



GEO ENERGY GROUP
天然煤礦集團

GEO ENERGY RESOURCES LIMITED

(Incorporated in the Republic of Singapore on 24 May 2010)
(Company Registration Number 201011034Z)

SGX ANNOUNCEMENT

RESPONSE TO SGX REGCO QUERIES

The Board of Directors (the "Board") of Geo Energy Resources Limited (the "Company", and together with its subsidiaries, the "Group") wishes to announce the following responses to the queries raised by SGX RegCo on 17 April 2024 in relation to the Company's Annual Report for the financial year ended 31 December 2023 announced on 11 April 2024 ("FY2023 Annual Report"):

- 1. It is disclosed on page 31 of the Annual Report that the Company outsources the internal audit function to an external professional firm.**

Listing Rule 1207(10C) requires the Audit Committee's comments on whether the internal audit function is independent, effective and adequately resourced. Please disclose the identity of the external professional firm and provide information on the relevant experience of the accounting firm and the engagement team.

Answer:

PricewaterhouseCoopers Risk Services Pte Ltd ("PwC") has been the Company's internal auditor since 2011. The internal auditor reports functionally to the Audit and Risk Committee and administratively to the CFO. The internal auditor has unfettered access to all the Company's documents, records, properties and personnel. The internal audit team is headed by a Partner with significant experience of leading internal audit services for Singapore listed companies. The team supporting the Partner constitutes dedicated internal controls specialists with requisite knowledge and experience. The Audit and Risk Committee will review the adequacy, effectiveness and independence of the internal audit team on an annual basis.

- 2. Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the "Code"), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 8.1 of the Code with regards to the disclosure of remuneration of each individual director and the CEO, and there were no explanations provided for in your FY2023 annual report on how it is consistent with the intent of Principle 8 of the Code. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.**

Answer:

With regard to Provision 8.1 of the Code in relation to the disclosure of remuneration of each individual director and the CEO, the Company had disclosed, on page 27 of its Annual Report 2023, the remuneration of each individual director and the CEO in narrow bands of S\$150,000 and the reasons for deviating from Provision 8.1, as follows:

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"The Company prefers to disclose the remuneration of each individual Director and key management personnel (who are not Directors or the CEO) in bands rather than specific amounts, given the sensitive nature of the subject, the competitive business environment the Group operates in."

Although the exact remuneration of each director and the CEO was not disclosed in the Annual Report 2023, the disclosure of the lower and upper sums of each remuneration band (plus the narrow band of S\$150,000) which each director and the CEO fall under is consistent with the intent of Principle 8 of the Code in relation to the transparency of the Company's remuneration matters. In any event, the Board will disclose the specific remuneration of each director and the CEO in subsequent Annual Reports.

The Company further described on page 27 of the Annual Report 2023 (Principle 8) as follows:

"Having regard to the nature of the business, structure and requirement of the Group, the Company has established a performance-based remuneration system for Executive Directors and key management personnel that is flexible and responsive to the market, comprising a base salary, other fixed allowances, together with benefits in kind, as well as a performance bonus which is based on the Group's performance and the individual's performance. For instance, the Company's Executive Directors and certain key management personnel are entitled to receive a performance bonus based on the Group's EBITDA in each financial year starting 2023."

The level and mix of remuneration paid or payable to the Directors and key management personnel for 2023 was set out on page 27 of the Annual Report 2023.

Further, the Company's described on page 26 and 27 of the Annual Report 2023 (Principle 7) as follow:

"A significant and appropriate proportion of Executive Directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company."

The Company has remuneration schemes (including the Geo Energy Share Option Scheme and the Geo Energy Performance Share Plan) to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term."

Having regard to the disclosure in the Company's Annual Report 2023 and the clarification above, the Company is of the view that its practices are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

BY ORDER OF THE BOARD

Charles Antonny Melati
Executive Chairman and CEO
19 April 2024