

ENECO ENERGY LIMITED
(Co. Reg. No. 200301668R)
(Incorporated in the Republic of Singapore)

APPLICATION FOR EXTENSION OF TIME TO MEET THE REQUIREMENTS OF RULE 1314 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) (“LISTING MANUAL”) TO EXIT FROM THE WATCH-LIST

The board of directors (the “**Board**”) of Eneco Energy Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement on 3 December 2019, following the Notice of 3 Consecutive Years’ Losses released by the Company on 14 June 2019. The Company will have to fulfill the requirements under Rule 1314 of the Listing Manual for its removal from the Watch-List within 36 months from 4 December 2019.

The Board wishes to update shareholders that the Company has on 23 September 2022 submitted an application to seek the Singapore Exchange Securities Trading Limited’s approval for an extension of time of 12 months (i.e. by 1 December 2023) from the original deadline of 2 December 2022 to meet the requirements of Rule 1314 of the Listing Manual to exit from the Watch-List (the “**Application**”).

Rationale for the Application are set out below:

1. Positive business prospects of the Group

Pursuant to Paragraph 4.2(1) of Practice Note 13.2 of the Listing Manual, an issuer may apply to the SGX-ST for an extension of time of up to 12 months if the issuer is able to satisfy (i) at least one of the requirements under Rule 1314 of the Listing Manual and (ii) has achieved healthy cash flow from its operating activities (based on its audited full year consolidated accounts for the most recently completed financial year).

The Group’s revenue from continuing operations has grown (i) 8% from S\$36.43 million in the financial year ended 31 December (“**FY**”) 2020 to S\$39.49 million in FY2021, and (ii) 15% from S\$18.72 million in the 6-month financial period ended 30 June (“**1H**”) 2021 to S\$21.55 million in 1H2022. Since being placed on the Watch-List, the Group has also made concerted efforts to return to profitability and achieved a consolidated pre-tax profit of S\$8.91 million and S\$7.34 million for FY2021 and FY2020, respectively. The Group has also generated net cash from operating activities of S\$5.99 million and S\$8.02 million in FY2021 and FY2020, respectively.

The Group has undergone major restructuring by exiting the highly risky and unprofitable Oil & Gas business segment following the disposal of Ramba Energy Investments Limited as announced on 22 August 2022. This allowed the Group to focus its resources on its core logistics business in Singapore and Indonesia.

The Group further strengthened its financial position following the successful completion of the placement exercise on 1 September 2022, receiving S\$16.6 million of equity injection from investors.

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2. Recent resumption of trading

The Company's shares have been suspended from trading since 9 March 2020, following a request for voluntary suspension pursuant to Rule 1303(3) of the Listing Manual. The Company's shares were only able to resume trading on 6 September 2022 after it had fully satisfied the criteria set by the SGX-ST for the resumption of trading. As such, the Company's shares would not be able to satisfy the market capitalisation criteria where it must achieve an average daily market capitalisation of S\$40 million or more over the last 6 months by the deadline of 2 December 2022 as set out in the Notice, in order to exit the Watch-List in accordance with Rule 1314 of the Listing Manual. With the Company's shares suspended for more than 2 years and with major restructuring undertaken by the Group during the period of suspension, it will also take time for shareholders and potential investors to understand, monitor and accept the Group's strategic direction, corporate actions and business activities and value the Company's share price fairly in the market.

The Company will update shareholders on the outcome of the Application as and when appropriate.

By Order of the Board

ENECO ENERGY LIMITED

Gwee Chee Kiang
Chief Executive Officer
23 September 2022