

# STEADFAST AND COMMITTED

ANNUAL REPORT 2023



# CORPORATE PROFILE

**RH Petrogas Limited ("RHP")** is an independent upstream oil and gas company headquartered in Singapore and listed on the mainboard of the Singapore Stock Exchange. RHP operates across the full range of upstream activities covering the exploration, development and production of oil and gas resources. Geographically, RHP is focused in the ASEAN region. RHP has undertaken a strategic renewal and revamp of its asset portfolio in recent years and currently holds two new producing assets in Indonesia.

RHP aspires to be a leading independent energy company in the ASEAN region.

Our mission is to develop, leverage and grow our energy assets in a safe, responsible and sustainable manner to enhance the interests of our stakeholders.



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# SUMMARY OF RESERVES AND RESOURCES

## Summary of Oil and Gas Reserves and Resources as of 1 January 2024

RESERVES						
	Gross			Effective Working Interest		
	Oil (MMB)	Gas (BCF)	Total (MMBOE)	Oil (MMB)	Gas (BCF)	Total (MMBOE)
INDONESIA						
1P	32.2	37.9	38.5	18.6	21.9	22.3
2P	45.7	37.9	52.0	26.5	21.9	30.1
3P	57.4	37.9	63.7	33.2	21.9	36.8

CONTINGENT RESOURCES						
	Gross			Effective Working Interest		
	Oil (MMB)	Gas (BCF)	Total (MMBOE)	Oil (MMB)	Gas (BCF)	Total (MMBOE)
INDONESIA						
1C	31.5	290.1	79.9	18.2	167.9	46.2
2C	36.8	421.3	107.0	21.3	243.7	61.9
3C	48.3	604.1	149.0	27.9	349.5	86.2

### Notes:

1P Proved Reserves  
 2P Proved plus Probable Reserves  
 3P Proved plus Probable plus Possible Reserves

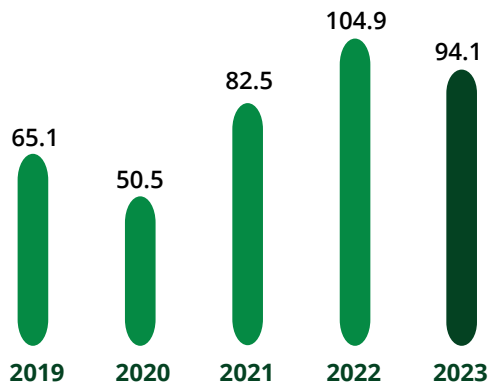
MMB Million Barrels  
 BCF Billion Cubic Feet  
 MMBOE Million Barrels of Oil Equivalent

1C Low Estimate of Contingent Resources  
 2C Best Estimate of Contingent Resources  
 3C High Estimate of Contingent Resources

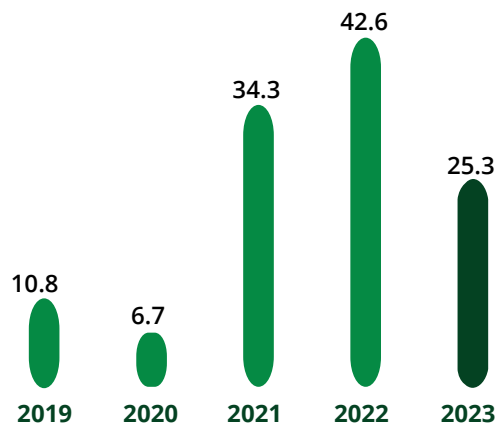
1 barrel of oil equivalent is approximately 6,000 cubic feet of gas

## FINANCIAL HIGHLIGHTS

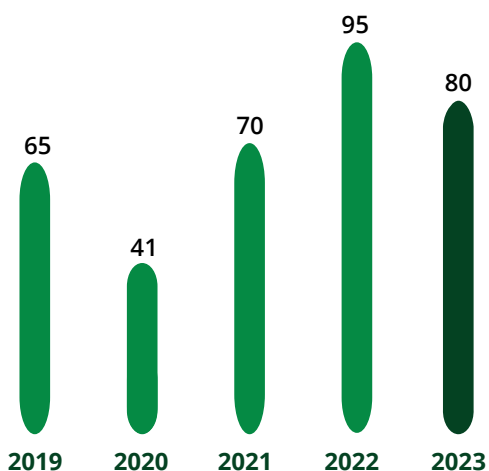
Revenue US\$ Million



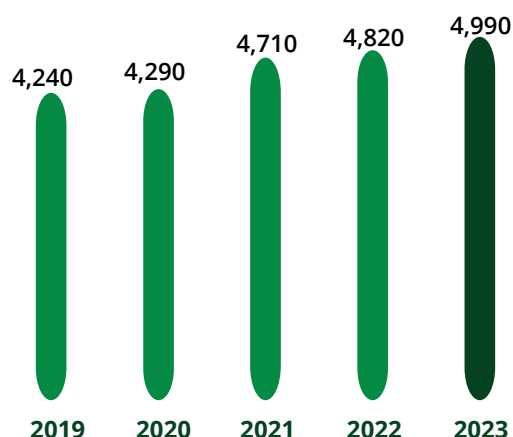
EBITDAX<sup>(1)</sup> US\$ Million



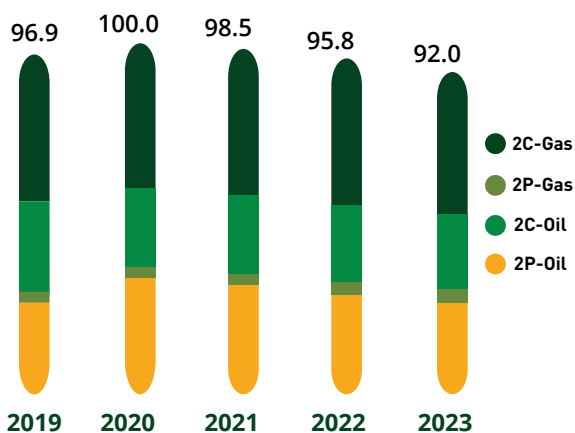
Realised Oil Price US\$ Per Barrel



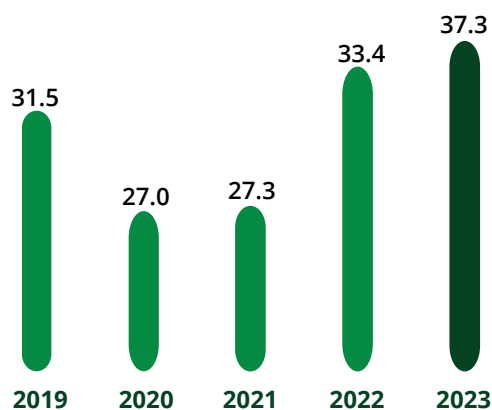
Production<sup>(2)</sup> BOEPD<sup>(3)</sup>



2P<sup>(4)</sup> and 2C<sup>(5)</sup> MMBOE<sup>(6)</sup> (As at 31 December)



Production Cost US\$ Per Barrel



(1) EBITDAX - Earnings before interest, tax, depreciation, amortisation, exploration expenses, impairment and other non-recurring items  
 (2) Before accounting for the share of non-controlling interest  
 (3) BOEPD - Barrels of Oil Equivalent Per Day  
 (4) 2P - Proved plus Probable Reserves  
 (5) 2C - Best Estimate of Contingent Resources  
 (6) MMBOE - Million Barrels of Oil Equivalent

# CHAIRMAN'S MESSAGE



**Dato' Sri Dr Tiong Ik King**  
Non-Executive and  
Non-Independent Chairman

**“The Group  
remains  
steadfast and  
committed to  
the exploration  
and production  
of oil and gas.”**

## **Dear Shareholders,**

Energy market headlines in 2023 were dominated by geopolitical conflicts, energy transition debates, and global economic recovery concerns, all of which took their turn in the spotlight and contributed to the volatility and uncertainty in the oil and gas markets. The ongoing war between Russia and Ukraine, recently passed the two-year mark with no end in sight. As a result of the war, European nations were forced to contend with sanctions and disruptions of Russian oil and gas supply, prompting them to seek alternative sources in a bid to diversify supplies and address long-term energy security concerns. However, just as the global energy markets had begun to take the Ukraine-Russian conflict in their stride, they received another jolt in October 2023 when the Palestinian militant group Hamas launched an unprecedented attack on Israel, sparking a war between the two adversaries. The conflict threatened to spill over into other parts of the Middle East, with other incidents of violence between Israel and the Iran-linked militia Hezbollah erupting along the Israel-Lebanon border, and the Yemeni Houthi movement orchestrating attacks on civilian commercial ships passing through the Red Sea. The Red Sea attacks in particular raised concerns about the safe passage of oil tankers through the conflict zone. These latest events serve as a stark reminder of the risk that markets continue to face from geopolitical uncertainties.

Despite these concerns over disruptions to energy supply, crude prices generally declined year-on-year, with the Brent crude benchmark averaging US\$82 per barrel for the year compared to US\$101 per barrel in 2022. This was mainly due to concerns over the strength of global oil demand, even as OPEC and its alliance members implemented production cuts in an attempt to support oil prices. Markets remained cautious over China's economic recovery, and other major economies were still grappling with inflation amid the challenges of sustaining economic growth post-pandemic. To rein in persistently high inflation, the US Federal Reserve maintained its hawkish stance and continued implementing a series of rate hikes. As at end 2023, the Federal Funds target rate was 5.25-5.50%, compared to near-zero at the start of 2022. Heading into 2024, monetary policy is expected to shift to a more accommodative stance as concerns over inflation gives way to that of supporting economic growth.

At the same time, the implications and implementation of the energy transition continue to be debated. While acknowledging the importance of eventually shifting away from fossil fuels, in recent months major economies

and oil producers reaffirmed their commitments to oil and gas production. Given the world's continued heavy reliance on fossil fuels and the potential socio-economic consequences of a disorderly transition, there has been growing support for a gradual approach to ensure economic stability and energy security. This is consistent with our stated view that fossil fuels will continue to play an important role in the global energy mix for some time to come.

The Group remains steadfast and committed to the exploration and production of oil and gas. For the two PSCs we operate, we continue to optimise production and aim to unlock the potential of unexplored prospects.

### Steadfast and Committed

The Group embarked on an exploration drilling campaign during the year with the drilling of two wells in the Kepala Burung block during the second half of 2023, and one well in the Salawati block in early 2024. Additionally, the Group conducted the acquisition of a 3D seismic survey in the South Walio Offshore area of the Salawati block. These activities were also undertaken as part of the work commitments under the two PSCs, which seek to unlock the prospective upside potential of the two blocks which the Group operates.

The Group's exploration drilling campaign commenced with the spudding of the Riam-1 well in the Kepala Burung PSC acreage in July 2023. The Riam-1 well is located approximately 3 km west of the Walio field, which accounts for more than 50% of the block's oil production, and is the first exploration well to be drilled in the block for almost a decade. Riam-1's objective was to prove up oil migration on the western part of the main Walio producing area, and if successful, would have extended the production fairway westward. While weak hydrocarbon shows were observed during drilling, subsequent wireline logging results indicated that the target reservoir was water wet. As such, Riam-1 was plugged and abandoned. In view of the results of Riam-1, the Group had also decided not to proceed with plans for the drilling of a development well, the Walio-322 well, in an adjacent area which shares similar geological conditions.

Following on the heels of the Riam-1 well, the Group spudded the Karuka-1 exploration well in the Kepala Burung block in September 2023. Karuka-1 aimed to test the gas and condensate potential of pre-Tertiary targets in the Salawati basin, which sits near the northern flank of the Sahul Platform where multiple world class gas discoveries have been made along the continental margin from the neighbouring Bintuni basin down to the Bonaparte basin in Australia. Drilling data from the Karuka-1 well showed that the target formations mimicked the expected geology based on the neighbouring Bintuni basin analogue but with a much thicker pre-Tertiary

section than expected. Although oil and gas shows were observed during drilling, analysis of wire logging results concluded that no hydrocarbon bearing reservoir was present. As a result, Karuka-1 was plugged and abandoned. Oil and gas exploration inherently carries risks and while we are disappointed with the outcomes of the two wells, they have nonetheless yielded valuable data and insights which will serve to inform our future exploration endeavours.

In January 2024, the Group spudded the Piarawi-1 exploration well in the Salawati PSC, rounding off the well drillings planned under the drilling campaign which commenced in 2023. Piarawi-1's objective was to prove up oil accumulation trend similar to the main Matoa producing area. Drilling was recently completed in March 2024 and oil-bearing reservoir was encountered in the target Kais carbonate formation, with approximately 25 feet of net oil pay estimated to be present in an overall hydrocarbon column of 70 feet based on wire logging data. However, the reservoir was found to be tighter than expected and would require stimulation to enable the optimal recovery of the discovered oil. The same tight carbonate reservoir has been encountered in both the Salawati and Kepala Burung blocks, and the Group has successfully extracted oil using existing technologies. The well is currently suspended while we plan to undertake further appraisal works to assess the commerciality of the oil discovery.

In addition to the exploration drilling programme, the Group also completed the acquisition of a 3D seismic survey in the South Walio Offshore area of the Salawati block in 2023 which is integral to the Group's overall exploration strategies and work plans for the block. The survey area is located directly to the south of the Walio field, the largest oil field in the adjoining Kepala Burung block. Processing and interpretation of the 3D survey is currently ongoing, and the results would help the Group in evaluating the potential of the area for future exploration activities.

Apart from exploration activities, the Group remained steadfast in actively carrying out workovers and services as well as implementing other production optimisation initiatives in both the Kepala Burung and Salawati areas. These efforts are crucial to maintaining oil and gas production from existing fields, providing the Group with the financial resources needed to support its future exploration endeavours and growth efforts. The Group also continues to conduct geological and geophysical studies aimed at identifying areas with potential new oil and gas resources for future drilling opportunities, as well as studies to assess the development feasibility of its existing discovered but undeveloped gas and condensate fields in the Salawati block which could help serve the energy needs of new developments in the Sorong region.

# CHAIRMAN'S MESSAGE

## Operation Review

The Group recorded an average wellhead production of 4,990 BOEPD (barrels of oil equivalent per day) in 2023, based on the Group's working interest share of production (before accounting for the share of non-controlling interest) from the Kepala Burung and Salawati blocks combined. This marks an increase of around 4% from the 2022 average production of 4,820 BOEPD and underscores the success of the Group's ongoing initiatives in sustaining production from the blocks' mature fields.

In 2023, the Group continued to dedicate its efforts towards optimising and maintaining production from its existing fields, which saw an increase in the number of well workovers and well services performed during the year as compared to the previous year. Our operational teams in both blocks continue to carry out work programmes aimed at improving field operations, as well as undertaking maintenance and upgrading works to enhance the facility integrity of both blocks. As a result of these activities, the Group's cost of production increased from US\$33.40 per barrel in 2022 to US\$37.30 per barrel in 2023.

## Financial Review

For FY2023, the Group recorded revenue of US\$94.1 million, a 10% decrease from the US\$104.9 million achieved for FY2022, primarily due to the drop in the average realised oil price from US\$95 per barrel in 2022 to US\$80 per barrel in 2023.

Cost of sales rose to US\$68.1 million in FY2023, up from US\$60.9 million in the preceding year. This increase was driven by higher field operating expenses mainly due to increased well workover and well services activities and higher maintenance and upgrading costs for the aging fields' production facilities.

Despite the lower revenue and increased cost of sales, the Group remained resilient, recording a gross profit of US\$26.0 million in FY2023.

Other income nearly doubled, increasing from US\$1.8 million in FY2022 to US\$3.4 million in FY2023, primarily due to higher interest income from fixed deposits. On the other hand, other expenses significantly increased from US\$0.4 million in FY2022 to US\$19.6 million in FY2023, mainly due to the write-off of US\$17.7 million for unsuccessful exploration and evaluation expenditures relating to the Riam-1 and Karuka-1 wells drilled in the Kepala Burung PSC.

Administrative expenses and finance costs totaled US\$4.6 million for FY2023, representing a 15% decrease from the US\$5.4 million recorded in FY2022, which was primarily attributed to lower staff costs and lower interest expense on lease liabilities. In line with the lower operating profit, the Group's income tax expense decreased from US\$15.2 million in FY2022 to US\$2.1 million in FY2023.

As a result of the above, the Group recorded a net profit of US\$3.2 million for FY2023 compared to a net profit of US\$24.9 million for FY2022. Excluding the write-off of unsuccessful exploration and evaluation expenditures of US\$17.7 million, the Group would have recorded a net profit of US\$13.8 million for FY2023. EBITDAX<sup>(1)</sup> for the Group for FY2023 was positive at US\$25.3 million.

The Group generated positive net cash flow from operations of US\$16.8 million in FY2023, and had cash and bank balances of US\$54.6 million as of 31 December 2023. The Group continues to maintain a strong balance sheet with total equity for the Group increasing from US\$47.0 million as of 31 December 2022 to US\$48.8 million as of 31 December 2023.

(1) EBITDAX – Earnings before interest, tax, depreciation, amortisation, exploration expenses, impairment and other non-recurring items





# CHAIRMAN'S MESSAGE

## Committed to Giving Back

The Group continued to support the development of local communities in the areas near where it operates, focusing on the main areas of educational support, health assistance, economic development and infrastructure development. The Group provided learning tools and materials, as well as support for the hiring of elementary school teachers. In the area of health assistance, the Group continued the work to reduce the occurrence of stunting in rural communities through screening and education for expectant mothers. The Group also provided assistance, equipment and materials for the building of water infrastructure and worship facilities in villages near its operational areas.

Local businesses supported and mentored by the Group continued to thrive and produce good results. During FY2023, farmer groups and cooperatives supported by the Group's collaborative efforts reaped their first harvest of vegetables. One of the Group's mentored businesses also participated and won an award in a national exhibition, and successfully obtained Halal certification as part of its strategy to expand the market for its products.

More details on the Group's community initiatives and sustainability practices can be found in the sustainability report, which will be issued in April 2024. The Group is fully committed to being a socially responsible energy company, and will continue to strive to support the growth and development of the local communities where we operate.

## Note of Appreciation

On behalf of the board, I would like to extend my appreciation to our management and staff for their dedication and commitment. I would also like to express my sincere gratitude to our shareholders for their unwavering support and confidence in the Group all these years. Despite our disappointment with the outcome of the two exploration wells drilled in the Kepala Burung block, the Group remains confident in the block's upside potential. We have come through many challenges, and with your continued support, we remain steadfast in our efforts to deliver long-term value for all our stakeholders.

## Dato' Sri Dr Tiong Ik King

Non-Executive and  
Non-Independent Chairman  
9 April 2024



# ASSETS REVIEW

## EXPLORATION & PRODUCTION

The Group remained steadfast in its focus on optimising production



### Kepala Burung & Salawati Production Sharing Contracts (“PSC”) – Southwest Papua, Indonesia

The Group undertook an intensive exploration and production work programme in 2023, deploying additional rigs to support the increase in workover and well services jobs and the drilling of three exploration wells over the Kepala Burung and Salawati blocks that was conducted during the second half of 2023 to early 2024. The increase in workover and well services activities helped to counteract the natural production decline and resulted in a year-on-year increase in the Group’s overall production, a commendable achievement considering the maturity of the Group’s producing fields.

The Kepala Burung PSC and Salawati PSC are two contiguous blocks located in the “Bird’s Head” area of Southwest Papua in eastern Indonesia. The Kepala Burung PSC covers an onshore area of 1,030 km<sup>2</sup> while the Salawati PSC covers both onshore and offshore areas totalling 1,137 km<sup>2</sup>.

The Group holds its working interests in the Kepala Burung PSC and Salawati PSC through its majority-owned subsidiaries Petrogas (Basin) Ltd (“**PBL**”) and Petrogas (Island) Ltd (“**PIL**”) respectively. PBL and PIL each hold a 70% working interest in the Kepala Burung PSC and Salawati PSC respectively, with Indonesia’s state-owned oil and gas company Pertamina holding the remaining 30% non-operating working interest in the two blocks. The Group has a majority shareholding of 82.654% in each of PBL and PIL, which gives the Group an effective working interest of 57.8578% in each of the Kepala

Burung PSC and the Salawati PSC. Under the terms of the two PSCs, the local governments where the PSCs are located have the option to participate for up to a 10% working interest in the PSCs and such participation shall be contributed by all PSC contractors in proportion to their working interests in the respective PSCs.

The Kepala Burung block commenced production in the 1970s and total cumulative oil production to date exceeds 360 million barrels. Production from the block has remained relatively stable in recent years through an ongoing programme of well optimisation and well workovers, supplemented by near field exploration discoveries and infill development drillings. Currently the block has 18 active oil and gas producing fields, with the biggest being the Walio field, which currently accounts for more than half of the block’s oil production. Over the last few years, the block had consistently contributed around 80% of the Group’s annual oil and gas production.

Being the operator of both the Kepala Burung and Salawati blocks allows the Group to drive and implement operational and costs synergies between the two adjacent blocks. The Group will continue to pursue opportunities to optimise operations within and between the blocks that will contribute towards costs savings for both PSCs.

Under the respective PSC agreements, the Group is committed to carry out an agreed set of firm work programmes during the first five years of the contract. The work commitments include geological and geophysical (“**G&G**”) studies, seismic acquisition and processing, exploration well drillings and pilot enhanced oil recovery (“**EOR**”) projects.

# ASSETS REVIEW

## EXPLORATION & PRODUCTION

Based on the most recent independent third-party audit, the combined proved plus probable reserves (“**2P reserves**”) for the Kepala Burung PSC and the Salawati PSC was around 30.1 million barrels of oil equivalent (“**MMBOE**”) as of 1 January 2024 net to the Group’s effective working interests. These reserve numbers include the Indonesian Government’s share of production under the terms of the respective PSCs.

In 2023, the Group drilled two exploration wells in the Kepala Burung block as part of its efforts to unlock the prospective upside potential of the block. Hydrocarbon shows were observed in both wells during drilling, however subsequent wireline logging and analysis concluded that no hydrocarbon bearing reservoir was present. During the year, the Group also completed the acquisition of a 3D seismic survey in the South Walio Offshore area of the adjoining Salawati block, with processing and interpretation of the 3D survey currently underway. In January 2024, the Group spudded its first exploration well, the Piarawi-1 well, in the Salawati block. Drilling was completed in early March 2024, with analysis of well logging data confirming the discovery of an oil bearing reservoir with a net pay of approximately 25 feet in an overall hydrocarbon column of 70 feet in the Kais carbonate formation. However, the oil-bearing reservoir is tighter than expected and would require stimulation to enable the optimal recovery of the discovered oil. Moving forward, the Group plans to conduct further appraisal activities to assess the extent and commerciality of the discovery.



Besides seeking growth through its stepped-up exploration programmes which had been delayed due to the COVID-19 pandemic, the Group also continues its active programmes of workovers and well services which are integral to maintaining oil and gas production from existing fields. The Group’s working interest share of wellhead production (before accounting for the share of non-controlling interest) for 2023 averaged around

4,990 barrels of oil equivalent per day (“**BOEPD**”), which is around 4% higher than the 4,820 BOEPD achieved in the previous year. The improvement was contributed entirely by the higher production from the Kepala Burung block and is a result of the production optimisation activities and initiatives undertaken by the Group during the year.

### **Kepala Burung PSC** (Effective Working Interest of 57.8578%, Operator)

During 2023, the Group drilled two exploration wells in the Kepala Burung block, namely the Riam-1 and Karuka-1 wells, with both wells also being part of the firm work commitment of the PSC which commenced in 2020.

The Riam-1 well was spudded in July 2023 and is the first exploration well drilled in the block for almost a decade. The well sought to test the oil potential in a combination of structural and stratigraphic traps within the Kais carbonate reservoir, the main producing interval in the block, with the aim of proving up oil migration on the western part of the main Walio producing area.

The Karuka-1 well was spudded in September 2023 and was the first well designed to test pre-Tertiary targets in the Salawati basin within the PSC acreage, with the primary target being the Middle Jurassic Roabiba sandstone and the secondary target being the deeper Permian Aifam sandstone. The well was a high impact deep gas play and was intended to be a play opener for the large untested pre-Tertiary potential in the Salawati basin, which sits near the northern flank of the Sahul Platform where multiple world class gas discoveries have been made.

Though hydrocarbon shows were encountered in both wells during drilling, subsequent wireline logging and analysis indicated that no hydrocarbon bearing reservoir was present. As a result, the wells have been plugged and abandoned. While the outcome of these wells is disappointing, there are valuable data collected and lessons learned which will help to inform the Group’s future exploration efforts as it continues to evaluate and refine its exploration strategy for the block.

The Group carried out a total of 61 workovers and 174 well services in the Kepala Burung block in 2023. These well activities contributed to offsetting the natural production decline of the block’s mature oil fields, keeping overall production at a relatively stable level. As a result of such well optimisation efforts, production from the Kepala Burung block in 2023 was around 4% higher compared to levels in 2022.

# ASSETS REVIEW

## EXPLORATION & PRODUCTION

In December of 2022, the Group had conducted a trial based on the Electrical Assisted Oil Recovery (“**EAOR**”) technique of enhancing oil extraction on four wells in the Walio field. This trial was an expansion of the successful initial test conducted in the previous year and was implemented under a “No Cure No Pay” scheme where payment is only made if production gains are realised. The trial succeeded in yielding production gains exceeding 6,000 barrels of oil above baseline production levels over a one-year monitoring period and there are plans to extend the application to additional wells in the future. During 2023, the Group also carried out enhanced oil recovery tests on two wells in the Walio field on a “No Cure No Pay” basis utilising the “huff and puff” process with an enhanced chemical surfactant as part of the Group’s ongoing initiatives to optimise oil extraction and recovery from the block’s mature fields. Monitoring of well performance is currently ongoing with early results that are encouraging; the Group will continue to study the results and fine-tune its techniques to optimise performance. Meanwhile, the Group continued to progress on preparations for the implementation of a pilot Enhanced Oil Recovery (“**EOR**”) project in the block. Subsurface studies and laboratory works on chemical formulation were completed in 2023, with civil works and installation of field facilities and equipment in the test area planned for 2024.

During the year, the Group continued to focus its efforts on reviewing field work performance and processes to improve operational efficiency and reduce costs. These

included the installation of power generators that are more efficient to support production operations, as well as improvements to the electrical power distribution networks in the block to enhance the reliability of electricity supply for field operations and minimise power interruptions and outages. Additionally, efforts were made to extend the run life of electrical submersible pumps (“**ESP**”) through refinements in ESP assembly and installation processes, better spare parts management, and close monitoring of ESP performance.

Apart from crude oil, the Kepala Burung block also produces natural gas and liquefied petroleum gas (“**LPG**”). Gas production optimisation conducted in the Arar and Klalin fields during the year together with modifications made to the LPG surface facilities resulted in LPG production reaching a new daily record high of 31.3 metric tons per day in 2023. In the North Klalin field, the optimisation of a gas well resulted in condensate gain of around 100 barrels per day.

The natural gas produced from the Kepala Burung block is partly used for internal power generation to meet operational needs, while the rest is sold, mainly to a local government-owned entity which supplies gas for power generation to meet the electricity needs of Sorong city, the largest city in the Southwest Papua province. This aligns with the Indonesian government’s “Bright Papua” programme and is part of an ongoing effort to improve the development of the eastern part of Indonesia, especially in the Sorong area.



# ASSETS REVIEW

## EXPLORATION & PRODUCTION

### Salawati PSC

(Effective Working Interest of 57.8578%, Operator)

In 2023, the Group carried out 13 workovers and 19 well services to optimise and maintain oil production. In December of 2022, the Group had on a trial basis introduced the EAOR technique for the first time in the Salawati block on 3 wells under a “No Cure No Pay” arrangement. The trial succeeded in yielding production gains exceeding 9,000 barrels of oil above baseline production levels over a one-year monitoring period and the Group is studying the results for potential further trials in the future.

A 3D seismic acquisition was conducted in the block during the third quarter of 2023. The survey was carried out in the South Walio Offshore area of the block where the water depths ranged from three to fifteen meters and employed the latest seismic acquisition technology utilising ocean bottom nodes which provided a faster and more efficient operation. The survey was successfully completed on schedule in August and contributed towards fulfilling part of the work commitment of the Salawati PSC which commenced in 2020. Processing and interpretation of the 3D survey is currently ongoing, and the results would help to assess the prospectivity of the South Walio Offshore area for further exploration planning.

In January 2024, the Group spudded the Piarawi-1 exploration well which is situated about 6 km north of the Matoa field, the main producing field in the Salawati block and currently accounts for more than 70% of the block's oil production. The Piarawi-1 well is the first exploration well to be drilled under the firm work commitment of the Salawati PSC. The well is targeting an untested carbonate buildup which shares the same structural style and similar rock facies with the Matoa field, seeking to test the oil potential in a structural trap within the Kais carbonate interval, the main oil-producing reservoir in the block. Drilling was completed in early March 2024 and analysis of well logging data have confirmed the discovery of an oil bearing reservoir with a net pay of approximately 25 feet in an overall hydrocarbon column of 70 feet in the Kais carbonate formation.



However, the oil-bearing reservoir is tighter than expected and would require the implementation of an appropriate stimulation strategy to enable the optimal recovery of the discovered oil. The well is currently suspended temporarily and the Group plans to conduct further appraisal activities to assess the extent and commerciality of the discovery.

Several initiatives were undertaken by the Group to improve operating and cost efficiency for the block in 2023. These included new arrangements on facilities and services sharing with Kepala Burung block, the replacement of rental ESPs with in-house ESPs and measures to reduce operational fuel consumption. The Group will continue to seek greater operational and cost synergies through the Group's operatorship of both the Salawati block and the adjacent Kepala Burung block.

# BOARD OF DIRECTORS

**DATO' SRI DR TIONG IK KING**  
Non-Executive and  
Non-Independent Chairman



**MR CHANG CHENG-HSING FRANCIS**  
Group CEO and  
Executive Director



**MR YEO YUN SENG BERNARD**  
Independent Director



**MR LEE HOCK LYE**  
Independent Director



**MS KUAN LI LI**  
Independent Director



**MR TIMOTHY TIONG ING ZUN**  
Non-Executive and  
Non-Independent Director



**MR KHOO KAR KHOON**  
Independent Director



**DR BUTLER ANDREW JOHN**  
Independent Director



# BOARD OF DIRECTORS

## **DATO' SRI DR TIONG IK KING**

### **Non-Executive and Non-Independent Chairman**

DATO' SRI DR TIONG IK KING, who had been a Non-Executive Director since 7 March 1997 and Non-Executive Chairman since 31 March 2005, was re-designated as Executive Director on 13 March 2008. On 2 March 2017, he was re-designated as a Non-Executive and Non-Independent Director and on 29 March 2018, he was appointed as Deputy Chairman. On 26 April 2019, Dato' Sri Dr Tiong was appointed Non-Executive and Non-Independent Chairman of the Company. He graduated with a M.B.B.S Degree from National University of Singapore in 1975 and attained M.R.C.P. from the UK Royal College of Physicians, United Kingdom, in 1977.

Dato' Sri Dr Tiong is also a Non-Independent Non-Executive Director of Jaya Tiasa Holdings Berhad, a publicly listed timber and oil palm plantation company in Malaysia.

## **MR CHANG CHENG-HSING FRANCIS**

### **Group CEO and Executive Director**

MR CHANG CHENG-HSING FRANCIS was appointed as Group CEO and Executive Director effective 1 January 2014. Previously, Mr Chang held the position of Vice President of Exploration & Production of the Group. Prior to RH Petrogas, he also held management and executive positions with GNT International Group, Texas American Resources and Kerr McGee/Anadarko Petroleum. Mr Chang's over 40 years of experience with US based majors and independent oil companies spans many producing basins in five continents.

Mr Chang holds a Bachelor of Science degree in Geology from National Taiwan University. He also attended graduate school at Harvard University majoring in Geophysics. He is a member of American Association of Petroleum Geologists ("AAPG"), Southeast Asia Petroleum Exploration Society ("SEAPEX"), and Indonesian Petroleum Association ("IPA").

## **MR YEO YUN SENG BERNARD**

### **Independent Director**

MR YEO YUN SENG BERNARD was appointed as an Independent Director on 1 November 2001. He is the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees. Mr Yeo was appointed as an Independent Director of Aspial Lifestyle Limited on 5 May 2023. He is the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees.

Mr Yeo is currently the principal partner of HT & BY Financial Management Consultants. He is a director of SHRI Academy Pte Ltd and SHRI Corporation Pte Ltd. He is a fellow of SHRI and a fellow member of the Association of Chartered Certified Accountants and was until 1 March 2011, a council member of SHRI. An accountant by profession, he was the Director of Finance and Strategic Investment at Compaq

Computers Asia Pacific Pte Ltd. He was previously an Independent Director of Sin Heng Heavy Machinery Limited, a Singapore listed company.

## **MR LEE HOCK LYE**

### **Independent Director**

MR LEE HOCK LYE was appointed as an Independent Director on 27 November 2003. He is the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees.

Mr Lee has extensive experience in banking and finance and had held several senior positions with HSBC Group in Singapore, where he spent more than 30 years. He had also served as Business Advisor to Lombard Odier (Singapore) Ltd for over 11 years before his retirement in early 2021.

Mr Lee holds a Bachelor of Social Sciences (Honours) degree in Economics from the University of Singapore and is an Associate of The London Institute of Banking & Finance (formerly known as the Chartered Institute of Bankers, London).

## **MS KUAN LI LI**

### **Independent Director**

MS KUAN LI LI was appointed as an Independent Director on 22 October 2019. She is the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees.

Ms Kuan has over 30 years of banking, finance and tax leadership roles gained in banks, engineering, real estate, private equity and the big four accounting firms. Besides RH Petrogas, she also serves as Non-Executive Independent Director of Time Dotcom Berhad, AIG Asia Pacific Insurance Pte Ltd, Salvia Pte Ltd, Freemont Capital Pte Ltd, Namak Investment Pte Ltd and Winder Pte Ltd. Ms Kuan is also a Director of Ben & Nic Pte Ltd, as well as Member of the Valuation Review Board of Singapore and The Legal Inquiry Panel of Singapore.

Previously, she was the Country Head and Chief Operating Officer of Barclays Bank PLC's Singapore Branch and Chief Executive Officer of Barclays Merchant Bank (Singapore) Ltd and Barclays Capital Futures (Singapore) Private Limited. She has also served on the boards of Barclays' investment banking and securities subsidiaries in Malaysia, Indonesia and Thailand.

Ms Kuan is a Certified Public Accountant and has been admitted to the Supreme Court of New South Wales as a barrister and a solicitor. She holds a Bachelor of Economics degree and a Bachelor of Laws degree, from the University of Sydney.

# BOARD OF DIRECTORS

## **MR TIMOTHY TIONG ING ZUN**

### **Non-Executive and Non-Independent Director**

MR TIMOTHY TIONG ING ZUN was appointed as a Non-Executive and Non-Independent Director on 1 June 2022.

Mr Tiong has been involved in various capacities with the Rimbunan Hijau Group, a diversified conglomerate in Malaysia, assisting and supporting the Group's corporate affairs. He also joined Rimbunan Sawit Berhad in 2011, a publicly listed oil palm plantation company in Malaysia and has served in various management and corporate functions such as corporate management, sustainability compliance and digital transformation. He also holds directorships in several private and joint-venture companies and has extensive experience in the sectors of plantation, engineering, R&D, trading and logistics.

He graduated with a Bachelor of Science degree in Chemistry from University of California Los Angeles, holds a Master of Science in Material Science & Engineering from the National University of Singapore and a Master's in Business Administration from INSEAD.

## **MR KHOO KAR KHOON**

### **Independent Director**

MR KHOO KAR KHOON was appointed as an Independent Director on 8 February 2023.

Mr Khoo has extensive experience in the media and advertising industry and is an Associate Member of the Chartered Institute of Management Accountants, United Kingdom. Mr Khoo started his career with Coopers & Lybrand before joining Bates Advertising. He then moved on to be one of the key founders of media specialist firm Zenith Media in Malaysia, which was established in 1995. Mr Khoo then spent 17 years at food giant Nestle Products Sdn Bhd, where he was the company's Media Manager and Communications Director from 2009 to 2016. Since 2020, Mr Khoo has held the appointment of Senior Advisor (Branding & Marketing) to Ekuiti Nasional Berhad (Ekuinas) – a private equity company owned by the Government of Malaysia.

Mr Khoo is currently an Independent Non-Executive Director of Media Chinese International Limited and Chairman of its Nomination Committee and a member of its Audit Committee and Remuneration Committee. Mr Khoo also holds numerous advisory and board membership positions relating to his experience in the advertising field. He was the President and Advisor to the Malaysian Advertisers Association (MAA), Executive Member of the Asian Federation of Advertising Associations (AFAA), Member of the Advisory Board, Othman Yeop Abdullah Graduate School of Business, Universiti Utara Malaysia (UUM), Board Member of Audit Bureau of Circulation (ABC), Board Member of Communication and Multimedia Content Forum (CMCF) in Malaysia and also currently the Industry advisor for the

Bachelor of Communication (Honours) PR Programme under the Faculty of Arts and Science (FAS), Universiti Tunku Abdul Rahman.

## **DR BUTLER ANDREW JOHN**

### **Independent Director**

DR BUTLER ANDREW JOHN was appointed as an Independent Director on 11 August 2023.

Dr Butler has over 28 years of experience in the upstream oil and gas industry having worked with large and small operators across various international arenas and assumed technical, commercial and leadership responsibilities. His previous roles included VP of business development at Mitra Energy Ltd (now Jadestone Energy Plc) and new ventures manager and a principal consultant geologist at BG Group. He is currently Chief Executive Officer for Baron Oil Plc, a UK-listed oil and gas exploration and appraisal company, and Managing Director of its subsidiary SundaGas Banda Unipessoal Lda. He is also a Fellow of the Geological Society and an active member of the South-East Asia Petroleum Exploration Society (SEAPEX) and the Society of Petroleum Engineers (SPE).

Dr Butler holds a B.A. in Geology from the University of Oxford and a Ph.D in Geology from the University of Cambridge.



# KEY MANAGEMENT

**MR CHANG CHENG-HSING FRANCIS**  
**Group CEO and Executive Director**

Please refer to Board of Directors section on page 13.

**MR SAMUEL CHEONG**  
**Vice President, Commercial**

MR SAMUEL CHEONG is Vice President for Commercial. Prior to joining the Company, he was Commercial Director at Orchard Energy Pte Ltd, which was owned by Temasek Holdings before it was acquired by the Company. Mr Cheong started his career with Singapore Petroleum Company Limited and has worked in both its upstream and downstream divisions for over 18 years, serving in various capacities ranging from business development and new venture, upstream commercial, risk management and crude operation. He also led the company's asset team in managing its entire portfolio of upstream exploration and production assets spread across Australia, China, Indonesia and Vietnam.

Mr Cheong has over 30 years of experience in the oil and gas industry and holds a Bachelor of Business Administration degree from the National University of Singapore.

**MR THEN GUANG YAW**  
**Vice President, Finance**

MR THEN GUANG YAW is Vice President for Finance. He joined the Company in 2006 as Internal Audit Manager and was appointed as the Group Financial Controller in 2007 before assuming his current position in 2013. Mr Then has extensive experience in the areas of management, finance, accounting and audit. Prior to joining the Group, he spent 6 years in South America as the Financial Controller and later as General Manager with a company of the Rimbunan Hijau Group. Mr Then is a Fellow of the Association of Chartered Certified Accountants.

# CORPORATE GOVERNANCE REPORT

RH Petrogas Limited (the “**Company**”) is committed to maintaining high standards of corporate governance. The Company believes that good corporate governance encompasses principled and prudent corporate values, practices, and checks and balances. Good corporate governance involves establishing and maintaining appropriate policies, procedures, practices and customs, upheld by a responsible and principled culture that is led by the Board and embraced by Management and staff. It safeguards and ensures that the Company is run in an ethical and responsible manner. Such a framework and culture will enhance the interests of all stakeholders. This report describes the Company’s corporate governance processes and activities with specific reference to the Code of Corporate Governance 2018 (the “**Code**”). For the financial year ended 31 December 2023 (“**FY2023**”), the Company has complied in all material respects with the principles and provisions as set out in the Code and will continue to review its practices on an ongoing basis. Where the Company may have adopted a variation to and/or may not have fully complied with any provision, a comprehensive and meaningful explanation on how the Company’s practices are consistent with the aim and philosophy of the principle in question has been provided for such matters. Information provided in other sections of this Annual Report may be relevant to corporate governance. Please read this report together with those other sections of this Annual Report.

## BOARD OF DIRECTORS

### Role of the Board of Directors

The Board of Directors (the “**Board**”) is entrusted with the responsibility for the overall management and control of the business and corporate affairs of the Company and its subsidiaries (the “**Group**”). The primary role of the Board is to decide on strategic and material affairs of the Group, oversee the Group’s business and governance framework, set corporate values and standards and maximise long term shareholder value. The Board objectively takes decisions in the interests of the Group. The Board firmly believes in the importance of establishing and maintaining high ethical standards at all levels of the Group. In setting the desired organisational culture, values and ethical standards of conduct, the Board believes in leading by example and in setting the right tone from the top. The Company has various policies to provide support and guidance, such as an Office Code of Conduct Policy, a Conflict of Interest Policy and an Insider Trading Policy. In addition to Director’s statutory duties, all Directors must objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company and the Group. All Directors are to act in good faith and exercise due and reasonable care, skill, diligence and objective judgement in dealing with the business affairs of the Company and the Group. In addition, Directors facing conflicts of interest are to recuse themselves from discussions and decisions involving the issues of conflict.

The Board sets the overall strategy of the Group and focuses on the Group’s key activities and corporate events including the following:

- Providing entrepreneurial leadership, and setting strategic objectives, which include appropriate focus on value creation, innovation and sustainability, as appropriate;
- Reviewing the financial performance of the Group;
- Reviewing and approving the broad policies, strategies and financial objectives of the Group;
- Establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders’ interests and the Group’s assets;
- Overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- Instilling an ethical corporate culture and ensure that the Group’s values, standards, policies and practices are consistent with the culture;
- Reviewing and approving annual budgets, major funding proposals, potential investment and divestment proposals, including material capital investment;
- Endeavouring to ensure that the necessary resources are in place for the Group to meet its strategic objectives;

# CORPORATE GOVERNANCE REPORT

- Assuming responsibility for corporate governance;
- Monitoring the performance of Management;
- Identifying key stakeholder groups and recognising that their perceptions may affect the Company's reputation; and
- Considering sustainability and climate issues.

The Board works with Management to achieve these objectives and Management remains accountable to the Board. Pursuant to the above oversight and strategic focus of the Board, the Board has adopted internal guidelines setting forth matters that require Board approval. Transactions that require Board approval include investment and divestment proposals, major and significant corporate or strategic projects and actions, annual budgets, and fund-raising proposals. The Board has established and delegated specific responsibilities to three Board Committees to assist the Board in its functions. These are the Audit Committee (“**AC**”), the Nominating Committee (“**NC**”) and the Remuneration Committee (“**RC**”). The key functions and responsibilities of these committees are explained below, in this report. The number of Committee meetings held in FY2023 is set out below in this report and at the respective Committee meetings, the Directors attend to the matters as set out under the respective Committee’s Terms of Reference, which is also set out below in this report.

## Board Composition

The Board currently consists of eight Directors, five of whom are Independent Non-Executive Directors. Independent Non-Executive Directors make up the majority of the Board. The Board is of the view that:

- the current board size is appropriate, taking into account the nature and scope of the Group’s operations;
- the objective judgement of the Independent Non-Executive Directors on corporate affairs and their collective experience and contributions are valuable to the Company; and
- there is a strong and independent element on the Board.

The Board recognises and embraces the benefits of Board diversity as the Board believes that diversity of skills, experience, knowledge, background, core competencies as well as diversity of gender, age, culture, ethnicity, nationality, education and background serves the needs of and supports the Company in achieving its strategic objectives and its sustainable development. The Board believes that Board diversity complements and enhances corporate governance and promotes the inclusion of different perspectives, opinions, values and ideas and mitigates against groupthink. Board diversity affords and equips the Board with broader skill sets, expertise and experience and allows for greater creativity and enhanced critical assessment. Board diversity extends beyond the usual core competencies (such as accounting, finance, banking, human resource and legal backgrounds, business and management experience and industry knowledge) to include gender, age, culture, ethnicity, nationality, education and background. The Company’s Board Diversity Policy affirms the Board’s commitment to maintain a Board comprising of Directors who as a group have the necessary expertise and experience required by the Group, with an appropriate balance and diversity of skills, experience, knowledge, background and core competencies. The policy provides that in reviewing the Board’s composition and the progressive renewal of the Board, the NC will not only satisfy itself that Directors as a group provide an appropriate balance and diversity of skills, experience, knowledge, background and core competencies required by the Group, the NC will also consider Board diversity (and its benefits) from a number of aspects. The selection of candidates for Board appointment will be based on merit and contribution that the candidate is able to bring to the Board, with due regard for the benefits of Board diversity. The female representation on the Board is currently 12.5% and as a percentage of independent directors, the female representation is currently 20%. The Board has set its gender diversity objective of maintaining at least one female Director on the Board.

# CORPORATE GOVERNANCE REPORT

The Board members comprise businessmen and professionals with accounting and financial background, business and management experience, and industry knowledge, all of whom as a group, provide the Board with the necessary experience and expertise to direct and lead the Group. There is also a balance in the composition of the Board with the presence of Independent Non-Executive Directors of the calibre necessary to carry sufficient weight in Board decisions. Although all the Directors have an equal responsibility for the Group's operations, the role of the Independent Non-Executive Directors is particularly important in ensuring that the strategies proposed by Management are constructively challenged, extensively discussed and examined, and take into account the long-term interests, not only of the shareholders, but also of employees, stakeholders and the many communities in which the Group conducts business. Independent Non-Executive Directors of the Company constructively challenge and help develop proposals on strategy, review the performance of Management in meeting agreed goals and objectives, and monitor performance. Independent Non-Executive Directors of the RC participate in decisions on the appointment, assessment and remuneration of the Executive Director and key management personnel generally. The Independent Non-Executive Directors meet and deliberate regularly on their own, without Management being present.

The nature of Directors' appointments on the Board and details of their membership on Board Committees for FY2023 are set out in the table below:

Director	Board	Audit Committee	Nominating Committee	Remuneration Committee
Dato' Sri Dr Tiong Ik King	Non-Executive and Non-Independent Chairman	Member	Member	Member
Chang Cheng-Hsing, Francis	Group CEO and Executive Director	-	-	-
Yeo Yun Seng Bernard	Independent Director	Member	Member	Chairman
Lee Hock Lye	Independent Director	Chairman	Member	Member
Achmad Lukman Kartanegara <sup>(1)</sup>	Independent Director	Member	Member	-
Kuan Li Li	Independent Director	Member	Chairman	Member
Timothy Tiong Ing Zun	Non-Executive and Non-Independent Director	-	-	-
Khoo Kar Khoon <sup>(2)</sup>	Independent Director	-	-	-
Dr Butler Andrew John <sup>(3)</sup>	Independent Director	-	-	-

## Notes:

- (1) Mr Achmad Lukman Kartanegara retired as Director of the Company on 22 August 2023. Upon his retirement, he also ceased to be a member of the Audit and Nominating Committees.
- (2) Mr Khoo Kar Khoon was appointed as Independent Director of the Company on 8 February 2023.
- (3) Dr Butler Andrew John was appointed as Independent Director of the Company on 11 August 2023.

The Board meets on a quarterly basis. Additional meetings are convened when required and as warranted by circumstances. The Company's Constitution provides and allows for meetings to be held by way of telephonic, video conferencing and by other electronic means. Accordingly, the Directors have the option to hold or participate in Board and Committee meetings either in-person or via electronic audio-visual teleconferencing. Board and Committee decisions may also be obtained by resolutions in writing which are circulated to Directors with the necessary background and papers for consideration and approval. The Non-Executive Directors constructively participate in developing and setting proposals on business strategies for the Company.

# CORPORATE GOVERNANCE REPORT

The number of Board and Committee meetings and general meeting(s) of the Company held in FY2023 and the attendance by each member is set out as follows:

Meeting of	Board	Audit Committee	Nominating Committee	Remuneration Committee	Annual General Meeting
<b>Total held for FY2023</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>1</b>
Dato' Sri Dr Tiong Ik King	4	4	1	1	1
Chang Cheng-Hsing, Francis	4	4	-	-	1
Yeo Yun Seng Bernard	4	4	2	1	1
Lee Hock Lye	4	4	2	1	1
Achmad Lukman Kartanegara <sup>(1)</sup>	3	3	1	-	1
Kuan Li Li	4	4	2	1	1
Timothy Tiong Ing Zun	4	4	-	-	1
Khoo Kar Khoon <sup>(2)</sup>	4	4	-	-	1
Dr Butler Andrew John <sup>(3)</sup>	2	2	-	-	-

## Notes:

- (1) Mr Achmad Lukman Kartanegara retired as Director of the Company on 22 August 2023. Upon his retirement, he also ceased to be a member of the Audit and Nominating Committees.
- (2) Mr Khoo Kar Khoon was appointed as Independent Director of the Company on 8 February 2023.
- (3) Dr Butler Andrew John was appointed as Independent Director of the Company on 11 August 2023.

In addition, the Directors meet informally, as and when necessary, to discuss specific corporate events and actions.

A newly-appointed Director will be provided with a formal letter setting out his/her key duties and responsibilities. Newly-appointed Directors are provided a tailored induction and briefed by the Management on the business activities of the Group and its strategic directions, policies and procedures, governance practices as well as key business risks faced by the Group and the regulatory environment in which the Group operates. In addition, there are orientation programmes tailored to familiarise newly-appointed Directors with the statutory and fiduciary duties and responsibilities of a Director of a public company in Singapore. First-time Directors are required to undergo training in the roles and responsibilities of a listed company director and are to attend the Listed Entity Directors Programme organised by the Singapore Institute of Directors ("**SID**") with the support of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), as well as the modules relevant to his/her appointment on the Board Committee(s). Directors will be provided training and updates in areas such as accounting, legal and industry-specific knowledge as may be appropriate and will have opportunities to develop and maintain their skills and knowledge at the Company's expense.

All Directors are encouraged to keep themselves updated on changes to the financial, legal and regulatory as well as corporate governance requirements, framework and the business environment through reading relevant literature and attending appropriate seminars and courses conducted by bodies such as the SGX-ST and the SID. The Board supports the SGX-ST initiative requiring all directors to undergo training on sustainability. Following the announcement by the Singapore Exchange Regulation in March 2022 of the eight sustainability training courses that directors of listed companies can attend to equip themselves with basic knowledge on sustainability matters, all our Directors have attended the prescribed sustainability training. In addition, Directors are provided with updates on and continuing knowledge in areas such as directors' duties and responsibilities, corporate governance, revisions to the Listing Manual of the SGX-ST ("**Listing Manual**"), changes in financial reporting standards and the Companies Act 1967 of Singapore (the "**Companies Act**") as well as industry-related matters and developments and the Company will arrange and fund the training of Directors as necessary.

To facilitate a better understanding of the Group's business, the Directors are also given the opportunity to visit the Group's offices and facilities and meet with the Management.

# CORPORATE GOVERNANCE REPORT

## **Access to Information**

To enable the Board to make informed decisions and fulfill its duties and responsibilities, Management provides the Board with quarterly/periodic management and financial reports containing adequate, clear and timely information on an on-going basis. In addition, all relevant information, including background and explanations, on the Group's annual budgets and forecasts, financial statements, material events and transactions are circulated to Directors as and when required and on a timely basis prior to Board meetings. Directors are entitled to request for such additional information as needed to assist them to make informed decisions.

The Directors have access to the Management and the advice and services of the Company Secretary. The Directors, whether as a group or individually, may seek and obtain independent professional advice in furtherance of their duties as Directors of the Company, and such expense is borne by the Company.

The Company Secretary (or the representative(s)) attends all Board meetings and assists to ensure that Board procedures are followed. Together with the Management, the Company Secretary assists the Board in ensuring that the Company complies with the relevant requirements of the Companies Act and the provisions in the Listing Manual. The decision to appoint or remove the Company Secretary is a decision made by the Board as a whole.

## **Non-Executive and Non-Independent Chairman and Chief Executive Officer**

The Non-Executive and Non-Independent Chairman of the Board (the "**Chairman**") and the Chief Executive Officer ("**CEO**") are separate persons to ensure appropriate balance of power, authority and clear division of responsibilities for independent decision-making. The Chairman and the CEO are not related and are not immediate family members. Dato' Sri Dr Tiong Ik King who is the Company's Non-Executive and Non-Independent Chairman, provides an important role in setting and adjusting the strategic direction and facilitating the growth of the business, encouraging constructive relations among the Directors and between the Board and Management, encouraging open and constructive debate at the Board as well as constructive relations within the Board and between the Board and Management and ensures timely flow of information between Management and the Board. The Chairman also facilitates the effective contribution of all Directors and promotes high standards of corporate governance. The CEO focuses his attention on the day-to-day running of the operations of the Group in accordance with the overall strategies and policies as enumerated and approved by the Board and provides insights to the Board on the Company's day-to-day operations, as appropriate. The CEO works together with Non-Executive Directors for the long-term success of the Company.

## **Lead Independent Director**

The appointment of a Lead Independent Director has been reviewed by the Board. Taking into consideration matters including the nature and scope of the Group's current business and operations; the current Board size of eight Directors, five of whom are Independent Directors; the independent judgement, active participation, constructive engagement and objective review by Independent Directors of strategy, business proposals, major funding proposals as well as the Group's risk management and internal control systems, the Board is of the view that the appointment of a Lead Independent Director is not necessary. The Independent Non-Executive Directors also meet and deliberate regularly on their own, without the other Directors and Management, to review any matter that might be raised and if necessary, feedback is provided to the Chairman and the Board. Additional meetings are convened as may be warranted by circumstances. The Directors and Management are accessible to the Company's shareholders, and the Company has always responded to queries raised by its shareholders. Shareholders who have feedback for which contact through the normal channels of the Non-Executive and Non-Independent Chairman, the CEO, the Vice President, Finance and/or Investor Relations may be inappropriate, may contact and provide such feedback to any of the Independent Non-Executive Directors. The Board will nevertheless, annually review the need for the appointment of a Lead Independent Director.

# CORPORATE GOVERNANCE REPORT

## NOMINATING COMMITTEE

The Nominating Committee (“**NC**”) comprises three Independent Directors and a Non-Executive and Non-Independent Director. The members of the NC are:

- Ms Kuan Li Li (Chairman)
- Mr Yeo Yun Seng Bernard
- Mr Lee Hock Lye
- Dato’ Sri Dr Tiong Ik King

The NC is regulated by a set of written Terms of Reference and is responsible for making recommendations to the Board on all Board appointments and re-appointments through a formal and transparent process. Its key functions include:

- To review CEO and Board/Director(s) succession plans and renewal including Board composition and progressive renewal of the Board;
- To review and determine the independence of each Director;
- To assess suitable candidates for appointment or election to the Board, based on their requisite qualifications, expertise, experience and character and with due regard for the benefits of Board diversity;
- To conduct a formal assessment of the effectiveness of the Board as a whole, the Board Committees and the contribution by each Director to the effectiveness of the Board, particularly when a Director serves on multiple boards;
- To review Board diversity including Board composition (including that Directors as a group provide an appropriate balance and diversity of skills, experience, knowledge, background and core competencies required by the Group) and Board Diversity Policy performance;
- To review the appointment and re-appointment of Directors; and
- To review training and professional development programmes for the Board and Director’s competencies.

Under the Company’s Constitution, each Director is required to retire at least once in every three years by rotation and all newly-appointed Directors would have to retire at the next Annual General Meeting (“**AGM**”) following their appointment. The retiring Directors are eligible to offer themselves for re-election.

In accordance with Rule 720(5) of the Listing Manual, an issuer must have all directors submit themselves for re-nomination and re-appointment at least once every three years. In accordance with the Company’s Constitution, Mr Chang Cheng-Hsing, Francis will be retiring by way of rotation at the forthcoming AGM and is eligible to offer himself for re-election at the forthcoming AGM. Both Mr Lee Hock Lye and Mr Yeo Yun Seng Bernard, who have each served on the Board for more than nine years, will be retiring by way of rotation at the forthcoming AGM and will not be seeking re-election as Directors.

In accordance with the Company’s Constitution, Dr Butler Andrew John, as a newly-appointed Director of the Company, is required to retire and is eligible to offer himself for re-election at the forthcoming AGM. The NC, as part of its annual assessment, has assessed the re-appointment and re-election of the following Directors including their contribution and performance and has recommended the re-appointment and re-election of the following Directors who will be retiring at the forthcoming AGM:

- Mr Chang Cheng-Hsing, Francis; and
- Dr Butler Andrew John.

# CORPORATE GOVERNANCE REPORT

The Board has accepted the recommendations of the NC and the abovementioned retiring Directors will be offering themselves for re-election and re-appointment at the forthcoming AGM. The following is a table reflecting the respective dates on which the Directors were initially appointed and last re-elected:

Name <sup>(1)</sup>	Date of Initial Appointment	Date of Directors' Last Re-election
Dato' Sri Dr Tiong Ik King <sup>(2)</sup>	7 March 1997	27 April 2023
Mr Chang Cheng-Hsing, Francis	1 January 2014	28 April 2021
Mr Yeo Yun Seng Bernard <sup>(3)</sup>	1 November 2001	27 April 2023
Mr Lee Hock Lye <sup>(4)</sup>	27 November 2003	28 April 2021
Ms Kuan Li Li	22 October 2019	28 April 2022
Mr Timothy Tiong Ing Zun <sup>(2)</sup>	1 June 2022	27 April 2023
Mr Khoo Kar Khoon	8 February 2023	27 April 2023
Dr Butler Andrew John	11 August 2023	Not Applicable

## Notes:

- (1) Please refer to the Board of Directors section of this Annual Report for information on Directors including details of Directors' current directorships in other listed companies and other principal commitments.
- (2) Mr Timothy Tiong Ing Zun is the grandnephew of Dato' Sri Dr Tiong Ik King, Non-Executive and Non-Independent Chairman and substantial shareholder of the Company and grandson of Tan Sri Datuk Sir Tiong Hiew King and son of Mr Tiong Chiong Ong, substantial shareholders of the Company.
- (3) Mr Yeo Yun Seng Bernard will be retiring by way of rotation at the forthcoming AGM and will not be seeking re-election as a Director at the forthcoming AGM.
- (4) Mr Lee Hock Lye will be retiring by way of rotation at the forthcoming AGM and will not be seeking re-election as a Director at the forthcoming AGM.

In accordance with Rule 720(6) of the Listing Manual, information relating to the retiring Directors who are seeking re-election, as set out in Appendix 7.4.1 of the Listing Manual, can be found under the "Additional Information on Directors Seeking Re-election" section of this Annual Report.

As part of its annual assessment, the NC reviews the composition, skills, expertise, experience, diversity, independence and balance of the Board and its Board Committees to assess and to satisfy itself that Directors as a group provide an appropriate balance and diversity of skills, experience, core competencies, knowledge and independence required by the Group. Due regard is also given to such factors when the NC considers the annual rotation and retirement of Directors and the refreshment of the Board. In addition, the NC annually reviews the relevant objectives for promoting and achieving Board diversity with due regard to the Company's Board Diversity Policy and provides its review and/or recommendations to the Board for consideration and approval. For the appointment of new Directors, the NC, in consultation with the Board, will determine the required selection criteria and then identify candidates with the appropriate expertise and experience. The NC may obtain assistance from external consultants or tap on the resources of associations such as the SID to source for potential candidates. The NC will meet with the short-listed candidates to assess suitability and to ensure that the candidates are aware of the expectations and the level of commitment required before nominating the most suitable candidate to the Board for appointment as Director.

The NC considers that the multiple board representations presently held by some Directors do not impede their respective performance as these Directors have carried out their duties as required and as they have dedicated sufficient time and attention to the affairs of the Company. Further, the NC is of the view that no Director currently holds a significant number of directorships in other listed companies and other principal commitments that impacts the Director's ability to diligently discharge his/her duties to the Company. The Board has reviewed and determined not to prescribe a maximum number of listed company board representations which any Director may hold and in lieu wishes to review the matter on a case-by-case basis taking into account the ability, performance and capacity of each Director in his/her performance and discharge of his/her duties and responsibilities.



# CORPORATE GOVERNANCE REPORT

The independence of each Independent Non-Executive Director is reviewed by the NC on an annual basis, during which each of them will abstain from assessing his/her own independence. The NC adopts the objective and baseline tests of independence under the Listing Manual, the provisions and the overarching principle-based definition of director independence in the Code, the other guidance/tests of director independence under the Practice Guidance of the Code and the guidelines provided in the Audit Committee Guidance Committee Guidebook in respect of the concept of “independence” in relation to an independent director. Provision 2.1 of the Code, provides that an “independent” director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director’s independent business judgement in the best interests of the Company. None of the Independent Directors (i) was employed by the Company or any of its related corporations for the current or any of the past three financial years; and (ii) has an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three financial years, and whose remuneration is determined by the Remuneration Committee of the Company (“**No Employment Relationship**”). Therefore, none of the circumstances under Rule 210(5)(d)(i) and (ii) of the Listing Manual (i.e. circumstances that deem a director not independent) apply to the Independent Directors (as the Independent Directors had No Employment Relationship with the Group).

On 11 January 2023, the Singapore Exchange Regulation announced amendments to the Listing Rules of the SGX-ST limiting the tenure of independent directors serving on the boards of listed companies to nine years and to remove with immediate effect the two-tier voting mechanism to retain long-serving independent directors who have served for more than nine years (i.e. under the former Rule 210(5)(d)(iii) of the Listing Manual). The Singapore Exchange Regulation announced that as transition, an independent director whose tenure exceeds the nine-year limit may continue to be deemed independent until an issuer’s annual general meeting held for the financial year ended on or after 31 December 2023. In view of the aforementioned changes to the Listing Manual, Mr Yeo Yun Seng Bernard and Mr Lee Hock Lye, who were appointed to the Board since 1 November 2001 and 27 November 2003 respectively, will continue to be deemed independent until the conclusion of the Company’s AGM held in respect of FY2023. Accordingly, both Mr Yeo Yun Seng Bernard and Mr Lee Hock Lye, who will be retiring by way of rotation at the forthcoming AGM, will not be seeking re-election as Directors at the forthcoming AGM.

The NC has been reviewing and undertaking the progressive renewal of the Board and has taken into consideration the abovementioned nine-year limit on the tenure of Independent Directors in its succession planning. The NC has put in place preparations for a phased and progressive renewal of the Board. In this regard, Mr Khoo Kar Khoon and Dr Butler Andrew John were appointed as Independent Directors of the Company on 8 February 2023 and 11 August 2023 respectively. In due course and when appropriate, the Company will make the relevant announcement(s) on the further renewal of the Board via the SGXNet platform and the Company’s website [www.rhpetrogas.com](http://www.rhpetrogas.com).

The Board is of the view that the current five Independent Directors are strong and independent, and are able to exercise objective judgement on corporate and business affairs of the Company independently, thereby providing an effective check on the Management.

The Company has no alternate Directors on its Board.

The Board has implemented an annual performance evaluation process to assess the effectiveness of the Board as a whole, its Board Committees and for assessing the contribution of the Chairman and each individual Director. The purpose of the evaluation is to increase the overall effectiveness of the Board, Board Committees and each individual Director. It is also to help ensure that the Board consists of persons who, together, provide the core competencies and skill sets necessary to meet the Company’s objectives. The assessments are made against pre-established criteria, which are derived from the Board’s charter and responsibilities. The performance criteria for the Board evaluation are in respect of the Board composition and size, Board processes, performance, standards of conduct, accountability and information in relation to the discharge of the Board’s responsibilities and functions including the financial reporting to stakeholders. The performance assessment criteria does not generally change from year to year although it may be reviewed and updated from time to time to factor in regulatory, corporate governance and related developments. No external facilitator has been used for the Board evaluation for FY2023.

To assess Board and Board Committees performance and its overall effectiveness, Directors are requested to complete a Board Evaluation Questionnaire which the Chairman of the NC collates and presents to the NC for review. Areas for improvement of Board effectiveness and performance are deliberated by the NC before the NC presents such considerations to the Board for discussion and decision. To assess each Director’s performance on an individual basis, including the performance of the Chairman, and to assess whether each Director is willing and able to constructively challenge and contribute effectively to the Board and to demonstrate commitment to his/her role on the Board, Directors are requested to complete a Self and Peer Assessment Questionnaire covering areas such as interactive skills, knowledge, performance of duties and overall contributions. The Chairman of the NC will collate the results and will present and discuss the final report with the Board, and where necessary the required feedback is provided to the relevant Director with a view to improving the Director’s and Board’s performance. The results of the evaluations are used constructively by the NC to discuss improvements with the Board.

# CORPORATE GOVERNANCE REPORT

## REMUNERATION COMMITTEE

The Remuneration Committee (“RC”) comprises of three Independent Directors and a Non-Executive and Non-Independent Director. The members of the RC are:

- Mr Yeo Yun Seng Bernard (Chairman)
- Mr Lee Hock Lye
- Ms Kuan Li Li
- Dato’ Sri Dr Tiong Ik King

Dato’ Sri Dr Tiong Ik King continues to serve as an RC member, as the Board considers Dato’ Sri Dr Tiong Ik King’s contribution and support to the RC to be invaluable. In addition, although Dato’ Sri Dr Tiong Ik King is the Non-Executive and Non-Independent Chairman, he does not receive any salary from the Company and its subsidiaries.

The RC is regulated by a set of written Terms of Reference. Its key functions include:

- To recommend to the Board a framework of remuneration for Directors, CEO and key executives that is competitive and sufficient to attract, retain and motivate them to run the Company successfully for the long term; and
- To review and determine the specific remuneration packages and terms of employment for Executive Directors, CEO and senior executives.

The RC oversees remuneration strategy and framework, including Directors’ fees, salaries, allowances, bonuses, options and benefits in kind. Each RC member shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC in respect of his/her own remuneration package.

The RC has authority to seek expert advice and views on remuneration matters of Directors from both within and outside of the Group when the need arises and as appropriate. The RC draws on a pool of independent consultants and commissioned analysis report(s) in making any recommendations. The RC ensures that any existing relationship between the Group and its appointed remuneration consultants does not affect the independence and objectivity of the remuneration consultants.

During FY2023, the RC had met once to review and recommend to the Board matters related to:

- the Group CEO and Executive Director’s remuneration package and service contract;
- the remuneration packages of key management staff;
- the payment of Directors’ Fees; and
- the grant of awards under the RHP Share Option Scheme 2011.

## Disclosure on Remuneration

The Company has a remuneration policy where the Company will take into consideration remuneration and employment conditions within the industry and in comparable companies. The RC may from time to time, where necessary or required, seek advice from external consultants to provide evaluation on remuneration matters, including the evaluation of Directors’ fee structure. The engagement of the external consultants was to ensure the continued relevance and alignment of the Group with market practices and trends. External consultants are independent and not related to the Group or any of its Directors. The RC considers all aspects of remuneration, including termination terms, to ensure that the remuneration packages are fair.

The Board, with the recommendations of the RC, has established a formal and transparent procedure for developing policies on Directors and key executives remuneration, and for fixing the remuneration packages of individual Directors and key management executives. A key objective of the RC is to ensure that the level and structure of remuneration of Directors and key executives is appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company, the Group’s relative performance and the performance of individual Directors and key executives (who are not Directors or the CEO).

# CORPORATE GOVERNANCE REPORT

The Independent Directors and the Non-Executive and Non-Independent Directors are each paid a fixed Director's fees based on a formula, which is determined by the Board, appropriate to the level of their contribution, taking into account factors such as the effort and time spent and the responsibilities of the Independent Directors and the Non-Executive and Non-Independent Directors. In addition, the Board conducts a yearly peer review evaluation exercise for all Directors. The fees are subject to approval by the shareholders at each AGM. Independent Directors are eligible to participate in the RHP Share Option Scheme 2011 and do not receive any other remuneration from the Company. The CEO is remunerated as a member of Management and does not receive Directors' fees.

Remuneration paid to the CEO and key executives for each financial year varies and is largely governed by the performance of the Group and the extent to which performance targets of the Group are achieved. The Group performance appraisal system is designed to measure individual performance based on a balanced scorecard approach, comprising both financial and non-financial metrics such as business strategy targets, operational and commercial performance and organisational learning. In addition, the executives are assessed on teamwork and cross collaboration across the Group.

The remuneration package of the CEO and the key executives comprises of a base salary, a variable component and staff benefits. The base salary of the key executives is approved by the Board on RC's recommendation annually, taking into account the contribution, experience and sustained long-term performance. The base salary of the CEO is approved by the Board on RC's recommendation for the duration of the service contract. The variable component comprises the performance bonus and will vary according to the actual achievement of the Group and individual objectives. The RC regularly conducts benchmarking analysis of related companies in Singapore to ensure that the remuneration paid is reasonable, competitive and not overly generous. The RC also ensures that performance-related remuneration is aligned to the interest of shareholders and other stakeholders and promotes sustainable long-term growth and success of the Company.

The Company has two share incentive schemes, namely the RHP Share Option Scheme 2011 and the RHP Performance Share Plan. The share incentive schemes were approved by shareholders at the Company's Extraordinary General Meeting ("EGM") held on 8 July 2011 and were extended by the shareholders at the Company's AGM held on 28 April 2021 for a period of 10 years up to 28 April 2031. Both share incentive schemes are structured to promote ownership and retain key talent as a long-term incentive and are administered by the RC. Please refer to pages 39 to 41 and Notes 25 and 26 on pages 90 to 92 of the Notes to the Financial Statements of this Annual Report for details of the schemes.

## **Remuneration of Directors and Key Executives**

Principle 8 of the Code states that: "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." Provision 8.1 of the Code requires companies to disclose in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of each individual director and the CEO and at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.

The Company understands and agrees with the principle of being transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation and believes that providing a reasonably adequate amount of disclosure of such matters aligns with the aim and philosophy of the principle and at the same time reasonably protects the business interests of the Company.

In this respect, the Company wishes to explain that the remuneration of the Independent Directors, the Non-Executive and Non-Independent Directors, the CEO and the key executives (who are not Directors or the CEO) is on an earned basis and the RC ensures that the remuneration is commensurate with their contributions and the performance of the Company, giving due regard to the commercial health and business needs of the Company. There was no termination, retirement and post-employment benefit granted to Directors, the CEO and the top three key executives (who are not Directors or the CEO) for FY2023. The Non-Executive and Non-Independent Chairman does not receive a salary and as with all Independent Directors and Non-Executive Directors and Non-Independent Directors, is paid a fixed Directors' fee, which is determined by the Board, after consultation with the RC. The Non-Executive and Non-Independent Chairman as with all Directors, is required to retire at least once in every three years by rotation and as a retiring Director, he is eligible to offer himself for re-election.

# CORPORATE GOVERNANCE REPORT

The Company has not disclosed the exact remuneration of each individual Director including the CEO and the total remuneration paid to the top three key management personnel of the Company (who are not Directors or the CEO). The Company believes that full disclosure of the remuneration and contractual terms of each individual Director and the CEO (including retirement benefits granted) on a named basis and the total remuneration paid to key management personnel (who are not Directors or the CEO) are disadvantageous to the business interests of the Company, in view of the shortage of and competition for talented and experienced personnel in the upstream oil and gas industry and is of the view that the disadvantages of disclosure outweigh the benefits. In the interest of privacy, confidentiality and sensitivity of the Company's remuneration matters, the Company has decided to disclose the level and mix of the remuneration of the Directors and CEO and key management personnel of the Company in bands of S\$250,000 and has provided a detailed breakdown in percentage terms of the remuneration components.

A breakdown showing the level and mix of each individual Director's remuneration payable for FY2023 taking into account the aforementioned explanation, is as follows:

Remuneration Bands	Salary including CPF %	Bonus/ Profit-sharing %	Allowances & Others %	Directors' Fees <sup>(1)</sup> %	Performance Shares %	Total %
<b>S\$1,000,000 to S\$1,250,000</b>						
Chang Cheng-Hsing, Francis	59.93	24.97	15.10	-	-	100
<b>Below S\$250,000</b>						
Dato' Sri Dr Tiong Ik King	-	-	-	100	-	100
Yeo Yun Seng Bernard	-	-	-	100	-	100
Lee Hock Lye	-	-	-	100	-	100
Achmad Lukman Kartanegara <sup>(2)</sup>	-	-	-	100	-	100
Kuan Li Li	-	-	-	100	-	100
Mr Timothy Tiong Ing Zun	-	-	-	100	-	100
Mr Khoo Kar Khoon <sup>(3)</sup>	-	-	-	100	-	100
Dr Butler Andrew John <sup>(4)</sup>	-	-	-	100	-	100

**Notes:**

- (1) Directors' fees totaling S\$514,100 is to be tabled for shareholders' approval at the forthcoming AGM to be held on 26 April 2024. The total Directors' fees include S\$6,300 being payment for Directors' fees from associated companies.
- (2) Mr Achmad Lukman Kartanegara retired as Director of the Company on 22 August 2023. Upon his retirement, he also ceased to be a member of the Audit and Nominating Committees.
- (3) Mr Khoo Kar Khoon was appointed as Independent Director of the Company on 8 February 2023.
- (4) Dr Butler Andrew John was appointed as Independent Director of the Company on 11 August 2023.

A breakdown showing the level and mix of each individual key executive's remuneration payable for FY2023 is as follows:

Remuneration Bands <sup>(1)</sup>	Salary including CPF %	Bonus/ Profit-sharing %	Allowances & Others %	Performance Shares %	Total %
<b>S\$500,001 to S\$750,000</b>					
Samuel Cheong	74.91	18.00	7.09	-	100
<b>S\$250,000 to S\$500,000</b>					
Edwin Tan <sup>(2)</sup>	90.98	0.00	9.02	-	100
Then Guang Yaw	74.68	17.41	7.91	-	100

**Notes:**

- (1) There were only three key executives (who are not Directors or the CEO) in the Company in FY2023.
- (2) Mr Edwin Tan ceased to be the Vice President, Legal of the Company on 19 January 2024, after FY2023.

# CORPORATE GOVERNANCE REPORT

There was no employee of the Group who was a substantial shareholder of the Company or an immediate family member of any Director or CEO, and whose remuneration exceeded S\$100,000 during FY2023.

The RC has reviewed and approved the remuneration packages of the Independent Directors, Non-Executive and Non-Independent Directors, the CEO and key executives (who are not Directors or the CEO), having regard to their contributions as well as the financial performance and commercial and business needs of the Group and has ensured that the Directors and key executives are adequately but not excessively remunerated. The RC has the discretion to void unexercised and/or unvested share options that have been awarded, if an executive is involved in misconduct or fraud resulting in financial loss to the Company.

The Board is of the view that notwithstanding deviation from certain aspects of Provision 8.1, the practices adopted by the Company are consistent with the intent of Principle 8 of the Code, in relation to the Company's transparency on remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

## AUDIT COMMITTEE

The Audit Committee ("**AC**") comprises four members, three of whom are Independent Directors. The members of the AC are:

- Mr Lee Hock Lye (Chairman)
- Mr Yeo Yun Seng Bernard
- Ms Kuan Li Li
- Dato' Sri Dr Tiong Ik King

Dato' Sri Dr Tiong Ik King continues to serve as an AC member, as the Board considers Dato' Sri Dr Tiong Ik King's contribution and support to the AC to be invaluable, in view that Dato' Sri Dr Tiong Ik King possesses business and finance experience and is familiar with the Group's business and operations. The AC members have accounting, banking and related financial management expertise. The Board is of the view that the AC has the necessary experience and expertise required to discharge its duties. None of the AC members has any financial interest in Messrs Ernst & Young LLP, the Company's external auditors and no Director was a partner or director of Messrs Ernst & Young LLP or was appointed as an AC member within a period of two years of his/her ceasing to be a partner or director of Messrs Ernst & Young LLP.

The AC has explicit authority delegated to it by the Board to investigate any matter within its terms of reference, with full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The key responsibilities of the AC include the following:

- To review the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;
- To review the nature and extent of all non-audit services provided by the external auditors to the Group, in order to balance the maintenance of objectivity and value for money, and to ensure that the independence of the auditors would not be affected;
- To review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- To review and report to the Board at least annually on the adequacy and effectiveness of the Group's risk management and internal controls systems, including financial, operational, compliance and information technology controls;
- To review the external and internal audit plans, including the nature and scope of the audit before the audit commences, the Internal Auditor's evaluation of the Group's system of internal controls, the external and internal audit reports and management letter issued by the external auditors (if any) and Management's response to the letter;

# CORPORATE GOVERNANCE REPORT

- To review quarterly business updates, as well as announcements of the half year and full year results prior to their submission to the Board for approval for release to the SGX-ST;
- To review interested person transactions in accordance with the requirements of the Listing Rules of the SGX-ST;
- To review and recommend to the Board the appointment, re-appointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors;
- To review the whistle blowing reports and the policy and processes for the independent investigation and follow-up action of such matters (if any); and
- To review the assurance from the CEO and the Vice President, Finance on the financial records and financial statements.

The AC may also examine any other aspects of the Group's affairs, as it deems necessary where such matters relate to exposure or risk of a regulatory or legal nature, and monitor the Group's compliance with its legal, regulatory and contractual obligations.

The AC met four times during FY2023 to attend to AC matters, including the review of the Group's financial performance for the year, the audit plans and reports, the audit findings, the internal audit activities for the year, quarterly business updates, and the announcements of the half year and full year results before being approved by the Board for release to the SGX-ST. In addition, the AC had met informally with Management and the Auditors on several occasions during FY2023 to discuss the Group's business and financial performance.

The AC continues to meet with the external auditors and internal auditor separately, at least once a year, without the presence of the Company's Management, to review any matter that might be raised.

The AC has reviewed the independence and objectivity of the external auditors for FY2023 including the non-audit services provided by the external auditors, Messrs Ernst & Young LLP as well as the relative size of audit fees and non-audit fees, and is of the opinion that the provision of such services does not affect their independence. The external auditors have also confirmed their independence. The Company complies with Rules 712 and 715 of the Listing Manual. For further details and a breakdown of the fees paid in total for audit and non-audit services to Messrs Ernst & Young LLP, please refer to Note 5 on page 70 of the Notes to the Financial Statements of this Annual Report. Accordingly, the AC has recommended to the Board the re-appointment of Messrs Ernst & Young LLP as external auditors at the forthcoming AGM.

AC members are provided with updates on changes to accounting standards and issues which have a direct impact on financial statements and attend appropriate seminars and courses.

The AC has implemented a whistle blowing policy whereby staff of the Group may, in good faith and in confidence, raise concerns about possible improprieties in matters of incorrect financial reporting, fraudulent acts, misconduct, wrongdoings relating to the Group and its officers and other matters. Reporting on serious concerns relating to incorrect financial reports, unethical or illegal conduct, are to be reported in writing to the Chairman of the AC. Reporting on employment-related concerns are to be reported through the normal channels of the Group such as to supervisors, the local General Manager/Operation Manager, or the Human Resources and Administrative Manager. The AC is responsible for the oversight and monitoring of policy and whistle blowing reports (if any) will be reviewed by the AC at its quarterly meetings. The AC has ensured that arrangements and independent functions are in place for the independent investigations of whistle blowing reports made in good faith, appropriate follow-up action of such matters and significant matters to be reported to the Board. In addition, the AC has ensured that safeguards are in place in the implementation of the policy including confidentiality of the whistle blower and protection of the whistle blower against reprisals, victimisation and unfair treatment.

The Company has received whistle-blowing allegations over a series of communications since January 2024, which emanated from the Group's Indonesia-based operations and related personnel. The Audit Committee has organised an internal team to conduct preliminary investigations and inquiries on the whistle-blowing allegations. While no evidence has been found to substantiate the whistle-blowing allegations as at the date of this Annual Report, the Company's external auditors, Ernst & Young LLP ("**EY**"), is conducting top-up procedures as part of its audit in respect of the consolidated financial statements of the Group for the financial year ended 31 December 2023, in view of the whistle-blowing allegations. EY will update the Company on their findings arising from their top-up procedures.

For more information, please refer to our announcement dated 9 April 2024.

Save as aforesaid, no whistle-blowing reports were received during FY2023 up to the date of this Annual Report.

# CORPORATE GOVERNANCE REPORT

## ACCOUNTABILITY AND AUDIT

### ACCOUNTABILITY

The Board is responsible for providing a balanced and understandable assessment of the Group's performance, position and prospects, including interim and other price sensitive public reports, and reports to regulators (if required). Management currently provides all members of the Board with appropriately detailed management accounts, which present a balanced and understandable assessment of the Group's performance, position and prospects on a quarterly basis.

### INTERNAL CONTROLS AND INTERNAL AUDIT

The Group has a system of internal controls to govern and monitor its operations. The framework is cognisant of the staff, operational size and resources of the Group and the cost benefit relationship of individual controls.

The Board believes in the importance of maintaining a sound system of internal controls to safeguard shareholders' investments and the Group's assets. To achieve this, annual, periodical as well as ad hoc audit reviews are undertaken by the Internal Auditor and/or by Management. In addition, the Board and Management regularly keep the system of internal controls under review with the objective of ensuring that the internal controls are adequate to provide reasonable assurance that:

- the Group's assets are safeguarded against loss from unauthorised use or disposition;
- business transactions are properly authorised and executed;
- there is ongoing compliance with the financial reporting regulatory framework and environmental regulation; and
- proper and accurate financial records are maintained.

The Company has an in-house internal auditor (the "**Internal Auditor**"). The main role of the Internal Auditor is to provide independent and objective assurance that the Group's risk management, internal control, and governance processes are operating reliably, adequately and effectively and where appropriate to recommend improvements to the Group's operations. The Internal Auditor's primary line of reporting is to the AC Chairman. The hiring and removal of the internal audit function requires AC's approval and the AC members also evaluate and review the compensation of the internal audit function. The Internal Auditor has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC. To acquire and maintain professional knowledge and skill at the level required to enable and ensure that the internal audits are effectively performed, the in-house Internal Auditor regularly attends professional courses conducted by external accredited organisations. The AC reviews the adequacy and effectiveness of the internal audit function at least annually, and the AC is satisfied with the adequacy and effectiveness of the Company's internal audit function.

The authority and scope of the internal audit activities and the responsibilities and accountability of the internal audit function are guided by the Internal Audit Charter approved by the AC. The Internal Auditor prepares the annual internal audit plan in consultation with, but independent of, the Management. The internal audit plan is submitted to the AC for review and approval prior to the commencement of the internal audit activities. All audit findings and recommendations of the Internal Auditor are reported to the AC. These reports are made available to the external auditors and Management. The Internal Auditor follows up on recommendations that he has made, to ensure that remedial actions if required, are implemented by Management in a timely and appropriate manner and the Internal Auditor will report the progress and outcome to the AC.

When required, the Company will outsource certain functions of the internal audit activity to reputable and suitably qualified firms to obtain competent advice and assistance if the Internal Auditor lacks the knowledge, skills, or other competencies required to perform the engagement.

# CORPORATE GOVERNANCE REPORT

External auditors had attended the quarterly AC meetings and have also had a number of informal meetings with the AC Chairman throughout the year. They have confirmed that in the course of their annual audit, while their audit scope does not address all the financial, operational, compliance and information technology risks that are or could be faced by the Group, nevertheless they are not aware of any reason to indicate that internal controls and risk management systems are not adequate and effective to reveal and/or address and manage financial, operational, compliance and information technology risk which would otherwise warrant highlighting to the Board, the AC and Management.

The Board retains the primary responsibility for the oversight of the Group's risk management responsibilities, internal controls and governance processes delegated to Management and determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives. During FY2023, the AC assisted the Board to review the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls. Based on the review and oversight guidance by the AC, the Board is satisfied that Management has developed and implemented an appropriate and sound system of risk management and internal controls and governance processes that are designed to govern, monitor and/or reveal financial, operational, compliance and information technology risks as well as safeguard shareholders' investments and the Group's assets. Based on the internal and external audit results and discussions with Management, the Board, with the concurrence of the AC is of the opinion that the Group's internal controls addressing financial, operational, compliance and information technology risks and risk management systems of the Group are adequate and effective as at 31 December 2023 to meet the Group's needs and control objectives and provide reasonable assurance for safeguarding the Group's assets in the current business environment. The Board also notes that no system of internal controls can provide absolute assurance against poor judgement in decision making, human error, losses, fraud or other irregularities.

## RISK MANAGEMENT

The Board has established a framework of prudent and effective controls which enables risks to be assessed and managed, and this facilitates the safeguarding of shareholders' interests and the Group's assets. The Board has overall responsibility for the governance of the Group's overall risk strategy, including determining the risk appetite, risk limits and risk policies. When reviewing policies, strategies as well as financial objectives and performance of the Group, the Board will consider the nature and extent of the significant risks which the Group is willing to take in achieving such objectives. The Executive Directors and Management regularly review the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. Management reviews significant control policies and procedures and highlights the significant matters to the Board and the AC. During the year, Management reviewed and reported on the top risks faced by the Group to the Board. Key risks were discussed and prioritised.

HSE (health, safety and environment) has always been of paramount importance to the Group. Together with our operating subsidiaries, we adopt high HSE standards and industry practices in our day-to-day operations. We will continue to instill a safety-first mindset and cultivate a strong safety culture as well as support health promotion.

The Board has received the relevant assurances from:

- a. the CEO and the Vice President, Finance that the financial records have been properly maintained and the financial statements for the financial year ended 31 December 2023 give a true and fair view of the Group's operations and finances; and
- b. the CEO and other key management personnel who are responsible for the Group's risk management and internal control systems that, as at 31 December 2023, the Group's risk management and internal control systems were adequate and effective to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations.

The Group's financial risk management objectives and policies are disclosed under Note 28 on pages 92 to 96 of the Notes to the Financial Statements of this Annual Report.



# CORPORATE GOVERNANCE REPORT

## COMMUNICATION WITH SHAREHOLDERS

The Board believes in the importance of treating all shareholders fairly and equitably. The Board is committed to provide timely and fair disclosure of material information. The Board is accountable to the shareholders whereas Management is accountable to the Board.

In line with the continuing disclosure obligations under the Listing Manual, all material information is disclosed and communicated to shareholders in a comprehensive, accurate and timely manner through:

- a. announcements of the half year and full year financial results and on major developments which are published via the SGXNet platform and the Company's website [www.rhpetrogas.com](http://www.rhpetrogas.com);
- b. annual reports or circulars of the Company that are prepared and published via the SGXNet platform, are also published on the Company's website;
- c. notices of AGMs and EGMs are published in the newspapers and on the Company's website and mailed to shareholders as required;
- d. corporate presentations and minutes of general meetings are published via the SGXNet platform and on the Company's website; and
- e. press releases on major developments of the Group when issued, are published via the SGXNet platform and the Company's website.

The Company has an Investor Relations Policy, which sets out the principles and practices on the provision of material, comprehensive, relevant, accurate and timely information on the Group, to assist investors to make informed investment decisions and to enable the Company to effectively engage its stakeholders and communicate the Group's financial, environmental, social and governance performance.

The Company's website [www.rhpetrogas.com](http://www.rhpetrogas.com) has a dedicated 'Investor Relations' section which provides investor-related information on the Company and the Group. It contains information such as financial results, annual reports, sustainability reports, notices and results of general meetings, corporate presentations and announcements issued on the SGXNet platform. Investors are also able to subscribe online for electronic mail alerts; to be updated on the latest announcements and notices released by the Company. Contact information for the Investor Relations team is provided on the Company's website, providing a channel for stakeholders and investors to contact the Company for feedback and/or queries.

Shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability. These general meetings are the principal forum for dialogue with shareholders. The Company recognises the value of feedback from shareholders and the Company's general meetings are a good platform for a constructive and practical exchange of views with shareholders and the Company will endeavour to provide ample time and opportunities shareholders to air their views and concerns.

The Company's arrangements for its general meetings are generally as follows:

- all Directors and the external auditors endeavour to attend the Company's general meetings and the chairmen of the respective Board Committees would be able to address the relevant questions that shareholders may have;
- the Chairman of the general meeting will provide ample time and opportunities for shareholders to raise their questions relating to each resolution tabled for approval and to air their views and concerns;
- the Company's approach is to have separate resolutions at general meetings on each substantially separate or distinct issue. The Company avoids the "bundling of" resolutions unless the resolutions are interdependent and linked so as to form one significant proposal;
- all resolutions tabled at general meetings will be put to a vote by way of a poll, and procedures for the poll are clearly explained by the scrutineers at such general meetings;
- time will be allocated for shareholders at the general meetings to cast their poll votes and the voting process and results are witnessed and verified by the scrutineers;

# CORPORATE GOVERNANCE REPORT

- the results of the poll vote on each resolution tabled at the Company's general meetings, including the total number of votes cast for or against each resolution and the respective percentages, are announced at the general meetings and the detailed results of the general meetings are also announced via the SGXNet platform thereafter; and
- if any shareholder is unable to attend the Company's general meetings, the Constitution of the Company allows shareholders to appoint up to two proxies to attend and vote on his/her behalf at the general meetings through proxy forms sent in advance and pursuant to the Companies (Amendment) Act 2014, intermediaries such as banks and capital markets services licence holders which provide custodial services and are shareholders of the Company may appoint more than two proxies to attend and vote at the Company's general meetings. Please refer to the Notes to the Company's AGM Proxy Form at the end of this Annual Report for explanatory guidance.

The Company Secretary prepares the minutes of the general meetings, which incorporates key discussion points including relevant comments and queries from shareholders and responses from the Board and Management. These meeting minutes are published and made available to shareholders via the SGXNet platform and on the Company's website within one month of each general meeting.

The Company is committed to engaging its shareholders and the investment community. The Company employs various platforms to engage its shareholders and the investment community and explores the participation in events, panel discussions, roadshows and conferences organised by major brokerage houses, regulators, institutions and agencies. Such forums serve as a platform to solicit feedback and gain perspectives and views from shareholders and the investment community and to facilitate a healthy and practical exchange of views that promotes regular, effective and fair communication with shareholders and the investment community. From time to time, the CEO will also conduct media interviews with major publications and provide relevant insights on the Company's prospects to shareholders and investors.

Our stakeholders play an important role in the Company's decisions, actions, objectives and policies. The Board believes in the importance of identifying and engaging with its material stakeholder groups and to manage its relationships with such groups. Our main stakeholders are our shareholders, suppliers, customers, regulators, partners, associates, employees, local communities, investor community and public media. The Company strives to develop an inclusive approach by considering and balancing the needs and interests of the Group's material stakeholders while ensuring that the best interests of the Group are served. The Company makes efforts to engage the stakeholders to understand their views and concerns as part of its strategy to the approach.

The Company believes that the conduct of business and decisions of the Group's material stakeholders can also significantly impact the Group's sustainability, operations and reputation; and are accordingly the key areas of focus of the Company in managing the Group's material stakeholders. For a fuller understanding of the Company's approach to identifying and engaging the stakeholder groups, please refer to the Company's Sustainability Report to be published on the SGXNet platform and the Company's website in April 2024.

The Company does not have a fixed dividend policy at present. Key considerations that affect dividend decisions and the level of payouts are: (i) Group's profit growth, (ii) level of cash available, (iii) projected levels of capital expenditure and investment plans and (iv) any other factors as the Board may deem appropriate. No dividend has been proposed by the Board for FY2023. The Group is conserving its cash towards funding the exploration and development work programmes over the next few years, which are central to the Group's strategy to grow its reserves and production organically. Under the terms of the new Kepala Burung PSC and Salawati PSC which both commenced in 2020, the Group is committed to conduct an agreed set of exploration work programmes in the two blocks during the first five contract years, which carry a firm financial commitment of approximately US\$68.2 million net to the Group's working interests. In 2023, the Group made progress towards the fulfilment of its exploration work commitment with the acquisition of a 3D seismic survey offshore Salawati PSC, the drilling of the two exploration wells in the Kepala Burung PSC. In addition, in early 2024, the Group had drilled the first exploration well in the Salawati PSC as part of its exploration work commitment.

# CORPORATE GOVERNANCE REPORT

## **DEALINGS IN THE COMPANY'S SECURITIES**

The Company has adopted policies in line with the requirements of the Listing Manual on dealings in the Company's securities by its directors and officers.

The Company and its officers are prohibited from dealing in the Company's shares on short-term considerations or at any time when they are in possession of unpublished price-sensitive information. They are not allowed to deal in the Company's shares during the period commencing one month prior to the date of announcement of the Group's half year and full year results, and ending on the date of the announcement of the relevant results.

In addition, Directors and key executives are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

## **INTERESTED PERSON TRANSACTIONS ("IPT")**

The Company has adopted an internal policy governing procedures for the identification, approval and monitoring of transactions with interested persons to comply with the requirements of the Listing Manual of the SGX-ST. All IPTs are subject to review by the AC. The AC reviews the terms of the IPTs to ensure that the IPTs should be on normal commercial terms and are not prejudicial to the interests of the Company's minority shareholders. As part of the Company's policy, Directors who are interested in a transaction or proposed transaction with the Company are required to disclose to the Board the nature of his/her interest as soon as practicable, at a meeting of the Directors of the Company.

During FY2023, the Group did not enter into any IPT of S\$100,000 and more. The Group has not obtained a general mandate from shareholders pursuant to Rule 920 of the Listing Manual for interested person transactions.

## **MATERIAL CONTRACTS**

There was no material contract(s) of the Company and its subsidiaries involving the interests of the CEO or any director or controlling shareholder, either still subsisting at the end of FY2023 or if not then subsisting, which were entered into since the end of the previous financial year.

# CORPORATE GOVERNANCE REPORT

## SUSTAINABILITY REPORT SUMMARY

### Background

The Group believes that sustainable business practices are part of the fundamental building blocks in its vision to be a leading independent energy company in the region. A strong commitment towards the Group's environmental, social and governance ("ESG") responsibilities will support the Group's mission to be a trusted energy partner and to create long-term value for its shareholders.

The Group understands its responsibilities towards sustainability. As an upstream oil and gas company, its exploration, development and production activities can have an impact on the environment and wellbeing of the local communities in places where it operates. As a responsible upstream oil and gas participant, the Group strives for excellence and takes sustainability issues seriously, endeavouring to deliver on its business objectives and performance in a sustainable manner while meeting the expectations of its stakeholders. Sustainability forms an integral component of the Group's operations. A balanced and commendable performance on the economic, environmental and social aspects of the business is central to the growth of the Group.

The Group will be publishing its sustainability report for FY2023 in April this year. The report is aimed at providing stakeholders with a better understanding of the Group's sustainability practices as well as an update in respect of the Group's ESG performance on issues that are considered material to its stakeholders. The report will outline the sustainable approaches embedded in the Group's business operations and value chain and highlight the Group's sustainability initiatives, best practices and performance in respect of ESG matters.

The full version of this year's report will be prepared with reference to the Global Reporting Initiative ("GRI") Standards, including the GRI 11: Oil and Gas Sector 2021 Standard, and the primary components set out in Singapore Exchange Securities Trading Limited's ("SGX-ST") Listing Rule 711B.

The FY2023 sustainability report will also include climate-related disclosures consistent with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), as the Group begins its journey of identifying and managing climate-related risks and opportunities.

In line with paragraph 6.1 in Practice Note 7.6 of the SGX-ST Listing Rules, a summary of the sustainability report, which includes a summary highlight of the Group's key areas of focus and initiatives for FY2023, is provided below.

### Environmental and Safety Track Records

As a responsible operator of oil and gas assets, matters relating to occupational HSE (health, safety and environment) and environmental sustainability are paramount to the Group. Through the years, the Group has received several occupational HSE and environmental related certifications and awards:

- Blue PROPER rating awarded for Arar LPG (liquefied petroleum gas) Plant and KMT (Kasim Marine Terminal), Kepala Burung PSC, and Matoa, Salawati PSC, from the Ministry of Environment and Forestry of the Republic of Indonesia
- ISO 14001:2015 Environmental Management Systems Certification for Arar block and KMT, Kepala Burung PSC; and Matoa Field, Salawati PSC
- Zero Accident award for 23.3 million man hours of work as of 31 December 2022 without lost time incident (for 1 January 2015 – 31 December 2022) for Petrogas (Basin) Ltd presented by the Ministry of Manpower of the Republic of Indonesia in June 2023
- SMK-3 Accreditation for Occupational Safety Management System based on Government Regulation of the Republic of Indonesia No. 50 Year 2012
- Patra Nirbhaya Karya Utama for 19.8 million man hours of work without lost time (for 1 October 2015 – 30 April 2023) for Petrogas (Basin) Ltd, and 2.5 million man hours of work without lost time (for 20 April 2020 – 30 April 2023) for Petrogas (Island) Ltd, awarded by the Ministry of Energy, Minerals and Resources of the Republic of Indonesia in September 2023
- Arar laboratory awarded ISO/IEC 17025 certification for Testing & Calibration by Indonesia Committee for National Accreditation (KAN), certified in October 2021

# CORPORATE GOVERNANCE REPORT

The Group and its operating subsidiaries adopt high occupational HSE standards and industry practices in all daily operations. The Group requires its staff to adhere to its HSE policies. In addition, the Group also actively encourages its contractors to adopt and support the HSE policies and work hand-in-hand to cultivate a strong work safety culture.

## Strategy and Key Focuses

### Environment

The Group believes that conducting its operations in an environmentally responsible manner is integral in operating a successful and sustainable business. The Group is committed to comply with the relevant environmental laws and regulations in the countries where it operates, and envisages to conduct its business in a prudent and responsible manner. Industry best practices are adopted where applicable.

Climate issues have become significant topics across industries today. The Group is committed to understanding and engaging the challenges posed by climate change, and to manage these challenges effectively, contributing to a sustainable and responsible future.

### Social

The Group believes that people are its assets. The Group conducts its business with respect and care for its people. The Group is also committed to hire locals in the places where it operates and strives to empower its employees with essential and valuable skillsets, career advancement opportunities and lifelong learning.

### Governance

The Group believes that good corporate governance is central to the Group's business and values. The Group is confident that by building a company that operates responsibly and ethically, it will enhance the interests of all its stakeholders. The Group has put in place a prudent governance framework that focuses on integrity, responsibility, accountability and discipline in its business and operations.

## Stakeholders and Materiality Assessment

The Group recognises the important roles that its stakeholders have in its sustainability journey. The Group's main stakeholders are its shareholders, suppliers, customers, regulators, partners, associates, employees and local communities. The Group's strategy is to adopt a balanced approach in delivering its performance in a sustainable manner while meeting the expectations of its stakeholders. In addressing sustainability, key areas of focus will be in managing the Group's ESG performance.

With the key areas of focus in mind, the Group engages its stakeholders and conducts a materiality assessment to identify material ESG factors which are considered material to the Company's stakeholders. The Group also reported on material factors in accordance with those prescribed by the GRI 11: Oil and Gas Sector 2021 standard. Below is the list of material ESG factors identified and the indicators adopted to measure their performance:

Material Aspects	GRI Standards Disclosure	Description
Economic Performance	GRI 201-1, 201-2 and 201-4	Direct economic value generated and distributed; financial implications and other risks and opportunities due to climate change; financial assistance received from government
Market Presence	GRI 202-2	Proportion of senior management hired from the local community
Indirect Economic Impacts	GRI 203-1 to 203-2	Infrastructure investments and services supported; significant indirect economic impacts
Procurement Practices	GRI 204-1	Proportion of spending on local suppliers
Anti-Corruption	GRI 205-1 to GRI 205-3	Operations assessed for risks related to corruption; communication and training about anti-corruption policies and procedures; confirmed incidents of corruption and actions taken

# CORPORATE GOVERNANCE REPORT

Material Aspects	GRI Standards Disclosure	Description
Anti-Competitive Behaviour	GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices
Tax	GRI 207-1 to 207-4	Approach to tax; tax governance, control, and risk management; stakeholder engagement and management of concerns related to tax
Energy	GRI 302-1 and 302-3	Energy consumption within the organisation; energy intensity
Water	GRI 303-1 to 303-5	Interactions with water as a shared resource; Management of water discharge-related impacts; water withdrawal; water discharge; water consumption
Biodiversity	GRI 304-1 to 304-4	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas; significant impacts of activities, products, and services on biodiversity; habitats protected or restored; IUCN Red List species and national conservation list species with habitats in areas affected by operations
Emissions	GRI 305-1, 305-2, 305-3, 305-4, 305-5 and 305-7	Direct (Scope 1) GHG emissions; energy indirect (Scope 2) GHG emissions; GHG emissions intensity; reduction of GHG emissions; nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions
Effluents and Waste (2016)	GRI 306-3 (2016)	Significant spills
Waste	GRI 306-1 to 306-5	Waste generation and significant waste-related impacts; management of significant waste-related impacts; waste generated; waste diverted from disposal; waste directed to disposal
Environmental Compliance	GRI 307-1	Non-compliance with environmental laws and regulations
Employment	GRI 401-1 to 401-3	New employee hires and employee turnover, benefits provided to full-time employees that are not provided to temporary or part-time employees; parental leave
Labour/Management Relations	GRI 402-1	Minimum notice periods regarding operational changes
Occupational Health and Safety	GRI 403-1 to 403-10	Management approach on occupational health and safety
Training and Education	GRI 404-1 to 404-2	Training for employees, and programmes for upgrading employee skills and transition assistance programmes
Diversity and Equal Opportunity	GRI 405-1 to GRI 405-2	Diversity of governance bodies and employees; ratio of basic salary and remuneration
Non-Discrimination	GRI 406-1	Incidents of discrimination and corrective actions taken
Freedom of Association and Collective Bargaining	GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk
Forced or Compulsory Labour	GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour
Rights of Indigenous Peoples	GRI 411-1	Incidents of violations involving rights of indigenous peoples

# CORPORATE GOVERNANCE REPORT

Material Aspects	GRI Standards Disclosure	Description
Local Communities	GRI 413-1 to 413-2	Operations with local community engagement, impact assessments and development programmes
Supplier Social Assessment	GRI 414-1 to 414-2	New suppliers that were screened using social criteria; negative social impacts in the supply chain and actions taken
Public Policy	GRI 415-1	Political contributions

The Group has established sustainability policies to address these material ESG factors. Some of the Group's key initiatives in FY2023 are summarised below:

## Occupational Health and Safety

The Group continues to implement programmes that are in line with its occupational health and safety strategies, with the objectives to improve the performance and safety standards of the workplaces. In FY2023, the Group maintained its target of zero lost time incident due to occupational diseases and had only one reportable injury.

## Local Communities

The Group recognises the need to give back to the local communities and to contribute towards the development of the areas where it operates. The Group also seeks opportunities to enhance community spirit and encourage communal activities.

### Educational Support

The Group continues to provide support for educational programmes in villages near where it operates. In FY2023, the Group provided learning tools and materials, as well as support for the hiring of additional elementary school teachers in Seget District, Sorong Regency, to improve the quality of educational facilities and address the shortage of teachers respectively.

### Health Assistance

The Group continued its close collaboration with the Health Office of the Sorong Regency to tackle the problem of stunting within the community. The Group supported efforts to educate expectant mothers on the importance of proper nutrition, and assisted with screening for toddlers and expectant mothers.

### Economic Development

The small and medium enterprises ("**SME**") assistance programme was set up in 2018 to support business sustainability and economic development in the local community. The Group has mentored a number of SMEs and facilitated their participation at exhibitions in Sorong and Jakarta which are intended to strengthen the capacity of businesses supporting the upstream oil and gas industry in Indonesia. Additionally, farmer groups and cooperatives in the Seget and Central Salawati districts supported by the Group's collaborative efforts had their first successful harvest of vegetables in 2023.

### Infrastructure Development

The Group continues to contribute to the infrastructure development in the areas where it operates. In FY2023, the Group provided assistance, equipment and materials for the renovation of worship facilities and building of water infrastructure.

# DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of RH Petrogas Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2023.

## Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## Directors

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

Dato’ Sri Dr Tiong Ik King  
Chang Cheng-Hsing Francis  
Timothy Tiong Ing Zun  
Yeo Yun Seng Bernard  
Lee Hock Lye  
Kuan Li Li  
Khoo Kar Khoon <sup>(1)</sup>  
Dr Butler Andrew John <sup>(2)</sup>

### Notes:

- (1) Appointed as an Independent Director on 8 February 2023.
- (2) Appointed as an Independent Director on 11 August 2023.

## Arrangements to enable directors to acquire shares and debentures

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



# DIRECTORS' STATEMENT

## Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Companies Act 1967, an interest in shares and share options of the Company as stated below:

Name of Director	Direct interest		Deemed interest	
	At the beginning of financial year or date of appointment	At the end of the financial year	At the beginning of financial year or date of appointment	At the end of the financial year
<b>Ordinary shares of the Company</b>				
Dato' Sri Dr Tiong Ik King	-	-	302,073,086	302,073,086
Chang Cheng-Hsing Francis	5,000,000	6,000,000	-	-
Dr Butler Andrew John	-	40,000	-	-
<b>Share options of the Company</b>				
Chang Cheng-Hsing Francis	2,000,000	2,500,000	-	-
Yeo Yun Seng Bernard	200,000	400,000	-	-
Lee Hock Lye	200,000	400,000	-	-
Kuan Li Li	200,000	400,000	-	-

By virtue of Section 7 of the Companies Act 1967, Dato' Sri Dr Tiong Ik King is deemed to have interest in the Company and its subsidiaries. Dato' Sri Dr Tiong Ik King's deemed interest comprised of 302,073,086 shares held by Surreyville Pte Ltd ("**Surreyville**"), which arises from his shareholding in Woodsville International Limited, the holding company of Surreyville.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and the date of the directors' statement.

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

## Share options and performance share plan

The RHP Share Option Scheme 2011 (the "**Scheme**") and RHP Performance Share Plan (the "**Share Plan**") were approved by shareholders at the Company's Extraordinary General Meeting held on 8 July 2011 and were extended by shareholders at the Company's Annual General Meeting held on 28 April 2021 for a period of 10 years up to 28 April 2031.

The Scheme and the Share Plan are administered by the Remuneration Committee ("**RC**"), which comprises the following directors, with such discretion, powers and duties as are conferred on it by the Board of Directors:

Yeo Yun Seng Bernard (Chairman)  
 Lee Hock Lye  
 Dato' Sri Dr Tiong Ik King  
 Kuan Li Li

The Scheme and the Share Plan shall continue to be in force at the discretion of the RC, subject to a maximum period of 10 years up to 28 April 2031 and may continue beyond the stipulated period with the approval of the shareholders by an ordinary resolution passed at a general meeting and of any relevant authorities which may then be required.

# DIRECTORS' STATEMENT

## Share options

Under the Scheme, options to subscribe for new ordinary shares in the capital of the Company were granted to selected employees and directors of the Company, its subsidiaries and/or associated companies.

During the financial year, the Company had granted 3,780,000 share options under the Scheme. These options are exercisable after the second anniversary from the date of grant and will expire on 3 March 2028.

Details of all the options to subscribe for ordinary shares of the Company pursuant to the Scheme as at 31 December 2023 are as follows:

Date of grant of options	Expiry date	Exercise period	Exercise Price (\$)	Number of options				
				Balance as at 01.01.23	Granted during the financial year	Exercised during the financial year	Cancelled/lapsed during the financial year	Balance as at 31.12.23
05.03.2021	05.03.2026	06.03.2023 to 04.03.2026	0.024	1,960,000	-	(1,960,000)	-	-
04.03.2022	04.03.2027	05.03.2024 to 03.03.2027	0.220	2,800,000	-	-	-	2,800,000
03.03.2023	03.03.2028	04.03.2025 to 02.03.2028	0.150	-	3,780,000	-	-	3,780,000
				4,760,000	3,780,000	(1,960,000)	-	6,580,000

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

Name of director	Aggregate options granted since commencement of the Scheme to beginning of financial year	Options granted during financial year	Aggregate options exercised since commencement of the Scheme to end of financial year	Aggregate options cancelled/lapsed since commencement of the Scheme to end of financial year	Aggregate options outstanding as at end of financial year
Chang Cheng-Hsing Francis	8,930,000	1,500,000 <sup>(1)</sup>	(6,000,000)	(1,930,000)	2,500,000
Yeo Yun Seng Bernard	330,000	200,000 <sup>(1)</sup>	-	(130,000)	400,000
Lee Hock Lye	330,000	200,000 <sup>(1)</sup>	-	(130,000)	400,000
Achmad Lukman Kartanegara <sup>(2)</sup>	250,000	200,000 <sup>(1)</sup>	-	(50,000)	400,000
Kuan Li Li	200,000	200,000 <sup>(1)</sup>	-	-	400,000
Total	10,040,000	2,300,000 <sup>(1)</sup>	(6,000,000)	(2,240,000)	4,100,000

### Notes:

- (1) These options are exercisable between the periods from 4 March 2025 to 2 March 2028 at the exercise price of S\$0.150 if the vesting conditions are met.
- (2) Retired as director of the Company on 22 August 2023. Outstanding options granted totalling 400,000 share options as at the end of the financial year shall continue to be exercisable in accordance with the Scheme (Note 25).

# DIRECTORS' STATEMENT

## Share options (continued)

Since the commencement of the Scheme till the end of the financial year:

- (a) No options have been granted to the controlling shareholders of the Company and their associates;
- (b) No participant, other than one director, has received 5% or more of the total options available under the Scheme;
- (c) No options have been granted to directors and employees of the Company's subsidiaries;
- (d) No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted;
- (e) There were 3,780,000, 2,800,000, 2,000,000, 2,560,000 and 3,060,000 options granted respectively during the financial years of 2023, 2022, 2021, 2020 and 2019 at a discount of 19.79%, 18.52%, 17.24%, 17.86% and 20.0% respectively from the average of the closing prices of the Company's shares on the last three consecutive trading days before the date of grant. An aggregate of 1,960,000 options which were issued in 2021 were exercised during the financial year; and
- (f) No options have been granted to any participants at a discount of 10% or less.

## Performance share plan

Under the Share Plan, fully-paid ordinary shares in the capital of the Company, their equivalent cash value or combinations thereof will be granted, free from payment, to selected employees of the Company and/or its subsidiaries including directors of the Company, and other selected participants according to the extent to which they complete time-based service conditions or achieve their performance targets over set performance periods.

There were no shares awarded for the financial year ended 31 December 2023 pursuant to the Performance Share Plan.

Since the commencement of the Share Plan till the end of the financial year:

- (a) No share awards were granted to the controlling shareholders of the Company and their associates;
- (b) No participant has received 5% or more of the total shares or awards available under the Share Plan; and
- (c) No shares have been awarded to directors and employees of the Company's subsidiaries.

## Audit committee

The Audit Committee ("AC") carried out its functions in accordance with Section 201B(5) of the Companies Act 1967, including the following:

- Reviewed the audit plans and reports of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Group and 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 adequacy and effectiveness of the Group and the Company's material internal controls, including financial, operational, compliance and information technology controls, and risk management via reviews and results of the audits carried out by the internal auditor and external professional consultants and discussion with senior management;
- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that "AC" groups believe should be discussed privately with the AC;

# DIRECTORS' STATEMENT

## **Audit committee (continued)**

- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- Reviewed the nature and extent of non-audit services provided by the external auditor;
- Recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;
- 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, 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 also conducted a review of interested person transactions.

The AC convened four meetings during the year with full attendance from all members. The AC has also met with external and internal auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

## **Auditor**

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the Board of Directors:

Chang Cheng-Hsing Francis  
Director

Dato' Sri Dr Tiong Ik King  
Director

Singapore  
9 April 2024

# INDEPENDENT AUDITOR'S REPORT

To The Members of RH Petrogas Limited

## Report on the Audit of the Financial Statements

### Disclaimer of Opinion

We were engaged to audit the financial statements of RH Petrogas Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), which comprise the balance sheets of the Group and the Company as at 31 December 2023, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

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

### Basis for Disclaimer of Opinion

As disclosed in Note 31, the Company has received whistle blower messages pertaining to, amongst others, alleged bribery and alleged changes to contracting exploration arrangements by subsidiary's management that might potentially benefit certain parties. In response to the matters highlighted by the whistle blower, the head office management initiated an internal review of the allegations. An independent investigation to determine the veracity of the allegations has not been conducted as of the date of this report. In addition, we are also unable to complete the necessary procedures to ascertain if there has been any non-compliance with laws and regulations or other wrongdoings due to insufficient time. Further investigation may uncover other information that may impact the financial statements. As the whistle blower matters have not been satisfactorily resolved, we have not been able to obtain sufficient appropriate audit evidence to conclude whether the financial statements for the year ended 31 December 2023 would require any adjustments or additional disclosures.

### 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), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Group's financial statements in accordance with Singapore Standards on Auditing ("**SSAs**") and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company 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.

# INDEPENDENT AUDITOR'S REPORT

To The Members of RH Petrogas Limited

## Report on Other Legal and Regulatory Requirements

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

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore

9 April 2024

# CONSOLIDATED INCOME STATEMENT

For The Financial Year Ended 31 December 2023

	Note	2023 US\$'000	2022 US\$'000
<b>Revenue</b>	4	94,091	104,939
Cost of sales		(68,065)	(60,871)
<b>Gross profit</b>		26,026	44,068
Other income		3,413	1,808
Administrative expenses		(3,867)	(4,106)
Other expenses		(19,580)	(380)
Finance costs		(782)	(1,343)
<b>Profit before tax</b>	5	5,210	40,047
Income tax expense	6	(2,057)	(15,160)
<b>Profit for the financial year</b>		3,153	24,887
<b>Attributable to:</b>			
Owners of the Company		2,596	20,127
Non-controlling interests		557	4,760
		3,153	24,887
<b>Earnings per share (cents per share)</b>			
Basic	7	0.31	2.42
Diluted	7	0.31	2.41

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

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2023

	Note	2023 US\$'000	2022 US\$'000
<b>Profit for the financial year</b>		3,153	24,887
<b>Other comprehensive income:</b>			
<b><u>Item that will not be reclassified subsequently to profit or loss:</u></b>			
Remeasurement of defined benefit plan	25	(215)	-
Other comprehensive income for the financial year, net of tax		(215)	-
<b>Total comprehensive income for the financial year, net of tax</b>		<u>2,938</u>	<u>24,887</u>
<b>Attributable to:</b>			
Owners of the Company		2,418	20,127
Non-controlling interests		520	4,760
		<u>2,938</u>	<u>24,887</u>

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



# BALANCE SHEETS

As at 31 December 2023

	Note	Group		Company	
		2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
<b>Non-current assets</b>					
Oil and gas properties	8	1,330	-	-	-
Other plant and equipment	9	88	202	75	27
Deferred tax assets	22	2,251	1,368	-	-
Right-of-use assets	10	6,888	12,999	235	79
Exploration and evaluation assets	11	9,258	161	-	-
Cash and bank balances	18	3,193	3,191	-	-
Amounts due from subsidiaries	17	-	-	116,642	4,934
Other non-current assets	12	2,278	2,415	-	-
Investment in subsidiaries	13	-	-	-	-
		25,286	20,336	116,952	5,040
<b>Current assets</b>					
Inventories	15	11,759	1,270	-	-
Other current assets	16	39	31	39	28
Trade and other receivables	17	15,994	13,266	247	169
Cash and bank balances	18	51,442	57,273	3,659	1,134
		79,234	71,840	3,945	1,331
<b>Total assets</b>		104,520	92,176	120,897	6,371
<b>Current liabilities</b>					
Income tax payable		1,170	3,286	-	-
Lease liabilities	20	6,693	11,409	139	84
Trade and other payables	19	41,084	24,535	1,044	1,657
		48,947	39,230	1,183	1,741
<b>Non-current liabilities</b>					
Provisions	21	3,725	727	39	27
Lease liabilities	20	3,059	5,227	97	-
Amounts due to subsidiaries	19	-	-	2,343	-
		6,784	5,954	2,479	27
<b>Total liabilities</b>		55,731	45,184	3,662	1,768
<b>Equity attributable to owners of the Company</b>					
Share capital	23	270,138	270,065	270,138	270,065
Reserves	24	(228,234)	(230,938)	(152,903)	(265,462)
		41,904	39,127	117,235	4,603
Non-controlling interests		6,885	7,865	-	-
<b>Total equity</b>		48,789	46,992	117,235	4,603
<b>Total liabilities and equity</b>		104,520	92,176	120,897	6,371

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

# STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2023

Group	Attributable to owners of the Company									
	Share capital	Capital reduction reserve	Foreign currency translation reserve	Reserve for defined benefit plan	Accumulated losses	Equity reserve	Employee share option reserve	Total reserves	Non-controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>At 1 January 2022</b>	269,982	2,886	(90)	-	(255,824)	1,764	53	(251,211)	3,105	21,876
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	20,127	-	-	20,127	4,760	24,887
<u>Contributions by and distributions to owners</u>										
Exercise of employee share options	83	-	-	-	-	-	(40)	(40)	-	43
Share-based payments (Note 25)										
- Grant of equity-settled share options	-	-	-	-	-	-	186	186	-	186
<b>At 31 December 2022 and 1 January 2023</b>	270,065	2,886	(90)	-	(235,697)	1,764	199	(230,938)	7,865	46,992
Profit for the financial year	-	-	-	-	2,596	-	-	2,596	557	3,153
Other comprehensive income for the financial year	-	-	-	(178)	-	-	-	(178)	(37)	(215)
Total comprehensive income for the financial year	-	-	-	(178)	2,596	-	-	2,418	520	2,938
Distribution to joint operation	-	-	-	-	-	-	-	-	(1,500)	(1,500)
<u>Contributions by and distributions to owners</u>										
Exercise of employee share options	73	-	-	-	-	-	(38)	(38)	-	35
Share-based payments (Note 25)										
- Grant of equity-settled share options	-	-	-	-	-	-	324	324	-	324
<b>At 31 December 2023</b>	270,138	2,886	(90)	(178)	(233,101)	1,764	485	(228,234)	6,885	48,789

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

# STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2023

Company	Share capital US\$'000	Capital reduction reserve US\$'000	Accumulated losses US\$'000	Employee share option reserve US\$'000	Total reserves US\$'000	Total equity US\$'000
<b>At 1 January 2022</b>	269,982	2,886	(266,109)	53	(263,170)	6,812
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(2,438)	-	(2,438)	(2,438)
<u>Contributions by and distributions to owners</u>						
Exercise of employee share options	83	-	-	(40)	(40)	43
Share-based payments						
- Grant of equity-settled share options	-	-	-	186	186	186
<b>At 31 December 2022 and 1 January 2023</b>	270,065	2,886	(268,547)	199	(265,462)	4,603
Profit for the financial year, representing total comprehensive income for the financial year	-	-	112,273	-	112,273	112,273
<u>Contributions by and distributions to owners</u>						
Exercise of employee share options	73	-	-	(38)	(38)	35
Share-based payments						
- Grant of equity-settled share options	-	-	-	324	324	324
<b>At 31 December 2023</b>	270,138	2,886	(156,274)	485	(152,903)	117,235

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

# CONSOLIDATED CASH FLOW STATEMENT

For The Financial Year Ended 31 December 2023

	Note	2023 US\$'000	2022 US\$'000
<b>Operating activities</b>			
Profit before tax		5,210	40,047
Adjustments for:			
- Amortisation of signature bonus and upfront fees	5	137	137
- Defined pension plan expenses	25	1,050	1,311
- Depletion and amortisation of oil and gas properties	8	1,801	845
- Depreciation of other plant and equipment	9	186	175
- Depreciation of right-of-use assets	10	7,939	5,897
- Interest expense on lease liabilities	20	782	1,343
- Interest income from bank deposits	5	(1,898)	(538)
- Net interest gain on decommissioning costs	5	(649)	-
- Net gain on early lease termination	5	(58)	-
- Provision for decommissioning costs	5	133	40
- Share-based payments	25	324	186
- Unsuccessful exploration and evaluation expenditures	11	17,727	-
- (Write back of)/provision for expected credit loss for other receivables	17	(8)	21
<b>Operating cash flows before changes in working capital</b>		32,676	49,464
<u>Changes in working capital</u>			
Increase in inventories		(10,489)	(500)
Increase in trade and other receivables		(2,728)	(875)
Increase in trade and other payables		1,472	2,100
Decrease in defined benefit plan liabilities		(953)	(611)
<b>Cash flows from operations</b>		19,978	49,578
Income tax paid		(5,054)	(19,092)
Interest received		1,898	538
<b>Net cash flows from operating activities</b>		16,822	31,024
<b>Investing activities</b>			
Additions to exploration and evaluation assets	11	(9,852)	(105)
Additions to oil and gas properties	8	(1,701)	(169)
Cash call contributions for decommissioning provision	21	(133)	(40)
Purchase of other plant and equipment	9	(72)	(26)
<b>Net cash flows used in investing activities</b>		(11,758)	(340)
<b>Financing activities</b>			
Distribution to joint operation		(1,500)	-
Increase in deposits pledged	18	(2)	(2)
Payment of lease liabilities	20	(9,428)	(7,269)
Proceeds from exercise of employee share options		35	43
<b>Net cash flows used in financing activities</b>		(10,895)	(7,228)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(5,831)	23,456
Cash and cash equivalents at beginning of the financial year		57,273	33,817
<b>Cash and cash equivalents at end of the financial year</b>	18	51,442	57,273

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

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 1. Corporate information

RH Petrogas Limited (the “**Company**”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The registered office and principal place of business of the Company is located at 20 Harbour Drive, #06-03, Singapore 117612.

The principal activities of the Company were those of a trading company, investment holding, and exploration and production of oil and gas. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

## 2. Material accounting policy information

### 2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”).

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

The financial statements are presented in United States Dollars (“**USD**” or “**US\$**”) and all values are rounded to the nearest thousand (“**\$’000**”) except when otherwise indicated.

### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2023. The adoption of these standards did not have any effect on the financial performance or position of the Group, except as disclosed below:

#### Amendments to SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

For leases, decommissioning provisions and employee defined benefit liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings on that date.

The Group previously recognised deferred tax assets or liabilities from any net temporary differences arising from initial recognition of the asset and liability. Following the amendment, the Group recognised separate deferred tax assets in relation to its lease liabilities, decommissioning provision, defined benefit liability and deferred tax liabilities in relation to its right-of-use assets, assets restoration obligation and defined benefit plan asset. In accordance to SFRS(1) 1-12, the Group has offset deferred tax asset and liabilities arising from the same jurisdiction in the statement of financial position.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (continued)

### 2.2 Changes in accounting policies (continued)

Amendments to SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (continued)

The amendments had no impact on the Group's and Company's balance sheets. The differences in disclosures in Note 22 is as follows.

	2022 (As previously reported) US\$'000	SFRS(I) 1-12 amendments US\$'000	2022 (restated) US\$'000
Deferred tax assets:			
Differences in depreciation for tax purposes	(1,368)	1,129	(239)
Temporary difference in defined benefit plan	-	(742)	(742)
Lease liabilities	-	(6,243)	(6,243)
	(1,368)	(5,856)	(7,224)
Deferred tax liabilities:			
Differences in depreciation for tax purposes:	-	5,377	5,377
Temporary difference in defined benefit plan	-	479	479
	-	5,856	5,856

#### International Tax Reform—Pillar Two Model Rules – Amendments to SFRS(I) 1-12

The amendments to SFRS(I) 1-12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- (a) A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- (b) Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date

The amendments had no impact on the Group's consolidated financial statements as the Group is not in scope of the Pillar Two model rules as its revenue is less than EUR 750 million per year.

### 2.3 Standards issued but not yet effective

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

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to SFRS(I) 1-1: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to SFRS(I) 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to SFRS 21: <i>Lack of exchangeability</i>	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of the initial application.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (continued)

### 2.4 Basis of consolidation and business combinations

#### (a) Basis of consolidation

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

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

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

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

#### (b) Business combinations and goodwill

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

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

Non-controlling interest in the acquiree, that are present ownership interest and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

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

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

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.

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

### 2.5 Transactions with non-controlling interests

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (continued)

### 2.6 Foreign currency

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

#### (a) Transactions and balances

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

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

#### (b) Consolidated financial statements

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

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss.

### 2.7 Oil and gas properties, and other plant and equipment

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

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning obligation and for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

When a development project moves into the production stage, the capitalisation of certain construction/development costs ceases and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to oil and gas property asset additions, improvements or new developments.

When significant parts of plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (continued)

### 2.7 Oil and gas properties, and other plant and equipment (continued)

#### ***Depreciation/amortisation***

Oil and gas properties are depreciated/amortised on a unit-of-production basis over the total proved developed and undeveloped reserves of the field concerned. The unit-of-production rate calculation for the depreciation/amortisation of field development costs takes into account expenditures incurred to date, together with sanctioned future development expenditure.

Other plant and equipment are generally depreciated on a straight-line basis over their estimated useful lives which are as follows:

Furniture, fittings and office equipment - 3 to 5 years

Assets under construction included in oil and gas properties are not depreciated as these assets are not yet available for use.

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

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

An item of oil and gas properties and other plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

### 2.8 Oil and gas exploration, evaluation and development expenditure

Oil and gas exploration, evaluation and development expenditure is accounted for using the successful efforts method of accounting.

#### Pre-licence costs

Pre-licence costs are expensed in the period in which they are incurred.

#### Licence and property acquisition costs

Exploration licence and leasehold property acquisition costs are capitalised within intangible assets. Licence costs paid in connection with a right to explore in an existing exploration are capitalised and amortised over the term of the permit. Licence and property acquisition costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is under way to determine, that the discovery is economically viable based on a range of technical and commercial considerations and sufficient progress is being made on establishing development plans and timing.

If no future activity is planned or the licence has been relinquished or has expired, the carrying value of the licence and property acquisition costs is written off through profit or loss. Upon recognition of proved reserves and internal approval for development, the relevant expenditure is transferred to oil and gas properties.

#### Exploration and evaluation costs

Exploration and evaluation activity involves the search for hydrocarbon resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Once the legal right to explore has been acquired, cost directly associated with an exploration well are capitalised as exploration and evaluation intangible assets until the drilling of the well is completed and the results have been evaluated. These costs include directly attributable employee remuneration, materials and fuel used, rig costs and payments made to contractors.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (continued)

### 2.8 Oil and gas exploration, evaluation and development expenditure (continued)

#### *Exploration and evaluation costs (continued)*

If no potentially commercial hydrocarbons are discovered, the exploration asset is written off as dry hole. If extractable hydrocarbons are found and, subject to further appraisal activity (e.g., the drilling of additional wells), are likely to be capable of being commercially developed, the costs continue to be carried as an intangible asset while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons. Costs directly associated with the appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalised as an intangible asset.

All such capitalised costs are subject to technical, commercial and management review at least once a year. An assessment for indicators of impairment is also performed annually. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off to profit or loss.

When proved reserves of oil and gas are identified and development is sanctioned by management, the relevant capitalised expenditure is first assessed for impairment and (if required) any impairment loss is recognised, then the remaining balance is transferred to oil and gas properties. Other than licence costs, no amortisation is charged during the exploration and evaluation phase.

#### *Development costs*

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development on the delineation wells, is capitalised within oil and gas properties.

### 2.9 Impairment of non-financial assets

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

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

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

### 2.10 Subsidiaries

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

The Company's investments in subsidiaries are accounted for at cost less impairment losses.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (continued)

### 2.11 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.

#### **Joint operations**

The Group recognises in relation to its interest in a joint operation,

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

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

### 2.12 Financial instruments

#### (a) Financial assets

##### **Initial recognition and measurement**

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

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

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

##### **Subsequent measurement**

###### Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The two measurement categories for classification of debt instruments are:

###### (i) *Amortised cost*

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

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (continued)

### 2.12 Financial instruments (continued)

#### (a) Financial assets (continued)

##### Subsequent measurement (continued)

##### Investments in debt instruments (continued)

##### (ii) *Fair value through profit or loss*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

##### Derecognition

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

#### (b) Financial liabilities

##### Initial recognition and measurement

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

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

##### Subsequent measurement

The measurement of financial liabilities depends on their classifications as follows:

##### (i) *Financial liabilities at fair value through profit and loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

##### (ii) *Financial liabilities at amortised cost*

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

##### Derecognition

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

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (continued)

### 2.13 Impairment of financial assets

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

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

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

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

### 2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

### 2.15 Inventories

Inventories comprise well supplies and are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for on a first-in first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 2.16 Provisions

#### General

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (continued)

### 2.16 Provisions (continued)

#### *Decommissioning liability*

The Group recognises a decommissioning liability when it has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the field location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related oil and gas assets to the extent that it was incurred by the development/construction of the field. Any decommissioning obligations that arise through the production of crude oil and/or gas are expensed as incurred.

Changes in the estimated timing of decommissioning or changes to the decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to oil and gas assets.

Any reduction in the decommissioning liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to profit or loss.

If the change in estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment in accordance with FRS 36. If, for mature fields, the estimate for the revised value of oil and gas assets net of decommissioning provisions exceeds the recoverable value, that portion of the increase is charged directly to expense.

Over time, the discounted liability is increased for the change in present value based on the discount rate that reflects current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in profit or loss as a finance cost.

The Group recognises neither the deferred tax asset in respect of the temporary difference on the decommissioning liability, nor the corresponding deferred tax liability in respect of the temporary difference on a decommissioning asset.

### 2.17 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 balance sheet 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.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (continued)

### 2.18 Employee benefits

#### *Defined contribution plans*

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

In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

#### *Defined benefit plan*

The Group provides post-employment benefits to qualified employees in Indonesia as required under the applicable labour laws and government regulations. The cost of providing such benefits is determined using the projected unit credit actuarial valuation method, based on the report prepared by an independent firm of actuaries. The estimated liability for employee benefits is the aggregate of the present value of the defined benefit obligations at the end of the reporting period.

Defined benefit obligation comprises of the following:

- Service costs
- Net interest on the net defined benefit liability; and
- Re-measurements of the net defined benefit liability

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

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

Re-measurements comprising actuarial gains and losses are recognised immediately in other comprehensive income in the consolidated statement of comprehensive income in the period in which they arise. Re-measurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

#### *Employee share option plans and performance share plan*

Certain employees of the Company, including directors, receive remuneration in the form of share options and/or shares of the Company as consideration for services rendered. The cost of these equity-settled share based payment transactions with employees for awards granted is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share option 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 employee benefits expense.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (continued)

### 2.18 Employee benefits (continued)

#### *Employee share option plans and performance share plan (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 option.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

### 2.19 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *As lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office and warehouse	-	2 to 5 years
Plant and machinery	-	1 to 3 years
Motor vehicles	-	2 to 5 years
Other equipment	-	2 to 3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.9.

#### (b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (continued)

### 2.19 Leases (continued)

*As lessee (continued)*

#### (b) Lease liabilities (continued)

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### (c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

### 2.20 Revenue

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

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

#### (a) Sales of natural gas

Revenue from the sale of natural gas is recognised when the product is physically transferred into a vessel, pipeline or by other delivery mechanism.

#### (b) Sales of oil

Revenue from the sales of oil is recognised based on its actual sales to customers in that period. No adjustments should be recorded in revenue to account for any variance between the actual share of volumes sold to date and the share of production which the party has been entitled to sell to date, based on the Group's working interest and the terms of the relevant production sharing contracts. Entities may then adjust production costs to align to the volumes sold.

Under/Over-lifted hydrocarbons refer to the shortfall/excess in the amount of production that the Group has taken during the period over the Group's ownership share of the production from Kepala Burung and Salawati PSCs. An over-lift participant should accrue for future expenses that are not matched by corresponding future revenues. Conversely, an under-lift participant should defer expenses and match them against future catch-up production.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (continued)

### 2.20 Revenue (continued)

#### (b) Sales of oil (continued)

The settlement of prior periods' under-lifting would be recognised as other income, rather than revenue from contracts with customers under SFRS(I) 15. Conversely, the settlement of prior periods' over-lifting would be recognised as other expense.

### 2.21 Taxes

#### (a) Current income tax

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

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

#### (b) Deferred tax

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (continued)

### 2.21 Taxes (continued)

#### (b) Deferred tax (continued)

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

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### (c) Royalties, resource rent tax and revenue-based taxes

In addition to corporate income taxes, the Group's financial statements also recognise other taxes on income which are calculated based on oil and gas production.

Royalties, resource rent taxes and revenue-based taxes are accounted for under SFRS(I) 1-12 when they have the characteristics of an income tax. This is considered to be the case when they are imposed under government authority and the amount payable is based on taxable income - rather than based on physical quantities produced or as a percentage of revenue - after adjustment for temporary differences. For such arrangements, current and deferred income tax is provided on the same basis as described above for other forms of taxation. Obligations arising from royalty arrangements and other types of taxes that do not satisfy these criteria are recognised as current provisions and included in cost of sales.

#### (d) Production-sharing arrangements

According to the production-sharing contract, the share of the profit oil to which the government is entitled in any calendar year is deemed to include a portion representing the corporate income tax imposed upon and due by the Group. This amount will be paid directly by the government on behalf of the Group to the appropriate tax authorities. This portion of income tax and revenue are presented net in profit or loss.

#### (e) Sales tax

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

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

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

### 2.22 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 30, including the factors used to identify the reportable segments and the measurement basis of segment information.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (continued)

### 2.23 Share capital and share issuance expenses

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

### 2.24 Borrowing costs

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

## 3. Significant accounting judgments and estimates

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

### 3.1 Judgments made in applying accounting policies

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

#### (a) Hydrocarbon reserve and resource estimates

Oil and gas production properties are depreciated on units of production basis at a rate calculated by reference to total proved developed and undeveloped reserves determined in accordance with Society of Petroleum Engineers rules and incorporating the estimated future cost of developing those reserves. The Group estimates its commercial reserves based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates. Commercial reserves are determined using estimates of oil and gas in place, recovery factors and future oil prices. Future development costs are estimated using assumptions as to number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs. The carrying amount of oil and gas development and production assets at 31 December 2023 is shown in Note 8.

As the economic assumptions used may change and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change. Such changes may impact the Group's reported financial position and results, which include:

- The carrying value of exploration and evaluation assets, oil and gas properties, other plant and equipment, and goodwill may be affected due to changes in estimated future cash flows;
- Depreciation and amortisation charges in profit or loss may change where such charges are determined using the units of production method, or where the useful life of the related assets change; and
- Provisions for decommissioning may change - where changes to the reserve estimates affect expectations about when such activities will occur and the associated cost of these activities.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 3. Significant accounting judgments and estimates (continued)

### 3.1 Judgments made in applying accounting policies (continued)

#### (b) Exploration and evaluation expenditures

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is, in itself, an estimation process that involves varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact when the Group defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, whether an economical viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the period when the new information becomes available.

#### (c) Units of production depreciation of oil and gas assets

Oil and gas properties are depreciated using the units of production method over total proved developed and undeveloped hydrocarbon reserves. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining production from the field.

The life of each item, which is assessed at least annually, has regard to both its physical life limitations and to present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the units of production rate of depreciation could be impacted to the extent that actual production in the future is different from current forecast production based on total proved developed and undeveloped reserves, or future capital expenditure estimates change. Changes to proved reserves could arise due to changes in factors or assumptions used in estimating reserves, including:

- The effect on proved reserves of differences between actual commodity prices and commodity price assumptions; or
- Unforeseen operational issues.

Changes are accounted for prospectively.

#### (d) Recoverability of oil and gas assets

The Group assesses each asset or cash generating unit ("**CGU**") (excluding goodwill, which is assessed annually regardless of indicators) at each reporting period to determine whether any indication of impairment exists. The Group treats both the Kepala Burung PSC and Salawati PSC ("**Salawati Group CGU**") as a single CGU for the purposes of impairment assessment. This approach is based on the circumstances in 2018 where the Group had to submit applications for both the PSCs – and not for one or the other – in order to have any chance of being awarded the two new PSCs considering our understanding that a common operator would be strongly preferred over the two blocks given the significant operational and cost synergies between the two contiguous acreages, and taking into account the stiff competitive landscape for the two new PSCs at that time. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of fair value less costs of disposal and value in use. These assessments require the use of estimates and assumptions such as long-term oil prices (taking into account current and historical prices, price trends and related factors), discount rates, production and sales volumes, operating costs, future capital requirements, decommissioning costs and exploration potential. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances may result in deviation from these projections, which may in turn impact on the recoverable amount of the assets and/or CGUs.

The cash flows for the Salawati Group CGU were projected up 2040.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 3. Significant accounting judgments and estimates (continued)

### 3.1 Judgments made in applying accounting policies (continued)

#### (e) Joint arrangements

Judgment is required to determine when the Group has joint control over an arrangement, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement, including the approval of the annual capital and operating expenditure work program and budget for the joint arrangement, and the approval of chosen service providers for any major capital expenditure as required by the joint operating agreements applicable to the entity's joint arrangements. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries, as set out in Note 2.11.

#### (f) Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group 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. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency).

The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

### 3.2 Key sources of estimation uncertainty

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

#### (a) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model. The key assumptions applied in the determination of the value in use are disclosed and further explained in Note 8 to the financial statements.

#### (b) Decommissioning costs

Decommissioning costs will be incurred by the Group at the end of the operating life of some of the Group's facilities and properties. The Group assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing, extent and amount of expenditure can also change, for example, in response to changes in reserves or changes in laws and regulations or their interpretation. Therefore, significant estimates and assumptions are made in determining the provision for decommissioning. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The provision at reporting date represents management's best estimate of the present value of the future decommissioning costs required.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

### 3. Significant accounting judgments and estimates (continued)

#### 3.2 Key sources of estimation uncertainty (continued)

##### (c) Income taxes

The Group has exposure to income taxes in several jurisdictions. 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 issues 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 amount of the Group's income tax payable and deferred tax assets as at 31 December 2023 was US\$1,170,000 (2022: US\$3,286,000) and US\$2,251,000 (2022: US\$1,368,000) respectively.

For item (c), these estimates, assumptions and judgments are however not expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities as disclosed in the notes to the financial statements within the next financial year.

### 4. Revenue

	Group	
	2023 US\$'000	2022 US\$'000
Sales of oil	81,399	93,134
Sales of natural gas	12,692	11,805
Total revenue from contracts with customers	94,091	104,939
<b>Timing of transfer of goods</b>		
At a point in time	94,091	104,939

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 5. Profit before tax

This is stated after (crediting)/charging:

	Note	Group	
		2023 US\$'000	2022 US\$'000
<b>Cost of sales:</b>			
Amortisation of signature bonus and upfront fees	12	137	137
Defined benefit plan expenses	25	1,050	1,311
Depletion and amortisation of oil and gas properties	8	1,801	845
Depreciation of right-of-use assets	10	7,809	5,778
Net gain on early lease termination	20	(58)	-
Production costs		57,193	52,760
Provision for decommissioning costs	21	133	40
<b>Other income:</b>			
Interest income from bank deposits		(1,898)	(538)
Management fees		(851)	(499)
Underlift income		(6)	(87)
Net interest gain on decommissioning costs		(649)	-
Write-back of expected credit loss for other receivables	17	(8)	-
Foreign exchange gain, net		-	(683)
<b>Administrative expenses:</b>			
Audit fees:			
- Auditors of the Company		153	134
- Other auditors		53	51
Non-audit fees:			
- Auditors of the Company		14	15
- Other auditors		13	13
Total audit and non-audit fees		233	213
Depreciation of other plant and equipment	9	186	175
Depreciation of right-of-use assets	10	130	119
Employee benefits expense	25	2,864	3,272
Overseas traveling expenses		34	5
Professional fees		265	228
<b>Other expenses:</b>			
Directors' fees		380	343
Overlift expense		1,254	3
Provision for expected credit loss for other receivables	17	-	21
Unsuccessful exploration and evaluation expenditures	11	17,727	-
Foreign exchange loss, net		250	-
<b>Finance costs:</b>			
Interest expense on lease liabilities	20	782	1,343



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 6. Income tax expense

### (a) Major components of income tax

The major components of income tax for the financial years ended 31 December are:

	Group	
	2023	2022
	US\$'000	US\$'000
<b>Current income tax:</b>		
- Current income taxation	2,790	16,314
- Under/(over) provision in respect of previous year	134	(465)
	2,924	15,849
<b>Deferred income tax:</b>		
- Origination and reversal of temporary differences	(867)	(990)
- Under provision in respect of previous years	-	301
	(867)	(689)
Income tax expense recognised in profit or loss	2,057	15,160

### (b) Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 December are as follows:

	Group	
	2023	2022
	US\$'000	US\$'000
Profit before tax	5,210	40,047
Tax at 17%	886	6,808
Adjustments:		
Effect of difference between tax rates/base applicable to profits in the countries where the Group operates and the statutory tax rate/base	863	7,930
Non-deductible expenses	603	291
Income not subject to taxation	(325)	-
Benefits from previously unrecognised tax losses	(104)	-
Deferred tax assets not recognised	-	131
Under provision in respect of previous year	134	-
Income tax expense recognised in profit or loss	2,057	15,160

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 7. Earnings per share

Basic earnings per share is calculated by dividing earnings, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated by dividing earnings, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the earnings and share data used in the computation of basic and diluted earnings per share for the financial years ended 31 December:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Profit, net of tax, attributable to owners of the Company used in the computation of basic and diluted earnings per share	2,596	20,127
	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
Weighted average number of ordinary shares for basic earnings per share computation	834,833,729	832,556,777
Effects of dilution:		
- Share options	718,962	1,794,032
Weighted average number of ordinary shares for diluted earnings per share computation	835,552,691	834,350,809

## 8. Oil and gas properties

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cost:</b>		
At 1 January	1,008	839
Additions	3,158	169
Transfer to exploration and evaluation assets (Note 11)	(27)	-
At 31 December	4,139	1,008
<b>Accumulated depletion and impairment:</b>		
At 1 January	1,008	163
Charge for the financial year (Note 5)	1,801	845
At 31 December	2,809	1,008
<b>Net carrying amount:</b>		
At 31 December	1,330	-

The net book value at 31 December 2023 includes decommissioning provision of US\$1,330,000.

Cash outflow for the development of oil and gas properties was US\$1,701,000 (2022: US\$169,000), which includes cash outflow of US\$49,000 (2022: Nil) for accruals made in prior years for the unbilled costs for the wells in Kepala Burung PSC.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 8. Oil and gas properties (continued)

### Impairment of assets

In 2023, the Group carried out a review of recoverable amount of its oil and gas properties (Note 8), right-of-use assets (Note 10), exploration and evaluation assets (Note 11) and other non-current assets (Note 12), which has been allocated to the Salawati Group CGU. The Group determined the recoverable amount of the Salawati Group CGU based on its value in use using a pre-tax discount rate of 12.5% (2022: 12.5%).

The recoverable amount of the Salawati Group CGU is determined based on value in use calculations using cash flow projections from the production forecasts approved by management, covering periods until the end of the production sharing contract. The calculations of the value in use of the Salawati Group CGU are most sensitive to the following assumptions:

(i) *Production volume*

The production volumes are estimated based on the 2024 resource evaluation report appraised by independent qualified valuer and the development and production plans of the Operator for the contract area. The resources are categorised as proved and probable reserves, and contingent resources. When necessary, risk factors are applied to the extraction of contingent resources which are forecasted to be extracted during the current term of the new PSCs.

(ii) *Crude oil price and production cost*

The future oil price is forecasted based on data obtained from external pricing data providers as well as management's view for crude oil. The production cost is estimated based on the actual production cost incurred in 2023 where applicable, the forecast from the Operator and the independent qualified valuer, and adjusted for forecasted inflation.

(iii) *Discount rate*

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

### Sensitivity to changes in assumptions

With regards to the assessment of value-in-use, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 9. Other plant and equipment

	<b>Furniture, fittings and office equipment US\$'000</b>
<b>Group</b>	
<b>Cost:</b>	
At 1 January 2022	981
Additions	26
Written off	(5)
At 31 December 2022 and 1 January 2023	<u>1,002</u>
Additions	72
Written off	(193)
At 31 December 2023	<u>881</u>
<b>Accumulated depreciation and impairment:</b>	
At 1 January 2022	630
Charge for the financial year (Note 5)	175
Written off	(5)
At 31 December 2022 and 1 January 2023	<u>800</u>
Charge for the financial year (Note 5)	186
Written off	(193)
At 31 December 2023	<u>793</u>
<b>Net carrying amount:</b>	
At 31 December 2022	<u>202</u>
At 31 December 2023	<u>88</u>

Cash outflow for the purchase of other plant and equipment was US\$72,000 (2022: US\$26,000).

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 9. Other plant and equipment (continued)

	<b>Furniture, fittings and office equipment US\$'000</b>
<b>Company</b>	
<b>Cost:</b>	
At 1 January 2022	304
Additions	26
Written off	(5)
At 31 December 2022 and 1 January 2023	325
Additions	72
Written off	(193)
At 31 December 2023	204
<b>Accumulated depreciation and impairment:</b>	
At 1 January 2022	291
Charge for the financial year	12
Written off	(5)
At 31 December 2022 and 1 January 2023	298
Charge for the financial year	24
Written off	(193)
At 31 December 2023	129
<b>Net carrying amount:</b>	
At 31 December 2022	27
At 31 December 2023	75

## 10. Right-of-use assets

	<b>Office and warehouse US\$'000</b>	<b>Plant and machinery US\$'000</b>	<b>Motor vehicles US\$'000</b>	<b>Other equipment US\$'000</b>	<b>Total US\$'000</b>
<b>Group</b>					
At 1 January 2022	1,479	3,373	5,464	824	11,140
Addition during the year	-	5,969	2,129	-	8,098
Depreciation for the year (Note 5)	(524)	(3,136)	(1,777)	(460)	(5,897)
Lease modification (Note 20)	-	(306)	(36)	-	(342)
At 31 December 2022 and 1 January 2023	955	5,900	5,780	364	12,999
Addition during the year	286	161	777	1,975	3,199
Disposals during the year	-	(78)	-	-	(78)
Depreciation for the year (Note 5)	(537)	(4,252)	(2,305)	(845)	(7,939)
Lease modification (Note 20)	-	(1,226)	(67)	-	(1,293)
At 31 December 2023	704	505	4,185	1,494	6,888

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 10. Right-of-use assets (continued)

Out of the total depreciation charge for the year, US\$7,809,000 (2022: US\$5,778,000) and US\$130,000 (2022: US\$119,000) of depreciation of right-of-use assets are included in cost of sales and administrative expenses respectively.

Company	Office US\$'000
At 1 January 2022	198
Depreciation for the year	(119)
At 31 December 2022 and 1 January 2023	79
Addition during the year	286
Depreciation for the year (Note 5)	(130)
At 31 December 2023	235

The right-of-use assets relate to lease contracts for office and warehouse, plant and machinery, motor vehicles and other equipment used in its operations. Leases of office and warehouse and motor vehicles generally have lease terms between 2 to 5 years, while plant and machinery and other equipment generally have lease terms of 2 to 3 years.

The Group also has leases of machinery with lease terms of 12 months or less and leases of office equipment that are low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The related lease liabilities are disclosed in Note 20.

## 11. Exploration and evaluation assets

	Group	
	2023 US\$'000	2022 US\$'000
At 1 January	161	-
Additions	26,797	161
Transfer from oil and gas properties (Note 8)	27	-
Unsuccessful exploration and evaluation expenditures (Note 5)	(17,727)	-
At 31 December	9,258	161

Cash outflows for additions of exploration and evaluation assets during the financial year ended 31 December 2023 was US\$9,852,000 (2022: US\$105,000), which includes cash outflow of US\$146,000 (2022: Nil) for accruals made in prior years for unpaid costs for the exploration well of the Kepala Burung PSC. The remaining additions of US\$17,091,000 (2022: US\$56,000) relates to accruals made for the unpaid costs for the exploration wells of the Kepala Burung PSC and 3D seismic acquisition of the Salawati PSC.

For the financial year ended 31 December 2023, the Group wrote-off unsuccessful exploration and evaluation expenditures of US\$17,727,000 in relation to the Riam-1 and Karuka-1 exploration wells drilled in the Kepala Burung PSC.

### Impairment of exploration and evaluation assets

During the financial year, the Group carried out a review of recoverable amount of its exploration and evaluation assets. There was no impairment loss (2022: Nil) recognised for the financial year ended 31 December 2023. The recoverable amount of the exploration and evaluation assets were based on its value in use and the pre-tax discount rate of 12.5% (2022: 12.5%).

### Events after the report date

Subsequent to the year end, the Group spudded the Piarawi-1 exploration well on 20 January 2024, which encountered oil-bearing reservoir in the carbonate formation. As the reservoir is tighter than expected, the Group has suspended the well as further appraisal works are being planned.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 12. Other non-current assets

	Group	
	2023 US\$'000	2022 US\$'000
Signature bonuses	1,161	1,231
Upfront fees	1,117	1,184
	<u>2,278</u>	<u>2,415</u>

The movement in amortisation of signature bonus and upfront fees are as follows:

	Group	
	2023 US\$'000	2022 US\$'000
At 1 January	326	189
Amortisation for the financial year (Note 5)	137	137
At 31 December	<u>463</u>	<u>326</u>

Other non-current assets of US\$2,278,000 (2022: US\$2,415,000) comprised of signature bonuses and upfront fees paid for the issuance of performance bonds in relation to the signing of new 20-year PSCs for both the Kepala Burung and Salawati blocks. The signature bonus and upfront fees are amortised over the 20-year period from the commencement date of the new PSCs and the Group recorded amortisation expense of US\$137,000 (2022: US\$137,000) for the year.

## 13. Investment in subsidiaries

	Company	
	2023 US\$'000	2022 US\$'000
Unquoted shares, at cost	303	303
Impairment losses	(303)	(303)
	<u>-</u>	<u>-</u>

Details of subsidiaries are as follows:

Name of company (Country of incorporation)	Principal activities (Place of business)	Cost of investment		Proportion of ownership interest	
		2023 US\$'000	2022 US\$'000	2023 %	2022 %
<i>Held by the Company</i>					
RH Petrogas Investments Pte. Ltd. <sup>(1)</sup> (Singapore)	Investment holding (Singapore)	273	273	100	100
Tri-M Technologies Inc. <sup>(3)</sup> (United States of America)	Dormant (United States of America)	30	30	100	100
		<u>303</u>	<u>303</u>		

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 13. Investment in subsidiaries (continued)

Details of subsidiaries are as follows: (continued)

Name of company (Country of incorporation)	Principal activities (Place of business)	Proportion of ownership interest	
		2023 %	2022 %
<i>Held by subsidiaries</i>			
Great Prime Investments Limited <sup>(3)</sup> (British Virgin Islands)	Investment holding (British Virgin Islands)	100	100
RH Petrogas Singapore Pte. Ltd. <sup>(1)</sup> (Singapore)	Investment holding (Singapore)	100	100
RH Petrogas Holdings Pte. Ltd. <sup>(1)</sup> (Singapore)	Investment holding (Singapore)	100	100
RH Petrogas Global Ventures Limited <sup>(3)</sup> (British Virgin Islands)	Investment holding (British Virgin Islands)	100	100
RH Petrogas Indonesia Holding Limited <sup>(3)</sup> (British Virgin Islands)	Investment holding (British Virgin Islands)	100	100
Orchard Energy (West Belida) Limited <sup>(4)</sup> (British Virgin Islands)	Oil and gas exploration and production (Indonesia)	–	100
RHP (Mukah) Pte. Ltd. <sup>(1)</sup> (Singapore)	Oil and gas exploration and production (Malaysia)	51	51
RHP Salawati Holdings BV <sup>(2)</sup> (The Netherlands)	Investment holding (The Netherlands)	100	100
Petrogas Basin Holding BV <sup>(2)</sup> (The Netherlands)	Investment holding (The Netherlands)	100	100
Petrogas Island Holding BV <sup>(2)</sup> (The Netherlands)	Investment holding (The Netherlands)	100	100
RHP Salawati Basin BV <sup>(2)</sup> (The Netherlands)	Oil and gas exploration and production (Indonesia)	100	100
RHP Salawati Island BV <sup>(2)</sup> (The Netherlands)	Oil and gas exploration and production (Indonesia)	100	100
Petrogas (Basin) Ltd <sup>(2)</sup> (British Virgin Islands)	Oil and gas exploration and production (Indonesia)	82.65	82.65
Petrogas (Island) Ltd <sup>(2)</sup> (British Virgin Islands)	Oil and gas exploration and production (Indonesia)	82.65	82.65

(1) Audited by Ernst & Young LLP, Singapore.

(2) Not required to be audited by law in its country of incorporation. These entities are audited by member firms of Ernst & Young Global for group reporting purposes.

(3) Not required to be audited by law in its country of incorporation. These entities are not material to the Group and are not required to be disclosed under SGX Listing Rule 717.

(4) This entity has been struck off from the BVI Register of Companies with effect from 1 November 2023.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 14. Interests in joint operations

### *Kepala Burung PSC and Salawati PSC*

Contract area (Date of expiry)	Held by (Place of operation)	Description	Group's effective working interest	
			2023 %	2022 %
Salawati Block (22 April 2040) <sup>(1)</sup>	Petrogas (Island) Ltd (West Papua, Indonesia)	Oil and gas exploration and production	57.86 <sup>(2)</sup>	57.86 <sup>(2)</sup>
Kepala Burung Block (14 October 2040) <sup>(3)</sup>	Petrogas (Basin) Ltd (West Papua, Indonesia)	Oil and gas exploration and production	57.86 <sup>(4)</sup>	57.86 <sup>(4)</sup>

(1) The Salawati PSC commenced on 23 April 2020 for a 20-year term expiring on 22 April 2040.

(2) Petrogas (Island) Ltd ("**PIL**") holds 70% working interest ("**WI**") in the Salawati PSC. PIL is a 82.65% owned subsidiary of the Group with the other 17.35% shareholding held by PT Citra Wahana Abadi ("**CWA**"). Hence, the Group's effective WI in the Salawati PSC is 57.86%.

(3) The Kepala Burung PSC commenced on 15 October 2020 for a 20-year term expiring on 14 October 2040.

(4) Petrogas (Basin) Ltd ("**PBL**") holds 70% WI in the Kepala Burung PSC. PBL is a 82.65% owned subsidiary of the Group with the other 17.35% shareholding held by CWA. Hence, the Group's effective WI in the Kepala Burung PSC is 57.86%.

On 11 July 2018, the Group signed two new 20-year production sharing contracts – namely the Kepala Burung PSC and the Salawati PSC – which came into effect upon the expiry of the Basin and Island PSCs in 2020 over essentially the same areas. The Kepala Burung PSC covers an onshore area of 1,030 km<sup>2</sup>, while the Salawati PSC covers both onshore and offshore area totalling 1,137 km<sup>2</sup>.

The Kepala Burung PSC and the Salawati PSC were entered into by the Company's subsidiaries Petrogas (Basin) Ltd. and Petrogas (Island) Ltd. respectively with Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak Dan Gas Bumi ("**SKK Migas**"), a special task force authorised by the Government of the Republic of Indonesia to implement the management of upstream oil and gas business activities in Indonesia. The Group has an equity interest of 82.65% in each of Petrogas (Basin) Ltd. and Petrogas (Island) Ltd., with PT Citra Wahana Abadi holding the remaining 17.35% equity in the two companies.

The Group holds a 70% working interest in each of the Kepala Burung PSC and the Salawati PSC, with Pertamina, the national oil company of Indonesia, holding the remaining 30% working interest. Under the terms of the two PSCs, a local company owned by the Regional Government in the area where the blocks are located has an option to become a partner (with up to a maximum of 10% working interest) in each of the blocks and the participants of each block must accommodate such participation in proportion to their respective working interests.

The contractors are committed to carry out an agreed set of firm work programs during the first five contract years of the new PSCs which include geological and geophysical studies, seismic acquisition and processing, exploration well drillings and pilot enhanced oil recovery projects. The gross financial commitment for the firm work programs are US\$61.2 million and US\$36.3 million for the Kepala Burung and Salawati blocks respectively.

#### Duration of the PSCs

The Kepala Burung PSC and the Salawati PSC are for a 20-year term, expiring on 14 October 2040 and 22 April 2040 respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 14. Interests in joint operations (continued)

### *Kepala Burung PSC and Salawati PSC (continued)*

#### Production and reserve

The assets are primarily oil-weighted with production from the two PSCs averaging around 4,990 barrels of oil equivalent per day ("boepd") net to the Group's working interests (before accounting for the share of non-controlling interest) in 2023 (2022: 4,820 boepd).

Based on an independent assessment performed by an international energy consultant specialising in petroleum reservoir evaluation and economic analysis, the proved plus probable ("2P") reserves as of 1 January 2024 for the Kepala Burung PSC and the Salawati PSC combined was around 30.1 million barrels of oil equivalent net to the Group based on its effective working interests of 57.86% in the respective PSCs. The above 2P reserve numbers include the Indonesian Government's share of production under the terms of the PSCs.

## 15. Inventories

	Group	
	2023	2022
	US\$'000	US\$'000
<b>Balance sheet:</b>		
Well supplies at lower of cost and net realisable value	11,759	1,270
<b>Income statement:</b>		
Inventories recognised as an expense in production costs	8,337	5,070

## 16. Other current assets

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Prepaid operating expenses	39	31	39	28

Other current assets denominated in foreign currencies as at 31 December are as follows:

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Singapore Dollar (SGD)	38	27	38	27

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 17. Trade and other receivables

	Group		Company	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Trade receivables	12,597	9,214	-	-
Share of joint operations' receivables	1,294	2,507	-	-
Refundable deposits	38	35	38	34
Under-lift assets	1,279	791	-	-
Sundry receivables	786	719	209	135
Total trade and other receivables	15,994	13,266	247	169
Add:				
Amounts due from subsidiaries	-	-	116,642	4,934
Cash and bank balances (Note 18)	54,635	60,464	3,659	1,134
Less:				
Under-lift assets	(1,279)	(791)	-	-
Total financial assets at amortised cost	69,350	72,939	120,548	6,237

Trade receivables are non-interest bearing and are generally on 15 to 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The share of joint operations' receivables includes allowances of US\$1,820,000 (2022: US\$1,818,000).

Under-lift assets refer to the shortfall in the amount of production that the Group has taken during the period over the Group's ownership share of the production from the PSCs. Under-lift assets are measured at fair value through profit or loss using a valuation technique with market observable inputs (Level-2 fair value hierarchy).

### Amount due from subsidiaries

These amounts are non-trade related, unsecured, non-interest bearing and are to be settled in cash. These amounts are stated after allowances of US\$85,963,000 (2022: US\$199,205,000):

	Company	
	2023 US\$'000	2022 US\$'000
Amounts due from subsidiaries	202,605	204,139
Allowance for impairment	(85,963)	(199,205)
	116,642	4,934
Movements in allowance for impairment:		
At 1 January	(199,205)	(199,205)
Allowance written back	113,242	-
At 31 December	(85,963)	(199,205)

For the financial year ended 31 December 2022, the Company has receivables of US\$204,139,000 from its subsidiaries, which an impairment of US\$199,205,000 was provided for in prior years. Following a review of the recoverable amounts, the Group reversed allowance for impairment of US\$113,242,000 (2022: Nil) mainly in respect of the amounts due from RH Petrogas Investments Pte Ltd.

The recoverable amounts were determined based on Salawati Group CGU cash flow projections from the production forecasts approved by the management, covering periods until the end of the production sharing contract as well as the current financial position of the subsidiaries. The key assumptions used to determine the recoverable amounts were disclosed in Note 8.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 17. Trade and other receivables (continued)

### Expected credit losses

The movement in allowance for expected credit losses of trade receivables are as follows:

	Group	
	2023 US\$'000	2022 US\$'000
Movements in allowance accounts:		
At 1 January	(5,010)	(4,989)
Write-back/(charge) during the financial year (Note 5)	8	(21)
At 31 December	(5,002)	(5,010)

Trade and other receivables denominated in foreign currencies as at 31 December are as follows:

	Group		Company	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Indonesian Rupiah (IDR)	1,095	1,136	-	-
Singapore Dollar (SGD)	43	40	43	40

## 18. Cash and bank balances

	Group		Company	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Cash at banks and on hand	51,442	57,273	3,659	1,134
Long-term deposits pledged	3,193	3,191	-	-
	54,635	60,464	3,659	1,134

Cash at banks earn interest at floating rates based on daily bank deposit rates. In addition, a significant portion of the cash at banks was placed as short-term fixed deposits and earn interest based on one-month to three-month fixed deposit rates.

Cash at banks and on hand and pledged deposits denominated in foreign currencies as at 31 December are as follows:

	Group		Company	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Malaysian Ringgit (MYR)	22	12	-	-
Indonesian Rupiah (IDR)	2,388	2,506	-	-
Singapore Dollar (SGD)	1,133	393	1,124	385

The Group has long-term deposits pledged of US\$3,193,000 (2022: US\$3,191,000) for cash collateral requirement placed with the issuing bank of the performance bonds in relation to the new 20-year PSCs for both the Kepala Burung and Salawati blocks.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 18. Cash and bank balances (continued)

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	Group	
	2023 US\$'000	2022 US\$'000
Cash and bank balances	54,635	60,464
Less:		
Long-term deposit pledged	(3,193)	(3,191)
Cash and cash equivalents	51,442	57,273

## 19. Trade and other payables

	Group		Company	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Trade payables	15,574	3,522	-	-
Accrued operating expenses	23,976	17,494	1,019	1,650
Accruals for potential claims	1,325	1,325	-	-
Proportionate share of joint operations' other payables	112	112	-	-
Accrued plug and abandonment costs	-	1,993	-	-
Sundry payables	97	89	25	7
Total trade and other payables	41,084	24,535	1,044	1,657
Add:				
Lease liabilities (Note 20)	9,752	16,636	236	84
Amounts due to subsidiaries	-	-	2,343	-
Total financial liabilities carried at amortised cost	50,836	41,171	3,623	1,741

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

The Group provided for accruals for potential claims during the acquisition of RHP Salawati Basin BV, Petrogas (Basin) Ltd, RHP Salawati Island BV and Petrogas (Island) Ltd in 2010, which relate to the vendors' share of potential liabilities relating to both the expired Basin and Island PSCs. There is no development since the end of last financial year.

Amount due to subsidiaries are non-trade related, unsecured, non-interest bearing and are to be settled in cash.

Trade and other payables denominated in foreign currencies as at 31 December are as follows:

	Group		Company	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Indonesian Rupiah (IDR)	11,898	7,047	-	-
Singapore Dollar (SGD)	1,070	1,681	1,044	1,657

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 20. Lease liabilities

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Lease liabilities – current	6,693	11,409	139	84
Lease liabilities – non-current	3,059	5,227	97	–
	9,752	16,636	236	84

The movement for the lease liabilities during the year are as follows:

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
As at 1 January	16,636	14,806	84	201
Addition	3,191	8,098	271	–
Lease modification (Note 10)	(1,293)	(342)	–	–
Early termination	(136)	–	–	–
Accretion of interest (Note 5)	782	1,343	5	15
Payment	(9,428)	(7,269)	(124)	(132)
As at 31 December	9,752	16,636	236	84

The Group discounted lease payments using incremental borrowing rates from 3.42% - 13.52% (2022: 7.24% - 13.52%). The maturity analysis of lease liabilities are disclosed in Note 28(b).

The following are the amounts recognised in profit or loss:

	Group	
	2023	2022
	US\$'000	US\$'000
Net gain on early lease termination (Note 5)	(58)	–
Depreciation of right-of-use assets (Note 10)	7,939	5,897
Interest expense on lease liabilities (Note 5)	782	1,343
Expense relating to short-term and variable lease and low-value assets	7,776	3,240
As at 31 December	16,439	10,480

Out of the total lease expenses relating to short-term and variable lease, and low-value assets, US\$7,773,000 (2022: US\$3,237,000) and US\$3,000 (2022: US\$3,000) are included in cost of sales and administrative expenses respectively.

Lease liabilities denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Singapore Dollar (SGD)	236	84	236	84
Indonesian Rupiah (IDR)	6,067	12,402	–	–

### Total cash outflow

The Group had total cash outflows for leases of US\$9,428,000 (2022: US\$7,269,000).

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 20. Lease liabilities (continued)

### Variable leases

The Group has lease contracts for machinery, motor vehicles and other equipment that contains variable payments based on the number of day of operations.

### Extension options

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised.

## 21. Provisions

	Group		Company	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Provision for reinstatement cost	39	27	39	27
Decommissioning provision	19,999	11,517	-	-
Less: Cash calls contributed for				
- Decommissioning provision	(17,326)	(11,517)	-	-
	2,673	-	-	-
Present value of defined benefit liabilities	3,037	2,543	-	-
Fair value of plan assets	(2,024)	(1,843)	-	-
	1,013	700	-	-
	3,725	727	39	27

### Decommissioning provision

The Group makes full provision for the future cost of decommissioning oil production facilities and pipelines on a discounted basis on the installation of those facilities.

The decommissioning provision represents the present value of decommissioning costs relating to oil and gas properties and exploration and evaluation assets, which are expected to be incurred up to 2040 for the Kepala Burung and Salawati PSCs. These provisions have been created based on the Operator and Group's internal estimates.

Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time.

Furthermore, the timing of decommissioning 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. The discount rate used in the calculation of the provision up to 2040 for the Kepala Burung and Salawati PSCs was 12.5%.

The total cash call contributed for decommissioning provision during the year was US\$133,000 (2022: US\$40,000).

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 21. Provisions (continued)

### Decommissioning provision (continued)

For the expired Basin and Island PSCs, funds are specifically set aside in United States Dollar time deposit accounts for the future costs related to assets retirement obligations. The funds set aside cannot be used for other purposes. If any area or field was taken over prior to its abandonment, the old PSC contractors shall be released from its obligations to remove the equipment and installations and perform the necessary site restoration activities of the fields in the area. In such event, all the accumulated funds reserved for the removal and restoration operations shall be transferred to the new PSC contractors.

As at the date of the financial statements, the Group is in the process of novating the assets retirement obligations to the new PSC contractors. However, in accordance with the terms stipulated in the Kepala Burung and Salawati PSCs, the obligation to perform all necessary site restoration activities exist as at 31 December 2023. Accordingly, the Group has taken up its share of the obligation and the accumulated funds as the new PSC contractors under the Kepala Burung and Salawati PSCs.

	Group	
	2023 US\$'000	2022 US\$'000
At 1 January	11,517	11,477
Addition	8,482	40
At 31 December	19,999	11,517

### Defined benefit plan

The Group provides a defined benefit post-employment benefit program. The Group has set up a fund for the program. The fund is put in third party managed by DPLK AXA Mandiri in form of Pension Fund for Post-Employment Compensation (PPUKP).

The movement of present value of obligation based on independent actuary's calculation were as follows:

	Group	
	2023 US\$'000	2022 US\$'000
At 1 January	2,543	1,620
Service cost	944	917
Interest cost	131	72
Benefit paid	(646)	(177)
Actuarial (gain)/loss due to:		
- Experience adjustment	9	145
- Change in financial assumptions	42	(34)
Foreign exchange gain	14	-
At 31 December	3,037	2,543



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 21. Provisions (continued)

The movement of plan assets were as follows:

	Group	
	2023 US\$'000	2022 US\$'000
At 1 January	1,843	1,298
Employer contribution	717	664
Interest income	110	70
Remeasurement of return of plan asset	(28)	(24)
Benefit paid	(626)	(165)
Foreign exchange gain	8	-
At 31 December	2,024	1,843

Net Defined Benefit Cost Recognised in Profit and Loss

	Group	
	2023 US\$'000	2022 US\$'000
Service cost	944	917
Net interest on the net defined benefit liability	21	2
Actuarial loss/(gain) due to:		
- Experience adjustment	15	139
- Change in financial assumptions	42	(34)
Return on plan assets	28	24
	1,050	1,048

Net Defined Benefit Cost Recognised in Other Comprehensive Income

	Group	
	2023 US\$'000	2022 US\$'000
Return of plan asset	52	-
Actuarial loss due to:		
- Experience adjustment	155	-
- Change in financial assumptions	8	-
	215	-

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 21. Provisions (continued)

The cost of providing post-employment benefits is calculated by an independent actuary. The actuarial valuation was carried out using the following key assumptions:

<b>Actuarial Assumptions</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Discount rate	7.25%	7.5%
Salary increase rate	5%	5%
Mortality rate	Indonesia Mortality Table IV	
Disability rate	5% from Mortality Rate	
Turnover rate	2.5% per annum up to age 45 and decreasing linearly to 0% at age 58	
Proportion of early retirement	2.5% per annum up to age 45 and decreasing linearly to 0% at age 58	
Early retirement age	Minimum age of 45 with 15 years of service, or minimum age of 56	
Normal retirement age	58 years old or ending of project contract whichever is first	

The sensitivity is calculated with the projected unit credit method as applied when calculating present value of defined benefit obligation. The sensitivity analyses are based on a change of one assumption while holding all other assumptions constant.

		<b>Group</b>	
		<b>2023</b>	<b>2022</b>
		<b>Decrease in present value of defined benefit plan liabilities</b>	<b>(Decrease)/ Increase in present value of defined benefit plan liabilities</b>
		<b>US\$</b>	<b>US\$</b>
Discount rate	+1%	(1,181)	(687)
	-1%	(423)	447
Salary increase rate	+1%	(936)	(442)
	-1%	(69)	693

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 22. Deferred tax

Deferred tax assets and liabilities as at 31 December relates to the following:

	Consolidated balance sheet		Consolidated income statement	
	2023	2022 (Restated)	2023	2022 (Restated)
	US\$'000	US\$'000	US\$'000	US\$'000
Deferred tax assets:				
Differences in depreciation for tax purposes:	(993)	(239)	(754)	(179)
Temporary difference in defined benefit plan	(1,113)	(742)	(371)	(416)
Lease liabilities	(3,853)	(6,243)	2,390	(362)
Decommissioning provision	(1,200)	-	(1,200)	-
Adjustment for advanced premium received	(16)	-	-	-
	<u>(7,175)</u>	<u>(7,224)</u>		
Deferred tax liabilities:				
Differences in depreciation for tax purposes:	3,554	5,377	(1,823)	115
Temporary difference in defined benefit plan	707	479	228	153
Decommissioning provision	663	-	663	-
	<u>4,924</u>	<u>5,856</u>		
Deferred tax credit			(867)	(689)
Deferred tax assets (net)	<u>(2,251)</u>	<u>(1,368)</u>		

### Unrecognised tax losses

At the end of the reporting period, the Group and the Company have tax losses of approximately US\$33,674,000 (2022: US\$33,602,000) and US\$33,674,000 (2022: US\$33,602,000) respectively, that are available for offset against future taxable profits of the companies in which the losses arose. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

## 23. Share capital

	Group and Company			
	2023		2022	
	No. of shares '000	US\$'000	No. of shares '000	US\$'000
<b>Issued and fully paid:</b>				
At beginning of the reporting year	833,217	270,065	830,707	269,982
Exercise of equity-settled share options	1,960	73	2,510	83
At end of the reporting year	<u>835,177</u>	<u>270,138</u>	<u>833,217</u>	<u>270,065</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

The Company has a share option scheme under which options to subscribe for the Company's new ordinary shares in the capital of the Company have been granted to selected employees and directors of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 24. Reserves

### (a) Capital reduction reserve

The capital reduction reserve relates to excess on reduction in capital, arising from the reduction in par value of shares from S\$0.30 to S\$0.08 each, over the amount of accumulated losses as at 30 September 2005.

### (b) Foreign currency translation reserve

The foreign currency translation reserve represents 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) Equity reserve

Equity reserve represents the difference paid by minority interests over its proportionate share of assets/liabilities acquired.

### (d) Employee share option reserve

Employee share option reserve represents the equity-settled share options granted to selected directors and employees (Note 25). The reserve is made up the cumulative value of services received from directors and employees recorded over the vesting period commencing from the grant date of equity-settled share options and is reduced by the expiry or exercise of the share options.

## 25. Employee benefits

	Group	
	2023	2022
	US\$'000	US\$'000
<b>Employee benefits expense (including directors):</b>		
Salaries and bonuses	10,892	11,495
Central Provident Fund contributions	137	138
Defined benefit plan expenses (Note 5)	1,050	1,311
Share-based payments:		
- Employee share-option plan	324	186
Other short-term benefits	1,785	1,839
Total employee benefits expenses	14,188	14,969
Remeasurement of defined benefit plan recognised in other comprehensive income	215	-

As at 31 December 2023, US\$11,324,000 (2022: US\$11,697,000) of employee benefits expenses have been included in cost of sales and US\$2,864,000 (2022: US\$3,272,000) have been included in administrative expenses.

### Employee share option plan

Under the RHP Share Option Scheme 2011 (the "**Scheme**"), options to subscribe for new ordinary shares in the capital of the Company may be granted to selected employees and directors of the Company, its subsidiaries and/or associated companies. The exercise price of the options may be set at a discount of not more than 20% to the average of the last dealt prices for a share, as determined by reference to the daily official list published by the SGX-ST for a period of 3 consecutive market days immediately prior to the relevant date of grant of the option. Eligible participants must remain in service for a period of two years from the date of the grant. The contractual life of the options is five years. The Scheme does not provide for a cash settlement of the options. In the event of a general take-over being made for the Company's shares, the offeror if successful has the discretion to acquire the options which participants of the Scheme are entitled to exercise and which have not as yet been exercised. The Group does not have a past practice of cash settlement of these awards.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 25. Employee benefits (continued)

### Employee share option plan (continued)

The Scheme was approved by shareholders at the Company's Extraordinary General Meeting held on 8 July 2011 and extended by shareholders at the Company's Annual General Meeting held on 28 April 2021 for a period of 10 years from 28 April 2021 up to 28 April 2031 (both dates inclusive). Other than to extend the duration of the Scheme and to make certain amendments to update the rules of the Scheme to be in line with the amendments to the listing rules of SGX-ST (as was explained in the letter to shareholders dated 13 April 2021), there has been no cancellation or modification of the share option plan since 2021.

### Modification of share options relating to a director

With the recommendation from Remuneration Committee, the Board has approved the options granted to a director (retired on 22 August 2023), totalling 400,000 share options shall continue to be exercisable in accordance with the Scheme until such time as it shall lapse in accordance with the Scheme.

### Movement of share options during the financial year

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

	2023		2022	
	Number	WAEP S\$	Number	WAEP S\$
Outstanding at 1 January	4,760,000	0.139	4,510,000	0.023
- Granted	3,780,000	0.150	2,800,000	0.220
- Exercised	(1,960,000)	0.024	(2,510,000)	0.023
- Forfeited	-	-	(40,000)	0.023
Outstanding at 31 December	6,580,000	0.180	4,760,000	0.139
Exercisable at 31 December	-	-	-	-

The fair value of the options granted are presented in Singapore Dollar ("S\$").

The weighted average fair value of the option granted during the financial year was S\$0.194 (2022: S\$0.224). The range of exercise prices for options outstanding at the end of the financial year was S\$0.150 to S\$0.220 (2022: S\$0.024 to S\$0.220). The weighted average remaining contractual life for these options is 3.75 years (2022: 3.97 years).

### Fair value of share options granted

The fair value of the share options granted under the RHP Share Option Scheme 2011 is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the option pricing model for the financial years ended 31 December 2023 and 2022:

	2023	2022
Dividend yield (%)	-	-
Expected volatility (%)	65.96	67.88
Risk-free interest rate (% p.a.)	3.37	1.63
Expected life of option (years)	3.50	3.50
Share price (S\$)	0.188	0.325
Exercise price (S\$)	0.150	0.220

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

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 26. Related party transactions

### Compensation of key management personnel

	Group	
	2023 US\$'000	2022 US\$'000
Short-term employee benefits	1,844	2,130
Central Provident Fund contributions	36	36
Other short-term benefits	189	186
Share-based payments	271	160
Total compensation paid to key management personnel	2,340	2,512
Comprise amounts paid to:		
- Directors of the Company	1,385	1,467
- Other key management personnel	955	1,045
	2,340	2,512

### Directors' interests in employee share option plan

At the end of the reporting period, the number of outstanding share options granted to the Company's directors under the RHP Share Option Scheme 2011 was 3,700,000 options (2022: 2,800,000 options).

## 27. Commitments

### Capital commitments

	Group	
	2023 US\$'000	2022 US\$'000
At 31 December	39,169	55,879

The contractual commitments represent the Group's net working interest of the evaluation and exploration expenditure for the Kepala Burung and Salawati blocks respectively. The total gross contractual commitments for both Petrogas (Basin) Ltd and Petrogas (Island) Ltd is US\$47,390,000 (2022: US\$67,606,000) which the Group held an equity interest of 82.65% in each subsidiary.

The Group expects to incur US\$24,613,000 (2022: US\$14,678,000) of the capital commitment in the next twelve months from the date of this financial statements.

## 28. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key risks include credit risk, liquidity risk, foreign currency risk and commodity price risk. The Board of Directors reviews and agrees on policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives shall be undertaken, except for the use as hedging instruments where appropriate and cost-efficient.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 28. Financial risk management objectives and policies (continued)

### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group's lifetime expected credit losses for all trade receivables is minimal, as they are secured by letters of credit and are generally collected within 30 days and there has been no history of default.

The Company assessed the latest performance and financial position of the subsidiaries, adjusted for the future outlook of the industry in which the subsidiaries operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month expected credit loss (ECL) and determined that the ECL is insignificant.

#### Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring its trade receivables by contract area on an on-going basis. At the end of the reporting period, the Group's trade receivables are mainly from Kepala Burung and Salawati PSCs as the other contract areas are still in exploration and development stage.

84% (2022: 79%) of the Group's trade receivables were due from one major customer (2022: one major customer) who is in the oil and gas industry located in Indonesia (2022: Indonesia). The Group's revenue is mainly contributed by this one customer (2022: one customer).

### (b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's current funding is mainly from interest free loans from related parties.

#### Analysis of financial instruments by remaining contractual maturities

The tables below summarises the maturity profile of the Group's and the Company's financial assets and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Group			Total US\$'000
	1 year or less US\$'000	1 to 5 years US\$'000	More than 5 years US\$'000	
<b>2023</b>				
<b>Financial assets:</b>				
Trade and other receivables	15,994	-	-	15,994
Cash and bank balances	51,442	3,193	-	54,635
Total undiscounted financial assets	67,436	3,193	-	70,629

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 28. Financial risk management objectives and policies (continued)

### (b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

	Group			Total US\$'000
	1 year or less US\$'000	1 to 5 years US\$'000	More than 5 years US\$'000	
<b>2023</b>				
<b>Financial liabilities:</b>				
Trade and other payables	41,084	-	-	41,084
Lease liabilities	7,285	3,212	-	10,497
Total undiscounted financial liabilities	48,369	3,212	-	51,581
Net undiscounted financial assets/ (liabilities)	19,067	(19)	-	19,048

	Group			Total US\$'000
	1 year or less US\$'000	1 to 5 years US\$'000	More than 5 years US\$'000	
<b>2022</b>				
<b>Financial assets:</b>				
Trade and other receivables	13,266	-	-	13,266
Cash and bank balances	57,273	3,191	-	60,464
Total undiscounted financial assets	70,539	3,191	-	73,730
<b>Financial liabilities:</b>				
Trade and other payables	24,535	-	-	24,535
Lease liabilities	12,477	5,614	-	18,091
Total undiscounted financial liabilities	37,012	5,614	-	42,626
Net undiscounted financial assets/ (liabilities)	33,527	(2,423)	-	31,104

	Company			Total US\$'000
	1 year or less US\$'000	1 to 5 years US\$'000	More than 5 years US\$'000	
<b>2023</b>				
<b>Financial assets:</b>				
Trade and other receivables	247	-	-	247
Amounts due from subsidiaries	-	-	116,642	116,642
Cash and bank balances	3,659	-	-	3,659
Total undiscounted financial assets	3,906	-	116,642	120,548
<b>Financial liabilities:</b>				
Trade and other payables	1,044	-	-	1,044
Amounts due to subsidiaries	-	-	2,343	2,343
Lease liabilities	140	96	-	236
Total undiscounted financial liabilities	1,184	96	2,343	3,623
Net undiscounted financial assets/ (liabilities)	2,722	(96)	114,299	116,925



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 28. Financial risk management objectives and policies (continued)

### (b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

	Company			Total US\$'000
	1 year or less US\$'000	1 to 5 years US\$'000	More than 5 years US\$'000	
<b>2022</b>				
<b>Financial assets:</b>				
Trade and other receivables	169	-	-	169
Amounts due from subsidiaries	-	-	4,934	4,934
Cash and bank balances	1,134	-	-	1,134
Total undiscounted financial assets	1,303	-	4,934	6,237
<b>Financial liabilities:</b>				
Trade and other payables	1,657	-	-	1,657
Lease liabilities	88	-	-	88
Total undiscounted financial liabilities	1,745	-	-	1,745
Net undiscounted financial (liabilities)/ assets	(442)	-	4,934	4,492

### (c) Foreign currency risk

The Group has minimal transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, which is USD (2022: USD). The foreign currencies in which these transactions are denominated are mainly in SGD and IDR (2022: SGD and IDR). The Group's trade receivables are denominated in USD. The Group's and the Company's exposure to foreign currency denominated trade payables and lease liabilities at the end of the reporting period is disclosed in Note 19 and Note 20 respectively.

The Group and the Company also hold cash denominated in foreign currencies for working capital purposes. Details of such foreign currency balances are set out in Note 18.

The Group does not enter into forward foreign exchange contracts to hedge against its foreign exchange risk resulting from sale and purchase transactions denominated in foreign currencies.

#### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the IDR and SGD exchange rates against USD, with all other variables held constant.

	Group	
	2023 US\$'000	2022 US\$'000
	<b>Increase / (decrease) Profit before tax</b>	<b>Increase / (decrease) Profit before tax</b>
USD / IDR - strengthened 2% (2022: 3%)	213	189
- weakened 2% (2022: 3%)	(213)	(189)
USD / SGD - strengthened 1% (2022: 3%)	(2)	37
- weakened 1% (2022: 3%)	2	(37)

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 28. Financial risk management objectives and policies (continued)

### (d) Commodity price risk

The Group is exposed to the risk of fluctuations in prevailing market commodity prices on the mix of oil and gas products it produces. The Group's policy is to manage these risks through the use of contract-based prices with customers. In both 2023 and 2022, the Group did not enter into derivative commodity contracts to hedge against its commodity price risk arising from the sale of oil and gas products.

## 29. Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or to obtain loans from related parties. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2023 and 31 December 2022.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade and other payables, other liabilities, less cash and bank balances. Capital includes equity attributable to the owners of the Company.

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Lease liabilities (Note 20)	9,752	16,636
Trade and other payables (Note 19)	41,084	24,535
Less: Cash and bank balances (Note 18)	(54,635)	(60,464)
<i>Net cash</i>	<u>(3,799)</u>	<u>(19,293)</u>
Equity attributable to the owners of the Company, representing total capital	41,904	39,127
Capital and net debt	<u>38,105</u>	<u>19,834</u>
Gearing ratio	<u>N.A.</u>	<u>N.A.</u>

N.A.: not applicable

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 30. Segment information

For management purposes, the Group is organised into business units based on their products and services and has only one reportable segment which is exploration and production of oil and gas (oil and gas business).

No operating segments have been aggregated to form the above reportable operating segment.

(US\$'000)	Oil and gas		Adjustments		Notes	Per consolidated financial statements	
	2023	2022	2023	2022		2023	2022
<b>Revenue</b>	94,091	104,939	-	-		94,091	104,939
<b>Results:</b>							
Amortisation of signature bonus and upfront fees	(137)	(137)	-	-		(137)	(137)
Defined benefit plan expenses	(1,050)	(1,311)	-	-		(1,050)	(1,311)
Depreciation and amortisation	(1,987)	(1,020)	-	-		(1,987)	(1,020)
Depreciation of right-of-use assets	(7,939)	(5,897)	-	-		(7,939)	(5,897)
Finance costs	(782)	(1,343)	-	-		(782)	(1,343)
Interest income	1,898	538	-	-		1,898	538
Net gain on early lease termination	58	-	-	-		58	-
Net interest gain on decommissioning costs	649	-	-	-		649	-
Overlift expense	(1,254)	(3)	-	-		(1,254)	3
Provision for decommissioning costs	(133)	(40)	-	-		(133)	(40)
Segment profit before tax	5,210	40,047	-	-		5,210	40,047
Share-based payments	(324)	(186)	-	-		(324)	(186)
Underlift income	6	87	-	-		6	87
Unsuccessful exploration and evaluation expenditures	(17,727)	-	-	-		(17,727)	-
Write-back of/(Provision for) expected credit loss for other receivables	8	(21)	-	-		8	(21)
<b>Assets</b>							
Total capital expenditure	28,697	356	-	-	A	28,697	356
Segment assets	102,269	90,808	2,251	1,368	B	104,520	92,176
<b>Segment liabilities</b>	54,561	41,899	1,170	3,286	B	55,731	45,184

Note: Nature of adjustments to arrive at amounts reported in the consolidated financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 30. Segment information (continued)

(A) Total capital expenditure is consisted of the following additions:

	Group	
	2023 US\$'000	2022 US\$'000
Additions in:		
- Oil and gas properties	1,801	169
- Exploration and evaluation assets	26,824	161
- Other plant and equipment	72	26
	28,697	356

(B) The following items are added to the segment assets and liabilities to arrive at total assets and liabilities reported in the consolidated balance sheet:

	2023 US\$'000	2022 US\$'000
<u>Segment assets</u>		
Deferred tax assets	2,251	1,368
<u>Segment liabilities</u>		
Income tax payable	1,170	3,286

### Geographical information

The following table provides an analysis of the Group's sales by geographical market in which the customers are located, irrespective of the origin of the goods. Total assets and capital expenditure are shown by the geographical areas in which these assets are located.

	Revenue		Total assets		Total capital expenditure		Depletion and depreciation	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>(US\$'000)</b>								
<b>By geographical market</b>								
Indonesia	94,091	104,939	81,199	89,756	28,625	330	9,772	6,786
Singapore	-	-	23,321	2,420	72	26	154	131
	94,091	104,939	104,520	92,176	28,697	356	9,926	6,917

### Information about major customer

The Group derives revenue from one major customer (2022: one major customer) as follows:

	2023 US\$'000	2022 US\$'000
Customer A	81,399	93,134

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## **31. Events after the reporting date**

In 2024, the Company has received whistle blower messages pertaining to, amongst others, alleged attempted bribery and alleged changes to contracting exploration arrangements by subsidiary's management that might potentially benefit certain parties. In response to the matters highlighted by the whistle blower, the head office management initiated an internal review of the allegations. As the head office management do not have information on the alleged attempted bribery, head office management was not able to undertake an investigation. Further, in respect of management's procedures performed by the head office, there was no clear evidence of the alleged changes to contracting exploration arrangements.

No independent investigation has commenced as of date of the financial statements. The Company is monitoring the situation closely.

## **32. Authorisation of financial statements for issue**

The financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 9 April 2024.

# SUMMARY OF RESERVES AND RESOURCES

Name of Asset/Country: Indonesia

Asset Name	Issuer's Effective Working Interest	Development Status	Licence Expiry Date	Licence Area	Type of mineral, oil or gas deposit
Kepala Burung PSC	57.86%	Production	14 October 2040	1,030 km <sup>2</sup>	Oil and Gas
Salawati PSC	57.86%	Production	22 April 2040	1,137 km <sup>2</sup>	Oil and Gas

Category	Gross Attributable to Licence (MMbbl/Bcf) <sup>(1)(4)</sup>	Net Attributable to Issuer <sup>(2)</sup>		Risk Factors <sup>(5)</sup>	Remarks
		(MMbbl/Bcf) <sup>(1)(4)</sup>	Change from previous update (%) <sup>(3)</sup>		
<b>Reserves</b>					
<b>Oil Reserves</b>					
1P	32.2	18.6	-7% <sup>(6)</sup>		
2P	45.7	26.5	-7% <sup>(6)</sup>		
3P	57.4	33.2	-9% <sup>(6)</sup>		
<b>Natural Gas Reserves</b>					
1P	37.9	21.9	2% <sup>(7)</sup>		
2P	37.9	21.9	2% <sup>(7)</sup>		
3P	37.9	21.9	2% <sup>(7)</sup>		
<b>Natural Gas Liquids Reserves</b>					
1P	N/A	N/A	N/A		
2P	N/A	N/A	N/A		
3P	N/A	N/A	N/A		
<b>Contingent Resources</b>					
<b>Oil</b>					
1C	31.5	18.2	-2%	70%	
2C	36.8	21.3	-2%	70%	
3C	48.3	27.9	-2%	70%	
<b>Natural Gas</b>					
1C	290.1	167.9	0%	70%	
2C	421.3	243.7	-3%	70%	
3C	604.1	349.5	-3%	70%	
<b>Natural Gas Liquids</b>					
1C	N/A	N/A	N/A		
2C	N/A	N/A	N/A		
3C	N/A	N/A	N/A		
<b>Prospective Resources</b>					
<b>Oil</b>					
Low Estimate	N/A	N/A	N/A		
Best Estimate	N/A	N/A	N/A		
High Estimate	N/A	N/A	N/A		
<b>Natural Gas</b>					
Low Estimate	N/A	N/A	N/A		
Best Estimate	N/A	N/A	N/A		
High Estimate	N/A	N/A	N/A		

# SUMMARY OF RESERVES AND RESOURCES

## Notes:

N/A - Not applicable

- (1) The volumes reported under these columns are as of 1 January 2024.
- (2) Net Attributable to Issuer means the Company's effective working interest share under the respective PSCs. The Company is entitled to a share of these volumes after considering the Indonesian Government's share pursuant to the terms of the PSCs.
- (3) Previous evaluation was conducted by RPS Energy Consultants Limited ("RPS") with an effective date of 1 January 2023.
- (4) The volumes presented in this report have been estimated using the 2018 Petroleum Resources Management System ("PRMS") sponsored by the SPE/WPC/SEG/AAPG/EAGE/SPEE/SPWLA as the standard for classification and reporting.
- (5) Applicable to Resources. "Risk Factor" for Contingent Resources means the estimated chance, or probability, that the volumes will be commercially extracted.
- (6) The decrease in oil Reserves from the previous update of January 1, 2023 is primarily due to the volume produced during 2023, revision of assumption in well recovery rate being applied to workovers and well services and the removal of one development well from Company's drilling plan.
- (7) The increase in gas Reserves from the previous update is mainly due to higher projected LPG production which is included as part of the gas Reserves. Gas sales are assumed to continue on a rolling 10 years basis after considering information provided to RPS of continuing long term gas demand from the local areas. Gas sold by the Company is used mainly for the purposes of power generation to satisfy local electricity requirements.

1P : Proved  
2P : Proved + Probable  
3P : Proved + Probable + Possible  
1C : Low Estimate Contingent Resource  
2C : Best Estimate Contingent Resource  
3C : High Estimate Contingent Resource

MMbbl : Million barrels  
Bcf : Billion cubic feet

**Name of Qualified Person** : **Gordon Taylor of RPS Energy Limited**

**Date** : **7th Feb 2024**

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

# STATISTICS OF SHAREHOLDINGS

As at 18 March 2024

Issued and fully paid share capital	:	S\$337,970,169.61
Total number of shares in issue	:	835,177,400
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

There are no treasury shares held in the issued share capital of the Company.

## SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately 31.82% of the issued ordinary shares of the Company were held in the hands of the public as at 18 March 2024 and therefore Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	3	0.10	183	0.00
100 - 1,000	591	18.89	565,094	0.07
1,001 - 10,000	890	28.44	5,982,523	0.71
10,001 - 1,000,000	1,615	51.61	125,092,979	14.98
1,000,001 AND ABOVE	30	0.96	703,536,621	84.24
<b>TOTAL</b>	<b>3,129</b>	<b>100.00</b>	<b>835,177,400</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	SURREYVILLE PTE LTD	302,073,086	36.17
2	SHARPTONE INVESTMENTS LIMITED	132,825,203	15.90
3	RH CAPITAL LIMITED	110,347,154	13.21
4	PHILLIP SECURITIES PTE LTD	29,734,295	3.56
5	CITIBANK NOMINEES SINGAPORE PTE LTD	19,559,123	2.34
6	DBS NOMINEES (PRIVATE) LIMITED	12,553,900	1.50
7	RAFFLES NOMINEES (PRIVATE) LIMITED	12,264,700	1.47
8	UOB KAY HIAN PRIVATE LTD	10,872,060	1.30
9	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	7,063,400	0.85
10	SEAH SEOW CHER	7,000,000	0.84
11	OCBC SECURITIES PRIVATE LIMITED	6,429,200	0.77
12	CHANG CHENG-HSING	6,000,000	0.72
13	HSBC (SINGAPORE) NOMINEES PTE LTD	5,348,800	0.64
14	YAP MUI CHENG, ANGELA	4,343,800	0.52
15	TERENCE ANG SEE LENG	3,600,000	0.43
16	TIGER BROKERS (SINGAPORE) PTE. LTD.	3,095,700	0.37
17	TAN YEW CHYE	3,050,000	0.37
18	LIM AND TAN SECURITIES PTE LTD	3,026,100	0.36
19	MAYBANK SECURITIES PTE. LTD.	2,920,700	0.35
20	IFAST FINANCIAL PTE. LTD.	2,848,000	0.34
	<b>TOTAL</b>	<b>684,955,221</b>	<b>82.01</b>



# STATISTICS OF SHAREHOLDINGS

As at 18 March 2024

## SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Tan Sri Datuk Sir Tiong Hiew King <sup>(1)</sup>	580,000	0.07	562,845,443	67.39
Dato' Sri Dr Tiong Ik King <sup>(2)</sup>	0	0	302,073,086	36.17
The Estate of Tiong Kiu King, Deceased <sup>(3)</sup>	0	0	132,825,203	15.90
Mr Tiong Chiong Ong <sup>(4)</sup>	0	0	110,347,154	13.21
Sharptone Investments Limited <sup>(1),(3)</sup>	132,825,203	15.90	0	0
Surreyville Pte Ltd <sup>(1),(2)</sup>	302,073,086	36.17	0	0
Woodsville International Limited <sup>(1),(2)</sup>	0	0	302,073,086	36.17
RH Capital Limited <sup>(1)</sup>	110,347,154	13.21	0	0

### Notes:

- (1) Tan Sri Datuk Sir Tiong Hiew King's aggregate deemed interest of 562,845,443 shares comprised of (i) 302,073,086 shares held by Surreyville Pte Ltd ("**Surreyville**"), which arises from his shareholding in Woodsville International Limited, the holding company of Surreyville; (ii) 132,825,203 shares held by Sharptone Investments Limited ("**Sharptone**"), which arises from his shareholding in Sharptone; (iii) 110,347,154 shares held/owned by RH Capital Limited which arises from his shareholding in RH Capital Limited; and (iv) 17,600,000 shares held by Subur Tiasa Holdings Berhad ("**Subur Tiasa**"), which arises from his substantial shareholdings in Tiong Toh Siong Holdings Sdn. Bhd., Tiong Toh Siong Enterprises Sdn. Bhd., Tiong Toh Siong & Sons Sdn. Bhd. and Teck Sing Lik Enterprise Sdn. Bhd., which are shareholders/substantial shareholders of Subur Tiasa.
- (2) Dato' Sri Dr Tiong Ik King's deemed interest arises from his shareholding in Woodsville International Limited, the holding company of Surreyville.
- (3) The Estate of Tiong Kiu King Deceased's deemed interest arises from its shareholding in Sharptone.
- (4) Mr Tiong Chiong Ong's deemed interest arises from his shareholding in RH Capital Limited.

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Chang Cheng-Hsing, Francis and Dr Butler Andrew John are the retiring Directors who are seeking re-election at the forthcoming Annual General Meeting (“AGM”) of the Company. Pursuant to Rule 720(6) of the SGX-ST Listing Manual, the information relating to the retiring Directors, in accordance to Appendix 7.4.1 of the SGX-ST Listing Manual, is set out below:

Name of Director	Chang Cheng-Hsing, Francis	Dr Butler Andrew John
Date of Appointment	1 January 2014	11 August 2023
Date of Last Re-Appointment	28 April 2021	Not Applicable
Age	71	53
Country of principal residence	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Upon the recommendation of the Nominating Committee, which had reviewed the qualification and experience of Mr Chang Cheng-Hsing, Francis, the Board of Directors approved his re-appointment as an Executive Director of the Company and the Chief Executive Officer of the Company and its subsidiaries (the “Group”)	Upon the recommendation of the Nominating Committee, which had reviewed the qualification and experience of Dr Butler Andrew John, the Board of Directors approved his re-appointment as an Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive, overall management of the Company and the Group	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Group Chief Executive Officer and Executive Director	Independent Director
Professional qualifications	Bachelor of Science degree in Geology, National Taiwan University, Taiwan (R.O.C); Graduate study programme in Geophysics at Harvard University; Member of American Association of Petroleum Geologists; Member of Southeast Asia Petroleum Exploration Society; Member of Indonesian Petroleum Association.	Ph.D. Geology, University of Cambridge; B.A. in Geology, University of Oxford.
Working experience and occupation(s) during the past 10 years	Jan 2014 – Present, Group Chief Executive Officer and Executive Director, RH Petrogas Limited.	2011 – 2016, VP Business Development, Mitra Energy Inc. 2016 – current, Founder and CEO, SundaGas Pte. Ltd. July 2023 – Mar 2024, Executive Director, Baron Oil Plc. Mar 2024 – Present, Chief Executive Officer, Baron Oil Plc.
Shareholding interest in the listed issuer and its subsidiaries	Yes	Yes
Shareholding Details	6,000,000 shares	40,000 shares

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Chang Cheng-Hsing, Francis	Dr Butler Andrew John
<b>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</b>	Nil	Nil
<b>Conflict of interest (including any competing business)</b>	Nil	Nil
<b>Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer</b>	Yes	Yes
<b>Other Principal Commitments* Including Directorships# for the last 5 years</b>	<ol style="list-style-type: none"> <li>1. Director, Kingworld Resources Limited;</li> <li>2. Director, Orchard Energy (West Belida) Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Executive Director, SundaGas (Holdings) Pte. Ltd.;</li> <li>2. Executive Director, SundaGas (Indonesia) Pte. Ltd.;</li> <li>3. Executive Director, SundaGas Cambodia Pte. Ltd.;</li> <li>4. Executive Director, SundaGas Borneo B.V.;</li> <li>5. Executive Director, SundaGas Indonesia Telen B.V.;</li> <li>6. Director Asia Pacific, Baron Oil Plc.</li> </ol>
<b>Other Present Principal Commitments* Including Directorships#</b>	<ol style="list-style-type: none"> <li>1. Director, Petrogas (Basin) Ltd;</li> <li>2. Director, Petrogas (Island) Ltd;</li> <li>3. Director, Petrogas Basin Holding BV;</li> <li>4. Director, Petrogas Island Holding BV;</li> <li>5. Director, RHP (Mukah) Pte. Ltd;</li> <li>6. Director, RH Petrogas Global Ventures Ltd;</li> <li>7. Director, RH Petrogas Holdings Pte. Ltd;</li> <li>8. Director, RH Petrogas Indonesia Holding Ltd;</li> <li>9. Director, RH Petrogas Investments Pte. Ltd;</li> <li>10. Director, RH Petrogas Singapore Pte. Ltd;</li> <li>11. Director, RHP Salawati Basin BV;</li> <li>12. Director, RHP Salawati Island BV;</li> <li>13. Director, RHP Salawati Holdings BV</li> </ol>	<ol style="list-style-type: none"> <li>1. Chief Executive Officer, Baron Oil Plc;</li> <li>2. Managing Director, SundaGas Banda Unipessoal Lda</li> </ol>
<p>* "Principal Commitments" has the same meaning as defined in the Code.</p> <p># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9).</p>		

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Chang Cheng-Hsing, Francis	Dr Butler Andrew John
<b>Information required</b>		
<b>Disclose the following matters concerning an appointment of director, chief executive officer, general manager or other officer of equivalent rank. If the answer to any questions is "yes", full details must be given.</b>		
(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
(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
(c) Whether there is any unsatisfied judgment against him?		No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?		No
(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
(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
(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
(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
(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

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Chang Cheng-Hsing, Francis	Dr Butler Andrew John
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or		No
(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		No
(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		No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		No
(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

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“AGM”) of **RH PETROGAS LIMITED** (the “Company”) will be held at 20 Harbour Drive #06-03, Singapore 117612 on Friday, 26 April 2024 at 10.00 a.m., to transact the following business:

## AS ORDINARY BUSINESS:

1. To receive and adopt the Directors’ Statement and the Audited Consolidated Financial Statements for the financial year ended 31 December 2023 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To approve the payment of Directors’ fees of S\$514,100 for the financial year ended 31 December 2023. (2022: S\$468,100) **(Resolution 2)**
3. To re-elect Mr Chang Cheng-Hsing, Francis as a Director of the Company, retiring by rotation under Regulation 94 of the Company’s Constitution and who being eligible, offers himself for re-election.  
*(see explanatory notes 1 and 2)* **(Resolution 3)**
4. To re-elect Dr Butler Andrew John as a Director of the Company, retiring under Regulation 100 of the Company’s Constitution and who being eligible, offers himself for re-election.  
*(see explanatory notes 1 and 3)* **(Resolution 4)**
5. To note the retirement of Mr Lee Hock Lye, a Director of the Company, retiring by rotation under Regulation 94 of the Company’s Constitution. Mr Lee Hock Lye has decided not to seek re-election and will retire at the conclusion of the forthcoming AGM.
6. To note the retirement of Mr Yeo Yun Seng Bernard, a Director of the Company, retiring by rotation under Regulation 94 of the Company’s Constitution. Mr Yeo Yun Seng Bernard has decided not to seek re-election and will retire at the conclusion of the forthcoming AGM.
7. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

## AS SPECIAL BUSINESS:

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

8. **Authority to Allot and Issue Shares and Convertible Securities** **(Resolution 6)**

That pursuant to Section 161 of the Companies Act 1967 of Singapore (“Companies Act”) and Rule 806 of the listing manual (“Listing Manual”) of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the Directors of the Company be authorised and empowered to:

  - (a) issue shares in the share capital of the Company (“Shares”) whether by way of rights, bonus or otherwise; and/or
  - (b) make or grant offers, agreements or options 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 (collectively, “Instruments”),

# NOTICE OF ANNUAL GENERAL MEETING

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 (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force, provided that:

- (i) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution and including Shares which may be issued pursuant to any adjustments effected under any relevant Instrument) to be issued pursuant to this Resolution shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a *pro rata* basis to existing shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the total number of issued Shares shall be calculated and based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution, after adjusting for:
  - (I) new Shares arising from the conversion or exercise of any convertible securities which were issued and are outstanding or subsisting at the time of the passing of this Resolution;
  - (II) new Shares arising from the exercise of share options or the vesting of share awards which were issued and are outstanding or subsisting at the time of the passing of this Resolution and provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
  - (III) any subsequent bonus issue, consolidation or subdivision of Shares;
- (iii) in exercising the authority granted by this Resolution, the Company shall comply with the provisions of Companies the Act, the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (iv) (unless revoked or varied by the Company in a general meeting), such authority granted under this Resolution shall 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 4)*

9. To transact any other business that may be properly transacted at an AGM.

BY ORDER OF THE BOARD

**Wee Woon Hong**  
Company Secretary  
Singapore

11 April 2024

# NOTICE OF ANNUAL GENERAL MEETING

## EXPLANATORY NOTES:

1. Information regarding Directors and the details of the current directorships in other listed companies and other principal commitments of Directors is appended to the Company's Annual Report 2023 ("**Annual Report**") under the section titled "Additional Information on Directors Seeking Re-election" ("**Additional Information Section**"); and further details can also be found in the Board of Directors and the Corporate Governance Report sections of the Annual Report. The Annual Report is available on the SGX website (<https://www.sgx.com/securities/annual-reports-related-documents>) and on the Company's website (<http://rhpetrogas.listedcompany.com/ar.html>).
2. Mr Chang Cheng-Hsing, Francis will, upon re-election as a Director of the Company, continue to serve as Group Chief Executive Officer and Executive Director of the Company. Please refer to the Additional Information Section for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.
3. Dr Butler Andrew John will, upon re-election as a Director of the Company, continue to serve as an Independent Director of the Company. Please refer to the Additional Information Section for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.
4. The Ordinary Resolution 6, 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 the date on which such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 20% may be issued other than on a pro rata basis to existing shareholders of the Company.

## Notes:

- (i) This forthcoming AGM will be held at 20 Harbour Drive #06-03, Singapore 117612. It will be held entirely as a physical and in-person AGM. There will be no option for members to participate by electronic means.
- (ii) Members who are feeling unwell or who develop or experience COVID-19-like symptoms prior to the AGM are encouraged to exercise social responsibility, rest at home, minimise social interactions and consider appointing a proxy(ies) to attend the AGM.
- (iii) The physical format of the AGM gives members the opportunity to engage directly with the Board at the AGM and vote thereafter.
- (iv) The Company will allow seven calendar days for members to submit questions, following the publication of the notice of AGM. The Company will publish its responses to substantial and relevant questions received from members, via the SGXNet platform and on the Company's website by **10.00 a.m. on Monday, 22 April 2024** (that is no less than 48 hours prior to the closing date and time for the lodgement of proxy voting forms). Members who may have questions relating to each resolution to be tabled for approval at the AGM are to submit their questions by email, together with their full name (as per CDP/CPF/SRS/Script-based records), identification number (e.g. NRIC/Passport/FIN/Company Registration Number), shareholding type(s) (e.g. CDP/CPF/SRS/Script-based), email address, and contact number (to enable the Company and/or its agents and service providers to authenticate their status as members) to the Company by **10.00 a.m. on Friday, 19 April 2024** to [ir@rhpetrogas.com](mailto:ir@rhpetrogas.com). The Company will endeavour to address all relevant and substantial questions (as may be determined by the Company in its sole discretion) received.
- (v) Persons ("**Beneficiaries**") who hold Shares through relevant intermediaries (as defined below) who wish to participate by attending the AGM in person; and Beneficiaries as well as CPF and SRS investors who wish to participate by appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should contact their respective CPF Agent Banks, SRS Operators or relevant intermediaries through which they hold such Shares at least seven working days before the AGM, i.e. by **10.00 a.m. on Wednesday, 17 April 2024**, in order for the necessary arrangements for such participation to be effected.
- (vi) A member of the Company who is not a relevant intermediary (as defined below) is entitled to appoint not more than two proxies to attend and vote at the AGM. Where such member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100% of his/her shareholding and the second named proxy shall be deemed to be an alternate to the first named.
- (vii) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in the proxy form to the Company.



# NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Section 181 of the Companies Act, “**relevant intermediary**” means:

- (a) a banking corporation licensed under the Banking Act 1970, 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;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act 1953, 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 CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- (viii) A proxy need not be a member of the Company. The Chairman of the AGM, as proxy, need not be a shareholder of the Company.
  - (ix) If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.
  - (x) The instrument appointing a proxy must be deposited at the Registered Office of the Company at 20 Harbour Drive, #06-03, Singapore 117612, or submitted to the Company by email to [ir@rhpetrogas.com](mailto:ir@rhpetrogas.com), by **10.00 a.m. on Wednesday, 24 April 2024** (that is, not less than 48 hours before the time appointed for holding the above AGM). Members are strongly encouraged to submit the completed and signed PDF copies of their proxy forms to the Company via email.
  - (xi) A Depositor’s name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the forthcoming AGM in order for the Depositor to be entitled to attend and vote at the forthcoming AGM.
  - (xii) The Company will publish the minutes of the AGM via the SGXNet platform and the Company’s website within one month after the date of AGM.

## Summary of key dates and times

Dates and times (Deadlines/Opening Time)	Actions
<b>By Wednesday, 17 April 2024, 10.00 a.m.</b>	Beneficiaries who hold Shares through relevant intermediaries who wish to participate by attending the AGM in person; and Beneficiaries as well as CPF and SRS investors who wish to participate by appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, to contact their respective CPF Agent Banks, SRS Operators or relevant intermediaries (which would include CPF agent banks and SRS operators) through which they hold such Shares in order for the necessary arrangements for such participation to be effected.
<b>By Friday, 19 April 2024, 10.00 a.m.</b>	For members who have questions relating to the business of the AGM to email their questions to <a href="mailto:ir@rhpetrogas.com">ir@rhpetrogas.com</a> .
<b>By Sunday, 21 April 2024</b>	For members who wish to receive a printed copy of the Annual Report 2023, to submit the completed Request Form either (i) at the Registered Office of the Company at 20 Harbour Drive, #06-03, Singapore 117612, or (ii) to the Company to <a href="mailto:ir@rhpetrogas.com">ir@rhpetrogas.com</a> .
<b>By Wednesday, 24 April 2024, 10.00 a.m.</b>	For members to deposit/email the completed and signed proxy forms either (i) at the Registered Office of the Company at 20 Harbour Drive, #06-03, Singapore 117612, or (ii) to the Company to <a href="mailto:ir@rhpetrogas.com">ir@rhpetrogas.com</a> .
<b>Friday, 26 April 2024, 9.00 a.m.</b>	When the AGM registration counter will open and the Share Registrar may verify members’ identity and access/enter the AGM (that is scheduled to commence at 10.00 a.m. on Friday, 26 April 2024). Members are advised to bring along their NRIC/passport for the Share Registrar to verify their identity.

# NOTICE OF ANNUAL GENERAL MEETING

## **Personal Data Privacy:**

By attending, speaking, proposing, seconding and/or voting at the AGM and/or by a member of the Company submitting questions and/or an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and/or vote at the AGM and/or any adjournment thereof, the person/member (i) understands and accepts that photographs, images, audio and/or video recordings, webcasts and transcripts of the AGM may be taken and/or made by the Company (and/or its agents and service providers), (ii) consents to the collection, use and disclosure of the person's/member's and its proxy(ies)'s or representative(s)'s personal data by the Company (and/or its agents and service providers) for legal, regulatory, compliance, corporate policies, procedures and administration, corporate actions, corporate communications and investor relations purposes and for the purposes of the processing, administration and record keeping by the Company (and/or its agents and service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation, compilation, recording, keeping of the attendance lists, transcripts, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (and/or its agents and service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines and for publication and/or use in the Company's Annual Report, corporate brochures, newsletters, publications, materials and/or corporate website by the Company (and/or its agents and service providers) (collectively, the "**Purposes**"), (iii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (and/or its agents and service providers), the member has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (and/or its agents and service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iv) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

# RH PETROGAS LIMITED

(Company Registration Number 198701138Z)  
(Incorporated in the Republic of Singapore)

**Important:**

1. Please read the notes overleaf which contain instructions on, inter alia, the appointment of a proxy(ies).
2. CPF/SRS investors including persons who hold shares through relevant intermediaries (as defined in section 181 of the Companies Act 1967) who wish to appoint the Chairman of the AGM as proxy, should approach their respective Agent Banks/SRS Operators or relevant intermediaries to submit their votes by 10.00 a.m. on Wednesday, 17 April 2024.
3. This Proxy Form is not valid for use by the CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

## PROXY FORM

### ANNUAL GENERAL MEETING

I/We\*, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/Company Registration No.\*)

of \_\_\_\_\_ (Address)

being a shareholder/shareholders\* of **RH PETROGAS LIMITED** (the "Company") hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholding	
		Number of Shares	%
Address			

and/or\*

Name	NRIC/Passport Number	Proportion of Shareholding	
		Number of Shares	%
Address			

or failing him/her\*, the Chairman of the Annual General Meeting ("AGM") of the Company as my/our\* proxy/proxies\* to attend and vote for me/us\* on my/our\* behalf at the AGM of the Company to be held at 20 Harbour Drive #06-03, Singapore 117612 on Friday, 26 April 2024 at 10.00 a.m. and at any adjournment thereof.

I/We\* direct my/our\* proxy/proxies\* to vote for, against or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, my/our\* proxy/proxies\* will vote or abstain from voting at his/their\* discretion, as he/they\* will on any other matter arising at the AGM and at any adjournment thereof.

All resolutions put to the vote at the AGM shall be decided by way of poll.

NO.	RESOLUTIONS	FOR**	AGAINST**	ABSTAIN**
<b>Ordinary Business</b>				
1.	To receive and adopt the Directors' Statement and Audited Consolidated Financial Statements for the financial year ended 31 December 2023 together with the Auditors' Report thereon			
2.	To approve the payment of Directors' fees amounting to S\$514,100 for the financial year ended 31 December 2023			
3.	To re-elect Mr Chang Cheng-Hsing, Francis as a Director			
4.	To re-elect Dr Butler Andrew John as a Director			
5.	To re-appoint Messrs Ernst & Young LLP as Auditors and to authorise the Directors to fix their remuneration			
<b>Special Business</b>				
6.	To authorise the Directors to allot and issue new shares in the Company and convertible securities			

\* Delete accordingly

\*\* If you wish to exercise all your votes "For", "Against" or "Abstain", please indicate with a tick (v) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Total number of Shares in:	Number of Shares
(a) Depository Register	
(b) Register of Members	

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

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



**Notes:**

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of Securities and Futures Act 2001 of Singapore or any statutory modification thereof, as the case may be), 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 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, this Proxy Form shall be deemed to relate to all the shares held by you.
2. A member of the Company who is not a relevant intermediary (as defined below) is entitled to appoint not more than two proxies to attend and vote at the AGM. Where such member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100% of his/her shareholding and the second named proxy shall be deemed to be an alternate to the first named.
3. A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.  
  
"relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.
4. This Proxy Form must be deposited at the Company's registered office at 20 Harbour Drive, #06-03, Singapore 117612, or submitted to the Company by email to [ir@rhpetrogas.com](mailto:ir@rhpetrogas.com), not less than 48 hours before the time appointed for the AGM. Members intending to deposit this Proxy Form on Saturdays, Sundays and public holidays or after office hours, will have to deposit the same in the Company's letterbox located in the basement car park at 20 Harbour Drive next to the passenger (main) lift lobby.
5. A proxy need not be a member of the Company.
6. This Proxy Form must be signed by the appointor or his/her attorney duly authorised in writing. Where this Proxy Form is executed by a corporation, it must be executed either under its Common Seal or signed by its attorney or a duly authorised officer.
7. Where this Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof (failing previous registration with the Company) must be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.
9. Persons who hold Shares through relevant intermediaries (including CPF and SRS investors) and wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (which would include CPF agent banks and SRS operators) through which they hold such Shares at least seven working days before the AGM to submit their voting instructions in order to allow sufficient time for their respective relevant intermediaries to in turn submit this Proxy Form to appoint the Chairman of the AGM to vote on their behalf.
10. The submission of this Proxy Form by a member does not preclude him/her from attending and voting in person at the AGM if he/she so wishes. If a member attends the AGM in person, the appointment of a proxy or proxies shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy or proxies to the AGM.
11. The Company shall be entitled to reject this Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this Proxy Form. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any Proxy Form lodged if such member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Privacy:**

By submitting this Proxy Form appointing a proxy(ies) and/or representative(s), the member is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of AGM of the Company dated 11 April 2024.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Dato' Sri Dr Tiong Ik King**  
(Non-Executive and  
Non-Independent Chairman)

**Chang Cheng-Hsing Francis**  
(Group CEO and Executive Director)

**Yeo Yun Seng Bernard**  
(Independent Director)

**Lee Hock Lye**  
(Independent Director)

**Kuan Li Li**  
(Independent Director)

**Timothy Tiong Ing Zun**  
(Non-Executive and  
Non-Independent Director)

**Khoo Kar Khoon**  
(Independent Director)

**Dr Butler Andrew John**  
(Independent Director)

## AUDIT COMMITTEE

**Lee Hock Lye**  
(Chairman)

Yeo Yun Seng Bernard

Kuan Li Li

Dato' Sri Dr Tiong Ik King

## REMUNERATION COMMITTEE

**Yeo Yun Seng Bernard**  
(Chairman)

Lee Hock Lye

Kuan Li Li

Dato' Sri Dr Tiong Ik King

## NOMINATING COMMITTEE

Kuan Li Li  
(Chairman)

Yeo Yun Seng Bernard

Lee Hock Lye

Dato' Sri Dr Tiong Ik King

## SECRETARY

Wee Woon Hong

## REGISTERED OFFICE

20 Harbour Drive  
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Singapore 117612  
Tel: (65) 6216 3988  
Fax: (65) 6896 2821

## SHARE REGISTRAR

**BOARDROOM CORPORATE & ADVISORY  
SERVICES PTE. LTD.**

1 Harbourfront Avenue  
#14-07 Keppel Bay Tower  
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## AUDITORS

**ERNST & YOUNG LLP**

One Raffles Quay, North Tower, Level 18  
Singapore 048583

Audit Partner-in-charge:  
Toong Weng Sum Vincent

Date of appointment:  
Since financial year ended  
31 December 2023



**RH PETROGAS LIMITED**

Company Reg. No. 198701138Z

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