Tse Chia. The AC has also met with the internal and external auditors, without the presence of the Company's Management, at least once a year.

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

The AC has recommended to the Board of Directors that the independent auditor, Messrs Foo Kon Tan LLP, be nominated for re-appointment as external auditor at the forthcoming AGM of the Company.

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

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

LOW CHAI CHONG
Independent Non-Executive Chairman

COLIN PETER MORAN
Chief Executive Officer and Executive Director

Date: 8 April 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Eneco Energy Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Eneco Energy Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis of Qualified Opinion section of our report, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and the Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Qualified Opinion

1. Amount due from a broker

Ramba Energy West Jambi Ltd ("REWJ"), a wholly owned subsidiary of the Company, who is the contractor to the West Jambi concession (the "Concession"), was required to furnish a banker's guarantee to the concession holder in order to secure the extension of the exploratory permit for the Concession which had expired in FY 2017. The ex-Chief Executive Officer and ex-Executive Director who is also the substantial shareholder of the Company had withdrawn S\$3.88 million (equivalent to US\$2.83 million) (the "Queried Payment") from another subsidiary's bank account which was then advanced to the broker to secure the banker's guarantee in favour of REWJ. The amount was initially recorded as an amount due from the broker and management subsequently made full impairment allowance on the amount after queries were raised about its recoverability.

The predecessor auditor of the Company had noted in their auditor's report for the financial year ended 31 December 2018 inconsistencies in the explanations and documents provided by the predecessor management and they were unable to obtain satisfactory audit evidence or explanations to ascertain the commercial rationale of such arrangement, and the nature, existence and recoverability of the amount. Accordingly, they were unable to determine whether the payment was appropriately accounted for, presented, disclosed and whether the allowance recorded against the carrying amount was appropriate. The above issue remained unresolved for the financial year ended 31 December 2019.

On 15 June 2020, the Group and the broker entered into a Settlement Agreement where the broker formally acknowledged the receipt of the amount of US\$2.88 million via the bank account of the ex-Chief Executive Officer and ex-Executive Director for the procurement of the bank guarantee and the broker agreed to a repayment plan for the amount which will be repaid in 30 instalments comprising of a first instalment of IDR 375 million and subsequent 29 instalments of IDR 1.5 billion each quarter, respectively.

On 19 January 2021, the Company announced that the broker had only paid the first instalment and had consequently defaulted on the second and third instalments which were due on 15 October 2020 and 15 January 2021, respectively. Accordingly, an event of default has been triggered as defined in the Settlement Agreement.

INDEPENDENT AUDITOR'S REPORT

To the members of Eneco Energy Limited

Basis for Qualified Opinion (Continued)

1. Amount due from a broker (Continued)

Following the formalisation of the Settlement Agreement in June 2020, it has satisfactorily resolved the qualification points over (a) the inconsistencies in the explanations and documents provided by the predecessor management of the Company over the nature of the amount due from the broker as well as (b) the existence and accuracy of the amount due from the broker. In addition, the amount due from the broker continues to be credit-impaired as at 31 December 2020 in accordance with SFRS(I) 9 – *Financial Instruments* since the broker is in default in accordance with the terms set out in the Settlement Agreement.

Despite the above, we were unable to ascertain (a) whether the impairment loss amounting to S\$3.88 million which was recorded in the consolidated statement of comprehensive income in FY 2018 should instead be recognised in FY 2019 or FY 2020; and (b) whether the carrying amount due from the broker as at 31 December 2019 and 1 January 2019 had been properly reported and presented in the consolidated statement of financial position.

2. Access to accounting information of a joint arrangement of PT Hexindo Gemilang Jaya (“PT Hexindo”)

As at 31 December 2020, PT Hexindo, an indirect subsidiary of the Company and Jadestone Energy (Lemang) Pte. Ltd. (“Jadestone”) each own 10% and 90% participating interests, respectively, in the Lemang Production Sharing Contract (“Lemang PSC”). Jadestone has completed the acquisition of the 90% interest in Lemang PSC from Mandala Energy Lemang Pte. Ltd. (“Mandala”) and has assumed the role of the operator of Lemang PSC in December 2020. The Group, through PT Hexindo, recognised its interest in the Lemang PSC in accordance with the accounting treatment of a joint operation under SFRS(I) 11- *Joint Arrangements*.

We had previously highlighted in our FY 2019 audit report that the auditors of PT Hexindo (“component auditors”) were unable to gain access to the audit work papers of the auditors of Mandala, who was the then operator of the Lemang PSC and was responsible for the preparation of the monthly statement of accounts of Lemang PSC. Accordingly, the component auditors were unable to perform and complete their audit procedures to obtain sufficient and appropriate audit evidence over the financial statements of PT Hexindo for the financial year ended 31 December 2019.

Following the completion of the sale of the 90% participating interest between Mandala and Jadestone (collectively known as the “Operators”), the Group’s management was furnished with the necessary statements of account for FY 2019 and FY 2020 respectively. A prior year adjustment amounting to approximately S\$2 million (equivalent to US\$1.46 million) was recorded to reverse the over-recognition of the Group’s proportionate share of the net expenses in Lemang PSC in the consolidated financial statements for the financial year ended 31 December 2019 in accordance with SFRS(I) 1-8 – *Accounting Policies, Changes in Accounting Estimates and Errors*.

As at the date of this report, the component auditors have not been provided access to the supporting documents other than the statements of account nor were they able to review the audit working papers of the auditors of the Operators. Consequently, the component auditors were unable to complete their audit procedures to obtain sufficient and appropriate audit evidence over the financial statements of PT Hexindo for the financial years ended 31 December 2019 and 31 December 2020, respectively.

In view of the matters highlighted in the above paragraphs, there could be adjustments and/or disclosures, that may arise on certain financial statement items i.e. opening accumulated losses, inventories, other receivables and other payables.

INDEPENDENT AUDITOR'S REPORT

To the members of Eneco Energy Limited

Basis for Qualified Opinion (Continued)

3. Provision for legal claim

As disclosed in Note 16(D) to the financial statements, PT Hexindo has entered into a legal settlement with Super Power Enterprise Group Ltd ("SPE") whereby it agreed to pay US\$10 million to SPE by way of assigning the proceeds from future sale of oil and gas from the Lemang PSC, subject to certain carve out provisions that allow PT Hexindo to first repay the other existing obligations identified to SPE. As at 31 December 2020, the Group continued to record a provision for legal claims measured at amortised cost amounting to S\$6.8 million (equivalent to US\$5.1 million) which was based on a cashflow projection of Lemang PSC obtained from Mandala as at 31 December 2018.

As at 31 December 2019 and 2020, management did not receive the cashflow projection of Lemang PSC from Jadestone for the forecast period. Accordingly, we were unable to perform and complete our audit procedures to obtain sufficient and appropriate audit evidence over the completeness and accuracy of the provision for legal claim as at 31 December 2019 and 2020.

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

Information other than the Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We are unable to obtain sufficient appropriate evidence about the matters as described in the Basis for Qualified Opinion section above. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT

To the members of Eneco Energy Limited

Key Audit Matters (Continued)

1. Going concern assumption

We draw attention to Note 2 to the financial statements. The Group and the Company had net current liabilities of S\$8.5 million and S\$1.8 million, respectively as at 31 December 2020, and the Group reported an adjusted loss before tax of S\$9.6 million after excluding gains on extinguishment of liabilities of S\$20.6 million and Job Support Scheme ("JSS") Grants of S\$2.8 million.

On 3 December 2019, the Singapore Exchange Securities Trading Limited ("SGX-ST") notified the Company that it has been placed on the Watch-list due to 3 consecutive years' losses with effect from 4 December 2019. The Company will have to fulfil the requirements under Rule 1314 of the SGX-ST Listing Manual ("Listing Manual") for its exit from the Watchlist within 36 months from 4 December 2019, i.e. by 3 December 2022, failing which SGX-ST would delist the Company or suspend trading in the Company's shares with a view to delist the Company.

On 9 March 2020, the Company requested a voluntary suspension pursuant to Rule 1303(3) of the Listing Manual, pending the satisfactory conclusion and resolution of the issues raised by the Company's auditors in connection with its ability to operate as a going concern. Arising from this voluntary suspension of the Company's shares, the Company may have difficulty to raise fresh funds to meet the various operational cashflows needs through fund raising options. On 4 March 2021, the Company announced that they have submitted an application to seek SGX-ST's approval to lift the voluntary trading suspension.

These events and conditions indicated above cast doubt on the ability of the Group and the Company to continue as a going concern.

Management's basis for preparing the financial statements on a going concern basis as at 31 December 2020 is provided in Note 2, including the fact that (i) the Group's logistics segment in both Singapore and Indonesia is able to generate sufficient cash flows in the next 12 months, (ii) the Company has successfully secured a facility of S\$1.5 million from a third party in November 2020 and (iii) the deficiency in net current assets of the Group is solely from the Group's oil and gas segment domiciled in Indonesia and they continue to be ringfenced through multiple layers of shareholdings and would not have an impact to the viability of the Group's and the Company's financial positions in the event of contingent or actual legal claims by third party creditors against these oil and gas entities.

As the going concern assessment is a significant risk area of our audit and involves significant judgement, we have identified this as a key audit matter.

Our response and work performed:

We evaluated management's assessment of the Group's and the Company's ability to continue as a going concern, relying on the sources of liquidity and funding available to the Group and the Company. We challenged management on the key assumptions used in the cash flows forecasts for the next 12 months from the balance sheet date. We also assessed if these forecasts are reasonable by performing sensitivity analysis on the forecasts by considering potential downside scenarios and the resultant impact on available funds. We have also considered the liquidity and recoverability of existing financial and non-financial assets on the balance sheet date.

Furthermore, we have obtained and read the legal confirmations from the Company's legal counsels in Singapore and Indonesia to assess the probability of crystallisation of the Group's contingent liabilities as disclosed in Notes 16 and 33 to the financial statements that may possibly have an adverse impact on the Group's and the Company's ability to continue as a going concern. Disclosure of the pertinent information has also been set out in Note 2 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the members of Eneco Energy Limited

Key Audit Matters (Continued)

2. Recoverability of trade receivables

The Group's trade receivables as at 31 December 2020 amounted to S\$9.7 million, representing 24% of the Group's total assets. The collectability of trade receivables is a key element of the Group's working capital management, which is managed on an ongoing basis by management. Management determines impairment of trade receivables by making debtor-specific assessment for credit-impaired debtors. For the remaining group of debtors, management provides lifetime expected credit losses using a provision matrix. The provision rates are determined based on the Group's historical default rates analysed in accordance to days past due by grouping customers based on the customer profiles, adjusted for current and forward-looking information.

This area is a key audit matter due to the amounts involved, as well as the inherent subjectivity that was involved in making judgement by the management in relation to assumptions used in the expected credit loss ("ECL") model such as forward-looking macroeconomic factors.

Our response and work performed:

As part of our audit, we assessed the Group's processes and key controls relating to the monitoring of trade receivables including the process in determining whether a debtor is credit impaired and the Group's processes in collating the key data sources and assumptions for data used in the ECL model. We have reviewed the key data sources and assumptions for data used in the determination of default rate and the correlation between the default rate and the current and forward-looking adjustment factor. We have also considered the age of the debts as well as the trend of collections to identify the collection risks. We have reviewed for collectability by way of obtaining evidence of receipts from the debtors on a sampling basis subsequent to the balance sheet date. We also considered the disclosures in the financial statements about the extent of estimation and judgement involved in determining allowance for doubtful debts.

Disclosure of the pertinent information has been set out in Notes 10 and 34.1 to the financial statements.

Other Matter

In respect of point 1 to our Basis of Qualified Opinion, the Audit Committee of the Company has appointed an independent reviewer, to review, inter alia, the circumstances surrounding the Queried Payment to the broker and the Group's corporate governance and internal controls related to the Queried Payment. As at the date of this audit report, the review by the independent reviewer is still ongoing. Accordingly, the matter arising remains unresolved.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and 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.

INDEPENDENT AUDITOR'S REPORT

To the members of Eneco Energy Limited

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the members of Eneco Energy Limited

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Kong Chih Hsiang Raymond.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 8 April 2021

S TATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

		The Group			The Company	
	Note	31 December 2020 S\$'000	31 December 2019 S\$'000 (Restated)	1 January 2019 S\$'000 (Restated)	31 December 2020 S\$'000	31 December 2019 S\$'000
ASSETS						
Non-Current Assets						
Plant and equipment	4	1,729	2,110	2,457	16	18
Oil and gas properties	4	1,101	6,473	12,270	-	-
Right-of-use assets	5	14,514	18,099	21,657	129	171
Intangible assets	6	64	86	167	-	-
Investments in exploration and evaluation assets	7	652	706	19,170	-	-
Investments in subsidiaries	8	-	-	-	9,228	9,228
Other receivables	9	3,440	4,666	7,190	-	-
Fixed deposits	11	309	318	310	-	-
Deferred tax assets		-	35	35	-	-
		<u>21,809</u>	<u>32,493</u>	<u>63,256</u>	<u>9,373</u>	<u>9,417</u>
Current Assets						
Other receivables	9	624	920	1,844	1,499	2,530
Trade receivables	10	9,696	9,737	11,270	-	-
Prepaid operating expenses		556	634	813	21	59
Inventories		366	543	181	-	-
Cash and cash equivalents	11	6,789	4,593	8,231	171	222
		<u>18,031</u>	<u>16,427</u>	<u>22,339</u>	<u>1,691</u>	<u>2,811</u>
Assets held-for-sale	12	-	-	-	-	-
Total assets		<u>39,840</u>	<u>48,920</u>	<u>85,595</u>	<u>11,064</u>	<u>12,228</u>
EQUITY AND LIABILITIES						
Capital and Reserves						
Share capital	13	148,367	148,367	148,181	148,367	148,367
Treasury shares	14	(935)	(935)	(935)	(935)	(935)
Other reserves	15	4,197	4,683	4,706	2,989	3,159
Accumulated losses		(151,217)	(164,210)	(139,737)	(145,875)	(140,233)
Equity attributable to owners of the Company		412	(12,095)	12,215	4,546	10,358
Non-controlling interests	8(a)	(7,356)	(7,960)	(8,037)	-	-
Total equity		<u>(6,944)</u>	<u>(20,055)</u>	<u>4,178</u>	<u>4,546</u>	<u>10,358</u>
Non-Current Liabilities						
Other payables	16	8,901	16,590	22,195	-	-
Lease liabilities	17	8,710	11,456	16,185	31	58
Provisions	18	832	939	1,092	18	18
Abandonment and site restoration liabilities	19	213	118	880	-	-
Loans and borrowings	20	1,500	-	4,619	3,000	-
Deferred taxation		71	-	-	-	-
		<u>20,227</u>	<u>29,103</u>	<u>44,971</u>	<u>3,049</u>	<u>76</u>
Current Liabilities						
Other payables	16	9,490	14,471	12,728	3,430	1,684
Lease liabilities	17	5,158	5,638	4,933	27	25
Provisions	18	181	225	621	-	-
Abandonment and site restoration liabilities	19	78	501	-	-	-
Loans and borrowings	20	1,500	9,094	4,619	-	-
Trade payables	21	9,639	9,746	13,339	-	-
Income tax payable		511	197	206	12	85
		<u>26,557</u>	<u>39,872</u>	<u>36,446</u>	<u>3,469</u>	<u>1,794</u>
Total liabilities		<u>46,784</u>	<u>68,975</u>	<u>81,417</u>	<u>6,518</u>	<u>1,870</u>
Total equity and liabilities		<u>39,840</u>	<u>48,920</u>	<u>85,595</u>	<u>11,064</u>	<u>12,228</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

C CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

		Year ended 31 December 2020	Year ended 31 December 2019
	Note	S\$'000	S\$'000 (Restated)
Revenue	22	36,616	41,180
Gains on extinguishment of liabilities	23	20,638	688
Other income	24	3,947	4,896
Costs and operating expenses			
Service costs and related expenses		(11,759)	(12,354)
Royalty payments		(34)	(139)
Salaries and employee benefits	25	(18,515)	(22,217)
Depreciation and amortisation expenses	27	(5,937)	(7,981)
Impairment loss recognised	27	(5,619)	(21,819)
Finance costs	26	(1,025)	(3,348)
Other operating expenses		(4,550)	(3,770)
Profit/ (loss) before taxation	27	13,762	(24,864)
Taxation	28	(519)	(90)
Profit/ (loss) for the year		13,243	(24,954)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		(400)	325
Items that will not be reclassified subsequently to profit or loss			
Foreign currency translation differences		184	135
Re-measurement of defined benefit obligation	29	84	166
Other comprehensive income for the year, at nil tax		(132)	626
Total comprehensive income/ (loss) for the year		13,111	(24,328)
Profit/ (loss) attributable to:			
Non-controlling interests		420	(58)
Owners of the Company		12,823	(24,896)
		13,243	(24,954)
Total comprehensive income/ (loss) attributable to:			
Non-controlling interests		604	77
Owners of the Company		12,507	(24,405)
		13,111	(24,328)
Profit/ (loss) per share attributable to owners of the Company (cents per share)			
Basic and diluted	30	1.98	(3.85)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

	Attributable to owners of the Company							Total equity S\$'000				
	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves 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	Attributable to owners of the Company S\$'000	Non-controlling interests S\$'000
The Group												
At 1 January 2020, as previously reported	148,367	(935)	(165,794)	4,683	529	790	386	2,630	348	(13,679)	(8,346)	(22,025)
Prior year adjustments (Note 37)	-	-	1,584	-	-	-	-	-	-	1,584	386	1,970
At 1 January 2020, as restated	148,367	(935)	(164,210)	4,683	529	790	386	2,630	348	(12,095)	(7,960)	(20,055)
Profit for the year	-	-	12,823	-	-	-	-	-	-	12,823	420	13,243
Other comprehensive income												
Re-measurement of defined benefit obligations (Note 29)	-	-	-	84	-	84	-	-	-	84	-	84
Foreign currency translation	-	-	-	(400)	-	-	(400)	-	-	(400)	184	(216)
Total comprehensive income/(loss) for the year, at nil tax	-	-	12,823	(316)	-	84	(400)	-	-	12,507	604	13,111
Contributions by and distributions to owners												
Expiry of employee share options	-	-	170	(170)	(170)	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	170	(170)	(170)	-	-	-	-	-	-	-
Total transactions with owners in their capacity as owners	-	-	170	(170)	(170)	-	-	-	-	-	-	-
At 31 December 2020	148,367	(935)	(151,217)	4,197	359	874	(14)	2,630	348	412	(7,356)	(6,944)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the financial year ended 31 December 2020

	Attributable to owners of the Company						Attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Share based payment reserve S\$'000	Others S\$'000			
The Group									
At 1 January 2019	148,181	(935)	(139,737)	4,706	1,043	61	2,630	348	4,178
Loss for the year, as previously reported	-	-	(26,480)	-	-	-	-	-	(26,924)
Prior year adjustments (Note 37)	-	-	1,584	-	-	-	-	-	1,970
Loss for the year, as restated	-	-	(24,896)	-	-	-	-	-	(24,954)
Other comprehensive income									
Re-measurement of defined benefit obligations (Note 29)	-	-	-	166	-	-	-	-	166
Foreign currency translation	-	-	-	325	-	325	-	-	460
Total comprehensive income for the year, at nil tax	-	-	(24,896)	491	-	325	-	-	(24,328)
Contributions by and distributions to owners									
Issuance of shares pursuant to EGSP/EGSOS	91	-	212	(303)	(303)	-	-	-	-
Write-back of share issuance expenses	95	-	-	-	-	-	-	-	95
Expiry of employee share options	-	-	211	(211)	(211)	-	-	-	-
Total contributions by and distributions to owners	186	-	423	(514)	(514)	-	-	-	95
Total transactions with owners in their capacity as owners	186	-	423	(514)	(514)	-	-	-	95
At 31 December 2019, as restated	148,367	(935)	(164,210)	4,683	529	386	2,630	348	(20,055)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

C CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

		Year ended 31 December 2020	Year ended 31 December 2019
	Note	S\$'000	S\$'000 (Restated)
Cash Flows from Operating Activities			
Profit/(loss) before tax		13,762	(24,864)
Adjustment for:			
Bad debts written-off	27	91	-
Depreciation and amortisation expenses	27	5,937	7,981
Loss on disposal of right-of-use assets	27	-	214
Gain on disposal/write-off of plant and equipment	24	(254)	(96)
Gain on extinguishment of liabilities	23	(20,638)	(688)
Gain on farm-out of participating interest	24	-	(3,538)
Grant income	24	(2,758)	-
Finance costs	26	1,025	3,348
Interest income from banks	24	(11)	(26)
Impairment loss recognised, net	27	5,619	21,819
Provisions made/(written-back)	18	147	(115)
Foreign exchange translation adjustments		(336)	95
Operating profit before working capital changes		2,584	4,130
Change in inventories		177	(371)
Change in trade receivables		1	1,446
Change in other receivables		1,431	(2,776)
Change in prepaid operating expenses		78	170
Change in trade payables		(107)	(3,059)
Change in other payables and provisions		984	4,295
Cash generated from operations		5,148	3,835
Benefits paid	29	(10)	(159)
Grants received		2,970	-
Interest income received		11	26
Income tax paid		(99)	(81)
Net cash generated from operating activities		8,020	3,621
Cash Flows from Investing Activities			
Proceeds from disposal of plant and equipment		309	148
Proceeds from disposal of right-of-use assets		-	533
Purchase of plant and equipment and oil and gas properties	4	(499)	(983)
Purchase of right-of-use assets	Note B	-	(130)
Purchase of intangible assets	6	(62)	(31)
Net cash used in investing activities		(252)	(463)
Cash Flows from Financing Activities			
Proceeds from loans	Note A	3,000	-
Repayment of finance costs	Note A	(879)	(1,122)
Repayment of principal elements of lease liabilities	Note A	(4,702)	(5,666)
Settlement sum paid	20	(3,000)	-
Net cash used in financing activities		(5,581)	(6,788)
Net increase/(decrease) in cash and cash equivalents		2,187	(3,630)
Cash and cash equivalents at beginning of year		4,593	8,231
Exchange difference on translation of cash and cash equivalents at beginning of year		9	(8)
Cash and cash equivalents at end of year	11	6,789	4,593

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

C CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the financial year ended 31 December 2020

Note A:

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities S\$'000 (Note 17)	Loans and borrowings S\$'000 (Note 20)	Total S\$'000
At 1 January 2019	21,118	9,238	30,356
Cash flows:			
- Repayment of principal elements of lease liabilities	(5,666)	-	(5,666)
- Finance costs paid	(1,122)	-	(1,122)
	<u>(6,788)</u>	<u>-</u>	<u>(6,788)</u>
Non-cash changes:			
- New leases	1,522	-	1,522
- Finance costs	1,122	-	1,122
- Foreign exchange translation adjustments	120	(144)	(24)
	<u>2,764</u>	<u>(144)</u>	<u>2,620</u>
At 31 December 2019	17,094	9,094	26,188
Cash flows:			
- Drawdown of term loan	-	3,000	3,000
- Repayment of principal elements of lease liabilities	(4,702)	-	(4,702)
- Finance costs paid	(834)	(45)	(879)
	<u>(5,536)</u>	<u>2,955</u>	<u>(2,581)</u>
Non-Cash flows:			
- Extinguishment of liabilities	-	(9,094)	(9,094)
- Early termination of leases	(342)	-	(342)
- New leases	1,916	-	1,916
- Finance costs	834	45	879
- Foreign exchange translation adjustments	(98)	-	(98)
	<u>2,310</u>	<u>(9,049)</u>	<u>(6,739)</u>
At 31 December 2020	<u>13,868</u>	<u>3,000</u>	<u>16,868</u>

Note B: Non-cash transaction

In the previous financial year, the Group acquired right-of-use assets S\$1.77 million of which S\$1.64 million were acquired by means of new lease contracts. Cash payments of S\$130,000 were made to purchase the right-of-use assets.

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

1 General information

The financial statements of Eneco Energy Limited (the “Company”) and of the Group for the financial year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on the date of the Directors’ Statement.

The Company is incorporated as a limited liability company 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 8 to the financial statements.

2 Going concern

As at 31 December 2020, the Group and the Company reported net current liabilities of S\$8.5 million and S\$1.8 million, respectively, and the Group reported an adjusted loss before tax of S\$9.6 million after excluding gains on extinguishment of liabilities of S\$20.6 million and Job Support Scheme (“JSS”) Grants of S\$2.8 million, which cast doubt on the ability of the Group and the Company to continue as a going concern.

On 3 December 2019, the Singapore Exchange Securities Trading Limited (“SGX-ST”) notified the Company that it has been placed on the Watch-list due to 3 consecutive years’ losses with effect from 4 December 2019. The Company will have to fulfil the requirements under Rule 1314 of the SGX-ST Listing Manual (“Listing Manual”) for its exit from the Watchlist within 36 months from 4 December 2019, i.e. by 3 December 2022, failing which SGX-ST would delist the Company or suspend trading in the Company’s shares with a view to delist the Company.

On 9 March 2020, the Company requested a voluntary suspension pursuant to Rule 1303(3) of the Listing Manual, pending the satisfactory conclusion and resolution of the issues raised by the Company’s auditors in connection with its ability to operate as a going concern. Arising from this voluntary suspension of the Company’s shares, the Company may have difficulty to raise fresh funds to meet the various operational cashflows needs through fund raising options. On 4 March 2021, the Company announced that they have submitted an application to seek SGX-ST’s approval to lift the voluntary trading suspension.

Notwithstanding these conditions, the directors are of the view that the preparation of the financial statements on a going concern basis remains appropriate based on the following considerations:

- a. The Group’s logistics segment in both Singapore and Indonesia is able to generate sufficient cash flows,
- b. The Company obtained a credit facility of S\$1.5 million from a third-party lender in November 2020; and
- c. As at the reporting date, the Group’s net current liabilities arose solely from the Group’s oil and gas segment, domiciled in Indonesia. The Board is of the view that the Group’s shareholdings in the entities which own the various oil and gas assets in Indonesia, are ringfenced through multiple layers of shareholdings and would not have an impact to the viability of the Company’s financial position in the event of contingent or actual legal claims by third party creditors against these entities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2 Going concern (Continued)

The financial statements have been prepared on a going concern basis which contemplate the realisation of assets and the satisfaction of liabilities in the normal course of business. As described above, management has a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. If for any reason the Group and the Company are unable to continue as a going concern, the Group and the Company may be unable to discharge their 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 statements of financial position. In addition, the Group and the Company may have to provide for further liabilities which may arise and to reclassify non-current assets and liabilities as “current assets” and “current liabilities”, respectively. No such adjustments have been made to the financial statements of the Group and the Company in respect of these.

3.1 Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) including related Interpretations to SFRS(I) (“SFRS(I) INT”) promulgated by the Accounting Standards Council. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar which is the Company’s functional currency. All financial information presented in Singapore Dollar are rounded to the nearest thousand (“S\$’000”) except when otherwise stated. The accounting policies have been applied consistently to all years presented in these financial statements.

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Significant accounting estimates and judgement

The critical accounting estimates and assumptions used in applying accounting policies and areas involving a high degree of judgement are described below.

(a) 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:

(i) Identification of functional currency

The functional currency of each entity in the Group is the currency of the primary economic environment in which it operates. Determination of the functional currency involves significant judgement and other companies may make different judgements based on similar facts. Management reconsiders the functional currency if there is a change in the underlying transactions, events and conditions which determines its primary economic environment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.1 Basis of preparation (Continued)

Significant accounting estimates and judgement (Continued)

(a) *Judgements made in applying accounting policies* (Continued)

(i) Identification of functional currency (Continued)

The determination of functional currency affects the carrying amount of the non-current assets included in the statement of financial position and, as a consequence, the amortisation of those assets included in the statement of comprehensive income. It also impacts the exchange gains and losses included in the statement of comprehensive income.

(ii) Impairment of non-financial assets (Notes 4, 5, 7 and 8)

The Group and the Company assess whether there are any indicators of impairment for non-financial assets, comprising oil and gas properties, plant and equipment, right-of-use assets, investment in exploration and evaluation assets and investments in subsidiaries at the end of each reporting period. These non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value-in-use. When value-in-use calculation is undertaken, management estimates the expected future cash flows from the asset or cash-generating unit by applying a suitable discount rate to calculate the present value of those cash flows. When fair value less costs to sell is used, it is determined by making reference to a recent sale transaction. The carrying amounts of the Group's and the Company's non-financial assets are disclosed in Notes 4, 5, 7 and 8 respectively.

(iii) Determination of the lease term of right-of-use assets (Note 5)

The Group leases leasehold buildings, transport equipment and office equipment from third parties to operate its business. In determining the lease term of these leases, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or period after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee.

For leases of leasehold buildings and transport equipment, the following factors are normally the most relevant:

- (a) If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate);
- (b) If the leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not to terminate);
- (c) Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.1 Basis of preparation (Continued)

Significant accounting estimates and judgement (Continued)

(a) *Judgements made in applying accounting policies* (Continued)

(iv) Classification of asset as held-for-sale

Asset classified as held-for-sale relates to the Group's interest to the concessionary rights to West Jambi Block ("West Jambi concession" or the "Asset"), which is wholly owned by the Group through its subsidiary, Ramba Energy West Jambi Limited ("REWJ"). As at the balance sheet date, the exploratory permit for the concession has expired and the Group has not furnished the banker's guarantee to the concession holder to obtain an extension of the exploratory permit.

As of the reporting date, the directors, based on the current available information, are of the opinion that the fair value less cost to sell continue to be Nil.

(v) Accounting for government assistance (Notes 16 and 24)

SFRS(I) 1-20 *Accounting for Government Grants and Disclosures of Government Assistance* shall be applied when there is a transfer of resources from the government to an entity in return for meeting the stipulated conditions related to the operating activities of the entity and there is no service or goods provided back to the government by the entity. Government grant is recognised when there is reasonable assurance that it will comply with the conditions attached to them and the grants will be received. Government grant shall be recognised in the statement of comprehensive income on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Significant judgement is required in determining the systematic basis, and timing of recognition of grant receivable and realisation in the statement of comprehensive income.

Included in the government grant income for the current year; and government grant received in advance at the reporting date are S\$2.8 million; and S\$0.2 million, respectively, related to the Jobs Support Scheme ("JSS") announced by the Singapore Government to provide wage support to employers during the period of economic uncertainties caused by the COVID-19 pandemic. In determining the timing of recognition of the JSS grant income, management has evaluated and assessed that the adverse impact of this economic uncertainties to the Group commenced in April 2020 on the enforcement of the 2020 Singapore Circuit Breaker Measures by the Singapore Government.

(vi) 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 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.1 Basis of preparation (Continued)

Significant accounting estimates and judgement (Continued)

(a) *Judgements made in applying accounting policies* (Continued)

(vii) Income tax

The Group has exposures to income taxes in Singapore and Indonesia. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issue based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax payable as at 31 December 2020 are S\$0.5 million (2019 - S\$0.2 million).

(b) *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 on its assumptions and estimates on parameters available when the financial statements are 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.

(i) Depreciation of plant and equipment, right-of-use assets and oil and gas properties

The cost of plant and equipment, right-of-use assets, and oil and gas properties are depreciated either on a straight-line basis over their estimated useful lives or using the unit-of-production method by reference to the ratio of production in the period and the related commercial reserve of the oil and gas fields. Management estimates the useful lives of these plant and equipment, and right-of-use assets, to be ranging from 3 years to 10 years, and 2 years to 10 years, respectively.

Management reviews annually the estimated useful lives of plant and equipment, right-of-use assets, and oil and gas properties, based on factors that include asset utilisation, internal technical evaluation, technological changes and anticipated use of the assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

A reduction in the estimated useful lives of these non-financial assets would increase depreciation expense and decrease non-current assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.1 Basis of preparation (Continued)

Significant accounting estimates and judgement (Continued)

(b) *Key sources of estimation uncertainty* (Continued)

(ii) Estimation of the incremental borrowing rate ("IBR")

For the purpose of calculating the right-of-use asset and lease liability, management applies the interest rate implicit in the lease ("IRIL") and, if the IRIL is not readily determinable, management will use the IBR applicable to the lease asset. The IBR is the rate of interest that the entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most of the leases where the Company is the lessee, the IRIL is not readily determinable.

Therefore, management estimates the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments. The carrying amounts of the Group's right-of-use assets and lease liabilities are disclosed in Notes 5 and 17, respectively. A 1% change in the discount rate from management's estimates will not have a significant impact on Group's loss before tax for the year.

(iii) Provision of expected credit losses of trade and other receivables (Notes 9 and 10)

As at 31 December 2020, the Group's net trade receivables amounted to S\$9.7 million (2019 - S\$9.7 million). Management uses a provision matrix to calculate expected credit losses (ECLs) for trade receivables. Loss rates are calculated using a "roll rate" method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated based on the historical observed default rates. Management will calibrate the matrix to adjust for historical credit loss experience with forward-looking information. At each reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed.

The Group's and the Company's credit risk exposure on other receivables are based on qualitative and quantitative factors that are indicative of risk of default (including but not limited to external ratings, audited financial statements, management accounts, cashflow projections and available press information). Impairment on these balances have been measured on a 12-month ECL basis.

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 forecast of 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. The information about the ECLs on the Group's trade receivables is disclosed in Notes 10 and 34.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.2 Adoption of new and amended standards and interpretations

On 1 January 2020, the Group and the Company adopted the new and revised SFRS(I), SFRS(I) interpretations ("SFRS(I) INT") and amendments to SFRS(I), effective for the current financial year that are relevant. The adoption of these new and revised SFRS(I) pronouncements does not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	Definition of Material	1 January 2020
Revised <i>Conceptual Framework for Financial Reporting</i>		1 January 2020

Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material

The amendments include clarifications to the definition of 'material' and the related guidance:

- the threshold of "could influence" has been replaced with "could reasonably be expected to influence";
- the term of 'obscuring information' has been included in the definition of 'material' to incorporate the existing concept in FRS 1-1 and examples have been provided of circumstances that may result in information being obscured; and
- the scope of 'users' has been clarified to mean the primary users of general purpose financial statements and their characteristics have been defined.

The amendments are to be applied prospectively and are effective for annual periods beginning on or after 1 January 2020.

There is no material impact to the Group's and the Company's financial statements on initial application.

Revised *Conceptual Framework for Financial Reporting*

The purpose of the Conceptual Framework is to assist in developing financial reporting standards. The Conceptual Framework is not a standard itself and none of the concepts contained therein override the requirements in any standard. The main changes to the Conceptual Framework's principles have implications for how and when assets and liabilities are recognised and derecognised in the financial statements. These revisions affect those entities which had developed their accounting policies based on the Conceptual Framework in the absence of specific FRS requirements. In such cases, the entities shall review those policies and apply the new guidance retrospective for annual periods beginning on or after 1 January 2020.

Some SFRS(I), their accompanying documents and SFRS(I) practice statements contain references to, or quotations from the Conceptual Framework. The Amendments to References to the Conceptual Framework in SFRS(I), issued together with the revised Conceptual Framework, sets out updates to SFRS(I), their accompanying documents and SFRS(I) practice statements to reflect the issue of the revised Conceptual Framework. These amendments are effective for annual periods beginning on or after 1 January 2020.

There is no material impact to the Group's and the Company's financial statements on initial application.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.3 Standards issued but not yet effective

At the date of authorisation of these financial statements, the Group and the Company have not adopted the new and revised SFRS(I), SFRS(I) INT and amendments to SFRS(I) that have been issued but are not yet effective. Management anticipates that the adoption of these new and revised SFRS(I) pronouncements in future periods will not have a material impact on the Group's and the Company's financial statements in the period of their initial application, as discussed below.

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 16	<i>COVID-19 Related Rent Concessions</i>	1 June 2020
Amendments to SFRS(I) 1-16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022

Amendments to SFRS(I) 16 COVID-19 Related Rent Concessions

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. The amendment provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications.

The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic, and only if all of the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change,
- (b) any reduction in lease payments affects only payments due on or before 30 June 2021; and
- (c) there is no substantive change to other terms and conditions of the lease.

Entities applying the practical expedient must disclose this fact, whether the expedient has been applied to all qualifying rent concessions, and the nature of the contracts to which it has been applied, as well as the amount recognised in the statement of comprehensive income arising from the rent concessions.

The amendment is effective for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

Amendments to SFRS(I) 1-16 Property, Plant and Equipment – Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. An entity shall recognise such sales proceeds and related costs in statement of comprehensive income and measure the cost of those items in accordance with SFRS(I) 1-2 *Inventories*.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.3 Standards issued but not yet effective (Continued)

Amendments to SFRS(I) 1-16 Property, Plant and Equipment – Proceeds before Intended Use (Continued)

The amendments also clarify the meaning of 'testing whether an asset is functioning properly' and specify this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

Amendments to SFRS(I) 1-37 Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (e.g. direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (e.g. depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

3.4 Summary of significant accounting policies

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 intragroup 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 and other comprehensive income are attributable 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 2020

3.4 Summary of significant accounting policies (Continued)

Consolidation (Continued)

Subsidiary

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.

Thus, the Group controls an investee if, and only if, the Group has all of the following:

- (i) power over the investee;
- (ii) exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- (i) the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) potential voting rights held by the Group, other vote holders or other parties;
- (iii) rights arising from other contractual arrangements; and
- (iv) any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Transactions with Non-Controlling Interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Change in ownership interest without loss of control

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.4 Summary of significant accounting policies (Continued)

Consolidation (Continued)

Loss of control

When the Group loses control of a subsidiary, a gain or loss is recognised in the statement of comprehensive income and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)).

The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under SFRS(I) 9, where applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on other items of plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Office equipment	:	3 to 4 years
Furniture and 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 cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits in excess of the standard of performance of the asset before that expenditure was made will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal, respectively. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the statement of comprehensive income.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.4 Summary of significant accounting policies (Continued)

Oil and gas properties

(a) E&E assets

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*.

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 the statement of comprehensive income as they are incurred.

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

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

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

(b) Development and production assets

Development and production assets are accumulated generally on a specific exploration area basis and represent the cost of developing the commercial reserves discovered and bringing them into production, including E&E expenditures incurred in finding commercial reserves that were transferred from “Investment in E&E assets” to “oil and gas properties”.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.4 Summary of significant accounting policies (Continued)

Leases

(i) The Group as a lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(a) Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentive;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in the statement of comprehensive income in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Group has elected not to separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line item in the statement of financial position. The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.4 Summary of significant accounting policies (Continued)

Leases (Continued)

(i) The Group as a lessee (Continued)

(a) Lease liability (Continued)

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to statement of comprehensive income if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payment change is due to a change in the floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

(b) Right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

When the Group incurs an obligation for costs to dismantle and remove a leased asset, the Group is required to restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Leasehold buildings	:	3 to 4 years
Transport equipment	:	5 to 10 years
Other equipment	:	2 to 3 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the statement of financial position. The Group applies SFRS(I) 1-36 to determine whether the right-of-use asset is impaired and accounts for any identified impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.4 Summary of significant accounting policies (Continued)

Leases (Continued)

(ii) The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract. The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease. The Group regularly reviews the estimated unguaranteed residual values used in calculating the gross investment in the lease.

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 the statement of comprehensive income in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

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

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

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

Intangible assets relate to software which was acquired separately and is amortised on a straight-line basis over their useful life of 3 to 4 years.

Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.4 Summary of significant accounting policies (Continued)

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.

Non-current assets held-for-sale

Non-current assets that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held-for-sale. Immediately before classification as held-for-sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter, the assets classified as held-for-sale are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in statement of comprehensive income. Gains are not recognised in excess of any cumulative impairment loss. Investments in exploration and evaluation assets once classified as held-for-sale, are not depreciated.

Impairment of non-financial assets

As at each reporting date, the Group and the Company review the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.4 Summary of significant accounting policies (Continued)

Impairment of non-financial assets (Continued)

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis, and includes all costs in bringing the inventories to their present location and condition. In the case of manufactured inventory, cost includes production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Provision is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value.

Financial instruments

Financial instruments carried on the statement of financial position include financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. These are recognised on the Group's and the Company's statement of financial position when the Group and the Company become a party to the contractual provisions of the instrument. Disclosures of the Group's and the Company's financial risk management objectives and policies are provided in Note 34.

Financial assets and financial liabilities are offset and the net amount presented on the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL").

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.4 Summary of significant accounting policies (Continued)

Financial assets (Continued)

Initial recognition and measurement (Continued)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the amount of consideration to which the Group and the Company expect 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.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are "solely payments of principal and interest" ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Financial assets at FVTPL

The Group and the Company do not hold any financial assets at FVOCI or financial assets at FVTPL.

Subsequent measurement of debt instruments depends on the Group's and the Company's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal and interest on the principal amount outstanding the asset.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent SPPI 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 the statement of comprehensive income when the assets are derecognised or impaired, and through the amortisation process.

The Group's and the Company's financial assets at amortised cost comprise trade and other receivables and cash and cash equivalents (including fixed deposits).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.4 Summary of significant accounting policies (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group and the Company assess on a forward-looking basis the expected credit losses ("ECLs") associated with its debt instrument assets carried at amortised cost and FVOCI. 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 and the Company expect 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 (12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECLs).

For trade receivables, the Group and the Company measure the loss allowance at an amount equal to lifetime ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at the end of each reporting period. The Group and the Company have 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 and the Company consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.4 Summary of significant accounting policies (Continued)

Value-added tax

Revenue, expenses and assets are recognised net of the amount of value-added tax (“VAT”), except where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authorities, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and except that trade receivables and trade payables are recorded with the amount of VAT included. The net amount of VAT recoverable from or payable to the taxation authorities are included as part of other receivables or other payables in the statement of financial position.

Share capital

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

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.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders’ equity as an appropriation of retained profit, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company’s Constitution grants the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

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.

Financial liabilities

Initial recognition and measurement

The Group and the Company determine 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 FVTPL, directly attributable transaction costs.

Borrowings to be settled within the Group’s normal operating cycle are considered as “current”. Other borrowings due to be settled more than 12 months after the reporting date are included in “non-current” borrowings in the statement of financial position. Borrowings are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the statement of comprehensive income over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of borrowing using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.4 Summary of significant accounting policies (Continued)

Financial liabilities (Continued)

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVTPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, and through the amortisation process.

Derecognition

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

Financial guarantees

Financial guarantee contracts are accounted for as insurance contracts and treated as contingent liabilities until such time as they become probable that the Group will be required to make a payment under the guarantee. A provision is recognised based on the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the balance sheet date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

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

Provision for cargo and motor vehicle claims

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

Provision for reinstatement cost

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.4 Summary of significant accounting policies (Continued)

Provisions (Continued)

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.

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.

Employee benefits

The Group participates in national pension schemes as defined by the laws of the countries in which it operates.

Defined contribution plan

The Company and its subsidiaries operating in Singapore contribute to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to the national pension scheme are charged to the profit or loss in the period to which the contributions relate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.4 Summary of significant accounting policies (Continued)

Employee benefits (Continued)

Defined benefit plan

As required by Indonesian Law, the Group makes contributions to the defined contributions state pension scheme, Jamsostek contributions, which are recognised as compensation expense in the same period as the employment that gives rise to the contributions. The ASTEK fund from Jamsostek contributions is responsible for the entire insurance claim relating to accidents incurred by the employees at the workplace and for the entire retirement benefit obligations of the related employees under the said state pension scheme.

The Group has recognised unfunded employee benefits liability in accordance with Indonesian Labor Law No. 13/2003 dated 25 March 2003 (“the Law”).

The calculation is performed annually by qualified actuaries using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all expenses related to defined benefit plans in employee benefits expense in profit or loss. When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

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.

Employee share options

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 the statement of comprehensive income, 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”.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.4 Summary of significant accounting policies (Continued)

Employee benefits (Continued)

Employee share options (Continued)

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.

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.

Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company and the Group if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or the Group or of a parent of the Company.
- (b) An entity is related to the Company and the Group if any of the following conditions applies:
 - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.4 Summary of significant accounting policies (Continued)

Related parties (Continued)

- (b) An entity is related to the Company and the Group if any of the following conditions applies: (Continued)
- (iii) both entities are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either on other comprehensive income or directly in equity. 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 2020

3.4 Summary of significant accounting policies (Continued)

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 goods or services to the customer, which is when the customer obtains control of the goods or services. 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.

Rendering of logistics services

Logistics services refer to the provision of warehousing services, transportation services and inventory management services.

Warehousing services refer to the provision of storage of the customer's products, revenue is recognised over time as services are being transferred to the customers based on the time elapsed.

Transportation services include local delivery of goods. Revenue is recognised upon completion of the service which is expected to approximate revenue to be recognised over time, based on the time elapsed, due to the short-term service period. Services are billed upon completion on a monthly basis.

Inventory management services include rendering of import clearance, documentation and trucking services for inbound shipment and other related services over a specified time period. Revenue is recognised when services are completed. Management expects this to approximate the amount of revenue to be recognised over time, based on the time elapsed. Services are billed on a monthly basis.

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.

Interest income

Interest income is recognised using the effective interest method.

Government grant

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

Government grants received are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.4 Summary of significant accounting policies (Continued)

Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Company is Singapore Dollar.

The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore Dollar. The choice of presentation currency is to better reflect the currency that mainly determines economic effects of transactions, events and conditions of the Group.

Conversion of foreign currencies

Foreign currency transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the date of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of reporting period are recognised in profit or loss, unless they arise from borrowings in foreign currencies and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to the profit or loss as part of the gain or loss on disposal of the foreign operation.

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions.

Group entities

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

- (i) Assets and liabilities (including comparatives) are translated at the closing exchange rates at the end of reporting period;
- (ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of transactions; and
- (iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3.4 Summary of significant accounting policies (Continued)

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Chief Executive Officer who makes strategic resource allocation decisions.

Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares, adjusted for own shares held, for the effects of all dilutive potential ordinary shares which comprise convertible notes and share options granted to employees.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4 Plant and equipment/Oil and gas properties

The Group	Office equipment		Furniture and fittings		Renovation		Office containers		Tools and Equipment		Transport equipment		Plant and equipment, Total		Oil and gas properties		Total	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2019	3,110	663	1,717	52	195	11,832	17,569	61,186	78,755									
Additions	260	128	144	-	2	312	846	137	983									
Farm-out of participating interests (Note 24)	-	-	-	-	-	-	-	-	(8,428)									
Disposals/ written-off	(13)	-	(7)	-	(3)	(843)	(866)	-	(866)									
Change in ASR provision (Note 19)	-	-	-	-	-	-	-	-	(230)									
Net exchange differences	-	-	9	-	-	130	139	(682)	(543)									
At 31 December 2019	3,357	791	1,863	52	194	11,431	17,688	51,983	69,671									
Additions	66	40	15	6	2	284	413	86	499									
Reclassification from "right-of-use assets" upon full repayment of lease liabilities (Note 5)	-	-	-	-	-	360	360	-	360									
Disposals/ written-off	(98)	-	(20)	-	-	(1,607)	(1,725)	-	(1,725)									
Change in ASR provision (Note 19)	-	-	-	-	-	-	-	-	(221)									
Net exchange differences	(4)	(2)	(10)	-	-	(132)	(148)	(747)	(895)									
At 31 December 2020	3,321	829	1,848	58	196	10,336	16,588	51,101	67,689									

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4 Plant and equipment/Oil and gas properties (Continued)

The Group	Office equipment S\$'000	Furniture and fittings S\$'000	Renovation S\$'000	Office containers S\$'000	Tools and Equipment S\$'000	Transport equipment S\$'000	Plant and equipment, Total S\$'000	Oil and gas properties S\$'000	Total S\$'000
Accumulated depreciation and impairment loss									
At 1 January 2019	2,958	446	794	29	164	10,721	15,112	48,916	64,028
Depreciation for the year (Note 27)	144	122	234	6	20	639	1,165	1,952	3,117
Farm-out of participating interests (Note 24)	-	-	-	-	-	-	-	(4,594)	(4,594)
Disposals/ written-off	(10)	-	(7)	-	(3)	(794)	(814)	-	(814)
Change in ASR provision (Note 19)	-	-	-	-	-	-	-	(230)	(230)
Net exchange differences	-	(2)	2	-	-	115	115	(534)	(419)
At 31 December 2019	3,092	566	1,023	35	181	10,681	15,578	45,510	61,088
Depreciation for the year (Note 27)	149	106	241	7	10	387	900	35	935
Impairment loss recognised (Note 27)	-	-	-	-	-	-	-	5,579	5,579
Reclassification from "right-of-use assets" upon full repayment of lease liabilities (Note 5)	-	-	-	-	-	186	186	-	186
Disposals/ written-off	(97)	-	(19)	-	-	(1,554)	(1,670)	-	(1,670)
Change in ASR provision (Note 19)	-	-	-	-	-	-	-	(221)	(221)
Net exchange differences	(4)	(2)	(3)	-	-	(126)	(135)	(903)	(1,038)
At 31 December 2020	3,140	670	1,242	42	191	9,574	14,859	50,000	64,859
Carrying amount									
As at 31 December 2020	181	159	606	16	5	762	1,729	1,101	2,830
As at 31 December 2019	265	225	840	17	13	750	2,110	6,473	8,583
At 1 January 2019	152	217	923	23	31	1,111	2,457	12,270	14,727

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4 Plant and equipment/ Oil and gas properties (Continued)

Impairment loss recognised on oil and gas properties

The carrying amount of the Group's oil and gas properties relates mainly to the Group's interest in the Lemang PSC Block held via PT Hexindo Gemilang Jaya.

In the current financial year, the recoverable amounts of the Group's oil and gas properties was determined based on the fair value less cost of disposal by making reference to the recent sale transaction of the 90% participating interest in Lemang PSC Block by Mandala Energy Lemang Pte. Ltd. ("Mandala") to Jadestone Energy (Lemang) Pte. Ltd. ("Jadestone") which was completed in December 2020, which is a fair value hierarchy Level 2 measurement. Accordingly, an impairment loss of S\$5,579,000 was recognised in the consolidated statement of comprehensive income as the carrying amount exceeded the recoverable amount as at 31 December 2020.

In the previous financial year, the recoverable amounts of the Group's oil and gas properties was determined based on fair value less costs of disposal by making reference to the sale transaction of 6% participating interest in Lemang PSC Block to Mandala in July 2019, which is a fair value hierarchy Level 2 measurement. No impairment loss was recognised in FY2019 as the recoverable amount exceeded the carrying amount as at 31 December 2019.

The Company	Renovations	Transport equipment	Office equipment	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Cost</u>				
At 1 January 2019	37	192	116	345
Additions	-	-	8	8
Disposals	-	(192)	(3)	(195)
At 31 December 2019	37	-	121	158
Additions	-	-	7	7
Disposals/ written-off	(19)	-	(52)	(71)
At 31 December 2020	18	-	76	94
<u>Accumulated depreciation</u>				
At 1 January 2019	22	191	113	326
Depreciation for the year	4	-	3	7
Disposals	-	(191)	(2)	(193)
At 31 December 2019	26	-	114	140
Depreciation for the year	4	-	4	8
Disposals/ written-off	(19)	-	(51)	(70)
At 31 December 2020	11	-	67	78
<u>Carrying amount</u>				
At 31 December 2020	7	-	9	16
At 31 December 2019	11	-	7	18

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

5 Right-of-use assets

The Group	Leasehold buildings S\$'000	Transport equipment S\$'000	Office equipment S\$'000	Total S\$'000
Cost				
At 1 January 2019	12,494	10,157	-	22,651
New leases entered during the year	389	1,338	45	1,772
Disposals/early termination of lease	-	(977)	-	(977)
Net exchange differences	4	115	-	119
At 31 December 2019	12,887	10,633	45	23,565
New leases entered during the year	1,328	588	-	1,916
Early termination/ end of lease	(1,106)	(719)	-	(1,825)
Reclassification to "plant and equipment" on full repayment of lease liabilities (Note 4)	-	(360)	-	(360)
Net exchange differences	(6)	(125)	-	(131)
At 31 December 2020	13,103	10,017	45	23,165
Accumulated depreciation				
At 1 January 2019	-	994	-	994
Depreciation for the year (Note 27)	3,063	1,623	12	4,698
Disposals/early termination of lease	-	(230)	-	(230)
Net exchange differences	1	3	-	4
At 31 December 2019	3,064	2,390	12	5,466
Depreciation for the year (Note 27)	3,164	1,700	15	4,879
Early termination/ end of lease	(1,106)	(377)	-	(1,483)
Reclassification to "plant and equipment" on full repayment of lease liabilities (Note 4)	-	(186)	-	(186)
Net exchange differences	(4)	(21)	-	(25)
At 31 December 2020	5,118	3,506	27	8,651
Carrying amount				
At 31 December 2020	7,985	6,511	18	14,514
At 31 December 2019	9,823	8,243	33	18,099
At 1 January 2019	12,494	9,163	-	21,657

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

5 Right-of-use assets (Continued)

The Company	Transport equipment S\$'000
<u>Cost</u>	
At 1 January 2019, 31 December 2019 and 2020	210
<u>Accumulated depreciation</u>	
At 1 January 2019	-
Depreciation for the year	39
At 31 December 2019	39
Depreciation for the year	42
At 31 December 2020	81
<u>Carrying amount</u>	
At 31 December 2020	129
At 31 December 2019	171

As at 31 December 2020, the Group's and the Company's right-of-use assets amounting to S\$5.9 million and S\$0.1 million (2019 - S\$7.2 million and S\$0.2 million) respectively, were pledged as collaterals for finance lease liabilities as disclosed under Note 17. The Company has also extended a corporate guarantee of up to S\$6 million (2019 - S\$6 million) to a financial institution.

As at 31 December 2020, leasehold buildings in the Group's right-of-use assets comprise the Group's 100% interests in (i) 4 leases of warehouse and office premises in Singapore, with gross floor areas between 3,500 square feet to 175,000 square feet with remaining tenure between 7 months to 36 months; and (ii) a lease of an office premise in Jakarta, Indonesia with gross floor area of approximately 6,426 square feet with remaining tenure of less than 1 year, respectively.

The statement of comprehensive income shows the following amounts relating to leases:

	2020 S\$'000	2019 S\$'000
Interest expense on lease liabilities (Note 26)	834	1,122
Short-term leases of transport equipment, warehouses, and office premises (Note 27)	385	1,305

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

6 Intangible assets

The Group	Goodwill S\$'000	Computer software S\$'000	Total S\$'000
<u>Cost</u>			
At 1 January 2019	993	1,916	2,909
Additions	-	31	31
Farm-out of participating interests (Note 24)	-	(63)	(63)
Net exchange differences	-	(3)	(3)
At 31 December 2019	993	1,881	2,874
Additions	-	62	62
Disposal	-	(17)	(17)
At 31 December 2020	993	1,926	2,919
<u>Accumulated amortisation and impairment losses</u>			
At 1 January 2019	993	1,749	2,742
Amortisation for the year (Note 27)	-	92	92
Farm-out of participating interests (Note 24)	-	(43)	(43)
Net exchange differences	-	(3)	(3)
At 31 December 2019	993	1,795	2,788
Amortisation for the year (Note 27)	-	80	80
Disposals	-	(13)	(13)
At 31 December 2020	993	1,862	2,855
<u>Carrying amount</u>			
At 31 December 2020	-	64	64
At 31 December 2019	-	86	86

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

7 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.

The Group	S\$'000
<u>Cost</u>	
At 1 January 2019	20,264
Farm-out of participating interests (Note 24)	(1,119)
Net exchange differences	(306)
At 31 December 2019	18,839
Net exchange differences	(176)
At 31 December 2020	18,663
<u>Accumulated amortisation and impairment loss</u>	
At 1 January 2019	1,094
Amortisation during the year (Note 27)	74
Impairment loss recognised during the year (Note (a) & (Note 27))	17,199
Net exchange differences	(234)
At 31 December 2019	18,133
Amortisation during the year (Note 27)	43
Net exchange differences	(165)
At 31 December 2020	18,011
Carrying amount	
At 31 December 2020	652
At 31 December 2019	706

Note (a):

On 17 January 2020, the Company announced the appointment of an external party as an advisor to the Group to package, market and sell its West Jambi concession (the "Asset"). Management had obtained the Board's approval in December 2019 to proceed with the appointment of the advisor to market the Asset.

As at 31 December 2019, management recorded a full impairment loss amounting to S\$17.2 million (equivalent to US\$12.6 million) in respect of the carrying amount of the West Jambi concession since the exploratory permit for the West Jambi concession had expired and management had not furnished the banker's guarantee to the concession holder. The West Jambi concession with a carrying amount of S\$Nil was transferred to "Assets held-for-sale" as at 31 December 2019 (Note 12).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

8 Investments in subsidiaries

The Company	2020 S\$'000	2019 S\$'000
Unquoted shares, at cost	9,926	9,926
Loans extended to subsidiaries (non-trade) (Note (a))	93,581	93,581
	103,507	103,507
Impairment loss	(94,279)	(94,279)
	9,228	9,228
<u>Impairment loss:</u>		
Balance at beginning of year	(94,279)	(93,339)
Allowance for the year	-	(940)
Balance at end of year	(94,279)	(94,279)

Note (a):

These non-trade loans extended to subsidiaries are unsecured, non-interest bearing with repayment terms at the discretion of the subsidiaries. As the amount is, in substance, a part of the Company's net investment in the subsidiary, it is considered to be part of the cost of investment, and is stated at cost, less impairment losses, if any.

In the previous financial year, the Company recorded an impairment loss of S\$940,000 on the non-trade loans extended to its subsidiaries based on the recoverable amount of the cash generating units determined based on fair value less cost to sell using the residual net assets value approach, which is a fair value hierarchy Level 3 measurement.

Details of the subsidiaries are set out below:

<u>Name</u>	<u>Country of incorporation/ principal place of business</u>	<u>Effective equity interest</u>		<u>Principal activities</u>
		<u>2020</u> <u>%</u>	<u>2019</u> <u>%</u>	
<i>Held by the Company</i>				
REL Oil & Gas Pte Ltd*	Singapore	100	100	Investment holding
RichLand Global Pte Ltd*	Singapore	100	100	Investment holding
Eneco Singapore Pte Ltd* (f.k.a RBC Properties Pte Ltd)	Singapore	100	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

8 Investments in subsidiaries (Continued)

Name	Country of incorporation/ principal place of business	Effective equity interest		Principal activities
		2020 %	2019 %	
<i>Held through RichLand Global Pte Ltd</i>				
RichLand Logistics Services Pte Ltd*	Singapore	100	100	Provision of transportation management and airport cargo terminal handling
RichLand Project Logistics Pte. Ltd.^	Singapore	-	100	Dissolved in 2020
RichLand Chemical Logistics Pte Ltd*	Singapore	100	100	Dormant
PT. RichLand Indonesia**	Indonesia	99	99	Investment holding
<i>Held through PT. RichLand Indonesia</i>				
PT. RichLand Logistics Indonesia**	Indonesia	^100	^100	Provision of transportation and logistics services
<i>Held through RichLand Project Logistics Pte Ltd</i>				
PT. RichLand Indonesia**	Indonesia	-	1	Investment holding
<i>Held through RichLand Logistics Services Pte Ltd</i>				
RichLand Commercial Properties Pte Ltd^^	Singapore	-	100	Dissolved in 2020
PT. RichLand Indonesia**	Indonesia	1	-	Investment holding
<i>Held through REL Oil & Gas Pte Ltd</i>				
Ramba Energy Investment Limited##	British Virgin Islands	100	100	Investment holding

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

8 Investments in subsidiaries (Continued)

Name	Country of incorporation/ principal place of business	Effective equity interest		Principal activities
		2020 %	2019 %	
<i>Held through Ramba Energy Investment Limited</i>				
Ramba Energy Indonesia Limited ^{##}	British Virgin Islands	100	100	Investment holding
<i>Held through Ramba Energy Indonesia Limited</i>				
Ramba Energy Exploration Ltd ^{##}	British Virgin Islands	100	100	Investment holding
Ramba Energy Lemang Limited ^{##}	British Virgin Islands	100	-	Investment holding
Ramba Energy Jatirarangon Limited ^{**}	Bermuda	100	-	Exploration and production of oil and gas
<i>Held through Ramba Energy Exploration Ltd</i>				
Ramba Energy West Jambi Limited ^{**} ("REWJ")	British Virgin Islands	100	100	Exploration and production of oil and gas
Ramba Energy Lemang Limited ^{##}	British Virgin Islands	-	100	Investment holding
Ramba Energy Jatirarangon Limited ^{**}	Bermuda	-	100	Exploration and production of oil and gas
<i>Held through Ramba Energy Lemang Limited</i>				
PT Hexindo Gemilang Jaya ^{**} ("PT Hexindo")	Indonesia	80.4	80.4	Exploration and production of oil and gas

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

^{*} Audited by Foo Kon Tan LLP, Singapore

^{**} Audited by Hadori Sugiarto Adi & Rekan, Indonesia, a member firm of HLB International 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

^{^^} Dissolved in 2020

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

8 Investments in subsidiaries (Continued)

In accordance with Rule 716 of SGX-ST Listing Rules, the Audit Committee and the 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 and the significant subsidiaries.

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

The NCI of PT Hexindo has an effective interest of 19.6% (2019 - 19.6%) as at the end of the reporting period.

	31 December 2020 S\$'000	31 December 2019 S\$'000	1 January 2019 S\$'000
	(Restated)		
Profit/(loss) allocated to NCI during the reporting period	420	(58)	(3,494)
Accumulated NCI at the end of the reporting period			
- accumulated losses	<u>(7,356)</u>	<u>(7,960)</u>	<u>(8,037)</u>

(b) Summarised financial information about subsidiary with material NCI

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

Summarised statement of financial position

	31 December 2020 S\$'000	31 December 2019 S\$'000	1 January 2019 S\$'000
	(Restated)		
Current			
Assets	14,019	13,289	16,894
Liabilities	<u>(1,392)</u>	<u>(1,755)</u>	<u>(11,028)</u>
Net current assets	12,627	11,534	5,866
Non-current			
Assets	4,542	10,112	18,392
Liabilities	<u>(54,702)</u>	<u>(62,257)</u>	<u>(65,262)</u>
Net non-current liabilities	<u>(50,160)</u>	<u>(52,145)</u>	<u>(46,870)</u>
Net liabilities	<u>(37,533)</u>	<u>(40,611)</u>	<u>(41,004)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

8 Investments in subsidiaries (Continued)

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

Summarised statement of comprehensive loss

	2020 S\$'000	2019 S\$'000 (Restated)
Revenue	-	2,330
Total comprehensive income/(loss)	2,141	(296)

Other summarised information

	2020 S\$'000	2019 S\$'000
Net cash flow generated from/ (used in) operations	78	(1,898)

(c) 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)	Effective participating interest		Description
		2020 %	2019 %	
Lemang PSC Block (Expiry: year 2037)	PT Hexindo Gemilang Jaya (Indonesia)	10	10	Exploration and production of oil and gas
Jatirarongan TAC Block (Expired in year 2020)	Ramba Energy Jatirarongan Limited (Indonesia)	-	70	Exploration and production of oil and gas

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 24 for more details on the farm-out of the Group's 6% of participating interest in Lemang PSC Block in FY 2019).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9 Other receivables

	The Group			The Company	
	31 December 2020 S\$'000	31 December 2019 S\$'000	1 January 2019 S\$'000	31 December 2020 S\$'000	31 December 2019 S\$'000
		(Restated)	(Restated)		
Non-current					
Other receivables (Note A)	9,008	9,008	9,008	-	-
Impairment loss recognised	(9,008)	(9,008)	(9,008)	-	-
Financial assets at amortised cost	-	-	-	-	-
Value added tax receivables (Note B)	3,440	4,666	7,190	-	-
	3,440	4,666	7,190	-	-
Current					
Amount due from subsidiaries (Note C)	-	-	-	4,998	2,515
Other receivables (Note A)	13,892	18,369	13,892	-	-
Impairment loss recognised	(13,892)	(18,369)	(13,892)	(3,558)	-
Other receivable, net	-	-	-	1,440	2,515
Refundable deposits	476	558	857	7	1
Sundry receivables	131	343	944	38	14
Disbursements due from customers	17	19	43	-	-
Financial assets at amortised cost	624	920	1,844	1,485	2,530
Input GST receivable, net	-	-	-	14	-
	624	920	1,844	1,499	2,530

Note A: Other receivables that had been fully impaired

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9 Other receivables (Continued)

Note A: Other receivables that had been fully impaired (Continued)

The Group	31 December 2020 S\$'000	31 December 2019 S\$'000 (Restated)
	Other receivables - nominal amounts	22,900
Allowance for doubtful other receivables:		
Balance at beginning of year	(27,377)	(22,900)
Impairment loss recognised (Note 27)	-	(4,533)
Impairment loss utilised (Notes 9(ii)(b))	4,477	-
Exchange differences	-	56
Balance at end of year	(22,900)	(27,377)
Net balance	-	-

As at 31 December 2020, the cumulative impairment losses provision in the statement of financial position amounting to S\$22.9 million (31 December 2019 - S\$27.4 million) recognised arose from the following:

(i) Amount due from a broker (Non-current)

The amount due from a broker related to cash which been placed as collateral with a broker to secure a bank guarantee to apply for the extension of the exploratory permit for the West Jambi concession as mentioned in Note 7 to the financial statements. The Group has made full allowance of S\$3,876,000 (equivalent to US\$2,832,000) for the amount due from the broker.

On 15 June 2020, the Group and the broker entered into a Settlement Agreement where the broker formally acknowledged the receipt of the amount of US\$2.83 million via the bank account of the ex-Chief Executive Officer and ex-Executive Director for the procurement of the bank guarantee and the broker agreed to a repayment plan for the amount which will be repaid in 30 instalments comprising of a first instalment of IDR 375 million and subsequent 29 instalments of IDR 1.5 billion each quarter, respectively.

On 19 January 2021, the Company announced that the broker had only paid the first instalment and had consequently defaulted on instalments 2 and 3 which were due on 15 October 2020 and 15 January 2021, respectively. Accordingly, an event of default has been triggered as defined in the Settlement Agreement and the balance due from the broker continues to be fully impaired at the reporting date.

(ii) Amounts due from the ex-joint venture partners

The amounts due from a former joint venture partner of Lemang PSC comprised:

- (a) Non-trade advances amounting to S\$5,132,000 (equivalent to US\$3,750,000) which was unsecured and interest-free and is repayable from the sale proceeds of 60% of the ex-joint venture partner's participating share of crude oil and natural gas. The amount was classified as "non-current" as repayment was not expected to be received within the next 12 months, based on the budgeted oil lifting and sales. The Group had made full allowance on the non-trade advances in FY 2018, and

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9 Other receivables (Continued)

Note A: Other receivables that had been fully impaired (Continued)

(ii) Amounts due from the ex-joint venture partners (Continued)

- (b) Net proceeds receivable after deducting funding cash calls due from the former joint venture partner amounting to S\$4,477,000 (equivalent to US\$3,323,000) following the disposal of the Group's additional 6% participating interest in Lemang PSC Block to the former joint venture partner in July 2019 for a total consideration of S\$9.5 million (See Note 24 for more details). The Group continued to be in dispute with the former joint venture partner over its claim in respect of the abovementioned proceeds receivable while the former joint venture partner purported that the Group's legal claim was not supported by the provisions set out in the Farm-In Agreement. Given the uncertainties and the potential downside that the Group may face in its pursuit to recover the outstanding amount, management had recorded a full impairment loss of S\$4.5 million in FY 2019.

On 15 December 2020, the Group entered into a Deed of Release and Settlement with the former joint venture partner and the Group is subsequently released and discharged from the advances previously extended by the former joint venture partner. Similarly, it also extinguished the Group's claim on the abovementioned amounts. Accordingly, an impairment loss of S\$9,609,000 was utilised at the reporting date.

In FY 2018, the Group recorded a full impairment loss of S\$3,473,000 (equivalent to US\$2,538,000) on the advances made to a joint venture partner of Ramba Energy Jatiraragon Limited.

(iii) Amounts due from/cash calls due from the NCI holder (Current)

In 2018, the Group recognised a full allowance on a non-trade balance of S\$9,329,000 (equivalent to US\$6,817,000) with a non-controlling interest ("NCI") holder of PT Hexindo. The amount due from the NCI holder included a loan of US\$6,600,000, bearing an interest rate of 10% per annum and was repayable by February 2018. The amounts due from the NCI was classified as "current".

(iv) Cash call advanced to another former joint venture partner of Lemang PSC (Current)

The amount was non-trade in nature, unsecured, non-interest bearing and expected to be repayable within the next twelve months. In FY2018, the joint venture partner had farmed out its participating interest in full and the Group recorded an impairment of S\$1,090,000 (equivalent to US\$796,524) for the cash call advanced to the former joint venture partner. Management wrote-off the balance in the current financial year.

Note B: Value Added Tax ("VAT") receivables

It relates to reimbursable VAT arising from the Group's participating interest in the Lemang PSC. The receivable is recorded in the statements of account received from the operator. It is reimbursable upon filing by the operator to and satisfactory examination by the Indonesian tax authorities. The ongoing process of the reimbursable VAT is managed by the operator of Lemang PSC.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9 Other receivables (Continued)

Note C: Amounts 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 the current financial year, management recorded an impairment loss of S\$3.6 million on advances extended to subsidiaries in the Company's separate statement of comprehensive income which arose primarily from the settlement of the loans due to an external lender (Note 20), which were determined to be uncollectible.

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

10 Trade receivables

The Group	2020 S\$'000	2019 S\$'000
Third party customers	9,805	9,816
Allowance for doubtful trade receivables:		
Balance at beginning of year	79	-
Write-back during the year	(9)	-
Impairment loss recognised	49	87
Impairment loss recognised, net (Note 27)	40	87
Exchange differences	(10)	(8)
Balance at end of year	109	79
Net trade receivables	9,696	9,737

Trade receivables are non-interest bearing and are generally on 30 to 105 (2019 - 30 to 105) days' credit 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\$2,359,000 (2019 - S\$2,114,000) 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:

The Group	2020 S\$'000	2019 S\$'000
Trade receivables past due but not impaired:		
Less than 30 days	1,692	1,570
30 to 60 days	416	384
61 to 90 days	108	109
91 to 120 days	5	51
More than 120 days	138	-
	2,359	2,114

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

10 Trade receivables (Continued)

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.

Trade receivables denominated in foreign currencies, other than in the respective functional currency of the entities within the group, are as follow:.

The Group	2020 S\$'000	2019 S\$'000
United States Dollars ("USD")	347	107

11 Cash and cash equivalents

	The Group		The Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Cash on hand and at bank	6,789	4,593	171	222
Fixed deposits	309	318	-	-
Cash and bank deposits	7,098	4,911	171	222
Restricted cash	(309)	(318)	-	-
Cash and cash equivalents	6,789	4,593	171	222

Fixed deposits earn interest at 2% (2019 - 2%) per annum. Restricted cash represents the amount of fixed deposits pledged to certain banks to secure banking facilities.

Cash and cash equivalents denominated in foreign currencies, other than in the respective functional currency of the entities within the Group, are as follows:

	The Group		The Company	
	31 December 2020 S\$'000	31 December 2019 S\$'000	31 December 2020 S\$'000	31 December 2019 S\$'000
Indonesia Rupiah ("IDR")	20	27	-	-
Singapore Dollar ("SGD")	21	20	-	-
United States Dollars ("USD")	95	94	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

12 Assets held-for-sale

The Company had previously announced the appointment of an independent third party as an advisor to package, market and sell the Group's 100% participating interest in the West Jambi concession. Management had made full impairment loss amounting to S\$17.2 million (equivalent to US\$12.6 million) on the participating right in FY 2019 since the exploratory permit for the concession of the West Jambi concession had already expired in FY 2017 and management has not furnished the banker's guarantee to the concession holder. Furthermore, management has not obtained the required approval on the new work commitments from the concession holder as at 31 December 2019. As at the balance sheet date, management remained committed to a plan to dispose of its participating interest in the West Jambi concession.

13 Share capital

The Company	No. of ordinary shares (With no par value)		Amount	
	2020 '000	2019 '000	2020 S\$'000	2019 S\$'000
Issued and fully paid:				
At beginning of year	648,675	647,675	148,367	148,181
New share issuance for share awards	-	1,000	-	91
Share issuance expense	-	-	-	95
At end of year	648,675	648,675	148,367	148,367

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

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 25).

14 Treasury shares

The Company	No. of ordinary shares		Amount	
	2020 '000	2019 '000	2020 S\$'000	2019 S\$'000
At beginning and at end of year	1,807	1,807	(935)	(935)

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

15 Other reserves

	The Group		The Company	
	31 December 2020 S\$'000	31 December 2019 S\$'000	31 December 2020 S\$'000	31 December 2019 S\$'000
Share based payment reserve	359	529	359	529
Foreign currency translation reserve	(14)	386	-	-
Capital reserve	348	348	-	-
Gain on reissuance of treasury shares	2,630	2,630	2,630	2,630
Others	874	790	-	-
	4,197	4,683	2,989	3,159

(a) Share based payment reserve

Share based payment reserve represents the equity settled share options and awards granted to employees and directors of the Company (Note 30(b)). The reserve is made up of the cumulative value of services received from employees and Directors, recorded over the vesting period commencing from the grant date of equity settled share options and awards. It is reduced by the expiry or exercise of the share options and upon share issue for the share awards.

(b) Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) Capital reserve

Capital reserve arose from the acquisition of the remaining interest in subsidiaries in prior years. The Group has accounted for the acquisition of the additional interest as a transaction with shareholders in their capacity as shareholders in accordance with SFRS(I) 1-27 – Consolidated and Separate Financial Statements.

(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 obligations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

16 Other payables

	The Group			The Company	
	31 December 2020	31 December 2019	1 January 2019	31 December 2020	31 December 2019
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
		(Restated)	(Restated)		
Non-current					
Amount due to a director (Note C)	-	-	743	-	-
Production bonus	243	246	242	-	-
Advances from a joint venture partner (Note A)	-	7,522	8,891	-	-
Sundry payables (Note D)	8,658	8,822	8,961	-	-
Financial liabilities at amortised cost	8,901	16,590	18,837	-	-
Deferred rent payable	-	-	425	-	-
Other revenue related tax payable (Note G)	-	-	2,933	-	-
Balance carried forward	8,901	16,590	22,195	-	-
Current					
Advances from a joint venture partner (Note A)	-	-	558	-	-
Cash calls advanced from a joint venture partner (Note B)	1,293	653	3,668	-	-
Amount due to subsidiaries (Note C)	-	-	-	1,682	67
Amount due to a former director (Note C)	-	743	600	-	743
Accrued salaries and employee benefits	2,440	2,702	2,918	128	176
Deposit received	121	121	122	-	-
Sundry payables and accrued operating expenses (Note E)	4,516	6,276	4,137	1,620	686
Financial liabilities at amortised cost	8,370	10,495	12,003	3,430	1,672
Deferred rent payable	-	-	18	-	-
Grants received in advance, net (Note F)	212	-	-	-	-
Other revenue related tax payable (Note G)	-	2,958	-	-	-
Output VAT/ GST payable, net	908	1,018	707	-	12
	9,490	14,471	12,728	3,430	1,684
Total other payables	18,391	31,061	34,923	3,430	1,684
Comprises of:					
Financial liabilities	17,271	27,085	30,840	3,430	1,684
Non-financial liabilities	1,120	3,976	4,083	-	-
	18,391	31,061	34,923	3,430	1,684

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

16 Other payables (Continued)

Note A: Advances from a former joint venture partner

In the previous financial year, the advances from a former joint venture partner were non-trade in nature, unsecured and non-interest bearing. It was to be repaid 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 was not expected to be repaid within the next 12 months, based on the budgeted oil lifting and sales.

On 15 December 2020, the Group entered into a Deed of Release and Settlement with the former joint venture partner and the Group is subsequently released and discharged of the advances previously extended by the former joint venture partner. Accordingly, a gain on extinguishment of S\$7.7 million was recorded in the consolidated statement of comprehensive income (Note 23).

Note B: Cash calls advanced from a joint venture partner (current)

As at 31 December 2020, the cash calls advances amounting to US\$985,000 from a joint venture partner are non-trade in nature, unsecured and non-interest bearing. The outstanding amount as at 31 December 2019 had been used to set off against the proceeds receivable arising from the Group's sale of the additional 6% participating rights in the Lemang PSC to the joint venture partner in July 2019.

Note C: Amounts due to a former director/subsidiaries

The amounts due to a former director/subsidiaries are non-trade in nature, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

In the current financial year, pursuant to a Deed of Assignment entered between the former director, an unrelated third party of the Company and the Company, the amount due to the former director was novated to the unrelated third party. As at 31 December 2020, the balance of S\$0.8 million due to the unrelated third party is recorded under "sundry payables – current".

Note D: Sundry payables (Non-current)

As at 31 December 2020, sundry payables comprise (a) a legal claim of S\$1.9 million (equivalent to US\$1.4 million) (2019 - S\$1.9 million (equivalent to US\$1.4 million) by Verona Capital Pty. Ltd and a legal settlement sum of S\$13.7 million (equivalent to US\$10 million), payable to Super Power Enterprise Group Ltd ("SPE"), recorded at amortised cost of S\$6.8 million (2019 - S\$6.9 million) respectively. The Group does not expect the amounts to be repaid within the next 12 months.

In March 2015, SPE commenced arbitration proceedings against PT Hexindo. PT Hexindo and SPE had previously entered into a contractual joint venture established under a joint operating agreement ("JOA") on 13 October 2009. Under the JOA, PT Hexindo and SPE each held 51% and 49% participating interest in Lemang PSC respectively.

SPE's interest in the Lemang PSC 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 another 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 PT Hexindo were allegedly penal and unenforceable. SPE also sued PT Hexindo for damages, less any compensation due to PT Hexindo, plus interest up to the date of the 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, PT Hexindo filed an originating summons in the High Court of Singapore, to set aside the partial final award granted to SPE.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

16 Other payables (Continued)

Note D: Sundry payables (Non-current) (Continued)

In FY2019, PT Hexindo entered into a legal settlement, whereby it agreed to pay US\$10 million 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 PT Hexindo to first repay other existing obligations identified to SPE, namely the repayments of advances from joint venture partner (Note A) and loans and borrowings (Note 20).

Eastwin has previously agreed to indemnify PT Hexindo against any claims from SPE arising from the substitution. As at 31 December 2020, the Group did not recognise the indemnity receivable on its statement of financial position due to uncertainty of recovery.

Note E: Sundry payables (Current)

As at 31 December 2019, included in "sundry payables" was an amount of S\$1,900,000 due to Mercuria comprising accrued interest.

Pursuant to the execution of the Deeds of Discharge and Release, the Group was released from their obligations to Mercuria and a gain on extinguishment of S\$1,934,000 was recorded to the consolidated statement of comprehensive income (Note 23).

Note F: Grants received in advance

Grants received in advance relates to the Job Support Scheme ("JSS") received from the Singapore Government.

Note G: Other revenue tax payable

This relates revenue-related tax payable to the Indonesian Tax Authority on the Group's 70% Participating Interest in the Jatirarongan block located in West Java, Indonesia, which had expired in May 2020.

Management has engaged an international tax advisor who opined that the Group did not have any tax obligations. Accordingly, management recognised a gain on write-back of liabilities of S\$3 million (equivalent to US\$2 million) in the consolidated statement of comprehensive income (Note 23).

Other payables denominated in foreign currencies, other than in the respective functional currency of the entities within the Group, are as follows:

	31 December 2020 S\$'000	The Group 31 December 2019 S\$'000	1 January 2019 S\$'000	The Company 31 December 2020 S\$'000	31 December 2019 S\$'000
Indonesia Rupiah ("IDR")	107	174	44	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

17 Lease liabilities

	The Group		The Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Undiscounted lease payments due:				
- Not later than one year	4,444	6,474	29	29
- Later than one year and not later than five years	10,552	12,261	32	60
	14,996	18,735	61	89
Less: Unearned interest costs	(1,128)	(1,641)	(3)	(6)
	13,868	17,094	58	83
Presented as:				
- Non-current	8,710	11,456	31	58
- Current	5,158	5,638	27	25
	13,868	17,094	58	83

The Group's lease liabilities are secured by the lessors' title to the leased assets. Total cashflows for all leases in the current financial year amounted to S\$5.6 million (2019 - S\$6.8 million).

Interest expense on lease liabilities of S\$0.8 million (2019 - S\$1.1 million) is recognised within "finance costs" in the consolidated statement of comprehensive income (Note 26).

As at 31 December 2020, the Group's short-term commitments at the reporting date are not substantially dissimilar to those giving rise to the Group's short-term lease expense for the financial year.

All lease liabilities are denominated in the respective functional currencies of the entities in the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

18 Provisions

	31 December 2020 S\$'000	The Group 31 December 2019 S\$'000 (Restated)	1 January 2019 S\$'000	The Company 31 December 2020 S\$'000	31 December 2019 S\$'000
Non-Current					
Provision for employee benefits (Note 29)	554	671	824	-	-
Provision for reinstatement costs	278	268	268	18	18
	832	939	1,092	18	18
Current					
Provision for cargo and motor vehicles claims	181	215	521	-	-
Provision for reinstatement costs	-	10	100	-	-
	181	225	621	-	-

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

The Group	2020 S\$'000	2019 S\$'000
Balance at 1 January	215	521
Provision made/(written-back) during the year	147	(73)
Utilised during the year	(181)	(233)
Balance at 31 December	181	215

As at 31 December 2020, management is of the view that the expected timing of the settlement of these claims is not determinable.

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

	The Group		The Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Balance at 1 January	278	368	18	19
Written-back during the year	-	(42)	-	(1)
Utilised during the year	-	(48)	-	-
Balance at 31 December	278	278	18	18

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

19 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 2020 was 4.45% (2019 - 5.10% to 6.63%) per annum. Furthermore, the timing of abandonment is likely to depend on when the fields cease to produce at economically viable rates. This, in turn, will depend upon future oil and gas prices, which are inherently uncertain.

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

	2020 S\$'000	2019 S\$'000
The Group		
Balance at 1 January	619	880
Farm-out of participating interests (Note 24(B))	-	(69)
Write-back during the year (Note 23)	(221)	(230)
Accretion during the year (Note 26)	102	44
Exchange differences	1	(11)
Changes in assumption	-	5
Utilised during the year	(55)	-
Setoff against advances	(155)	-
Balance at 31 December	291	619
Presented as:		
- Non-current	213	118
- Current	78	501
	291	619

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

20 Loans and borrowings

	The Group		The Company	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current	1,500	-	3,000	-
Current	1,500	9,094	-	-
	3,000	9,094	3,000	-

The Company

During the current financial year, the Company obtained a loan from a wholly-owned indirect subsidiary for a payment of S\$3 million to an unrelated third-party as full and final settlement pursuant to a Settlement Deed entered between the Company and an unrelated third-party on 12 May 2020.

The amount of S\$3 million was subsequently recorded as an unsecured loan from the subsidiary, bearing interest at 4.5% above SIBOR per annum, with no fixed repayment terms and is not expected to be repaid within the next 12 months.

The Group

In the current financial year, the Group obtained a loan of S\$3 million from a financial institution, secured by a corporate guarantee from the Company. The loan is due in May 2022 and is interest-bearing at 3% per annum. Principal repayments will commence from the first anniversary from drawdown, i.e. 1 July 2021.

Loan as at 31 December 2019

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"). The facility is for working capital needs in relation to the exploration and development activities of the Group.

On 6 June 2017, RELL restructured the 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, S\$9.0 million (equivalent to US\$6.75 million) was outstanding as at 31 December 2019 and is repayable over 24 instalments commencing from January 2019 with final repayment in December 2020.

The loan was 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 given by the Company and a personal guarantee provided by a related party of the controlling shareholder of the Company, Mr. Edward Seky Soeryadjaya.

In the current financial year, management commenced discussions with the external lender in relation to the restructuring of the Group's loans and borrowings amounting to S\$9.1 million. The Group had temporarily suspended the repayment of loan principal and interest expense since February 2019 as the discussions with the external lender were still ongoing.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

20 Loans and borrowings (Continued)

In addition, the Company 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.

In respect of (a), there was no exercise of the cash-settled call options as of 31 December 2018 and accordingly the cash-settled call options had lapsed.

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. In the previous year, the Group ceased the oil hedge following the expiry of the last hedge contract.

The loan is denominated in the functional currency of a wholly owned subsidiary of the Group.

On 12 May 2020, the Group and the said third party entered into the Standstill and Settlement Deed, where the said party agreed to release the Group from its liabilities and obligations owed to the said party pursuant to the payment of a settlement sum of S\$3 million by 30 June 2020 (the "Settlement Sum").

On 22 June 2020, the Company announced that the Settlement Sum had been paid in accordance with the Standstill and Settlement Deed.

Accordingly, loans and borrowings and sundry payables of S\$10,526,000 in aggregate were extinguished, and a gain on extinguishment of liabilities of S\$7,526,000 was recognised in the consolidated statement of comprehensive income (Note 23).

On 9 September 2020, the Board announced that the Company and its subsidiaries have further executed Deeds of Discharge and Release ("Deed of Discharge") documents with the third party wherein:

- (a) The Group is fully released and discharged from its liabilities and obligations,
- (b) The third party released and discharged the security granted in favour previously,
- (c) The third party has no further claims of any kind whatsoever; and
- (d) The Company is fully released from the corporate guarantee and indemnity given previously.

Accordingly, a gain on extinguishment of liabilities of S\$1,934,000 was recognised in the consolidated statement of comprehensive income (Note 23).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

21 Trade payables

The Group	31 December 2020	31 December 2019	1 January 2019
	S\$'000	S\$'000	S\$'000
		(Restated)	(Restated)
Third party suppliers	7,646	7,775	8,360
Accrued operating expenses	1,993	1,971	4,979
	9,639	9,746	13,339

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

Trade payable balances denominated in foreign currencies, other than in the respective functional currency of the entities within the Group, are as follows:

The Group	31 December 2020	31 December 2019	1 January 2019
	S\$'000	S\$'000	S\$'000
		(Restated)	(Restated)
Indonesia Rupiah ("IDR")	1,253	1,524	1,280
United States Dollars ("USD")	1,374	252	178

22 Revenue

The Group	2020	2019
	S\$'000	S\$'000
Logistics services, recognised over time	36,426	38,068
Oil and gas sales, recognised at a point in time	190	3,112
	36,616	41,180

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

23 Gains on extinguishment of liabilities

The Group	2020 S\$'000	2019 S\$'000
Gains on extinguishment of liabilities:		
- advances from a former joint venture partner (Note 16(A))	7,677	-
- accrued interest and other expenses (Note 16(E))	1,934	-
- loans and borrowings (Note 20)	7,526	-
- write-back of revenue-related tax payables (Note 16(G))	3,030	-
- write-back of ASR liabilities (Note 19)	221	230
- write-back of other payables	250	458
	20,638	688

24 Other income

The Group	2020 S\$'000	2019 S\$'000 (Restated)
Grant income from JSS (Note A)	2,758	-
Gain on farm-out of participating interest (Note B)	-	3,538
Diesel consumed by service partners	64	74
Port rebates	317	437
Interest income from banks	11	26
Gain on disposal of plant and equipment (Note 32)	254	96
Others	543	725
	3,947	4,896

Note A – Grant income from JSS

The grant income from JSS was received from the Singapore Government to help employers to retain their local employees during the period of economic uncertainty as a result of COVID-19. The JSS grant income is allocated over the period of uncertainty to match the related staff costs for which the grant is intended to compensate.

Note B – Gain on farm-out of participating interest

On 16 September 2017, the Group through its 80.4% owned subsidiary, PT Hexindo Gemilang Jaya, 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. The call option is effective from 1 January 2018 to 31 December 2018.

On 27 July 2018, Mandala exercised the call option. On 1 July 2019, the Group completed its farm-out of the 6% participating interest. Upon completion, PT Hexindo Gemilang Jaya owns 10% in the Lemang PSC. The effects of the disposal of 6% participant interest in the current financial year were as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

24 Other income (Continued)

Note B – Gain on farm-out of participating interest (Continued)

The Group	Note	2019 S\$'000
Gross consideration		9,508
Oil and gas properties	4	3,834
Intangible assets	6	20
Investment in exploration and evaluation assets	7	1,119
Prepaid operating expenses		9
Trade and other receivables		1,691
Inventories		9
Trade and other payables		(588)
Provision for employee benefits	29	(36)
Abandonment and site restoration liabilities	19	(69)
Net assets farmed-out (excluding amount due to Mandala)		5,989
Cumulative exchange differences in respect of the net interest disposed		19
Gain on farm-out of participating interest		<u>3,538</u>
		2019 S\$'000
The Group		
<u>Consideration transferred for the farm-out</u>		
Gross consideration		9,508
Less: Transfer tax and finance charges on past cash calls		(555)
Less: Amount due to a former joint venture partner, net		(3,905)
Net consideration receivable from Mandala		<u>5,048</u>

As at 31 December 2019, the above consideration receivable of S\$5.0 million after setting off the cash call payables of S\$0.52 million up to 30 September 2019 to Mandala, has been fully impaired due to the ongoing dispute with Mandala over the expiry date of the net consideration receivable (See Note 9 (ii)).

25 Salaries and employee benefits

The Group	2020 S\$'000	2019 S\$'000
Salaries and bonuses (including Directors' fees)	15,309	17,961
Central Provident Fund contributions	1,174	1,352
Other benefits	2,032	2,904
	<u>18,515</u>	<u>22,217</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

25 Salaries and employee benefits (Continued)

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:

	2020		2019	
	No. '000	WAEP S\$	No. '000	WAEP S\$
Outstanding at 1 January	6,620	0.20	7,429	0.24
- Lapsed and cancelled	(1,540)	0.29	(809)	0.50
Outstanding at 31 December	5,080	0.18	6,620	0.20
Exercisable at 31 December	5,080	0.18	6,620	0.20

- No options were granted during the financial year.
- No options were exercised during the financial year.
- The exercise price for options outstanding at the end of the year was S\$0.18 (2019 - S\$0.18 to S\$0.50). The weighted average remaining contractual life of these options is 1 year (2019 - 1.40 years).

Share awards

During the financial year, there were nil (2019 - 1,000,083) share awards by way of allotment of new shares issued under the EGSP. 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 nil (2019 - Nil).

26 Finance costs

The Group	2020 S\$'000	2019 S\$'000
Interest expense on loans and borrowings	45	2,021
Interest expense on overdue cash calls	39	161
Interest expense on lease liabilities (Note 5)	834	1,122
Commitment fee on loan facility	5	-
	923	3,304
Accretion of interest on abandonment and site restoration liabilities (Note 19)	102	44
	1,025	3,348

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

27 Profit/(loss) before taxation

The following items have been included in the arriving at profit/(loss) before taxation:

The Group	2020 S\$'000	2019 S\$'000
Audit fees paid/ payable to:		
- Auditors of the Company	116	121
- Other auditors	70	84
Non-audit fees paid/payable to the auditors of the Company	44	33
Depreciation and amortisation expenses:		
- Depreciation of plant and equipment and oil and gas properties (Note 4)	935	3,117
- Depreciation of right-of-use assets (Note 5)	4,879	4,698
- Amortisation of intangible assets (Note 6)	80	92
- Amortisation of investments in exploration and evaluation assets (Note 7)	43	74
	5,937	7,981
Impairment loss recognised, net:		
- oil and gas properties (Note 4)	5,579	-
- investments in exploration and evaluation assets (Note 7)	-	17,199
- doubtful other receivables, net (Note 9)	-	4,533
- doubtful trade receivables, net (Note 10)	40	87
	5,619	21,819
Bad debts written-off of non-trade receivables	91	-
Loss on disposal of right-of-use assets	-	214
Net foreign exchange gains	(40)	(189)
Short-term leases of transport equipment, warehouses, and office premises (Note 5)	385	1,305
Legal settlement and other professional fees	723	482
Upkeep of transport equipment	4,103	4,758

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

28 Taxation

The Group	2020 S\$'000	2019 S\$'000 (Restated)
Current taxation:		
- Current year	328	88
- Under-provision in respect of prior years	85	2
	413	90
Deferred taxation		
- Reversal and origination of temporary differences	106	-
	519	90

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the accounting loss as a result of the following:

The Group	2020 S\$'000	2019 S\$'000 (Restated)
Profit/(loss) before tax	13,762	(24,864)
Tax at domestic rates applicable in the countries in which the Group operates	1,769	(8,056)
Adjustments for tax effects of:		
Tax effect on non-deductible expenses	5,087	8,021
Income not subject to taxation	(6,293)	(6)
Tax exempt profits/rebates	(229)	(17)
Under-provision of current taxation in respect of prior years	85	2
Deferred tax assets not recognised	-	128
Reversal and origination of temporary differences	99	-
Others	1	18
	519	90

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:

The Group	2020	2019
Singapore	17%	17%
Indonesia	25% - 44%	25% - 44%

Expenses not deductible for tax purposes include impairment losses and overhead charges of investment holding companies.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

28 Taxation (Continued)

Tax exempt income mainly relates to government grant income and gain on extinguishment of liabilities.

As at the end of the reporting period, the Group has unutilised tax losses on approximately S\$20.8 million (2019 - S\$25.3 million) that are available for offset against future taxable profits of the companies in which the losses arose for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authority and compliance with certain provisions of the tax legislation of the countries in which the companies operate.

The unabsorbed tax losses have no expiry date except for the unabsorbed tax losses disclosed below. Expiry dates of the unabsorbed tax losses which can be carried forward for a limited duration is as follows:

The Group	2020 S\$'000	2019 S\$'000
Can be utilised up to:		
- 1 to 5 years	1,502	3,159

As at 31 December 2020 and 31 December 2019, 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.

29 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 Aktuarial (2019 - PT Padma Raya Aktuarial).

The Group	2020 S\$'000	2019 S\$'000 (Restated)
Defined benefit obligations at 31 December	554	671

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

29 Defined benefit plan (Continued)

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

	Funded pension plan		Unfunded post-employment benefits	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000 (Restated)
Present value of defined benefit obligations	-	-	554	671
Fair value of plan assets	-	-	-	-
Net liability arising from defined benefit obligations	-	-	554	671

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

	Funded pension plan		Unfunded post-employment benefits	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000 (Restated)
At 1 January	-	238	671	824
Interest costs	-	-	-	39
Current service costs	-	-	115	186
Past service cost reversed	-	(234)	-	(34)
Plan amendment	-	-	(96)	-
Net employee benefits expense for the year	-	(234)	19	191
Actuarial gain arising from changes in assumptions recognised in OCI	-	-	(84)	(166)
Benefits paid	-	-	(10)	(159)
Farm-out of participating interests (Note 24)	-	-	-	(36)
Exchange differences	-	(4)	(42)	17
At 31 December	-	-	554	671

All the Group's plan assets are in the Indonesian entities' equities as at 31 December 2020 and 31 December 2019. The Group expects to contribute S\$194,000 (2019 - S\$194,000) to the defined benefit pension plans in the next financial year. Benefits amounting to S\$Nil (2019 - S\$151,000) were paid by the joint venture partner. The weighted average duration of the defined benefit obligation ranges between 13.4 to 25.1 years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

29 Defined benefit plan (Continued)

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

	2020	2019
The Group		
Discount rates:	7-7.75%	5 - 7.5%
Expected annual rate of return on plan assets:	N.A.	N.A.
Future annual salary increases:	7.0%	7 - 10%
Mortality rate reference:	Indonesian Mortality Table IV	Indonesian Mortality Table III
Disability rate:	10% of Mortality rate	10% of Mortality rate
Retirement age:	58	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.

30 Basic and diluted profit/(loss) per share

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

	2020	2019
The Group	S\$'000	S\$'000
		(Restated)
Profit/(loss) net of tax attributable to owners of the Company used in the computation of basic/diluted loss per share	12,823	(24,896)
	No. of shares	
	2020	2019
	('000)	('000)
Weighted average number of ordinary shares for basic/diluted loss per share computation	646,868	646,840
Basic/diluted loss per share attributable to owners of the Company (cents per share)	1.98	(3.85)

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

30 Basic and diluted profit/(loss) per share (Continued)

Diluted profit/(loss) per share is calculated on the same basis as basic profit/(loss) per share as there are no dilutive potential ordinary shares as at 31 December 2020 and 31 December 2019.

There are 5,080,103 (2019 - 6,620,009) share options granted under the EGSOS that have not been included in the calculation of diluted earnings per share as they are anti-dilutive.

31 Related party transactions

(a) Sales and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following are transactions with related parties at mutually agreed amounts and terms:

	2020 S\$'000	2019 S\$'000
The Group		
Legal, secretarial fees, share registrar and corporate communication services payable to a firm of which a Director is the partner of the firm	110	2
Rental of office space payable to a firm related to the controlling shareholder of the Company	20	32

(b) Compensation of key management personnel

	2020 S\$'000	2019 S\$'000
The Group		
Directors' fees	182	165
Directors' remuneration	788	957
	970	1,122
Key management personnel's remuneration	705	653
Central Provident Fund contributions	32	29
	737	682
	1,707	1,804

Key management personnel compensation

Key management personnel of the Group and Company is defined as persons having authority and responsibility for planning, directing and controlling the activities of the entity directly and indirectly, including directors and officers of the Group and Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

31 Related party transactions (Continued)

(b) Compensation of key management personnel (Continued)

Directors' interests in share-based payment scheme

There is no share option or share award granted in 2020 and 2019.

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 (including ex-Directors) under the EGSOS and EGPSP amounted to 5,080,103, Nil and Nil (2019 - 6,620,009, Nil and Nil), respectively.

32 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, comprising of transportation management and air cargo terminal handling services; and
- III. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

32 Segment information (Continued)

	Note	Oil and gas		Logistics		Corporate		Eliminations		Total	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue:			(Restated)								(Restated)
Sales to external customers	22	189	3,112	36,427	38,068	-	-	-	-	36,616	41,180
Gains on extinguishment of liabilities	23	20,423	688	104	-	111	-	-	-	20,638	688
Other income	24	9	3,284	3,938	1,347	-	265	-	-	3,947	4,896
Inter-segment sales	A	-	-	84	54	-	22	(84)	(76)	-	-
Total		20,621	7,084	40,553	39,469	111	287	(84)	(76)	61,201	46,764
Segment loss		11,995	(19,417)	5,425	499	(2,633)	(2,598)	-	-	14,787	(21,516)
Finance costs	26									(1,025)	(3,348)
Loss before tax										13,762	(24,864)
Income tax	28									(519)	(90)
Net loss for the year										13,243	(25,954)
Interest income from bank	24	-	-	92	16	-	10	(81)	-	11	26
Depreciation and amortisation expenses	B	103	2,075	5,784	5,861	50	45	-	-	5,937	7,981
Other non-cash expenses	C	5,663	21,629	(222)	308	15	-	-	-	5,456	21,937
Other segment information											
Segment assets	D	5,797	13,113	33,884	35,287	376	485	(217)	35	39,840	48,920
Segment liabilities	E	19,033	38,631	25,354	25,467	1,814	1,722	583	3,155	46,784	68,975
Additions to non-current assets		86	138	2,384	1,268	7	218	-	-	2,477	1,624

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

32 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 Depreciation and amortisation expenses comprised the following:

The Group	2020 S\$'000	2019 S\$'000
Amortisation of intangible assets	80	92
Amortisation of investments in exploration and evaluation assets	43	74
Depreciation expense of property, plant and equipment and oil and gas properties	935	3,117
Depreciation of right-of-use assets	4,879	4,698
	5,937	7,981

C Other non-cash expenses comprised the following:

The Group	2020 S\$'000	2019 S\$'000
Bad debts written-off	91	-
Impairment loss recognised on oil and gas properties (Note 4)	5,579	-
Impairment loss recognised on investment in exploration and evaluation and evaluation assets (Note 7)	-	17,199
Impairment loss recognised on doubtful trade receivables, net (Note 10)	40	87
Impairment loss recognised on doubtful other receivables (Note 9)	-	4,533
Loss on disposal of right-of-use assets	-	214
Gain on disposal of plant and equipment	(254)	(96)
	5,456	21,937

D Deferred tax assets are added to segment assets to arrive at total assets reported in the consolidated statement of financial position.

E Income tax payable are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

32 Segment information (Continued)

Geographical information

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

	Geographical location		
	Singapore S\$'000	Indonesia S\$'000	Total S\$'000
2020			
Revenue	26,065	10,551	36,616
Non-current assets	12,944	8,865	21,809
2019 (Restated)			
Revenue	29,324	11,856	41,180
Non-current assets	16,229	16,264	32,493

Information about major customers

Revenue from 5 major customers amounted to S\$19,716,000 (2019 - 5 customers amounted to S\$18,940,000) arising from revenue of the logistics segment.

Revenue from 1 major customer amounted to S\$156,000 (2019 - 1 customer amounted to S\$3,082,000) arising from revenue of the oil and gas segment.

33 Contingencies

Contingent liabilities

(a) Guarantees

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

- (i) Guarantee to landlord on the rental obligation taken by subsidiaries of S\$703,000 (2019 - S\$703,000); and
- (ii) Guarantee to a vendor and customers for a performance bond of S\$726,000 (2019 - S\$864,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

33 Contingencies (Continued)

Contingent liabilities (Continued)

(b) 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.

(c) 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 damages 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.

34 Financial risk management

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks included credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. There has been no significant change in the Group's exposure to these risks or the manner in which it manages and measures risks.

The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

34 Financial risk management (Continued)

34.1 Credit risk

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in financial loss to the Group.

The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to 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 Finance Head and Operational Heads in the respective entities.

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 forward-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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

34 Financial risk management (Continued)

34.1 Credit risk (Continued)

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; or
- There is a disappearance of an active market for that financial asset because of financial difficulty.

Management categorises a loan or receivable for potential recognition of impairment loss 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 the statement of comprehensive income.

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

(i) Trade receivables

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 based on 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 receivables is insignificant. Information regarding loss allowance movement of trade receivables is disclosed in Note 10.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

34 Financial risk management (Continued)

34.1 Credit risk (Continued)

(i) Trade receivables (Continued)

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:

The Group	2020		2019	
	S\$'000	%	S\$'000	%
By country:				
Singapore	6,609	68.2	7,425	76.3
Indonesia	3,087	31.8	2,312	23.7
	9,696	100.0	9,737	100.0

At the end of the reporting period, approximately 50% (2019 - 45%) and 17% (2019 - 10%) of the Group trade receivables were due from 5 (2019 - 4) and 1 (2019 - 1) major customers who are located in Singapore and Indonesia, respectively.

(ii) Other receivables

The Group provides ECL on other receivables using the 3-stage ECL approach. In determining ECL for other receivables, the Group derives 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 are changes in the risk that the specific debtor will default on the payments. During the financial year, the Group wrote-off S\$91,000 (2019 - Nil) of non-trade receivables which were more than 120 days past due as the Group does not expect to receive future cash flows.

Financial assets that are neither past due nor credit-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 credit-impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 9 (Other receivables) and Note 10 (Trade receivables).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

34 Financial risk management (Continued)

34.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company are not exposed to variability in changes in interest rates as the interest rates in respect of lease liabilities (Note 17) and the loans and borrowings (Note 20) were fixed at the contract date.

34.3 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to movement in foreign exchange rates.

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 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, 96% (2019 - 97%) of the Group's sales are denominated in the respective Group's entities' functional currencies.

Sensitivity analysis for foreign currency risk

A 5% (2019 - 5%) strengthening/ weakening of USD and IDR against the respective functional currencies of the Group entities at the reporting date are not considered significant.

The Group does not hedge its currency exposure arising from investments in foreign subsidiaries as they are considered to be long term in nature.

34.4 Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group'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 39.5% (2019 - 56.3%) of the Group's loans and borrowings (Note 20) and lease liabilities (Note 17) will mature in less than one year based on the carrying amount reflected in the financial statements.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

34 Financial risk management (Continued)

34.4 Liquidity risk (Continued)

The Group	Carrying amount S\$'000	Contractual undiscounted cash flows		
		Less than 1 year S\$'000	1 to 5 years S\$'000	Total S\$'000
31 December 2020				
Financial assets:				
Other receivables (Note 9)	624	624	-	624
Trade receivables (Note 10)	9,696	9,696	-	9,696
Cash and bank deposits (Note 11)	7,098	6,789	309	7,098
Total undiscounted financial assets	17,418	17,109	309	17,418
Financial liabilities:				
Other payables (Note 16)	17,271	8,370	8,901	17,271
Lease liabilities (Note 17)	13,868	4,444	10,522	14,966
Loans and borrowings (Note 20)	3,000	1,500	1,500	3,000
Trade payables (Note 21)	9,639	9,639	-	9,639
Total undiscounted financial liabilities	43,778	23,953	20,923	44,876
Total net undiscounted financial liabilities	(26,360)	(6,844)	(20,614)	(27,458)
31 December 2019 (Restated)				
Financial assets:				
Other receivables (Note 9)	920	920	-	920
Trade receivables (Note 10)	9,737	9,737	-	9,737
Cash and bank deposits (Note 11)	4,911	4,593	318	4,911
Total undiscounted financial assets	15,568	15,250	318	15,568
Financial liabilities:				
Other payables (Note 16)	27,085	10,495	16,590	27,085
Lease liabilities (Note 17)	17,094	6,474	12,261	18,735
Loans and borrowings (Note 20)	9,094	9,094	-	9,094
Trade payables (Note 21)	10,436	10,436	-	10,436
Total undiscounted financial liabilities	63,709	36,499	28,851	65,350
Total net undiscounted financial liabilities	(48,141)	(21,249)	(28,533)	(49,782)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

34 Financial risk management (Continued)

34.4 Liquidity risk (Continued)

The Company	Carrying amount S\$'000	Contractual undiscounted cash flows		
		Less than 1 year S\$'000	1 to 5 years S\$'000	Total S\$'000
31 December 2020				
Financial assets:				
Other receivables (Note 9)	1,485	1,485	-	1,485
Cash and cash equivalents (Note 11)	171	171	-	171
Total undiscounted financial assets	1,656	1,656	-	1,656
Financial liabilities:				
Other payables (Note 16)	3,430	3,430	-	3,430
Lease liabilities (Note 17)	58	29	32	61
Loans and borrowings (Note 20)	3,000	-	3,000	3,000
Total undiscounted financial liabilities	6,488	3,459	3,032	6,491
Total net undiscounted financial liabilities	(4,832)	(1,803)	(3,032)	(4,835)
31 December 2019 (Restated)				
Financial assets:				
Other receivables (Note 9)	2,530	2,530	-	2,530
Cash and cash equivalents (Note 11)	222	222	-	222
Total undiscounted financial assets	2,752	2,752	-	2,752
Financial liabilities:				
Other payables (Note 16)	1,672	1,672	-	1,672
Lease liabilities (Note 17)	83	29	60	89
Total undiscounted financial liabilities	1,755	1,701	60	1,761
Total net undiscounted financial assets/(liabilities)	997	1,051	(60)	991

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

34 Financial risk management (Continued)

34.4 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.

The Group	Less than 1 year S\$'000	1 to 5 years S\$'000	Total S\$'000
31 December 2020			
Financial guarantees	<u>1,134</u>	<u>295</u>	<u>1,429</u>
31 December 2019			
Financial guarantees	<u>1,263</u>	<u>304</u>	<u>1,567</u>

34.5 Price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Company and the Group do not hold any quoted or marketable financial instruments, and hence is not exposed to risk from any movement in market prices.

35 Fair values measurement

Definition of fair value

SFRS(I)s define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement of financial instruments

Fair value hierarchy

The carrying values of financial assets and liabilities with a maturity of less than one year approximate their fair values because of the short period to maturity.

The fair values of the non-current financial liabilities (lease liabilities, loans and borrowings and finance lease liabilities) are calculated based on discounted expected future principal and interest cash flows. The discount rates used are based on market rates for similar instruments at the end of the financial year. As at the end of the financial year, the fair values of these non-current financial liabilities approximate their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

35 Fair values measurement (Continued)

Fair value measurement of financial instruments (Continued)

Fair value hierarchy (Continued)

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company 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 2020 and 2019.

36 Capital management

The Company's and the Group's objectives when managing capital are:

- (a) To safeguard the Company's and the Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders;
- (b) To support the Company's and the Group's stability and growth; and
- (c) To provide capital for the purpose of strengthening the Company's and the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

There were no changes in the Group's and the Company's approach to capital management during the financial year. The Group and the Company are not subject to externally imposed capital requirements.

37 Prior year adjustments and reclassifications

Prior year adjustments

As at 31 December 2019, the Group's management had not been furnished with the monthly statements of accounts of the Lemang PSC since September 2019, due to ongoing disputes with a former joint venture partner arising from the Group's failure to meet cash call obligations.

In the current financial year, following the completion of the sale of the 90% participating interest between Mandala and Jadestone (collectively known as the "Operators"), the Group's management was furnished with the necessary statements of accounts for FY 2019 and FY 2020. A prior year adjustment amounting to approximately S\$2 million (equivalent to US\$1.46 million) was recorded to reverse the over-recognition of the Group's proportionate share of the net expenses in Lemang PSC in accordance with SFRS(I) 11.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

37 Prior year adjustments and reclassifications (Continued)

Prior year adjustments (Continued)

Management corrected the material prior period's error identified above retrospectively by restating the comparative amounts for the prior period's statement of comprehensive income in accordance with SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Prior year reclassifications

The following reclassifications to the financial statement captions in the consolidated statement of financial position as at 31 December 2019 and 1 January 2019 were made to conform to the current year's presentation.

The prior year adjustments and reclassifications, to the extent that they are applied retrospectively, have the following impact:

The Group	As reported S\$'000	Prior year adjustments S\$'000	Prior year reclassifications S\$'000	As restated S\$'000
Statement of financial position				
At 31 December 2019				
Other receivables (non-current)	5,592	(926)	-	4,666
Other receivables (current)	1,129	(209)	-	920
Prepaid operating expenses	620	14	-	634
Inventories	164	379	-	543
Provisions (non-current)	(906)	(33)	-	(939)
Trade payables	(14,679)	2,714	2,219	(9,746)
Other payables (current)	(12,283)	31	(2,219)	(14,471)
Accumulated losses	165,794	(1,584)	-	164,210
Non-controlling interests	8,346	(386)	-	7,960
Consolidated statement of comprehensive income for the financial year ended 31 December 2019				
Revenue	41,150	30	-	41,180
Service costs and related expenses	(14,360)	2,006	-	(12,354)
Other operating expenses	(25,523)	(66)	-	(25,589)
Gains on extinguishment of liabilities	-	-	688	688
Other income	5,584	-	(688)	4,896
Profit/ (loss) attributable to:				
- Owners of the Company	(26,480)	1,584	-	(24,896)
- Non-controlling interest	(444)	386	-	(58)
Total comprehensive loss for the year				
- Owners of the Company	(25,989)	1,584	-	(24,405)
- Non-controlling interest	(309)	386	-	77
Loss per share attributable to owners of the Company				
Basic and diluted	(4.09)	0.24	-	(3.85)

^ includes adoption of SFRS(I) 16

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

37 Prior year adjustments and reclassifications (Continued)

Prior year reclassifications (Continued)

The Group	As reported S\$'000	Prior year adjustments S\$'000	Prior year reclassifications S\$'000	As restated S\$'000
Consolidated statement of comprehensive income for the financial year ended 31 December 2019 (Cont'd)				
Net cashflow generated from operating activities	2,499	(119)	1,241	3,621
Net cashflow used in financing activities	<u>(5,666)</u>	<u>119</u>	<u>(1,241)</u>	<u>(6,788)</u>
Statement of financial position				
At 1 January 2019				
Trade payables	(15,027)	-	1,688	(13,339)
Other payables (current)^	<u>(11,040)</u>	<u>-</u>	<u>(1,688)</u>	<u>(12,728)</u>

38 Subsequent events

On 28 January 2021, the Group's wholly owned subsidiary, Ramba Energy West Jambi Ltd ("REWJ") received a notice from PT Pertamina EP ("PEP") ("Termination Notice") in respect of its West Jambi concession. PEP claims that REWJ had breached the terms and conditions of the West Jambi KSO and had failed to deliver to PEP a bank guarantee of US\$2.88 million within the time required by PEP. As such, PEP further claims that REWJ had breached the terms and conditions of the KSO and PEP has the right to terminate the KSO and may exercise all its rights under the KSO, which includes the right to claim for US\$2.88 million in cash ("Claim"), being the amount equivalent to the outstanding bank guarantee to be issued by a bank acceptable to PEP.

The Group had obtained legal opinion that the claim is unsubstantiated as there is no specific provision in the West Jambi agreement and other documents that requires REWJ to provide cash in lieu of Bank Guarantee upon termination of the West Jambi concession.

On 19 February 2021, the Company announced that the Group received a default notice from the operator of the Lemang PSC following the non-payment of January 2021 and February 2021 cash calls amounting to US\$70,000, in addition to the cash call payables as at the reporting date.

S TATISTICS OF SHAREHOLDINGS

As at 16 March 2021

ANALYSIS OF SHAREHOLDINGS AS AT 16 MARCH 2021

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	20	1.31	378	0.00
100 - 1,000	81	5.30	62,449	0.01
1,001 - 10,000	484	31.70	3,184,322	0.49
10,001 - 1,000,000	903	59.14	80,228,646	12.40
1,000,001 AND ABOVE	39	2.55	563,392,128	87.10
TOTAL	1,527	100.00	646,867,923	100.00

SUBSTANTIAL SHAREHOLDERS

	Direct Interest	%	Deemed Interest	%	Total Interest	%
Aditya Wisnuwardana Seky Soeryadjaya ⁽¹⁾	-	-	116,656,053	18.03	116,656,053	18.03
Edward Seky Soeryadjaya ⁽²⁾	-	-	107,871,400	16.68	107,871,400	16.68
Mohammad Soetrisno Bachir ⁽²⁾	-	-	107,871,400	16.68	107,871,400	16.68
Precious Treasure Global Inc. ⁽²⁾	-	-	107,871,400	16.68	107,871,400	16.68
Redmount Holdings Limited ⁽³⁾⁽⁴⁾	-	-	107,871,400	16.68	107,871,400	16.68
Telecour Limited	107,699,200	16.65	-	-	107,699,200	16.65
Clement Wang Kai ⁽⁵⁾	-	-	68,000,000	10.51	68,000,000	10.51
Wing Harvest Limited	68,000,000	10.51	-	-	68,000,000	10.51
Hisao Ishiyama ⁽⁶⁾	-	-	96,800,000	14.96	96,800,000	14.96
Eneco Investment Pte. Ltd.	96,800,000	14.96	-	-	96,800,000	14.96

NOTES:

- 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 Holdings Limited ("Redmount"), 5,451,652 shares registered in the name of DB Nominees (Singapore) Pte Ltd, and 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.
- 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. Pursuant to Section 7(4) of the Companies Act, Mr Bachir and Mr Soeryadjaya are deemed interested in the shares held by Redmount.
- 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, who now holds the Shares in trust for and on behalf of Redmount.

S TATISTICS OF SHAREHOLDINGS

As at 16 March 2021

- (4) 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 and 172,200 shares registered in the name of JP Morgan Nominees Private Limited, that are held in trust for Redmount.
- (5) Clement Wang Kai is the sole director and sole shareholder of Wing Harvest Limited.
- (6) Eneco Investment Pte. Ltd. is wholly-owned by Eneco Investment Inc., which is in turn wholly-owned by Mr. Hisao Ishiyama.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Approximately 55.38% 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 16 March 2021 is 1,807,215 shares, approximately 0.28% of the total number of issued shares (excluding treasury shares).

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	PHILLIP SECURITIES PTE LTD	226,813,396	35.06
2	ENECO INVESTMENT PTE LTD	96,800,000	14.96
3	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	47,145,500	7.29
4	CITIBANK NOMINEES SINGAPORE PTE LTD	22,469,660	3.47
5	RAFFLES NOMINEES (PTE) LIMITED	20,735,600	3.21
6	SUMMIT GAIN CONSULTANTS LIMITED	19,800,000	3.06
7	DBS NOMINEES PTE LTD	16,755,445	2.59
8	UOB KAY HIAN PTE LTD	11,277,931	1.74
9	HSBC (SINGAPORE) NOMINEES PTE LTD	10,981,400	1.70
10	OCBC SECURITIES PRIVATE LTD	9,531,708	1.47
11	UNITED OVERSEAS BANK NOMINEES PTE LTD	7,278,280	1.13
12	DBSN SERVICES PTE LTD	5,484,201	0.85
13	DB NOMINEES (SINGAPORE) PTE LTD	5,451,652	0.84
14	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	5,280,000	0.82
15	GOH BEE LAN	5,154,000	0.80
16	LIN TING YIE @LAM TIN YIE	4,906,200	0.76
17	MAYBANK KIM ENG SECURITIES PTE. LTD	3,568,500	0.55
18	LIM HOCK CHEE	3,100,000	0.48
19	ABN AMRO CLEARING BANK N.V.	2,857,100	0.44
20	PEH KOK WAH @ PEH WAH CHYE	2,807,100	0.43
TOTAL		528,197,673	81.65

D ISCLOSURE 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 PATRICK TAN TSE CHIA	MR KOJI YOSHIHARA
Date of first appointment	14 December 2018	14 December 2018
Date of last re-appointment	28 June 2019	28 June 2019
Age	47	58
Country of principal residence	Singapore	Japan
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	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 Patrick Tan Tse Chia 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 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.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Nominating Committee Chairman, and member of the Audit Committee and the Remuneration Committee.	Non-Independent Non-Executive Director
Professional qualifications	LL.B. (Hons), the Nottingham University	Bachelor of Liberal Arts (Social Science, International Economics and Politics) from the International Christian University, Tokyo
Working experience and occupation(s) during the past 10 years	Chief Executive Officer, Fortis Law Corporation	<u>October 2016 to Present</u> Neo Emulsion Tech Inc. (formerly known as Eneco Holdings, Inc.) - General Manager <u>January 2016 to September 2016</u> Pactera Consulting Japan Co., Ltd. - Consulting Division, Head of M&A Consulting Practice Group

D ISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR PATRICK TAN TSE CHIA	MR KOJI YOSHIHARA
		<p><u>April 2014 to December 2015</u> Tsuneishi Kamtecs Corporation - Executive Officer, Planning Division - Overseas Business Group</p> <p>Tsuneishi Kamtecs (Thailand) Co., Ltd. - President</p> <p>Tsuneishi Alliance Solutions Limited (Bangladesh) - Managing Director</p> <p><u>October 2013 to March 2014</u> Daiwa Securities Group Inc., Daiwa Securities Co. Ltd. - Executive Director, Internal Audit Department</p> <p><u>October 2010 to October 2013</u> Daiwa Capital Markets Singapore Limited - Executive Director & Head of Group Operations & Corporate Planning and Strategy, Member of the Board of Directors</p>
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
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
Conflict of Interest (including any competing business)	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
Other Principal Commitments* Including Directorships# Past (for the last 5 years)	<p><u>Past</u></p> <ol style="list-style-type: none"> 1) Fortiswills (HK) Limited 2) Custodia Pte Ltd 3) FLC Myanmar Limited 	<p><u>Past</u></p> <ol style="list-style-type: none"> 1) Tsuneishi Kamtecs (Thailand) Co., Ltd. 2) Tsuneishi Alliance Solutions Limited (Bangladesh) 3) Daiwa Capital Markets Singapore Limited

D ISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR PATRICK TAN TSE CHIA	MR KOJI YOSHIHARA
Present	<u>Present</u> 1) Fortis Law Corporation, Director 2) SgFortis Holdings Pte Ltd, Director 3) F Capital Pte Ltd, Director 4) Fortis Life Group Pte Ltd, Director 5) Fortiscare Pte Ltd, Director 6) Fortiswills Pte Ltd, Director 7) Fortis Legacy Centre Pte Ltd, Director 8) Patrick Tan Investments Pte Ltd, Director 9) Fortis Digital LLP	<u>Present</u> 1) Eneco Refresh Limited, Director 2) Eneco Investment Pte Ltd, Director 3) Agricore Corporation, Director 4) Global Fitness Japan Co., Ltd, Member
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
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
c) Whether there is any unsatisfied judgment against him?	No	No

D ISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR PATRICK TAN TSE CHIA	MR KOJI YOSHIHARA
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
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
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
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
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

D ISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR PATRICK TAN TSE CHIA	MR KOJI YOSHIHARA
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
<p>j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>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</p> <p>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</p> <p>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</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No
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

A PPENDIX 7.5

SUMMARY OF RESERVES AND RESOURCES

The data contained in this report was compiled from the Qualified Person Report of 2018. As there has been no material development on this field in the year 2020, the Board believes the data continues to provide a fair representation of the asset held at year-end.

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 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
May 8th 2019



Professional Society Membership:

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

A PPENDIX 7.5

SUMMARY OF RESERVES AND RESOURCES

The data contained in this report was compiled from the Qualified Person Report of 2018. As there has been no material development on this field in the year 2020, the Board believes the data continues to provide a fair representation of the asset held at year-end. This Block will be returned to Pertamina, Indonesian state-owned oil and natural gas corporation in May 2020 as it has reached the end of its TAC contract.

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 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:

Date:

Gordon Taylor
May 8th 2019



Professional Society Membership:

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

A PPENDIX 7.5

SUMMARY OF RESERVES AND RESOURCES

The data contained in this report was compiled from the Qualified Person Report of 2018. As there has been no material development on this field in the year 2020, the Board believes the data continues to provide a fair representation of the asset held at year-end.

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 Unclassified"
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 Unclassified"
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 Unclassified"
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 Unclassified"**.
 - 1P: Proved + Probable; 2P: 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:
Date:

Dr. Mike Reeder
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 by electronic means (via live webcast and telephone audio feed) on Wednesday, 28 April 2021 at 2.00 p.m. (Singapore time) 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 2020 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) Patrick Tan Tse Chia (Regulation 111) **(Resolution 2)**
 - (ii) Koji Yoshihara (Regulation 111) **(Resolution 3)**[See Explanatory Note (i)]
3. To approve the payment of Directors’ fees up to S\$181,500 for the financial year ending 31 December 2021. [FY2020: S\$181,500] **(Resolution 4)**
4. To re-appoint Messrs Foo Kon Tan LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

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

6. **Ordinary Resolution**
Authority to issue shares **(Resolution 6)**

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 100% 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)]

7. **Ordinary Resolution** **Authority to issue shares under the Eneco Group Share Option Scheme (“EGSOS”) and EGSOS 2017** **(Resolution 7)**

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to offer and grant options (“Options”) under the EGSOS and EGSOS 2017 and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the EGSOS and EGSOS 2017, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the respective EGSOS and EGSOS 2017 shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, but subject to the aggregate number of shares available under all schemes including share award/share plans (as defined in “Resolution 8”) must not

NOTICE OF ANNUAL GENERAL MEETING

exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)]

8. **Ordinary Resolution**
Authority to issue shares under the Eneco Group Performance Share Plan (“EGPSP”) and EGPSP 2017 (Resolution 8)

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to offer and grant awards (“Awards”) in accordance with the provision of EGPSP and EGPSP 2017 and to issue and/or deliver from time to time such number of shares in the capital of the Company (excluding treasury shares and subsidiary holdings) as may be required to be issued and/or delivered pursuant to the respective EGPSP and EGPSP 2017 shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, but subject to the aggregate number of shares available under all schemes including share award/share plans must not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iv)]

By Order of the Board

Ang Siew Koon
Company Secretary

13 April 2021

Explanatory Notes:

- (i) Mr Patrick Tan Tse Chia will, upon re-election as Director of the Company, remain as the Chairman of the Nominating Committee and as a member of the Audit Committee and Remuneration Committee. He will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.
- (ii) The Ordinary Resolution 6 in item 6 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 100% 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.

On 8 April 2020, SGX RegCo issued a news release which introduced measures to support issuers amid the challenging business and economic climate due to COVID-19, including enabling the acceleration of fund-raising efforts by allowing Mainboard issuers to provisionally seek a general mandate for an issue of shares and convertible securities on a pro-rata basis of up to an aggregate of 100% of its issued shares (excluding treasury shares and subsidiary holdings), versus 50% previously (the “**Enhanced Share Issue Limit**”).

NOTICE OF ANNUAL GENERAL MEETING

The Company is proposing to avail itself of these measures and to seek shareholders' approval for a general mandate with an Enhanced Share Issue Limit at the upcoming Annual General Meeting. The Board of Directors is of the view that it would be in the interest of the Company and its shareholders to do so in the event that circumstances evolve before the 2022 AGM amid the COVID-19 situation to such an extent that a 50% limit for pro-rata issues is no longer sufficient to meet the Company's needs. If this were to occur and no Enhanced Share Issue Limit were to be in place, fund raising efforts would otherwise be unnecessarily hampered and compromised by the time needed to obtain shareholders' approval to issue shares above the 50% threshold.

The Enhanced Share Issue Limit will expire at the conclusion of the next AGM, or on the date by which the next AGM is required by law or the SGX-ST Mainboard Listing Manual to be held (i.e. on or before 30 April 2022), whichever is the earliest (the "Expiry Date"). Any extension of time which may be obtained for the holding of the next AGM will be disregarded in determining the Expiry Date of the Enhanced Share Issue Limit. If the Company subsequently changes its financial year end, the Expiry Date of the Enhanced Share Issue Limit will be the date by which the next AGM would have been required by law or the SGX-ST Mainboard Listing Manual to be held (i.e. on or before 30 April 2022), whichever is the earlier, assuming no change to the financial year end.

For the avoidance of doubt, the limit on the aggregate number of shares and convertible securities issued other than on a pro-rata basis remains at not more than 20%.

The Company will notify SGX RegCo, by way of email to enhancedsharelimit@sgx.com, of the date on which the general mandate with the Enhanced Share Issue Limit has been approved by shareholders.

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

- (iii) The Ordinary Resolution 7 in item 7 above, if passed, will empower the Directors of the Company, effective from the date of this AGM until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the EGSOS and EGSOS 2017 up to a number not exceeding in total (for the entire duration of the EGSOS 2017) 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time, but subject to the aggregate number of shares available under all schemes including the Awards (as defined in "Resolution 8") must not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) from time to time.
- (iv) The Ordinary Resolution 8 in item 8 above, if passed, will empower the Directors of the Company, effective from the date of this AGM until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the vesting of awards under the EGSOS, EGSOS 2017 (as defined in "Resolution 7") EGPPSP and EGPPSP 2017 (as defined in "Resolution 8"), and other share-based incentive schemes of the Company up to a number not exceeding in total (for the entire duration of the EGPPSP 2017) 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time, but subject to the aggregate number of shares available under all schemes including share award/share plans must not exceed 15% of the total number of issued shares (excluding treasury shares) from time to time.

NOTICE OF ANNUAL GENERAL MEETING

Important Notice to Shareholders Regarding the Conduct of the Company's AGM

Pursuant to Part 4 of the COVID-19 (Temporary Measures) Act 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company wishes to inform shareholders of the Company (the "Shareholders") that it will conduct its annual general meeting on Wednesday, 28 April 2021 at 2.00pm ("AGM") partly by way of electronic means pursuant to First Schedule of the COVID-19 Order, and the physical location for the AGM is purely to facilitate the conduct of the AGM by way of electronic means.

The Company will arrange for (i) a "live" webcast of the AGM, which allows Shareholders to view the proceedings of the AGM contemporaneously ("LIVE WEBCAST"); and (ii) audio only means (via telephone), which allows Shareholders to observe the proceedings of the AGM contemporaneously ("AUDIO FEED"). Shareholders can ONLY participate in the AGM via LIVE WEBCAST or AUDIO FEED. The Company will not accept any physical attendance by Shareholders at the physical location of the AGM.

Shareholders should note the following procedures and/or instructions to participate in the AGM LIVE WEBCAST or AUDIO FEED.

1. Proxy Voting

Voting at the AGM is by proxy ONLY. Shareholders who wish to vote on any or all of the resolutions at the AGM must appoint the Chairman of the AGM as your proxy to vote on your behalf by completing the proxy form attached to the Notice of AGM by downloading it from the Company's announcement on SGXNet or from the Company's website at www.enecoenergy.com. Shareholders should specifically indicate how they wish to vote for or vote against (or abstain from voting on) the resolutions set out in the Notice of AGM.

Shareholders must submit the completed and signed proxy form appointing the Chairman of the AGM as proxy (i) **by email to sg.is.proxy@sg.tricorglobal.com**; or (ii) **by post to the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinsons Road #11-02, Singapore 068898, by 2.00 p.m. on Sunday, 25 April 2021** (being not less than seventy-two (72) hours before the time fixed for the AGM). Any incomplete proxy form will be rejected by the Company.

For SRS investors who wish to appoint the Chairman of the AGM as their proxy, they should approach their respective SRS Operators to submit their votes **by email to sg.is.proxy@sg.tricorglobal.com** or **post to the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinsons Road #11-02, Singapore 068898** at least seven (7) working days before the AGM.

2. Registration to attend the AGM

Shareholders who wish to attend the AGM can participate by registering at the link as follows:-

<https://conveneagm.sg/enecoenergy2021>

by 2.00 p.m. on Saturday, 24 April 2021 (the "Registration Deadline") to enable the Company to verify the Shareholders' status. After the verification process, an email containing instructions to access the LIVE WEBCAST or AUDIO FEED (depending on the Shareholder's choice at the point of registration) will be sent to authenticated Shareholders **by 12 noon on Monday, 26 April 2021**.

If the shareholders or their corporate representatives who have pre-registered by the Registration Deadline, but did not receive an email by 12 noon on Monday, 26 April 2021, they may contact the Company for assistance at 6236 3550 / 6236 3555.

Shareholders may attend the LIVE WEBCAST via your smart phones, tablets or laptops/computers, and the AUDIO FEED via a land or mobile phone line.

Shareholders who wish to attend the AGM via LIVE WEBCAST or AUDIO FEED are reminded that the AGM is private. Invitations to attend the LIVE WEBCAST or AUDIO FEED shall not be forwarded to anyone who is not a Shareholder of the Company or who is not authorised to attend the LIVE WEBCAST or AUDIO FEED. Recording of the LIVE WEBCAST and AUDIO FEED in whatever form is also strictly prohibited.

The Company would like to seek Shareholders' understanding in the event of any technical disruptions during the LIVE WEBCAST and AUDIO FEED.

3. Shareholders' Questions and Answers (Q&A)

Shareholders will not be able to ask questions at the AGM during the LIVE WEBCAST or AUDIO FEED. Therefore, it is important for shareholders to pre-register and submit their questions in advance of the AGM.

Shareholders can submit their questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the Meeting at the link as follows:-

<https://conveneagm.sg/enecoenergy2021>

Submission deadline for questions is by **2.00 p.m. on Wednesday, 21 April 2021** (7 days before the AGM).

Please note that substantial questions and relevant comments from Shareholders would be addressed by the Company (as may be determined by the Company at its sole discretion) and posted on SGXNet before the AGM. The Company will also address any subsequent clarifications sought, or follow-up questions, prior to, or at, the AGM in respect of substantial and relevant matters. The responses from the Board and management of the Company shall thereafter be published in the Company's Minutes of the AGM on SGXNet and the Company's website within one (1) month after the conclusion of the AGM.

Shareholders who have been appointed as proxies by relevant intermediaries under Section 181(1C) of the Companies Act, Cap. 50 of Singapore, such as SRS investors, should approach their respective agents, such as SRS Operators, to submit their questions in relation to any resolution set out in the Notice of AGM prior to the AGM and have their substantial queries and relevant comments answered.

4. Documents for the AGM

Documents relating to the business of the AGM, which comprise the Company's annual report for the financial year ended 31 December 2020, this Notice of AGM, and the proxy form for the AGM (collectively, the "AGM Documents"), have been published on SGXNet and the Company's website at www.enecoenergy.com on 13 April 2021.

N OTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the Meeting to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the 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.

ENECO ENERGY LIMITED

Company Registration No. 200301668R
(Incorporated in the Republic of Singapore)

IMPORTANT:

1. The Annual General Meeting ("AGM") is being convened, and will be held, partly by way of electronic means pursuant to First Schedule of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Company's annual report, the Notice of AGM, and this proxy form for the AGM (collectively, the "AGM Documents") will **NOT** be sent to members of the Company. Instead, the AGM Documents, including the Notice of AGM, will be sent to members of the Company by electronic means via publication on SGXNet and the Company's website at www.enecoenergy.com.
2. Alternative arrangements relating to attendance at the Meeting via electronic means (including arrangements by which the Meeting can be electronically via live webcast and telephone audio feed), submission of questions in advance of the Meeting, addressing of substantial queries and relevant comments, prior to, or at, the Meeting and voting by appointing the Chairman of the Meeting as proxy at the Meeting, are set out in the Notice of AGM.
3. Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the Meeting in person. A member of the Company (whether individual or corporate) must appoint the Chairman of the Meeting as their proxy to attend, speak and vote on their behalf at the Meeting if such member wishes to exercise their voting rights at the Meeting. The accompanying proxy form for the AGM may be downloaded from SGXNet and at the Company's website at www.enecoenergy.com.

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 the Chairman of the Meeting as *my/our proxy to attend and vote for *me/us on *my/our behalf at the Annual General Meeting ("AGM") of the Company held by electronic means (via live webcast and telephone audio feed) on Wednesday, 28 April 2021 at 2.00 p.m. (Singapore time) and at any adjournment thereof.

*I/We direct the Chairman of the Meeting as *my/our proxy to vote for or against or abstain the Ordinary Resolutions proposed at the Meeting as indicated hereunder.

Note: In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

No.	Resolutions relating to:	**For	**Against	**Abstained
1.	Audited Financial Statements for the financial year ended 31 December 2020			
2.	Re-election of Mr Patrick Tan Tse Chia as a Director			
3.	Re-election of Mr Koji Yoshihara as a Director			
4.	Approval of Directors' fees amounting to S\$181,500 for the financial year ending 31 December 2021			
5.	Re-appointment of Messrs Foo Kon Tan LLP as Auditors and authority to Directors to fix remuneration			
6.	Authority to issue shares			
7.	Authority to issue shares under Eneco Group Share Option Scheme			
8.	Authority to issue shares under Eneco Group Performance Share Plan			

* Delete accordingly

** If you wish to exercise all your votes "For" or "Against", please mark an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark "X" in the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution.

Dated this _____ day of _____ 2021

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 815F 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. Shareholders must appoint the Chairman of the Meeting to act as proxy and direct the vote of the AGM. Please refer to the Notice of AGM for more details. This proxy form has been made available on SGXNet and at the Company's website at www.enecoenergy.com. Printed copies of the AGM Documents, including this proxy form will **NOT** be despatched to members.
3. The instrument appointing the Chairman of the Meeting, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited: (i) by email to sg.is.proxy@sg.tricorglobal.com; or (ii) by post to the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #11-02, Singapore 068898 by 2.00 pm on Sunday, 25 April 2021 (being not less than seventy-two (72) hours before the time appointed for holding the AGM).

A member who wishes to submit an instrument of proxy must complete and sign the proxy form, before submitting it by post to the address provided above or before scanning and sending by email to the email address provided above.

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

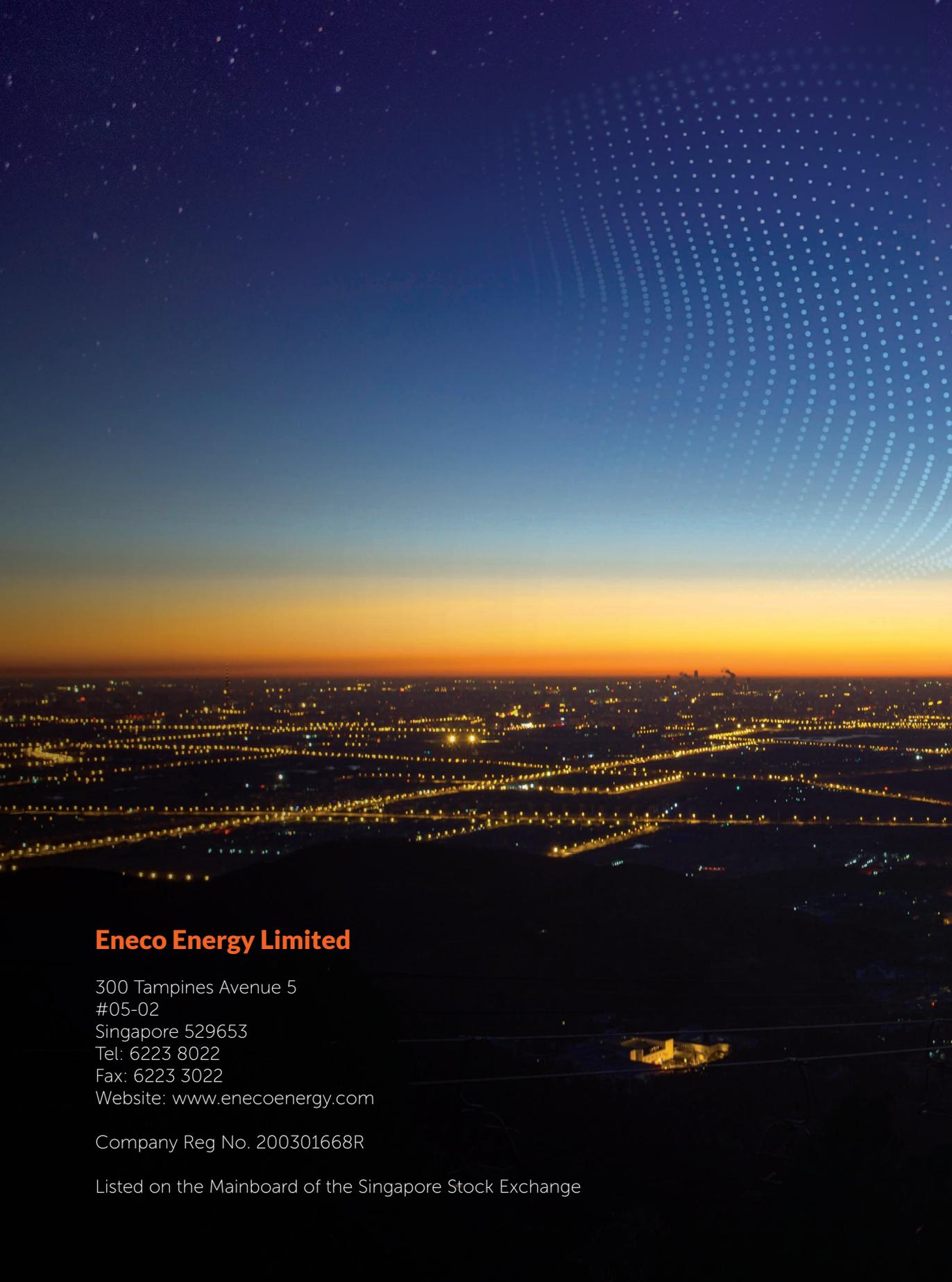
4. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless their name appears on the Depository Register seventy-two (72) hours before the time set for the Annual General Meeting.
5. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) who wish to appoint the Chairman of the Meeting as their proxy, they should approach their respective SRS Operators to submit their votes by email to sg.is.proxy@sg.tricorglobal.com or post to the Company's Share Registrar, Tricor Barbinder Share Registration Services, 80 Robinsons Road #11-02, Singapore 068898 at least seven (7) working days before the AGM.
6. The instrument appointing the Chairman of the Meeting must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

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 April 2020.

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.

A night cityscape with a grid of blue dots in the sky. The sky is dark blue with a grid of small, glowing blue dots that form a pattern of concentric circles and lines, resembling a digital or network structure. The city below is illuminated with warm yellow and orange lights, with a prominent bridge or road structure in the foreground.

Eneco Energy Limited

300 Tampines Avenue 5
#05-02

Singapore 529653

Tel: 6223 8022

Fax: 6223 3022

Website: www.enecoenergy.com

Company Reg No. 200301668R

Listed on the Mainboard of the Singapore Stock Exchange