

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

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**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**

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The Board of Directors of Eneco Energy Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) (the “**Board**”) refers to the SGX-ST’s Notice of Inclusion on the Watch-List announced by the Company on 3 December 2019, following the Notice of 3 Consecutive Years’ Losses released by the Company on 14 June 2019. The Company had 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 Company subsequently applied for and received letters from the SGX-ST on 12 October 2022 and 15 November 2023, respectively, stating that it had no objections to granting an extension of time up to 1 December 2023 and subsequently, 1 December 2024 (“**Deadline**”) for the Company to exit from the Watch-List.

The Board wishes to update shareholders that the Company has on 30 October 2024 submitted an application to seek SGX-ST’s approval for a further extension of time of 12 months from the Deadline (i.e. by 1 December 2025) (the “**Extension**”) to meet the requirements of Rule 1314 of the Listing Manual to exit from the Watch-List (the “**Application**”).

Rationale for the Application is set out below:

1. The Group has made pre-tax profits for FY2023 and maintained healthy financial position

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 has achieved adjusted consolidated pre-tax profits for FY2022 and FY2023. The Group’s consolidated pre-tax profit from continuing operations has decreased from S\$812,000 in the financial year ended 31 December (“**FY**”) 2022 to S\$483,000 in FY2023, mainly due to lower government grants received and lower gains on disposal of plant and equipment and intangible assets. Nevertheless, the adjusted consolidated pre-tax profit had improved from S\$295,000 in FY2022 to S\$395,000 in FY2023 due to lower non-recurring income in FY2023 and savings from reduced salaries and employees’ benefits in FY2023. This was achieved despite a lower revenue achieved in FY2023 and higher service-related costs brought about by higher subcontractors’ expenses, terminal charges, rental, repair and maintenance expenses.

The Group maintained a healthy financial position following the successful completion of the placement exercise on 1 September 2022, receiving S\$16.6 million of equity injection from investors. The Group has also achieved positive operating cashflows of S\$5.7 million in FY2022 and S\$4.7 million in FY2023.

2. Steady market capitalisation

Although the average daily market capitalisation in the last 6 months prior to the date of this letter of S\$19.7 million is still below the requirement of S\$40 million, stipulated under Rule 1314 of the Listing Manual, the Company noted improvement in the lowest daily market capitalisation during this period. The Group will continue to step up its ongoing efforts to drive better financial performance in order to achieve a larger market capitalisation. Armed with a strong cash position, positive operating cashflows

and a healthy balance sheet, the Group will continue to seek new business and investment opportunities that can generate higher profitability and better returns for the Group.

### 3. Efforts to improve the overall business of the Group

Since its inclusion in the Watch-List on 3 December 2019, the Group has made concerted efforts and achieved steady progress in improving the overall financial health of the Group. Major initiatives undertaken included:

- (i) Completion of a major restructuring exercise 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 stemmed further losses from the Oil & Gas business and allowed the Group to focus its resources on its core logistics business with good profit margins.
- (ii) Strengthened its financial position following the successful completion of its ordinary shares and warrants placement exercise on 1 September 2022, receiving S\$16.6 million of equity injection from investors ("**Exercise**").
- (iii) Secured resumption of trading for the Company's shares on the SGX-ST on 6 September 2022.
- (iv) Completion on the disposal of the logistics business in Indonesia on 14 February 2023, which has allowed the Group to focus on new investments that can generate higher returns.

In addition to the above efforts, the Company has also been actively looking for new businesses with high investment potential and constantly engaging in discussions on business diversification in new markets, with efforts to expand the Group's business footprint.

The Group has made improvements to its existing businesses and internal processes in recent years and is beginning to reap positive results from these efforts. With the Extension, the Group would be able to further strengthen its financial position by improving the profitability of its existing business and increasing its revenue and profit streams from any new businesses that the Group would invest in. With higher profitability and a more robust business model, the Group would be able to generate greater investors' interests and would also entice existing warrant holders to exercise their warrant holdings. A higher trading price and a larger number of ordinary shares in issuance would help to increase the market capitalisation of the Company, putting it in a better position to surpass the average daily market capitalisation of S\$40 million.

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  
Group Chief Executive Officer  
30 October 2024