

Admission Document

for the admission to trading on Nordic ABM of "*Samos Energy Infrastructure Ltd 12.5% senior secured USD 75,000,000 bonds 2024/2028*" with ISIN NO0013265827

Samos Energy Infrastructure Ltd

The logo for Samos Energy Infrastructure Ltd, featuring the word "SAMOS" in a large, blue, serif font. The letters are bold and have a slightly distressed or textured appearance. The logo is centered on a light blue background that has a subtle, larger-scale pattern.

This admission document (the "Admission Document") has been prepared by Samos Energy Infrastructure Ltd (the "Issuer") in accordance with section 2.7.2.3 of the ABM Rules for the purpose of the admission to trading on Nordic ABM of a Senior Secured Bond Issue 2024/2028 with ISIN NO0013265827 and an initial nominal amount of USD 1000 (the "Bonds") issued by the Issuer pursuant to the bond terms dated 3rd July 2024 (the "Bond Terms"), attached as Appendix 1 to this Admission Document.

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1. Statement of responsibility

The Issuer confirms that, to the best of its knowledge, the information contained in this Admission Document is in accordance with the facts and the document contains no omission likely to affect its import.

28th October 2024

On behalf of
Samos Energy Infrastructure Ltd

Statement from the Listing Agent:

Nordic Trustee Services AS, acting as Listing Agent, has assisted the Issuer in preparing this Admission Document. The Listing Agent has not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and the Listing Agent expressly disclaims any legal or financial liability as to the accuracy or completeness of the information contained in this Admission Document or any other information supplied in connection with Bonds issued by the Issuer or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Issuer. Each person receiving this Admission Document acknowledges that such person has not relied on the Listing Agent nor on any person affiliated with it in connection with its investigation of the accuracy of such information or its investment decision.

2. Information about the Issuer

The Issuer's business name is Samos Energy Infrastructure Ltd ("SEIL"). The Issuer was incorporated on 7th June 2023 as a limited liability company domiciled in Jersey and organized and existing under the Laws of Jersey pursuant to the Jersey company law and legislation. Its registration number is 149126 and LEI-code 213800OZQ4EKIQE6G428. The Issuer's registered office address is 26 New Street, St. Helier, JE2 3RA, Jersey.

The purpose of the Issuer is to own and invest in oil and gas infrastructure assets.

The Issuer is part of the Samos Energy Group which was founded in 2022 by Jacques Tohme and Charles Furness-Smith and is a global investment platform which acquires and provides financing to traditional energy assets with a focus on E&P and infrastructure.

The Issuer is a holding company, and its principal activity is owning and leasing floating production platforms through its subsidiaries 100% FPF003 Pte Limited and FPF005 Limited, and 80% of PVKeez Pte Limited

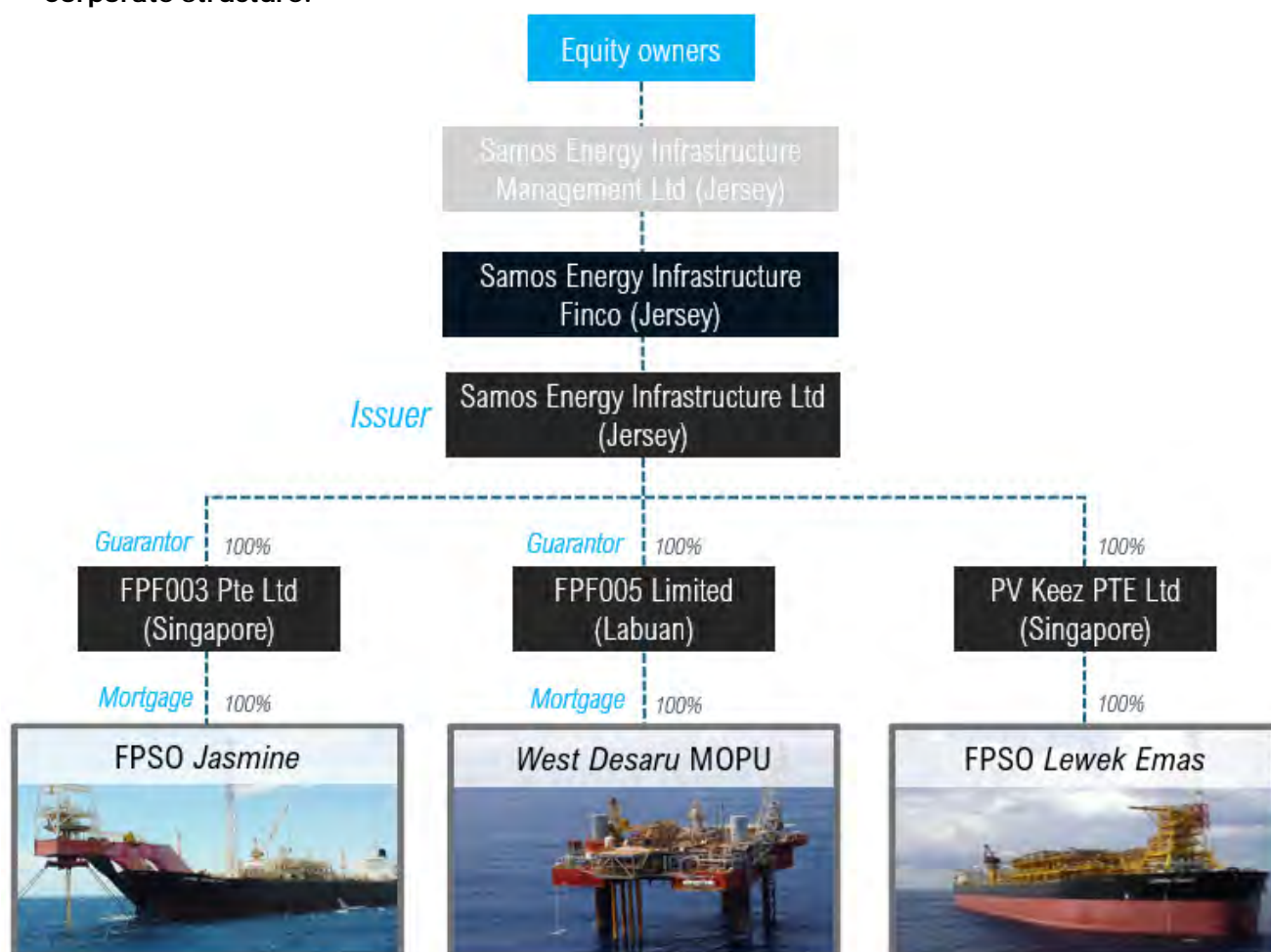
The Issuer has entered into Management Services Agreements on arm's length basis with Samos Energy LLC and Samos Energy Ltd to provide management services such as stakeholders relations, contract negotiations, and day to day management of the assets under SEIL. The SPVs under SEIL have also entered into Management Services Agreements on arm's length basis with FPF003 Pte Limited to provide similar services that include accounting, bookkeeping, invoicing, and management services support to the assets. FPF003 Pte Limited has also entered into a contract with Hans Consulting to provide technical support that includes site visits, monthly reporting, and technical oversight.

There have been no key developments in the Issuer's business since its incorporation.

As of the date of this Admission Document, the Issuer's registered share capital is USD 7 500 000 divided into 2 ordinary shares. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value. There have been no changes in the issued share capital that have been formally approved.

Samos Energy Infrastructure Ltd is owned by its immediate holding company; Samos Energy Infrastructure (Finco) Limited ("FINCO"), which is owned by Samos Energy Infrastructure Management Ltd ("SEIML"). Both companies being incorporated in Jersey. The main shareholder of SEIML is Jacques Tohme through Amerocap LLC, a private US investment firm that holds interests in energy, minerals, and defense businesses.

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Corporate structure:**The Bond Issue - NO0013265827**

The Bond Issue, NO0013265827, is guaranteed by an unconditional Norwegian law guarantee and indemnity (Norwegian: "selvskyldnerkausjon") issued by each of the Guarantors in respect of the Secured Obligations. The Guarantee Agreement is attached to this Admission Document. As of the date of this Admission Document the Guarantors are:

- *FPF003 Pte. Limited*, a company incorporated in Singapore (201108078N) whose registered office is at 9 Raffles Place, 26-01 Republic Plaza, Singapore 048619.
- *FPF005 Limited*, a company incorporated in Federal Territory of Labuan, Malaysia (LL08420) whose registered office is at Unit Level 13(A), Main Office Tower Financial Park Labuan, Jalan Merdeka, 87000 Federal Territory of Labuan, Malaysia.

Board of directors of Samos Energy Infrastructure Ltd:*Jacques Tohme – Director of Samos Energy Infrastructure Ltd*

Mr. Tohme has over 20 years' experience focused on energy, infrastructure, and oil & gas investments. He was a Co-Founder/Director of Tailwind Energy, a UK North Sea oil & gas producer built up to ~20kboe/d via 4 deals with Shell, Exxon, EOG, ENI, and Oaktree. Tailwind was sold to Serica Energy plc (LSE: SQZ). Mr. Tohme also led \$2bn+ in financings for Tailwind's acquisitions and growth.

Hussein Dada – Director of Samos Energy Infrastructure Ltd

Mr Dada launched and managed the predecessor of the SEIL business for nearly 10 years at Petrofac. At Petrofac, he also led investments and managed a portfolio valued at more than \$2bn and partnered with major private equity and infrastructure funds. He has 15 years' experience in energy,

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infrastructure, and oil & gas investments and project development across Europe, the Middle East, and Southeast Asia regions.

Nadia Trehlou - Director

Nadia is an associate of the Chartered Institute of Secretaries and Administrators and oversees corporate and fund administration in Jersey, with over 15 years of experience. Nadia also works for Ocorian.

Ocorian Corporate Services (Jersey) Limited - Corporate Director

The board of directors can be reached at the Issuers registered office address.

3. Business overview

Samos Energy Infrastructure Ltd operates in the floating production unit space, owning two FPSOs (floating production, storage and offloading unit) and one MOPU (mobile offshore production unit). The Issuer acquired these assets from funds managed by Blackrock and their partner Petrofac Limited in July 2023 with equity from Amerocap and debt from a large US Hedge fund. Following the bond issue - NO0013265827, the Issuer will focus on harvesting its existing portfolio and follow-on investments in floating energy infrastructure.

The Issuer's portfolio includes the following upstream infrastructure units:

- FPSO FPF-003 ("FPSO Jasmine")
- FPSO Lewek Emas
- West Desaru MOPU

The three units are on bareboat contracts ("BBC") on fields with low operating costs and have been deployed since 2005 (FPSO FPF-003, formerly known as Jasmine Venture MV7 ("FPSO Jasmine")), 2011 (FPSO Lewek Emas) and 2013 (West Desaru MOPU). The bareboat rates are comprised of a fixed / minimum daily component and a variable tariff element depending on achieved daily production volumes, which in two of the agreements is variable according to achieved oil price.



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Management, Operations and Maintenance of the vessels are carried out by the charterers. There are 8 SEIL subsidiary employees based in Singapore and Malaysia that are primarily focused on managing the contracts, accounting, bookkeeping, and payments. The technical and engineering support team (under a contract with Hans) based in Malaysia overseeing vessels' certifications and asset integrity.

FPSO FPF-003 ("FPSO Jasmine")

FPSO Jasmine is under charter agreement to Valeura Energy in Thailand for the Jasmine field. Valeura Energy is a Canadian-based E&P company with operations in Turkey and Thailand. It is listed on the Toronto Stock Exchange. As of Q1 2024, Valeura Energy reported a net cash position of \$176m and total equity of \$304m. Charterer is Jasmine Venture Limited (Mauritius), a wholly owned subsidiary of the operator. Operator of the field is Busrakham Jasmine Ltd, a subsidiary of Valeura Energy. The operator holds 100% interest in the field. As its largest producing asset, Jasmine is a key component of Valeura Energy's portfolio after its acquisition from Mubadala in March 2023. Ongoing infill drilling program is targeting 19 new wells from Q4 2023 – 2026, with the ambition to maintain stable production of 10.1 kbbl/d. 5 wells are planned in H2 2024. Jasmine is the smallest contributor to total SEIL distributions, providing ~12% of the combined total revenues over the lives of the three assets.

Key details	
Name	FPSO FPF-003
Type	FPSO (tanker-converted with external turret mooring system)
Built	1967, converted to FPSO in 1998 and refurbished in 2005
Incorporated	Singapore
Vessel flag	Singapore
Capacity	Storage: 800,000 bbl Production: 20,000 bpd (oil), 30,000 bpd (water)
Ownership	FPF003 Pte. Limited, a 100% owned SEIL subsidiary
Deployed field	Jasmine, Thailand (since 2005, redeployed from Nexen's Buffalo field)
Counterparty	Valeura Energy (acquired 100% WI in 2023)
Expected charter period	2028+
Charter terms	Bareboat day rate plus production tariff linked to oil price
License expiry	December 2032
Demob terms	Vessel to be returned at designated site in good condition at charterer's expense
Contract updates	N/A

**FPSO Lewek Emas**

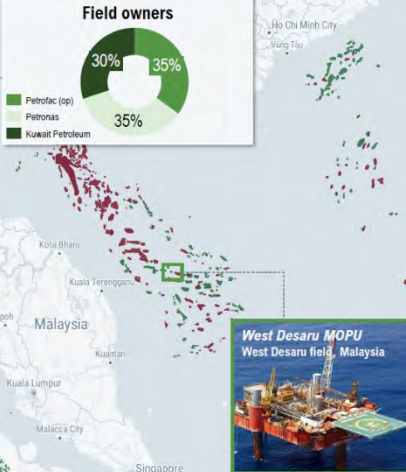
FPSO Lewek Emas is under charter agreement to Harbour Energy in Vietnam for the Chim Sao field. Harbour Energy plc is a large global independent O&G company with 208 kboe/d of global production. Premier Oil plc merged with Chrysaor to become Harbour Energy Plc in 2021. Harbour Energy plc is the ultimate owner of the operator / Charterer. Charterer is Premier Oil Vietnam Offshore BV (Netherlands) ("POVO"). Charterer is the operator of Chim Sao field. Field partners are PetroVietnam and Bitexco Energy Ltd. Bitexco Energy Ltd acquired 31.875% interest in Chim Sao in April 2024 from Medco (as a corporate acquisition of Ophir Vietnam Block 12W BV). Bitexco Group, the ultimate parent company of Big Energy, is a large Vietnamese conglomerate with interests in real estate, energy, infrastructure, retail, telecoms and other sectors.

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Key details		Field owners	
Type	FPSO (tanker converted)		
Built	1978, converted in 2011		
Incorporated	Singapore		
Vessel flag	Singapore		
Capacity	Storage: 660,000 bbl Production: 80,000 bpd (oil), 60,000 bpd (water)		
Ownership	PV Keez Pte. Ltd.: SEIL 80%, Seatrium 20%		
Deployed field	Chim Sao, Vietnam (since 2011)		
Counterparty	Harbour Energy		
Expected charter period	2028+		
Charter contracts	Production tariff with a minimum / maximum day rate		
License expiry	November 2030		
Demob terms	Vessel to be returned at designated site in good condition at charterer's expense		
Contract updates	N/A		

West Desaru MOPU

West Desaru MOPU is under charter agreement to Petrofac (Malaysia PM304) Limited (Malaysia) (as operator) in Malaysia for the West Desaru field in Block PM304. Petrofac is an international service provider to the oil & gas industry. Despite the financial difficulties of Petrofac Ltd, the charterer generated \$90m EBITDA from its share in the license in 2023. Field partners are Petronas and KUFPEC. Petronas are planning two new wells on the PM304 license in 2024. Petrofac has announced plans to divest its interest in the PM304 license, with two bidders selected for the final round. The deal is expected to close in 2024.

Key details		Field owners	
Type	MOPU		
Built	1976, jack-up converted to MOPU in 1999 and upgraded in 2012		
Incorporated	Labuan (Malaysia)		
Vessel flag	Cook Islands		
Capacity	Production: 20,700 bpd (oil), 19,990 bpd (water)		
Acquisition date	2014		
Ownership	FPF005 Limited, a 100% owned SEIL subsidiary		
Deployed field	West Desaru, Malaysia (since 2013)		
Counterparty	Petrofac		
Expected charter period	2028+		
Charter contracts	Day rate plus production tariff linked to oil price		
License expiry	September 2026, after which the license will be returned to Petronas and/or extended		
Demob terms	Vessel to be returned at designated site in good condition at charterer's expense, reimbursed to the owner		
Contract updates	Petrofac and Petronas are in detailed discussions around operations post-2026		

Key field information:

Key field information	Jasmine	Chim Sao	PM304
Rem. Reserves (mmboe)	~10*	~16***	~18****
Oil share of reserves	100 %	73 %	100 %
Production (kbbbl/d, 2024e)	~9.0	8-9	9-10
Opex / boe (2023)	<\$20	<\$18	<\$20
Reserves Replacement Ratio	112%**	N/A	N/A
Production start	2005	2011	2006

* 2P reserves at YE 23 as per Valeura Energy NSAI report.

** RRR in 2023 as per Valeura Energy NSAI report.

***As of 01.01.24, based on Wood Mackenzie data and Samos management estimates.

****As of 01.01.24, based on Wood Mackenzie estimates.

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For further detail on the Samos Group, please refer to www.samosenergy.com/

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4. Financial information

The below unaudited annual consolidated financial statements 2023 for the Issuer cover the period since its incorporation on 7th June 2023 to 31st December 2023 and the unaudited financial statements 2024 are for the period ended 30th June 2024. The audited annual financial statement 2023 for the Issuer on 7th June 2023 to 31st December 2023 will be attached. The financial statements have been prepared in accordance with International Financial Reporting Standards.

<u>STATEMENT OF COMPREHENSIVE INCOME</u>	2024	2023
	<i>USD' 000</i>	<i>USD' 000</i>
REVENUE	21,178	27,255
Cost of sales	(1,560)	(2,246)
GROSS PROFIT	19,618	25,009
Administrative expenses	(1,479)	(3,739)
Depreciation	(9,810)	(9,809)
Fair value loss on loan	-	(33,740)
Gain on bargain purchase	-	32
PROFIT/(LOSS) FROM OPERATIONS BEFORE TAX	8,329	(22,247)
Finance income	23	9
Finance costs	(15,096)	(9,039)
PROFIT/(LOSS) BEFORE TAX	(6,744)	(31,277)
Income tax expenses	(387)	-
PROFIT/(LOSS) FOR THE YEAR	(7,131)	(31,277)
OTHER COMPREHENSIVE INCOME		
Gain on bargain purchase		
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(7,131)	(31,277)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of the Company	(7,971)	(32,262)
Non-controlling interests	840	985
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(7,131)	(31,278)

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<u>STATEMENT OF FINANCIAL POSITION</u>	2024	2023
	<i>USD' 000</i>	<i>USD' 000</i>
ASSETS		
<i>Non-current Assets</i>		
Floating platform	60,622	70,432
Finance lease receivable	24,665	30,126
Other receivable	1,542	2,248
	<u>86,829</u>	<u>102,806</u>
<i>Current Assets</i>		
Finance lease receivables	11,862	11,203
Trade and other receivables	6,787	7,171
Investments	-	-
Cash and short-term deposit	11,382	14,717
	<u>30,031</u>	<u>33,091</u>
TOTAL ASSETS	116,860	135,897
EQUITY AND LIABILITIES		
<i>Equity</i>		
Share Capital	7,500	7,500
Retained Earnings	(39,973)	(32,262)
	<u>(32,473)</u>	<u>(24,762)</u>
Non-controlling interest	22,325	23,685
RCPS	2,389	2,389
Total equity	<u>(7,759)</u>	<u>1,312</u>
<i>Current Liabilities</i>		
Trade and other payables	20,448	30,796
Interest payable	48	49
Income tax payable	383	-
	<u>20,879</u>	<u>30,845</u>
<i>Non-current Liabilities</i>		
Borrowings	103,740	103,740
Total Liabilities	<u>124,619</u>	<u>134,585</u>
TOTAL EQUITY AND LIABILITIES	116,860	135,897

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<u>STATEMENT OF CASH FLOWS</u>	2024 <i>USD' 000</i>	2023 <i>USD' 000</i>
OPERATING ACTIVITIES		
Loss before tax	(6,744)	(31,277)
<i>Adjustment for:</i>		
Depreciation expense for plant & equipment	9,810	9,809
Amortisation of UWILD	719	514
Finance income & costs	15,073	9,030
Foreign exchange (gain)/loss	3	31
Fair value loss on loan	-	33,740
Gain on bargain purchase	-	(32)
	<u>18,861</u>	<u>21,815</u>
 Working Capital adjustments:		
Trade and other receivables	5,649	3,133
Trade and other payables	(10,829)	11,909
Interest received & paid	(15,073)	(9,030)
Net cash flows generated from operating activities	<u>(1,392)</u>	<u>27,827</u>
 INVESTING ACTIVITIES		
Investment in subsidiary	-	(66,541)
Cash flows used in investing activities	<u>-</u>	<u>(66,541)</u>
 FINANCE ACTIVITIES		
Repayment of loan	-	(29,917)
Dividend/capital reduction payments to non-controlling interest	(1,940)	(3,600)
Dividend received	-	-
Loan received	-	79,479
Shares issued	-	7,500
Cash flows (used in)/ generated from financing activities	<u>(1,940)</u>	<u>53,462</u>
 (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(3,332)</u>	<u>14,748</u>
CASH AND CASH EQUIVALENTS AT INCORPORATION	<u>14,717</u>	<u>-</u>
Effects of foreign exchange on cash	(3)	(31)
CASH AND CASH EQUIVALENTS AT THE YEAR	<u>11,382</u>	<u>14,717</u>

The financial statements for the Guarantors and the Group are attached to this Admission Document.

The Issuer's auditor is Ernst & Young LLP, located at One Raffles Quay, North Tower, Level 18, Singapore 048583.

As of the date of this Admission Document, the Issuers only external debt is the USD 75 000 000 issued bonds with ISIN NO0013265827. The Issuer used the net proceeds from the issuance of the bonds for refinancing of the Existing Debt (the financial indebtedness incurred and outstanding under the Issuer's term loan facility entered into with the Existing Creditor of up to USD 70,000,000 plus accrued interest) in full and any remaining amount may be applied for general corporate purposes.

There are no major future investments planned by the Issuer that have been approved by its corporate bodies.

There are no legal disputes, arbitration proceedings, legal decisions, arbitration rulings or settlements not shown in the accounts appended to the Admission Document which have or may have a significant effect on the Issuer's financial position.

5. Attached documents

1. Bond Terms - NO0013265827 – dated 3rd July 2024
2. Guarantee Agreement – dated 5th July 2024
3. Loan description - NO0013265827
4. Samos Energy Infrastructure Limited - Memorandum of Association
5. Samos Energy Infrastructure Limited – Audited Financial Statements - 31 December 2023
6. Samos Energy Infrastructure Limited – Consolidated Financial Statements (Unaudited) - 30 June 2024
7. FPF003 Pte. Limited – Audited Annual Financial Statements 2023
8. FPF003 Pte. Limited – Audited Annual Financial Statements 2022
9. FPF003 Pte. Limited – Audited Annual Financial Statements 2021
10. FPF005 Limited - Audited Financial Statements 2023
11. FPF005 Limited - Audited Financial Statements 2022
12. FPF005 Limited - Audited Financial Statements 2021
13. PV Keez Pte. Ltd. - Audited Financial Statements 2023
14. PV Keez Pte. Ltd. - Audited Financial Statements 2022
15. PV Keez Pte. Ltd. - Audited Financial Statements 2021

EXECUTION VERSION

BOND TERMS

FOR

**Samos Energy Infrastructure Ltd 12.5% senior secured USD 75,000,000
bonds 2024/2028**

ISIN NO0013265827

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ATTACHMENT 1 COMPLIANCE CERTIFICATE

ATTACHMENT 2 RELEASE NOTICE – ESCROW ACCOUNT

BOND TERMS between	
ISSUER:	Samos Energy Infrastructure Ltd, a company existing under the laws of Jersey with registration number 149126 and LEI-code 213800OZQ4EKIQE6G428
BOND TRUSTEE:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
DATED:	3 July 2024
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

1. INTERPRETATION

1.1 Definitions

The following terms will have the following meanings:

“**Acceptable Bank**” means:

- (a) Standard Chartered Bank (Singapore) Limited, Standard Chartered Bank – Labuan, Standard Chartered Bank – Kuala Lumpur and Barclays Bank Plc (Jersey);
- (b) a bank or financial institution which has a rating for its long-term unsecured and non-credit-enhanced debt obligations of BBB or higher by Standard & Poor’s Rating Services or Fitch Ratings Ltd or Baa2 or higher by Moody’s Investors Service Limited or a comparable rating from an internationally recognized credit rating agency; or
- (c) such other bank or financial institution reasonably acceptable to the Bond Trustee.

“**Accounting Standard**” means IFRS.

“**Adjusted EBITDA**” means, in relation to a LTM Period, EBITDA for that LTM Period adjusted by:

- (a) including any Cure Amount which has been contributed by the Issuer in the relevant quarter but excluding any Cure Amount in respect of any previous quarter;
- (b) excluding the operating profit before interest, tax, depreciation, amortisation and impairment charges (calculated on the same basis as EBITDA) for the LTM Period of any Group Company (or, as the case may be, any business or assets) sold or disposed of by a Group Company during such period;
- (c) excluding any amount payable under any earn out arrangement; and

(d) excluding any amount the Issuer has paid or declared to pay as Distribution.

“**Affiliate**” means, in relation to any person:

- (a) any person which is a Subsidiary of that person;
- (b) any person with Decisive Influence over that person (directly or indirectly); and
- (c) any person which is a Subsidiary of an entity with Decisive Influence over that person (directly or indirectly).

“**Annual Financial Statements**” means

- (a) the audited unconsolidated annual financial statement of the Issuer; and
- (b) the audited consolidated annual financial statements of the Group,

in the English language for any financial year, prepared in accordance with the Accounting Standard, such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.

“**Asset Disposal Event**” means the Disposal by the Group of any asset(s) with an aggregate value or for an aggregate consideration of more than USD 2,000,000 in aggregate, during any financial year, other than a Disposal to another Group Company wholly owned (directly or indirectly) by the Issuer.

“**Asset Disposal Proceeds**” means the consideration received (or the cash value of such proceeds if not received in cash) by the Group in connection with the Asset Disposal Event, less customary and reasonable transaction costs to non-Affiliated parties.

“**Attachment**” means any schedule, appendix or other attachment to these Bond Terms.

“**Bond Currency**” means the currency in which the Bonds are denominated, as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Bond Terms**” means these terms and conditions, including all Attachments which form an integrated part of these Bond Terms, in each case as amended and/or supplemented from time to time.

“**Bond Trustee**” means the company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

“**Bond Trustee Fee Agreement**” means the agreement entered into between the Issuer and the Bond Trustee relating, among other things, to the fees to be paid by the Issuer to the Bond Trustee for the services provided by the Bond Trustee relating to the Bonds.

“**Bondholder**” means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 3.3 (*Bondholders' rights*).

“Bondholders’ Meeting” means a meeting of Bondholders as set out in Clause 16 (*Bondholders’ Decisions*).

“Bonds” means (i) the debt instruments issued by the Issuer pursuant to these Bond Terms and (ii) any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the regulations of the CSD from time to time.

“Business Day” means a day on which both the relevant CSD settlement system is open, and the relevant settlement system for the Bond Currency is open.

“Business Day Convention” means that if the last day of any Interest Period originally falls on a day that is not a Business Day, no adjustment will be made to the Interest Period.

“Call Option” has the meaning ascribed to such term in Clause 10.2 (*Voluntary early redemption – Call Option*).

“Call Option Repayment Date” means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*), paragraph (d) of Clause 10.3 (*Mandatory repurchase due to a Put Option Event*) or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

“Change of Control Event” means the occurrence of an event or series of events whereby Amerocap LLC ceases to own directly or indirectly fifty-one per cent (51%) or more of the outstanding shares and/or voting capital of the Issuer.

“Charged Account” means each bank account held in the name of each Core Group Company from time to time other than (i) the Escrow Account and (ii) each Exempted Account.

“Charter Agreements” means each of the charter agreements relating to a Vessel.

“Compliance Certificate” means a statement substantially in the form as set out in Attachment 1 hereto.

“Consolidated Cash” means, at the date of calculation (on a consolidated basis for the Issuer and the Group), the amount of cash in hand or on deposit held by:

- (a) a Core Group Company in a Charged Account; and
- (b) an Extended Group Company in an account other than an Exempted Account,

in each case with any Acceptable Bank that, in each case, is unencumbered by any Security (other than arising pursuant to the Transaction Security and any netting, set-off, cash management, cash pooling or consolidation or combination of accounts in accordance with the Issuer and Group’s ordinary banking arrangements).

Any Consolidated Cash attributable to an Extended Group Company shall account only with a value reflecting the Issuer’s (direct or indirect) economic ownership of such Group Company.

“Contract Termination Event” means the termination of a Charter Agreement by any party for any reason, other than where such Charter Agreement is promptly replaced with a replacement charter for the same Vessel and the termination and replacement will not have a material adverse impact on the profitability of that Vessel for the Group.

“Core Group Company” means the Issuer and any Group Company wholly owned (directly or indirectly) by the Issuer.

“Corporate Service Agreements” means each of:

- (a) the corporate service agreement entered into by Samos Energy LLC as service provider and the Issuer as customer dated 7 August 2023;
- (b) the corporate service agreement entered into by Samos Energy Ltd as service provider and the Issuer as customer dated 7 August 2023; and
- (c) any replacing or new corporate service agreements at any time entered into by an Affiliate of the Issuer as service provider and relating to corporate services for any Group Company.

“CSD” means the central securities depository in which the Bonds are to be registered, being Euronext Securities Oslo (Verdipapirsentralen ASA (VPS)).

“Debt Service” means, in respect of any NTM Period, on a consolidated basis for the Group, the aggregate amount of scheduled principal, interest, fees and other amounts payable or repayable for any reason in relation to Interest Bearing Debt, excluding:

- (a) any arrangement, management, amendment, consent or other one-off fees or costs in respect of the issuance of the Bonds; and
- (b) any capitalized interest accrued on any Subordinated Loans,

provided that where an entity or undertaking is less than 100% owed by the Issuer (directly or indirectly) the Debt Service pertaining to obligations for which such entity is solely liable shall account only with a value reflecting the Issuer’s (direct or indirect) economic ownership of such entity or undertaking.

“Debt Service Cover Ratio” means the ratio of Adjusted EBITDA in respect of any LTM Period to Debt Service in respect of any NTM Period.

“Decisive Influence” means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):

- (a) a majority of the voting rights in that other person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other person.

“Default Notice” has the meaning ascribed to such term in Clause 15.2 (*Acceleration of the Bonds*).

“Default Repayment Date” means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

“Disposal” means a sale, lease, transfer or other disposal (including the transfer, assignment, novation or similar of any right or contract) by a Group Company of any asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions).

“Distribution” means

- (a) payment of dividend, charge or fee or other distribution (whether in cash or in kind) on or in respect of share capital;
- (b) repayment or distribution of dividend or share premium reserve;
- (c) redemption, repurchase or repayment of share capital or other restricted equity with repayment to shareholders (including on Shareholder Claims other than those arising under the Corporate Service Agreements);
- (d) other similar distributions or transfers of value to the direct and indirect shareholders of any Group Company or any Affiliate of such shareholder not being a Core Group Company.

“Earnings Account” means any account in the name of a Vessel Owner with an Acceptable Bank.

“EBITDA” means, in respect of any LTM Period, the operating profit of the Group (on a consolidated basis) from ordinary activities (i.e. excluding the results from discontinued operations):

- (a) before deducting (i) any amount of tax on profits, gains or income whether paid, payable or capitalised by any Group Company (calculated on a consolidated basis) in respect of that LTM Period, or (ii) any amounts distributed in respect thereof;
- (b) before deducting any finance charges or amounts accrued in the nature of non-cash interest accrued or payable in respect of any Subordinated Loans;
- (c) before adding any interest receivable by or accruing in favour of any Group Company;
- (d) after adding back any amount attributable to the amortisation, depreciation or impairment of assets (including, without limitation, amortisation or impairment of any goodwill or intangible assets);
- (e) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by any Group Company (calculated on a consolidated basis) in respect of that LTM Period;
- (f) before taking into account any items of an exceptional or non-recurring nature provided that items excluded in accordance with this paragraph (vi) have not already been adjusted on a “pro forma basis” and will in aggregate not exceed, for any LTM

Period thereafter, 10 per cent. of EBITDA for the applicable LTM Period (prior to giving effect to such exclusions);

- (g) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative which is accounted for on a hedge accounting basis);
- (h) after adding back (or deducting), as the case may be, the amount of any loss or gain against book value arising on a Disposal of any assets (other than in the ordinary course of trading), any loss or gain arising from an upward or downward revaluation of any asset, including without limitation impairment charges, asset write-offs, inventory revaluations, obsolescence charges, amortization of intangibles and other fair value adjustments;
- (i) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;
- (j) before taking into account any cost of or income from retirement benefit plans other than any cost of benefit entitlements earned in the relevant accounting period (i.e. none of any cost recognized in respect of any prior period); and
- (k) plus or minus the Group's share of the profit or losses (after finance costs and tax) of non-members of the Group (i.e. who are not consolidated in when preparing the relevant financial statements),

in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profits of the Group before taxation.

Where an entity or undertaking is less than 100% owed by the Issuer, directly or indirectly) the EBITDA of such entity or operations shall account only with a value reflecting the Issuer's (direct or indirect) economic ownership of such entity or undertaking.

"Escrow Account" means an account in the name of the Issuer, blocked and pledged on first priority as security for the Issuer's obligations under the Finance Documents.

"Escrow Account Pledge" means the pledge over the Escrow Account, where the bank operating the account has waived any set-off rights.

"Event of Default" means any of the events or circumstances specified in Clause 15.1 (*Events of Default*).

"Exchange" means:

- (a) Nordic ABM, a self-regulated marketplace organised and operated by Oslo Børs; or
- (b) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR).

"Exempted Account" means, other than the Escrow Account:

- (a) each bank account that serves as an escrow account permitted under these Bond Terms;
- (b) each tax withholding account which the Group is required to maintain by law (holding only such funds as are required to be held in such account by law);
- (c) each cash collateral bank account permitted under these Bond Terms; and
- (d) any other bank accounts in which a total aggregate amount of not more than USD 200,000 is deposited.

“Exempted Assets and Guarantees” means the assets and guarantee specified in Clause 2.5 (*Transaction Security*) paragraph (d).

“Existing Creditor” means Damask Mercury L.L.C.

“Existing Debt” means the financial indebtedness incurred and outstanding under the Issuer’s term loan facility entered into with the Existing Creditor of up to USD 70,000,000 plus accrued interest.

“Extended Group Company” means any Group Company non-wholly owned (directly or indirectly) by the Issuer.

“Finance Documents” means these Bond Terms, the Bond Trustee Fee Agreement, the Transaction Security Documents, any Subordination Undertaking, and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

“Financial Indebtedness” means any indebtedness for or in respect of:

- (a) moneys borrowed (and debit balances at banks or other financial institutions);
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Standard, be capitalised as an asset and booked as a corresponding liability in the balance sheet;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under the Accounting Standard are met);
- (f) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);

- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a person which is not a Group Company which liability would fall within one of the other paragraphs of this definition;
- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under the Accounting Standard;
- (i) any amount of any liability under an advance or deferred purchase agreement, if (a) the primary reason behind entering into the agreement is to raise finance or (b) the agreement is in respect of the supply of assets or services and payment is due more than 120 calendar days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under the Accounting Standard; and
- (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

“Financial Reports” means the Annual Financial Statements and the Interim Accounts.

“Financial Support” means any loans, guarantees, Security securing obligations of another person or other financial assistance (whether actual or contingent), including the acquisition and subscription of shares or other equity interests or other contribution of equity in another person.

“First Call Date” means the Interest Payment Date falling in July 2026.

“FPF003” means FPF003 Pte. Limited, a company incorporated in Singapore (201108078N) whose registered office is at 9 Raffles Place, 26-01 Republic Plaza, Singapore 048619.

“FPF005” means FPF005 Limited a company incorporated in Federal Territory of Labuan, Malaysia (LL08420) whose registered office is at Unit Level 13(A), Main Office Tower Financial Park Labuan, Jalan Merdeka, 87000 Federal Territory of Labuan, Malaysia.

“GAAP” means generally accepted accounting practices and principles in the country in which the Issuer is incorporated including, if applicable, IFRS.

“Group” means the Issuer and its Subsidiaries from time to time.

“Group Company” means any person which is a member of the Group.

“Guarantee” means the unconditional Norwegian law guarantee and indemnity (Norwegian: *“selvskyldnerkausjon”*) issued by each of the Guarantors in respect of the Secured Obligations.

“Guarantor” means any Group Company other than the Issuer and Keez, subject to the Exempted Assets and Guarantees.

“IFRS” means the International Financial Reporting Standards and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof) in force from time to time and to the extent applicable to the relevant financial statement.

“Initial Nominal Amount” means the Nominal Amount of each Bond on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“Insolvent” means that a person:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts generally; or
- (c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its centre of main interest as such term is understood pursuant to Regulation (EU) 2015/848 on insolvency proceedings (as amended from time to time).

“Interest Bearing Debt” means all interest bearing debt of the Group on a consolidated basis.

“Interest Payment Date” means the last day of each Interest Period, the first Interest Payment Date being 5 October 2024 and the last Interest Payment Date being the Maturity Date.

“Interest Period” means, subject to adjustment in accordance with the Business Day Convention, the periods between 5 January, 5 April, 5 July and 5 October each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

“Interest Rate” means 12.5 percentage points per annum.

“Interim Accounts” means:

- (a) the unaudited unconsolidated quarterly financial statements of the Issuer; and
- (b) the unaudited consolidated quarterly financial statements of the Group,

in the English language for the quarterly periods ending on 31 March, 30 June, 30 September and 31 December in each of its financial years, each of which shall include a balance sheet, profit and loss account and cashflow statement together with management commentary on the performance.

“Intra-Group Debt” means any liability or monetary claim which is or will become owing by one Group Company to another Group Company (including, for the avoidance of doubt, any indebtedness arising as part of any cash pooling arrangement), provided that such debt is unsecured and subordinated so that:

- (a) such loan or credit is permitted serviced so long as no Event of Default is outstanding;
- (b) upon the occurrence of an Event of Default which is continuing any repayment of, or payment of interest or fees under, any such loan in cash is subject to all present and future obligations and liabilities under the Finance Documents having been discharged in full (unless as otherwise expressly permitted or instructed by the Bond Trustee; and
- (c) upon the Bond Trustee formally declaring an Event of Default the Bond Trustee has the right to release and discharge such debt and any loan agreement with a non-Guarantor shall include provisions to that effect.

“ISIN” means International Securities Identification Number.

“Issue Date” means 5 July 2024.

“Issuer” means the company designated as such in the preamble to these Bond Terms.

“Issuer’s Bonds” means any Bonds which are owned by the Issuer or any Affiliate of the Issuer.

“Keez” means PV Keez Pte. Ltd., a company incorporated in Singapore (20090125C) whose registered office is at 9 Raffles Place, #26-01, Republic Plaza Singapore 048619.

“Keez Shareholder Agreement” means the shareholder agreement entered into on 19 December 2016 between Samos Energy Floating Infrastructure 2 Ltd., KS Investments Pte Ltd, PetroVietnam Transportation Corporation and Keez in respect of the shares in Keez.

“Listing Failure Event” means:

- (a) that the Bonds have not been admitted to listing on an Exchange within 6 months following the Issue Date, or
- (b) in the case of a successful admission to listing, that a period of 6 months has elapsed since the Bonds ceased to be admitted to listing on an Exchange.

“Liquidity” means the aggregate amount of the Consolidated Cash of the Group which can be made available to the Issuer in any manner permitted by these Bond Terms.

“LTM Period” means each period of 12 consecutive calendar months ending on the last day of the preceding financial quarter.

“Make Whole Amount” means an amount equal to the sum of the present value on the Call Option Repayment Date of:

- (a) the Nominal Amount of the redeemed Bonds at the price as set out in paragraph (a)(ii) of Clause 10.2 (*Voluntary early redemption – Call Option*) as if such payment originally had taken place on the First Call Date; and
- (b) the remaining interest payments of the redeemed Bonds (less any accrued and unpaid interest on the redeemed Bonds as at the Repayment Date) to the First Call Date,

where the present value shall be calculated by using a discount rate of 5.40 per cent. per annum.

“**Manager**” means ABG Sundal Collier ASA.

“**Mandatory Redemption Event**” means:

- (a) an Asset Disposal Event;
- (b) a Contract Termination Event; or
- (c) a Total Loss Event.

“**Mandatory Redemption Repayment Date**” means the settlement date for the Mandatory Redemption Event pursuant to Clauses 10.5 (*Mandatory early redemption due to an Asset Disposal Event*), 10.6 (*Mandatory early redemption due to a Contract Termination Event*) or 10.7 (*Mandatory early redemption due to a Total Loss Event*).

“**Market Value**” means the fair market value of the Vessels determined as the arithmetic mean of independent valuations of the Vessels obtained from two independent and well-reputed sale and purchase brokers familiar with the market for the Vessels appointed by the Issuer and approved by the Bond Trustee. Such valuation shall be made on the basis of a sale for prompt delivery for cash at arm’s length on normal commercial terms between a willing seller and a willing buyer, on an “as is where is” basis, free of any existing charters or other contracts for employment.

“**Material Adverse Effect**” means a material adverse effect on:

- (a) the business, financial condition, assets or operations of the Group taken as a whole;
- (b) the ability of the Issuer or any Guarantor or a security provider to perform and comply with its obligations under any Finance Document; or
- (c) the validity or enforceability of any Finance Document.

“**Maturity Date**” means 5 July 2028 (4 years after the Issue Date).

“**Net Proceeds**” means the proceeds from the issuance of the Bonds (net of fees and legal cost of the Manager and, if required by the Bond Trustee, the Bond Trustee fee, and any other cost and expenses incurred in connection with the issuance of the Bonds).

“**Nominal Amount**” means the nominal value of each Bond at any time. The Nominal Amount may be amended pursuant to paragraph (j) of Clause 17.2 (*The duties and authority of the Bond Trustee*).

“**NTM Period**” means each period of 12 consecutive calendar months beginning on the first day following the preceding financial quarter.

“**Obligor**” means the Issuer and any Guarantor.

“Outstanding Bonds” means any Bonds not redeemed or otherwise discharged.

“Overdue Amount” means any amount required to be paid by an Obligor or Security Provider under the Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date.

“Parent” means Samos Energy Infrastructure (Finco) Ltd., a company registered under the laws of Jersey with registration no. 154583.

“Partial Payment” means a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents.

“Paying Agent” means Nordic Trustee Services AS, appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.

“Payment Date” means any Interest Payment Date or any Repayment Date.

“Permitted Distribution” means any Distribution by a Group Company, if such Distribution is made to another Group Company and, if made by an Extended Group Company, is made on a pro rata basis based on economic ownership.

“Permitted Disposal” means:

- (a) any disposal between Core Group Companies, provided that any Transaction Security contemplated in respect of such asset is replaced or otherwise not impaired; and
- (b) a Disposal to any other party complying with the terms of Clauses 10.5 (*Mandatory early redemption due to an Asset Disposal Event*) where applicable.

“Permitted Financial Indebtedness” means Financial Indebtedness:

- (a) arising under the Finance Documents;
- (b) existing, up until the first release of funds from the Escrow Account, under the Existing Debt;
- (c) arising under any Intra-Group Debt between Core Group Companies;
- (d) arising under any Intra-Group Debt solely for the purpose of financing operating expenses relating to a Vessel, and not exceeding an aggregate amount of USD 3,000,000;
- (e) in the form of Subordinated Loans;
- (f) which constitutes Permitted Financial Support;
- (g) incurred by any Group Company in connection with its ordinary course banking and cash management services;

- (h) any obligation under a derivative transaction entered into with one or more hedge counterparties in connection with protection against or benefit from fluctuation in any rate or price, where such exposure arises in respect of payments to be made under these Bond Terms or otherwise in the ordinary course of business (including with respect to capital expenditure, but not in relation to a derivative transaction for speculative purposes);
- (i) in respect of any counter-indemnity obligation arising under any guarantee granted by a commercial bank for the obligations of any Group Company;
- (j) arising as a result of a contemplated refinancing of the Bonds in full provided that (i) a call notice has been served on the Bonds or will be served in connection with the refinancing (in full and any conditions precedent have been satisfied or waived) and (ii) the proceeds of such debt issuance are held in escrow until full repayment of the Bonds;
- (k) under any pension and tax liabilities incurred in the ordinary course of business;
- (l) in respect of any insurance premium financing arrangements; and
- (m) not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed USD 3,000,000 (or its equivalent) in aggregate for the Group at any time.

“Permitted Financial Support” means Financial Support:

- (a) granted under or in connection with the Finance Documents;
- (b) up until the first release of funds from the Escrow Account, granted under or in connection with the Existing Debt;
- (c) which constitutes Permitted Security;
- (d) arising under any Intra-Group Debt between Core Group Companies;
- (e) arising under any Intra-Group Debt solely for the purpose of financing operating expenses relating to a Vessel, up to an aggregate amount of USD 3,000,000 per annum and provided that where provided to an Extended Group Company, Financial Support is provided also by any other shareholder in such entity on a pro rata basis based on economic ownership;
- (f) which constitutes a trade credit or guarantee issued in respect of a liability incurred by another Group Company in the ordinary course of trading;
- (g) as a result of guarantees provided to or for the benefit of a counterparty to the Charter Agreements or the Corporate Service Agreements; and
- (h) not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed USD 3,000,000 (or its equivalent) in aggregate for the Group at any time.

“Permitted Investment” means any:

- (a) investment in a Group Company constituting Permitted Financial Support;
- (b) acquisition of any asset or service necessary or prudent for the operation and management of the Vessels owned by the Group; and
- (c) acquisition or formation of an empty shelf company acquired or incorporated solely for a reorganisation of the Group as otherwise permitted under these Bond Terms.

“Permitted Security” means Security:

- (a) over cash in favour of any provider of guarantees, letters of credit or other financial assistance issued to governments and other third parties (which is not a Group Company) in the ordinary course of business or as required under law,
- (b) arising and existing by operation of law or applicable public regulations and conventions (including any liens for crew wages and/or any other maritime liens) and not as a result of any default or omission;
- (c) arising under any (i) retention of title, (ii) hire purchase or conditional sale arrangement or (iii) arrangements having similar effect, in respect of goods supplied to a Group Company in its ordinary course of trading and pursuant to the supplier’s standard and usual terms and conditions and in each case arising solely on such goods and not as a result of any omission or default by any member of the Group;
- (d) over cash arising in the ordinary course of banking arrangements for the purposes of netting debt and credit balances of Group Companies;
- (e) over cash for any derivative transaction permitted under item (h) under Permitted Financial Indebtedness;
- (f) not permitted by the preceding paragraphs, provided over cash securing an outstanding principal amount of which does not exceed USD 3,000,000 (or its equivalent) in aggregate for the Group at any time,

provided that (i) other than (b) above that such Security is not created over an asset subject to Transaction Security or which would have been subject to Transaction Security had it not constituted Exempted Assets and Guarantees, and (ii) such Security is not provided by a Core Group Company in favour of or for the benefit of an Extended Group Company.

“Post-Disbursement Security” means:

- (a) the Guarantees from SEFIL 1 and SEFIL 2;
- (b) first priority security interest over all Jersey situs assets, undertakings and rights to the extent permitted under applicable law in respect of SEFIL 1 and SEFIL 2;
- (c) first priority security interest over the Charged Accounts held by SEFIL 1 and SEFIL 2; and

- (d) first priority assignment of claims under any Intra-Group Debt owed to SEFIL 1 and SEFIL 2.

“Pre-Disbursement Security” means:

- (a) in respect of the Parent and any of its Affiliates (as applicable):
 - (i) first priority security interest over all share capital in the Issuer; and
 - (ii) first priority assignment of any Shareholder Claims.
- (b) in respect of the Issuer:
 - (i) first priority security interest over all Jersey situs assets, undertakings and rights;
 - (ii) first priority security interest over all share capital held by the Issuer in any Group Company;
 - (iii) first priority security interest over the Charged Accounts, including Earnings Accounts; and
 - (iv) first priority assignment of claims under any Intra-Group Debt.
- (c) in respect of each Guarantor (excluding as relevant the Post-Disbursement Security):
 - (i) the Guarantees;
 - (ii) first priority charges over all share capital held in any Group Company;
 - (iii) first priority floating charge over all assets, undertakings and rights to the extent permitted under applicable law;
 - (iv) first priority charges over the Charged Accounts, including Earnings Accounts; and
 - (v) first priority assignment of claims under any Intra-Group Debt.
- (d) in respect of SEFIL 1:
 - (i) first priority charge over all share capital in FPF003 and FPF005.
- (e) in respect of each Vessel Owner (excluding as relevant in respect of the Exempted Assets and Guarantees):
 - (i) first priority mortgages over the Vessel owned by it (together with, if relevant, any collateral deed of covenants) subject to Quiet Enjoyment Letters where required under the relevant Charter Agreement;
 - (ii) first priority assignment of insurance proceeds in respect of the Vessel owned by it; and

- (iii) first priority assignment of the Charter Agreement relating to the Vessel owned by it subject to (i) Quiet Enjoyment Letters where required under the relevant Charter Agreement and (ii) consent of the contract counterparty where such consent is legally required. If consent under (ii) cannot be obtained (on a best efforts basis), the relevant Vessel Owner shall assign earnings under the Charter Agreements to the extent legally permissible.

“Pro-rata Vessel Value” means, in respect of a Vessel, an amount equal to $A \times B/C$, where:

- (a) A is the principal amount outstanding under the Bonds.
- (b) B is the Market Value of the relevant Vessel.
- (c) C is the aggregate Market Value of all Vessels owned by the Group.

In each case based on valuations not more than 30 days old.

“Put Option” has the meaning ascribed to such term in Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

“Put Option Event” means a Change of Control Event.

“Put Option Repayment Date” means the settlement date for the Put Option pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

“Quiet Enjoyment Letter” means any quiet enjoyment letter agreement, mortgagee’s undertaking or similar arrangement required by any charterer to be entered into by or between the Bond Trustee (on behalf on the Bondholders), the relevant Obligor in relation to any of the Vessels and the relevant charterer, if required by the charterer, which provides that the Bond Trustee shall not interfere with the free and undisturbed use by the end-user of any of the Vessels and not exercise any rights as mortgagee on terms acceptable to the Bond Trustee.

“Relevant Jurisdiction” means the country in which the Bonds are issued, being Norway.

“Relevant Record Date” means the date on which a Bondholder’s ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time; or
- (b) for the purpose of casting a vote with regard to Clause 16 (*Bondholders’ Decisions*), the date falling on the immediate preceding Business Day to the date of that Bondholders’ decision being made, or another date as accepted by the Bond Trustee.

“Reorganisation” means the merger of SEFIL 1 and SEFIL 2 into the Issuer, with the Issuer as surviving entity, entailing the transfer of all assets of SEFIL 1 and SEFIL 2 to the Issuer.

“Repayment Date” means any date for payment of instalments in accordance with Clause 10.1 (*Redemption of Bonds*), any Call Option Repayment Date, the Default Repayment Date,

any Put Option Repayment Date, the Tax Event Repayment Date, any Mandatory Redemption Repayment Date or the Maturity Date.

“Restricted Documents” means the Keez Shareholder Agreement, articles of association of Keez, each of the Charter Agreements and each of the Corporate Service Agreements.

“Samos Energy LLC” means Samos Energy LLC, a company registered under the laws of Delaware with registration no. 6991249 and being (directly or indirectly) a wholly owned subsidiary of Amerocap LLC.

“Samos Energy Ltd” means Samos Energy Ltd, a company registered under the laws of England with registration no. 11499721 and being (directly or indirectly) a wholly owned subsidiary of Amerocap LLC.

“Scheduled Amortisation” means each repayment of Bonds in instalments by way of redemption of Bonds, as described in Clause 10.1 (*Redemption of Bonds*).

“Secured Obligations” means all present and future liabilities and obligations of the Obligors to any of the Secured Parties under the Finance Documents.

“Secured Parties” means the Security Agent and the Bond Trustee on behalf of itself and the Bondholders.

“Securities Trading Act” means the Securities Trading Act of 2007 no.75 of the Relevant Jurisdiction.

“Security” means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“Security Agent” means the Bond Trustee or any successor Security Agent, acting for and on behalf of the Secured Parties in accordance with any Security Agent Agreement or any other Finance Document.

“Security Agent Agreement” means any agreement other than these Bond Terms whereby the Security Agent is appointed to act as such in the interest of the Bond Trustee (on behalf of itself and the Bondholders).

“Security Provider” means any person granting Transaction Security.

“SEFIL 1” means Samos Energy Floating Infrastructure 1 Ltd, a company incorporated in Jersey (106801) whose registered office is at 26 New Street, St Helier, JE2 3RA, Jersey.

“SEFIL 2” means Samos Energy Floating Infrastructure 2 Ltd, a company incorporated in Jersey (121639) whose registered office is at 26 New Street, St Helier, JE2 3RA, Jersey.

“Shareholder Claims” means any claim held by any of the Issuer’s direct or indirect shareholders or any of their Affiliates (excluding any member of the Group) against the Issuer or any other member of the Group.

“Subordinated Loan” means any loan or credit granted to the Issuer and being subject to a Subordination Undertaking.

“Subordination Undertaking” means an undertaking in respect of a loan or credit whereby:

- (a) such loan or credit is fully subordinated to all amounts outstanding under the Finance Documents and shall be unsecured; and
- (b) any repayment of, or payment of interest, fees or other amounts under, any such loan in cash is subject to all present and future obligations and liabilities under the Finance Documents having been discharged in full, unless made as a Permitted Distribution or otherwise expressly permitted by these Bond Terms; and
- (c) the Bond Trustee has the right to release and discharge such debt.

Such undertaking to otherwise be in form and substance satisfactory to the Bond Trustee and supported by such evidence of due authorisation/execution, legal opinions and other documentation as reasonably requested by the Bond Trustee.

“Subsidiary” means a person over which another person has Decisive Influence.

“Summons” means the call for a Bondholders’ Meeting or a Written Resolution as the case may be.

“Tax Event Repayment Date” means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.4 (*Early redemption option due to a tax event*).

“Termination Compensation” means any compensation payable to the Group as compensation for the termination of a Charter Agreement, net of any direct costs of the relevant Vessel Owner incurred as a result of the termination.

“Total Loss Event” means:

- (a) an actual, constructive, compromised, agreed or other total loss of the Vessel;
- (b) any expropriation, confiscation, requisition or acquisition of the Vessel, whether for full consideration, a consideration less than the proper value, a nominal consideration or without any consideration, which is effected by any government or official authority or by any person or persons claiming to be or to represent a government or official authority, excluding a requisition for hire for a fixed period against payment of market hire, not exceeding one year without any right to extension; and
- (c) any condemnation of the Vessel by any tribunal or any person or persons claiming to be a tribunal.

“Transaction Security” means the Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents.

“**Transaction Security Documents**” means, collectively, the Escrow Account Pledge, the Pre-Disbursement Security, the Post-Disbursement Security and any other Security granted pursuant to Clause 6.3 (*Conditions* subsequent).

“**Vessels**” means each of:

- (a) the floating production, storage and offloading vessel known as "FPF-003" (prev "Jasmine Venture MV7") registered in Singapore with IMO number 7370650;
- (b) the mobile offshore production unit known as "West Desaru MOPU" registered in Cook Islands with IMO number 8751851; and
- (c) the vessel “Lewek Emas” registered in Singapore with IMO number 7506039.

“**Vessel Owner**” means each Group Company owning a Vessel.

“**Voting Bonds**” means the Outstanding Bonds less the Issuer’s Bonds.

“**Written Resolution**” means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 16.5 (*Written Resolutions*).

1.2 Construction

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number will include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of these Bond Terms;
- (d) references to a time are references to Central European Time unless otherwise stated;
- (e) references to a provision of “**law**” are a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (f) references to a “**regulation**” includes any regulation, rule, official directive, request or guideline by any official body;
- (g) references to a “**person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;
- (h) references to Bonds being “**redeemed**” means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (i) references to Bonds being “**purchased**” or “**repurchased**” by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer’s purchase of Bonds*);

- (j) references to persons “**acting in concert**” shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (k) an Event of Default is “**continuing**” if it has not been remedied or waived.

2. THE BONDS

2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds in the amount of USD 75,000,000.
- (b) The Bonds are denominated in US Dollars (USD), being the legal currency of the United States of America.
- (c) The Initial Nominal Amount of each Bond is USD 1,000.
- (d) The ISIN of the Bonds is set out on the front page. These Bond Terms apply with identical terms and conditions to (i) all Bonds issued under this ISIN and (ii) any Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time.
- (e) Holders of Overdue Amounts related to interest claims will not have any other rights under these Bond Terms than their claim for payment of such interest claim which claim shall be subject to paragraph (b) of Clause 16.1 (*Authority of the Bondholders' Meeting*).

2.2 Tenor of the Bonds

The tenor of the Bonds is from and including the Issue Date to but excluding the Maturity Date.

2.3 Use of proceeds

The Issuer will use the Net Proceeds from the issuance of the Bonds for refinancing of the Existing Debt in full and any remaining amount may be applied for general corporate purposes.

2.4 Status of the Bonds

The Bonds shall constitute senior debt obligations of the Issuer. The Bonds will rank pari passu between themselves and at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

2.5 Transaction Security

- (a) As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted in favour of the Security Agent on behalf of the Secured Parties with first priority within the times agreed in Clause 6 (*Conditions for Disbursement*), subject to the exceptions expressly set out herein (including but not limited to in respect of any Exempted Assets and Guarantees) and/or otherwise agreed:
 - (i) the Escrow Account Pledge;

- (ii) the Pre-Disbursement Security; and
 - (iii) the Post-Disbursement Security.
- (b) The Transaction Security shall be entered into on such terms and conditions as the Security Agent and the Bond Trustee in its discretion deems appropriate in order to create the intended benefit for the Secured Parties under the relevant document.
- (c) The Security Agent is irrevocably authorised to release any Guarantees and Transaction Security over assets which are sold or otherwise disposed of (directly or indirectly) (A) in any merger, de-merger or disposal permitted in compliance with Clauses 13.6 (*Mergers and de-mergers*) or 13.13 (*Disposals*) and (B) following an enforcement.
- (d) In respect of an entity constituting an Extended Group Company on the Issue Date and for as long as it remains an Extended Group Company:
 - (i) such entity shall not be required to provide a Guarantee;
 - (ii) Transaction Security shall not be required over its assets; and
 - (iii) for as long as contractual arrangements prevent its creation, no Transaction Security shall be provided over the shares in such entity.

2.6 Release of Security

- (a) The Bond Trustee shall at the cost and request of the Issuer, release Transaction Security over any asset which is directly (in case of an asset disposal) or indirectly (in case of a share disposal) disposed of, handed back, revoked, terminated or cancelled, provided that:
 - (i) such disposal, handing back, revocation, termination or cancellation is permitted under these Bond Terms;
 - (ii) the Issuer has or will satisfy all conditions for such disposal, handing back, revocation, termination or cancellation to be permitted; and
 - (iii) in case of a disposal resulting in a prepayment or repurchase obligation under these Bond Terms (actual or contingent), such payment will be received by the Bond Trustee upon release of the relevant Transaction Security (subject to a closing mechanism satisfactory to the Bond Trustee).
- (b) In case of a Permitted Disposal of all shares in a Guarantor, such company shall be released from its obligations as a Guarantor.
- (c) The Bond Trustee shall also in connection with the Reorganisation, if and when requested by the Issuer (and at the Issuer's cost), release (i) any security granted over the share capital held by the Issuer in SEFIL 1 and SEFIL 2, (ii) any security granted over claims against SEFIL 1 and SEFIL 2 and (iii) any security established by SEFIL 1

and SEFIL 2, and sign, execute, deliver, file and register any relevant documents and/or perform all other actions as may be required to complete the Reorganisation.

- (d) The Bond Trustee may enter into closing/settlement and/or release agreements and arrangements with respect to any release of Transaction Security which are, in each case, in line with market practise or which is otherwise satisfactory to the Bond Trustee.

3. THE BONDHOLDERS

3.1 Bond Terms binding on all Bondholders

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.
- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

3.2 Limitation of rights of action

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures or take other legal action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including the right to exercise the Put Option.
- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

3.3 Bondholders' rights

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

4. ADMISSION TO LISTING

The Issuer shall ensure that the Bonds are listed on an Exchange within 6 months of the Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full.

5. REGISTRATION OF THE BONDS

5.1 Registration in the CSD

The Bonds shall be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD.

5.2 Obligation to ensure correct registration

The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the CSD of any such amendment or variation.

5.3 Country of issuance

The Bonds have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

6. CONDITIONS FOR DISBURSEMENT

6.1 Conditions precedent for disbursement

- (a) Payment of the Net Proceeds from the issuance of the Bonds to the Escrow Account shall be conditional on the Bond Trustee having received in due time (as determined by the Bond Trustee) prior to the Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee:
 - (i) these Bond Terms duly executed by all parties hereto;
 - (ii) copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents to which it is a party;
 - (iii) a copy of a power of attorney (unless included in the corporate resolutions) from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party;
 - (iv) copies of the Issuer's articles of association and of a full extract from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing;
 - (v) copies of the Issuer's latest Financial Reports (if any);
 - (vi) confirmation that the applicable prospectus requirements (ref. the EU prospectus regulation ((EU) 2017/1129)) concerning the issuance of the Bonds have been fulfilled;

- (vii) copies of any necessary governmental approval, consent or waiver (as the case may be) required at such time for (i) the Issuer to issue the Bonds and (ii) the relevant Guarantor to issue the Guarantee;
 - (viii) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds);
 - (ix) confirmation of acceptance from any process agent;
 - (x) a certificate from the Issuer confirming that the issuance of the Bonds would not cause any borrowing, issuance, or similar limit binding on it to be exceeded or breached;
 - (xi) confirmation in writing from the Issuer that no Event of Default has occurred or is likely to occur as a result of the issuance of the Bonds or the disbursement of the Net Proceeds of the issuance of the Bonds and no event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of the foregoing) constitute an Event of Default exists;
 - (xii) the Escrow Account Pledge duly executed by all parties thereto and the security interests contemplated thereunder perfected in accordance with applicable law;
 - (xiii) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Manager in connection with the issuance of the Bonds;
 - (xiv) the Bond Trustee Fee Agreement duly executed by all parties thereto; and
 - (xv) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of these Bond Terms and the Finance Documents).
- (b) The Net Proceeds from the issuance of the Bonds (on the Escrow Account) will not be disbursed to the Issuer unless the Bond Trustee has received or is satisfied that it will receive in due time (as determined by the Bond Trustee) prior to such disbursement to the Issuer each of the following documents, in form and substance satisfactory to the Bond Trustee:
- (i) a duly executed release notice from the Issuer, as set out in Attachment 2;
 - (ii) unless delivered under paragraph (a) above, as pre-settlement conditions precedent:
 - (A) copies of all necessary corporate resolutions (including, where relevant, shareholders' resolutions) of (i) the Issuer to issue the Bonds and execute the Finance Documents to which it is a party and (ii) Parent, each Security Provider and each Guarantor to execute (as relevant) the Guarantee and any other Finance Documents to which it is a party;

- (B) a copy of a power of attorney (unless included in the corporate resolutions) from each of the Issuer, the Parent, each Security Provider and the relevant Guarantors to relevant individuals for their execution of the Finance Documents to which each of the Issuer, the Parent and the relevant Guarantors is a party;
 - (C) copies of each of the Issuer's, the Parent's, each Security Provider's and the relevant Guarantors' articles of association or constitution and a full extract from the relevant company register in respect of each of the Issuer, the Parent, each Security Provider and the relevant Guarantors evidencing that the Issuer, the Parent, each Security Provider and the relevant Guarantor is validly existing;
- (iii) evidence that (a) the Existing Debt will be repaid in full upon release of funds from the Escrow Account and (b) that any Security for the Existing Debt will be released, in each case, in accordance with the Closing Procedure;
- (iv) copies of any consents required from any counterparty or authority for the creation or perfection of any security interest contemplated under the Transaction Security;
- (v) the Pre-Disbursement Security duly executed by all parties thereto and the security interests contemplated thereunder perfected in accordance with applicable law, in accordance with the Closing Procedure;
- (vi) copies of each of the Charter Agreements and the Corporate Service Agreements;
- (vii) evidence that the mortgages have been registered on first priority with the relevant ship registry;
- (viii) all Finance Documents (unless to be entered into in respect of the Post-Disbursement Security) duly executed; and
- (ix) legal opinions or other statements as may be required by the Bond Trustee, including in respect of corporate matters relating to the Obligors and Security Providers and the legality, validity and enforceability of the Finance Documents.
- (c) The Bond Trustee, acting in its sole discretion, may waive the requirements for delivery of certain documentation or decide that delivery of certain documents shall occur subsequent to disbursement or settlement as the case may be and otherwise subject to a closing mechanism acceptable to the Issuer and the Bond Trustee (the "**Closing Procedure**"). Upon agreeing on a Closing Procedure, the Bond Trustee may agree to have the Net Proceeds of the issuance of the Bonds pre-positioned with a bank of the Existing Creditor (or representative thereof) and released to the Existing Creditor (or representative thereof) pursuant to an agreed closing mechanism in accordance with such Closing Procedure.

6.2 Disbursement of the proceeds

Disbursement of the proceeds from the issuance of the Bonds is conditional on the Bond Trustee's confirmation to the Paying Agent that the conditions in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to paragraph (c) of Clause 6.1 (*Conditions precedent for disbursement to the Issuer*).

6.3 Conditions Subsequent

- (a) The Issuer shall no later than sixty (60) Business Days following the Issue Date (unless the Reorganisation has completed by such date) procure the delivery to the Bond Trustee of each of the following documents, in form and substance satisfactory to the Bond Trustee:
 - (i) copies of all necessary corporate resolutions of the relevant entity to execute the Finance Documents pertaining to the Post-Disbursement Security to which it shall be party;
 - (ii) a copy of a power of attorney (unless included in the corporate resolutions) from each relevant entity to relevant individuals for their execution of the Finance Documents pertaining to the Post-Disbursement Security to which it shall be party;
 - (iii) copies of each of the relevant entity's articles of association and a full extract from the relevant company register in respect of each of such party evidencing that it is validly existing;
 - (iv) copies of any consents required from any counterparty or authority for the creation or perfection of any security interest contemplated under the Post-Disbursement Security;
 - (v) the Post-Disbursement Security and any other documentation pertaining thereto duly executed by all parties thereto and the security interests contemplated thereunder perfected in accordance with applicable law; and
 - (vi) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the legality, validity and enforceability of the relevant Finance Documents).
- (b) To the extent not covered by the Pre-Disbursement Security or the Post-Disbursement Security (if at all applicable according to paragraph (a) above) and subject to Clause 2.5 (*Transaction Security*) paragraph (d), the Issuer shall procure that the Secured Obligations are secured by the following Transaction Security at all times, subject to such supporting documentation, including legal opinions requested by the Bond Trustee, in each case acting reasonably:
 - (i) from the Parent and any of its Affiliates (as applicable):
 - (A) all of the share capital in the Issuer; and

- (B) first priority assignment of any Shareholder Claims;
- (ii) from any Group Company:
 - (A) the Guarantee;
 - (B) first priority charges over all share capital held by it in any Group Company;
 - (C) first priority floating charge over all assets, undertakings and rights to the extent permitted under applicable law;
 - (D) first priority charges over the Charged Accounts, including Earnings Accounts;
 - (E) first priority assignment of claims under any Intra-Group Debt; and
- (iii) from any Vessel Owner:
 - (A) first priority mortgages over the Vessel owned by it (together with, if relevant, any collateral deed of covenants) subject to Quiet Enjoyment Letters where required under the relevant Charter Agreement;
 - (B) first priority assignment of insurance proceeds in respect of the Vessel owned by it; and
 - (C) first priority assignment of the Charter Agreement relating to the Vessel owned by it subject to (1) Quiet Enjoyment Letters where required under the relevant Charter Agreement and (2) consent of the contract counterparty where such consent is legally required. If consent under (2) cannot be obtained (on a best efforts basis), the relevant Vessel Owner shall assign earnings under the Charter Agreements to the extent legally permissible.

7. REPRESENTATIONS AND WARRANTIES

The Issuer makes the representations and warranties set out in this Clause 7 (*Representations and Warranties*), in respect of itself and in respect of each Group Company to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (a) on the date of these Bond Terms;
- (b) on the Issue Date; and
- (c) on each date of disbursement of proceeds from the Escrow Account.

7.1 Status

It is a private company with limited liability, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, and has the power to own its assets and carry on its business as it is being conducted.

7.2 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated by those Finance Documents.

7.3 Valid, binding and enforceable obligations

These Bond Terms and each other Finance Document to which it is a party constitutes (or will constitute, when executed by the respective parties thereto) its legal, valid and binding obligations, enforceable in accordance with their respective terms, and (save as provided for therein) no further registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it.

7.4 Non-conflict with other obligations

The entry into and performance by it of these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any law or regulation or judicial or official order; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon it or any of its assets.

7.5 No Event of Default

- (a) No Event of Default exists or is likely to result from the making of any disbursement of proceeds or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance has occurred which constitutes (or with the expiry of any grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is likely to have a Material Adverse Effect.

7.6 Authorisations and consents

All authorisations, consents, approvals, resolutions, licences, exemptions, filings, notarisations or registrations required:

- (a) to enable it to enter into, exercise its rights and comply with its obligations under these Bond Terms or any other Finance Document to which it is a party; and
- (b) to carry on its business as presently conducted and as contemplated by these Bond Terms,

have been, or will be prior to the Issue Date, obtained or effected and are or will be prior to the Issue Date, in full force and effect.

7.7 Litigation

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is likely to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

7.8 Financial Reports

Its most recent Financial Reports fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared in accordance with the Accounting Standard, consistently applied.

7.9 No Material Adverse Effect

Since the date of the most recent Financial Reports, there has been no change in its business, assets or financial condition that is likely to have a Material Adverse Effect.

7.10 No misleading information

Any factual information provided by it to the Bondholders or the Bond Trustee for the purposes of the issuance of the Bonds was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

7.11 No withholdings

The Issuer is not required to make any deduction or withholding from any payment which it may become obliged to make to the Bond Trustee or the Bondholders under the Finance Documents.

7.12 Pari passu ranking

Its payment obligations under these Bond Terms or any other Finance Document to which it is a party ranks as set out in Clause 2.4 (*Status of the Bonds*).

7.13 Security

No Security exists over any of the present assets of any Group Company in conflict with these Bond Terms.

8. PAYMENTS IN RESPECT OF THE BONDS

8.1 Covenant to pay

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD on the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.

- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary has been set out for such payment in the relevant Finance Document.

8.2 Default interest

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus 3 percentage points per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.
- (c) Upon the occurrence of a Listing Failure Event and for as long as such Listing Failure Event is continuing, the interest on any principal amount outstanding under these Bond Terms will accrue at the Interest Rate plus 1 percentage point per annum.

8.3 Partial Payments

- (a) If the Paying Agent or the Bond Trustee receives a Partial Payment, such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
 - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee (and any Security Agent);
 - (ii) secondly, towards accrued interest due but unpaid; and
 - (iii) thirdly, towards any other outstanding amounts due but unpaid under the Finance Documents.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders, shall, after the above mentioned deduction of outstanding fees, liabilities and expenses, be applied (i) firstly towards any principal amount due but unpaid and (ii) secondly, towards accrued interest due but unpaid, in the following situations;
 - (i) if the Bond Trustee has served a Default Notice in accordance with Clause 15.2 (*Acceleration of the Bonds*); or

- (ii) if a resolution according to Clause 16 (*Bondholders' Decisions*) has been made.

8.4 Taxation

- (a) Each Obligor is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.
- (b) The Obligors shall, if any tax is withheld in respect of the Bonds under the Finance Documents:
 - (i) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and
 - (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.
- (c) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.
- (d) The Bond Trustee shall not have any responsibility to obtain information about the Bondholders relevant for the tax obligations pursuant to these Bond Terms.

8.5 Currency

- (a) All amounts payable under the Finance Documents shall be payable in the Bond Currency. If, however, the Bond Currency differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.
- (b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within 5 Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

8.6 Set-off and counterclaims

No Obligor or Security Provider may apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

9. INTEREST

9.1 Calculation of interest

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.
- (b) Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each (30/360-days basis), unless:
 - (i) the last day in the relevant Interest Period is the 31st calendar day but the first day of that Interest Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be shortened to a 30-day month; or
 - (ii) the last day of the relevant Interest Period is the last calendar day in February, in which case February shall not be lengthened to a 30-day month.

9.2 Payment of interest

Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.

10. REDEMPTION AND REPURCHASE OF BONDS

10.1 Redemption of Bonds

- (a) The Bonds will be repaid by the Issuer in the following instalments:
 - (i) in 13 consecutive quarterly instalments, each in a Nominal Amount of USD 5,350,000, for the first time on the Interest Payment Date in January 2025 and thereafter quarterly on each subsequent Payment Date, until and including the Interest Payment Date in January 2028; and
 - (ii) on the Maturity Date, with a Nominal Amount of USD 5,450,000,in each case, at a price of 100.00 per cent. of the Nominal Amount of the Bonds being redeemed (plus accrued and unpaid interest on the redeemed Bonds).
- (b) Instalment payments will be made pro rata in accordance with the applicable regulations of the CSD.
- (c) Any redemption of Bonds made pursuant to any of the other terms set out in these Bond Terms, including any cancellation of Bonds acquired pursuant hereto, but excluding any Cash Sweep redemption, shall reduce the amount of the remaining instalments on a pro-rata basis.

10.2 Voluntary early redemption - Call Option

- (a) The Issuer may redeem the Bonds (in whole or in part) (the “**Call Option**”) on any Business Day from and including:

- (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;
- (ii) the First Call Date to, but not including, the Interest Payment Date falling in January 2027 at a price equal to 106.25 per cent. of the Nominal Amount of each of the redeemed Bonds;
- (iii) the Interest Payment Date falling in January 2027 to, but excluding, the Interest Payment Date in July 2027 at a price equal to 104.6875 per cent. of the Nominal Amount of each of the redeemed Bonds;
- (iv) the Interest Payment Date falling in July 2027 to, but excluding, the Interest Payment Date falling in January 2028 at the price equal to 103.125 per cent. of the Nominal Amount of each of the redeemed Bonds;
- (v) the Interest Payment Date falling in January 2028 to, but excluding, the Interest Payment Date falling in April 2028 at a price equal to 101.5625 per cent. of each of the Nominal Amount of the redeemed Bonds; and
- (vi) the Interest Payment Date falling in April 2028 to, but excluding, the Maturity Date at a price equal to 100.50 per cent. of each of the Nominal Amount of the redeemed Bonds,

in each case, including any accrued but unpaid interest on the redeemed Bonds.

- (b) Any redemption of Bonds pursuant to paragraph (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.
- (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date, but may, at the Issuer's discretion, be subject to the satisfaction of certain conditions precedent, to be satisfied or waived no later than 3 Business Days prior to the Call Option Repayment Date. If such conditions precedent have not been lifted by that date, the call notice shall be null and void. Unless the Make Whole Amount is set out in the written notice where the Issuer exercises the Call Option, the Issuer shall calculate the Make Whole Amount and provide such calculation by written notice to the Bond Trustee as soon as possible and at the latest within 3 Business Days from the date of the notice.
- (d) Any redemption of Bonds pursuant to the Call Option shall include accrued but unpaid interest on the redeemed Bonds.
- (e) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

10.3 Mandatory repurchase due to a Put Option Event

- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the “**Put Option**”) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101.00 per cent. of the Nominal Amount.
- (b) The Put Option must be exercised within 15 Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (*Put Option Event*). Once notified, the Bondholders’ right to exercise the Put Option is irrevocable.
- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the 5th Business Day after the end of 15 Business Days exercise period referred to in paragraph (b) above. However, the settlement of the Put Option will be based on each Bondholders holding of Bonds at the Put Option Repayment Date.
- (d) If Bonds representing more than 90 per cent. of the Outstanding Bonds immediately prior to the exercise of the Put Option have been repurchased pursuant to this Clause 10.3, the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date. Such prepayment may occur at the earliest on the 15th calendar day following the date of such notice.

10.4 Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount (plus accrued and unpaid interest). The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 40 Business Days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

10.5 Mandatory redemption due to an Asset Disposal Event

Upon a definitive agreement being entered into for an Asset Disposal Event, the Issuer shall, at the earlier of (i) simultaneously with the release of any Transaction Security relating to such Asset Disposal Event, and (ii) 15 Business Days after receipt of Asset Disposal Proceeds, redeem Bonds in an aggregate Nominal Amount equal to the value of the Asset Disposal Proceeds from the Asset Disposal Event, pro rata between the Bondholders at a redemption price equal to the Call Option redemption price under Clause 10.2 (*Voluntary early redemption – Call Option*) as if such redemption has been done as an exercise of the Call Option when the relevant Asset Disposal Event occurred, with redemption prices

determined based on the date of the Asset Disposal Event (plus accrued interest on the redeemed Bonds).

10.6 Mandatory redemption due to a Contract Termination Event

Upon the occurrence of a Contract Termination Event the Issuer shall, at the earlier of (i) the date falling one hundred and twenty (120) days following the Contract Termination Event, and (ii) 10 Business Days after receipt of any Termination Compensation, redeem Bonds in an amount of Bonds equal to the Termination Compensation, pro rata between the Bondholders at a redemption price equal to the redemption price 100 per cent. of the Nominal Amount (plus accrued interest on the redeemed Bonds).

10.7 Mandatory redemption due to a Total Loss Event

Upon the occurrence of a Total Loss Event the Issuer shall, at the earlier of (i) receipt by the Group of any insurance proceeds or any other compensation payable in connection with the Total Loss Event, and (ii) the date falling one hundred and eighty (180) days following the occurrence of the Total Loss Event, redeem an amount of Bonds equal to the higher of (A) insurance proceeds or compensation received by the Group, and (B) the Pro-rata Vessel Value for that Vessel, pro-rata between the Bondholders at 100 per cent. of the Nominal Amount (plus accrued interest on the redeemed Bonds).

10.8 Cash Sweep

(a) From and including the Interest Payment Date falling immediately after the earlier of:

- (i) 1 April 2026; and
- (ii) the date on which all earn out arrangements being fully and irrevocably been discharged,

and on each Interest Payment Date thereafter (each a “**Cash Sweep Date**”), the Issuer shall carry out an additional amortisation (i.e. in addition to the Scheduled Amortisation) (the “**Cash Sweep**”). On each Cash Sweep Date, the Issuer shall redeem the Bonds in an amount equalling the Liquidity, as calculated on the first calendar date of the month preceding the Cash Sweep Date, less the aggregate of:

- (A) the Scheduled Instalment to be paid on the relevant Interest Cash Sweep Date;
- (B) the interest amount for the Bonds to be paid on the relevant Cash Sweep Date;
- (C) any other mandatory redemption obligation under these Bond Terms, incurred but not settled by the Cash Sweep Date; and
- (D) USD 7,500,000,

in each case, at a price of 100.00 per cent. of the Nominal Amount of the Bonds being redeemed (each a “**Cash Sweep Amount**”).

- (b) Any Cash Sweep shall be applied pro rata between the Bondholders in accordance with the procedures of CSD.
- (c) The Issuer shall provide the Bond Trustee and the Paying Agent with a calculation of the relevant Cash Sweep Amount no later than 10 Business Days prior to the relevant Cash Sweep Date.
- (d) For the avoidance of doubt, to the extent the Cash Sweep Amount under any Cash Sweep will directly result in a breach of the Liquidity covenant under Clause 13.23 (*Financial covenants*) paragraph (a)(i), the Cash Sweep Amount for that Cash Sweep Date shall be reduced accordingly.

11. PURCHASE AND TRANSFER OF BONDS

11.1 Issuer's purchase of Bonds

The Issuer may purchase and hold Bonds and such Bonds may be retained or sold in the Issuer's sole discretion, including with respect to Bonds purchased pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*), but such Bonds may not be cancelled.

11.2 Restrictions

- (a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible for ensuring compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.
- (b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

12. INFORMATION UNDERTAKINGS

12.1 Financial Reports

- (a) The Issuer shall prepare its Annual Financial Statements in the English language and make them available on its website (alternatively by arranging for publication on another relevant information platform) as soon as they become available, and not later than 4 months after the end of the financial year.
- (b) The Issuer shall prepare Interim Accounts (first time for the quarterly period ending on 30 September 2024) in the English language and make them available on its website (alternatively by arranging for publication on another relevant information platform) as soon as they become available, and not later than 2 months after the end of each relevant interim period.

12.2 Requirements as to Financial Reports

- (a) The Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports pursuant to Clause 12.1 (*Financial Reports*), a Compliance

Certificate with a copy of the Financial Reports attached thereto. The Compliance Certificate shall be duly signed by a director of the Issuer, evidencing (in reasonable detail) compliance with the Financial Covenants as at the relevant testing date.

- (b) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 12.1 (*Financial Reports*) are prepared using the Accounting Standard consistently applied.

12.3 Put Option Event

The Issuer shall promptly inform the Bond Trustee in writing after becoming aware that a Put Option Event has occurred.

12.4 Listing Failure Event

The Issuer shall promptly inform the Bond Trustee in writing if a Listing Failure Event has occurred. However, no Event of Default shall occur if the Issuer fails (i) to list the Bonds in accordance with Clause 4 (*Admission to Listing*) or (ii) to inform of such Listing Failure Event, and such failure shall result in the accrual of default interest in accordance with paragraph (c) of Clause 8.2 (*Default interest*) for as long as such Listing Failure Event is continuing.

12.5 Information: Miscellaneous

The Issuer shall:

- (a) promptly inform the Bond Trustee in writing of:
 - (i) any (A) Contract Termination Event, Change of Control Event or Total Loss Event or, where not prohibited by law or applicable confidentiality obligations, any event or circumstance which makes it reasonably likely that such event will occur, and (B) a definitive agreement being entered into for an Asset Disposal Event;
 - (ii) the occurrence of any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of the foregoing) constitute an Event of Default, and such further information as the Bond Trustee may reasonably request in respect of such event or circumstance;
 - (iii) any event which could reasonably be expected to result in the revocation, withdrawal, cancellation, early termination, suspension, forfeiture or variation of any of the Restricted Documents or other permits or licences required for the conduct of the Group's business, if such revocation, withdrawal, cancellation, early termination, suspension, forfeiture or variation is likely to either have a material adverse impact on the Charter Agreements (or their performance) or otherwise have a Material Adverse Effect.
- (b) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);

- (c) send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
- (d) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange;
- (e) if the Issuer and/or the Bonds are rated, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;
- (f) inform the Bond Trustee of changes in the registration of the Bonds in the CSD; and
- (g) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Bond Trustee may reasonably request.

13. GENERAL AND FINANCIAL UNDERTAKINGS

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in this Clause 13 (*General and Financial Undertakings*).

13.1 Authorisations

The Issuer shall, and shall procure that each other Group Company will, in all material respects obtain, maintain and comply with the terms of any authorisation, approval, licence and consent required for the conduct of its business as carried out from time to time.

13.2 Compliance with laws

The Issuer shall, and shall procure that each other Group Company will, comply in all material respects with all laws and regulations to which it may be subject from time to time.

13.3 Continuation of business

The Issuer shall procure that no material change is made to the general nature of the business from that carried on by the Group at the Issue Date.

13.4 Corporate status

The Issuer shall not, and shall procure that no other Group Company shall change its type of organization or jurisdiction of incorporation.

13.5 Pari passu ranking

The Issuer shall, and shall ensure that each other Obligor and Security Provider will, ensure that its obligations under these Bond Terms and any other Finance Document shall at all times rank at least pari passu as set out in Clause 2.4 (*Status of the Bonds*).

13.6 Operations

The Issuer shall, and shall ensure that each other Group Company will, ensure that the operations of the Group (taken as a whole) are conducted in accordance with reputable practices related to its industry (taken as a whole) in all material respects.

13.7 Distributions

No Group Company shall declare or make any Distribution other than a Permitted Distribution.

13.8 Mergers and de-mergers

- (a) The Issuer shall not, and shall procure that no other Group Company will, carry out:
- (i) any merger or other business combination or corporate reorganisation involving the consolidation of assets and obligations of the Issuer or any other Group Company with any other person other than (A) the Reorganisation or (B) as part of a solvent reorganisation of the Group and provided that (i) the security contemplated under the Transaction Security is not impaired unless replaced (as relevant), (ii) such transaction would not have a Material Adverse Effect, (iii) that in any merger or other business combination or corporate reorganisation involving the Issuer or a Guarantor, the surviving entity shall be the Issuer or Guarantor (unless the merger is with the Issuer, in which case the Issuer shall be the surviving entity), and (iv) such merger does not result in a breach of any other provision of these Bond Terms; or
 - (ii) any de-merger or other corporate reorganisation having the same effect as a de-merger, other than any de-merger or other corporate reorganisation of any Group Company (other than the Issuer) into two or more separate companies or entities which are wholly-owned by the Issuer (or, in the case of a Group Company that was not wholly-owned prior to such de-merger, owned with the same ownership percentage as the original Group Company), provided that any such de-merger or other corporate reorganisation is carried out at arm's length terms and does not have a Material Adverse Effect.

13.9 Financial Indebtedness

The Issuer shall not, and shall procure that no other Group Company will, incur or maintain any Financial Indebtedness, other than any Permitted Financial Indebtedness.

13.10 Negative pledge

The Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, retain, provide, prolong or renew any Security over any of its/their assets (whether present or future), other than any Permitted Security.

13.11 Financial Support

The Issuer shall not, and shall procure that no other Group Company will, grant or allow to subsist, prolong or renew any Financial Support to or for the benefit of any third party other than any Permitted Financial Support.

13.12 Investments and acquisitions

The Issuer shall not, and shall ensure that no other Group Company will, acquire or make any investment in any company, shares, securities, asset, business or undertaking (or any interest in any of them), other than a Permitted Investment.

13.13 Disposals

The Issuer shall not, and shall procure that no other Group Company will carry out any Disposal other than a Permitted Disposal.

13.14 Related party transactions

Without limiting Clause 13.2 (*Compliance with laws*), the Issuer shall not, and shall ensure that no other Group Company will, engage, directly or indirectly, in any transaction:

- (a) between any Core Group Company and any Extended Group Company; or
- (b) with any direct or indirect shareholder of the Issuer or Keez or any Affiliate of such party outside the Group (including, without limitation, the purchase, sale or exchange of assets or the rendering of any service),

except in the ordinary course of trading and upon arm's length terms and provided that consideration payable by the Group under transactions set out in (B) (other than Permitted Distributions and excluding any payment or reimbursement of any auditor's remuneration, legal costs and other cost and expenses incurred and/or paid on behalf of the Group) do not exceed an aggregate of USD 2,500,000 in any financial year.

13.15 Restricted Documents

The Issuer shall, and shall ensure that each relevant Group Company will, (i) perform all material obligations under the Restricted Documents applicable to it and (ii) not take any action (or abstain from taking action) with the effect of amending, terminating, conceding or waiving, or where relevant, vote in favour of any amendment, termination or waiver, in respect of any terms under any of the Restricted Documents, in each case which might have a Material Adverse Effect. Each Group Company shall furthermore diligently pursue and enforce all rights under the Restricted Documents against any party.

13.16 Maintenance of Transaction Security

The Issuer shall, at its own expense take such actions and execute such documents (and procure that the Parent, Obligors, the Security Providers and other relevant parties take such actions and execute such documents) as is reasonably requested by the Bond Trustee in order to obtain, maintain, protect and perfect the security interests contemplated under the Transaction Security and obtain legal confirmations to that effect, reasonably satisfactory to the Bond Trustee.

13.17 Earnings Accounts

The Issuer shall procure that any earnings arising under or in relation to the Charter Agreements and any insurance proceeds in respect of any Vessel are payable directly by the relevant contract or insurance counterparty to the Earnings Accounts held by the respective Vessel Owner.

13.18 Charged Accounts

The relevant Group Company shall be entitled to operate the Charged Accounts (with no such account being blocked) unless an Event of Default has occurred and is continuing under the Finance Documents (and only while an Event of Default has occurred and is continuing).

13.19 Ownership

- (a) The Parent shall at all times directly own one hundred per cent (100%) ownership interest (capital and voting rights) in the Issuer.
- (b) The Issuer shall at all times, directly or indirectly, own one hundred per cent (100%) ownership interest (capital and voting rights) in the Vessel Owners other than Keez.
- (c) The Issuer shall at all times directly or indirectly own eighty per cent (80%) ownership interest (capital and voting rights) and any other economic interests as it holds as of the Issue Date in Keez.
- (d) Each Vessel Owner shall remain the owner of the Vessel it owns as of the Issue Date and all rights and interests relating thereto, (unless and until a Total Loss Event occurs in relation to the relevant Vessel), provided that each Vessel Owner may transfer the ownership in a Vessel under a Permitted Disposal.

13.20 Subsidiaries' distribution

The Issuer shall procure that no Group Company creates or permits to exist any arrangement (or encumbrance) restricting the right to: (i) pay dividends or make other Distributions to its shareholders, (ii) service any Financial Indebtedness to the Issuer, (iii) make any loans to the Issuer, or (iv) transfer any of its assets or properties to the Issuer, in each case other than where such obligation or encumbrance is not reasonably likely to prevent the Issuer from complying with its payment obligations under the Finance Documents.

13.21 Subordination

The Issuer shall procure that all Shareholder Claims (other than those arising under the Corporate Service Agreements) shall be subject to a Subordination Undertaking.

13.22 Anti-corruption and sanctions

The Issuer shall, and shall ensure that all other Group Companies will (i) ensure that no proceeds from the issuance of the Bonds are used directly or indirectly for any purpose which would breach any applicable acts, regulations or laws on bribery, corruption or similar and (ii) conduct its businesses and maintain policies and procedures in compliance with applicable anti-corruption laws. The Issuer shall not, and shall ensure that no Group Company will, engage in any conduct prohibited by any sanctions.

13.23 Financial covenants

- (a) The Issuer shall, on a consolidated basis comply with the following:
 - (i) *Liquidity*: The Issuer shall ensure that the Group maintains a Liquidity of minimum USD 5,000,000 (or the equivalent in other currencies).
 - (ii) *Debt Service Cover Ratio*: The Issuer shall maintain a Debt Service Cover Ratio of minimum 1.0.
- (b) The Issuer undertakes to comply with the financial covenants set out in paragraph (a) (the “**Financial Covenants**”) at all times, such compliance to be certified by the Issuer with each Annual Financial Statements and Interim Accounts on the respective last day

of the period to which such Annual Financial Statements and Interim Accounts relate (the "**Reporting Date**"). All Financial Covenants shall be calculated on a consolidated basis for the Group.

13.24 Equity Cure

- (a) Subject to paragraph (b) below, if the Group is in breach of the Debt Service Cover Ratio covenant or Liquidity covenant, the Issuer shall have the right to remedy such breach through the contribution of new cash equity to the Issuer (an "**Equity Cure**" and the amount thereof being the "**Cure Amount**"), provided that:
 - (i) the Cure Amount has been paid to the Issuer within 30 Business Days after the date that the Compliance Certificate was delivered or should have been delivered (the "**Equity Cure End Date**");
 - (ii) the Cure Amount is sufficient to ensure that a recalculation of the Debt Service Cover Ratio or Liquidity (as the case may be) as at the relevant calculation date would not show a breach of the Debt Service Cover Ratio or Liquidity (as the case may be) on such calculation date if the Cure Amount had at such time been added to the Liquidity and included in the calculation of Adjusted EBITDA;
 - (iii) the Issuer, no later than on the Equity Cure End Date, provides to the Bond Trustee a Compliance Certificate evidencing compliance with the Financial Covenants as at the relevant calculation date by recalculating the Financial Covenants with the adjustments set out in paragraph (ii) above.
- (b) The Equity Cure may only be used two (2) times during the term of the Bonds, always provided that Equity Cure cannot be used in respect of two (2) LTM Periods ending on two (2) consecutive calculation dates.

14. VESSEL COVENANTS

14.1 Maintenance of Insurances

- (a) The Issuer shall, and shall ensure that all Vessel Owners will, procure that each of the Vessels and all relevant equipment are adequately insured with reputable insurers in accordance with industry standards for Hull and Machinery, Hull Interest, and War Risk as well as other industry standard insurances of the Vessels and all relevant equipment related thereto at all times (the "**Insurances**").
- (b) The Hull and Machinery and Hull Interest cover shall in aggregate be no less than 120% of the Outstanding Bonds.
- (c) The P&I insurance for pollution liability shall be according to industry standards.
- (d) The Issuer shall reimburse the Bond Trustee for its costs keeping a Mortgagee's Interest Insurance and Mortgagees Additional Perils Insurance on standard market terms in respect of vessels of this type in the waters it operates.

- (e) The Insurances, and any loss payable clause issued in respect of the Insurances or similar provisions therein, shall be in accordance with the Nordic Marine Insurance Plan 2013, Version 2023 or on London terms or at least similar terms.

14.2 Classification

The Issuer shall, and shall ensure that all Vessel Owners will, ensure that the Vessels retain their class at the highest level with a classification society approved by the Bond Trustee, free of any overdue recommendations and qualifications, to the extent this would likely adversely impact the operations of the Group, the Group's financial condition or the Group's insurance cover.

14.3 Flag, name and register

The Issuer shall, and shall ensure that all Vessel Owners will, maintain each Vessel's flag, name and registry, however so that the flag, name and registry of a Vessel may be changed with the Bond Trustee's prior written approval (such approval not to be unreasonably withheld).

14.4 Conditions of the Vessel

The Issuer shall, and shall ensure that all Vessel Owners will, ensure that each Vessel will be kept in a good and safe condition and maintained and repaired consistent with prudent ownership and good industry standards.

14.5 Notification of certain events

The Issuer shall, and shall ensure that all Vessel Owners will, promptly notify the Bond Trustee of:

- (a) upon becoming aware, any accident to the Vessels involving repairs where the costs will or are likely to exceed USD 5,000,000 (or the equivalent amount in any other currency);
- (b) any requirement or recommendation in relation to any Vessel made by any insurer or classification society or by any competent authority which would have a material impact on the continued operation of such Vessel and is not, or cannot be, complied with within the time allotted for rectification by the insurer or classification society or competent authority;
- (c) any exercise or purported exercise of any capture, seizure, arrest or lien (other than maritime liens not securing defaulted obligations) in the excess of USD 1,000,000 on any of the assets secured by the Transaction Security Documents; and
- (d) any occurrence as a result of which a Vessel has become or is likely to become a Total Loss Event.

14.6 Operations of the Vessel

The Issuer shall, and shall ensure that all Vessel Owners will, ensure that each Vessel in all material respects operates in accordance with applicable laws and regulations (including the International Management Code for the safe Operations of Ships and for Pollution

Preservation (the “ISM Code”)), and ensure that the Vessels are in the possession of proper trading certificates and complying with all relevant regulations in all material respects.

14.7 Inspections

The Issuer shall, and shall ensure that all Vessel Owners will, allow the Bond Trustee to inspect the Vessels or hire a technical advisor to carry out such inspection at the expense of the Obligors if requested (however limited to maximum one yearly inspection per Vessel unless an Event of Default has occurred and is continuing).

14.8 Arrest

The Issuer shall, and shall ensure that all Vessel Owners will, promptly pay and discharge:

- (a) all liabilities which give or are likely to give rise to maritime or possessory liens on or claims enforceable against any of the Vessels subject to Transaction Security;
- (b) all tolls, taxes, dues, fines, penalties and other amounts charged in respect of any of the material assets being subject to the Transaction Security that each Transaction Security Document creates or purports to create; and
- (c) all other outgoings whatsoever in respect of any of the material assets being subject to the Transaction Security that each Transaction Security Document creates or purports to create,

and forthwith upon receiving a notice of arrest of any of the Vessels, or their detention in exercise or purported exercise of any lien or claim, the Issuer shall, and shall ensure that each Vessel Owner will, procure its release by providing bail or providing the provision of security or otherwise as the circumstances may require.

15. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

15.1 Events of Default

Each of the events or circumstances set out in this Clause 15.1 shall constitute an Event of Default:

(a) *Non-payment*

An Obligor or Security Provider fails to pay any amount payable by it under the Finance Documents when such amount is due for payment, unless:

- (i) its failure to pay is caused by administrative or technical error in payment systems or the CSD and payment is made within 5 Business Days following the original due date; or
- (ii) in the discretion of the Bond Trustee, the Issuer has substantiated that it is likely that such payment will be made in full within 5 Business Days following the original due date.

(b) *Breach of other obligations*

An Obligor or Security Provider does not comply with any provision of the Finance Documents other than set out under paragraph (a) (*Non-payment*) above, unless such failure is capable of being remedied and is remedied within 20 Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee.

(c) *Misrepresentation*

Any representation, warranty or statement (including statements in Compliance Certificates) made by any Group Company or Security Provider under or in connection with any Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made.

(d) *Cross default*

If for the Issuer or any other Group Company:

- (i) any Financial Indebtedness is not paid when due nor within any applicable grace period; or
- (ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
- (iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described); or
- (iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described),

provided however that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds a total of USD 2,000,000 (or the equivalent thereof in any other currency).

(e) *Insolvency and insolvency proceedings*

The Parent, the Issuer or any other Group Company:

- (i) is Insolvent; or
- (ii) is object of any corporate action or any legal proceedings is taken in relation to:
 - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganisation; or

- (B) a composition, compromise, assignment or arrangement with any creditor which may materially impair its ability to perform its obligations under these Bond Terms; or
- (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
- (D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph 15.1 (d) (*Cross default*) above; or
- (E) for paragraphs (A) - (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company.

However, this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement.

(f) *Creditor's process*

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Issuer or any other Group Company having an aggregate value exceeding the threshold amount set out in paragraph (d) (*Cross default*) above and is not discharged within 20 Business Days.

(g) *Unlawfulness*

It is or becomes unlawful for an Obligor or Security Provider to perform or comply with any of its obligations under the Finance Documents to the extent this may materially impair:

- (i) the ability of each Obligor or Security Provider to perform its obligations under these Bond Terms; or
- (ii) the ability of the Bond Trustee or any Security Agent to exercise any material right or power vested to it under the Finance Documents.

15.2 Acceleration of the Bonds

If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 15.3 (*Bondholders' instructions*) below, by serving a Default Notice to the Issuer:

- (a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (b) exercise (or direct the Security Agent to exercise) any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

15.3 Bondholders' instructions

The Bond Trustee shall serve a Default Notice pursuant to Clause 15.2 (*Acceleration of the Bonds*) if:

- (a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or
- (b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.

15.4 Calculation of claim

The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be calculated at the call prices set out in Clause 10.2 (*Voluntary early redemption – Call Option*), as applicable at the following dates (and regardless of the Default Repayment Date):

- (a) for any Event of Default arising out of a breach of Clause 15.1 (*Events of Default*) paragraph (a) (*Non-payment*), the claim will be calculated at the call price applicable at the date when such Event of Default occurred; and
- (b) for any other Event of Default, the claim will be calculated at the call price applicable at the date when the Default Notice was served by the Bond Trustee.

However, if the situations described in paragraph (a) or (b) above takes place prior to the First Call Date, the calculation shall be based on the call price applicable on the First Call Date.

16. BONDHOLDERS' DECISIONS

16.1 Authority of the Bondholders' Meeting

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
- (c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 17.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (e) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.

- (f) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (g) below.
- (g) Save for any amendments or waivers which can be made without resolution pursuant to paragraph (a)(i) and (ii) of Clause 18.1 (*Procedure for amendments and waivers*), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.

16.2 Procedure for arranging a Bondholders' Meeting

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:
 - (i) the Issuer;
 - (ii) Bondholders representing at least 1/10 of the Voting Bonds;
 - (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
 - (iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within 10 Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may call the Bondholders' Meeting itself.
- (c) Summons to a Bondholders' Meeting must be sent no later than 10 Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until

the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).

- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting (the Bond Trustee or such other representative, the "**Chairperson**").
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairperson may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt regarding whether a person is a Representative or entitled to vote, the Chairperson will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders' Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

16.3 Voting rules

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause

3.3 (*Bondholders' rights*). The Chairperson may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.

- (b) Issuer's Bonds shall not carry any voting rights. The Chairperson shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 16, a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairperson will have the deciding vote.

16.4 Repeated Bondholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (e) of Clause 16.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within 10 Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 16.1 (*Authority of the Bondholders' Meeting*), Clause 16.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 16.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (e) of Clause 16.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 16.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 16.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

16.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 16.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the

Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.

- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 16.1 (*Authority of the Bondholders' Meeting*), 16.2 (*Procedure for arranging a Bondholders' Meeting*), Clause 16.3 (*Voting rules*) and Clause 16.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
 - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 16.2 (*Procedure for arranging Bondholders' Meetings*); or
 - (ii) provisions which are otherwise in conflict with the requirements of this Clause 16.5,shall not apply to a Written Resolution.
- (e) The Summons for a Written Resolution shall include:
 - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
 - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority, which shall be at least 10 Business Days but not more than 15 Business Days from the date of the Summons (the "**Voting Period**").
- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or (f) of Clause 16.1 (*Authority of Bondholders' Meeting*) has been obtained, based on a quorum of the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution will also be resolved if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being obtained.

- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the time specified in the summons on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (e) to (g) of Clause 16.1 (*Authority of Bondholders' Meeting*).

17. THE BOND TRUSTEE

17.1 Power to represent the Bondholders

- (a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.

17.2 The duties and authority of the Bond Trustee

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other Obligor unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee shall facilitate that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to

implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.

- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
 - (i) complying with instructions of the Bondholders; or
 - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 17.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (j) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal value in order to facilitate partial redemptions, write-downs or restructurings of the Bonds or in other situations where such split is deemed necessary.

17.3 Equality and conflicts of interest

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

17.4 Expenses, liability and indemnity

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.

- (b) The Bond Trustee will not be liable to the Issuer for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss.
- (c) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (d) The Bond Trustee shall not be considered to have acted negligently in:
 - (i) acting in accordance with advice from or opinions of reputable external experts; or
 - (ii) taking, delaying or omitting any action if acting with reasonable care and provided the Bond Trustee considers that such action is in the interests of the Bondholders.
- (e) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.
- (f) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Fee Agreement.
- (g) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any Finance Document which the Bond Trustee reasonably believes may constitute or lead to a breach of any Finance Document or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.
- (h) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to any Obligors, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee or the Security Agent in connection therewith. The Bond

Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds.

- (i) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 15.3 (*Bondholders' instructions*) or Clause 16.2 (*Procedure for arranging a Bondholders' Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

17.5 Replacement of the Bond Trustee

- (a) The Bond Trustee may be replaced by a majority of 2/3 of Voting Bonds in accordance with the procedures set out in Clause 16 (*Bondholders' Decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 17.5, initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 17.5. The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.
- (d) The change of Bond Trustee shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.
- (e) Upon change of Bond Trustee, the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

17.6 Security Agent

- (a) The Bond Trustee is appointed to act as Security Agent for the Bonds, unless any other person is appointed. The main functions of the Security Agent may include holding Transaction Security on behalf of the Secured Parties and monitoring compliance by the Issuer and other relevant parties of their respective obligations under the

Transaction Security Documents with respect to the Transaction Security on the basis of information made available to it pursuant to the Finance Documents.

- (b) The Bond Trustee shall, when acting as Security Agent for the Bonds, at all times maintain and keep all certificates and other documents received by it, that are bearers of right relating to the Transaction Security in safe custody on behalf of the Bondholders. The Bond Trustee shall not be responsible for or required to insure against any loss incurred in connection with such safe custody.
- (c) Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.
- (d) The functions, rights and obligations of the Security Agent may be determined by a Security Agent Agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require each Obligor and any other party to a Finance Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters, whether or not a separate Security Agent Agreement has been entered into.
- (e) The provisions set out in Clause 17.4 (*Expenses, liability and indemnity*) shall apply *mutatis mutandis* to any expenses and liabilities of the Security Agent in connection with the Finance Documents.

18. AMENDMENTS AND WAIVERS

18.1 Procedure for amendments and waivers

- (a) The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:
 - (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 16 (*Bondholders' Decisions*).
- (b) Any changes to these Bond Terms necessary or appropriate in connection with the appointment of a Security Agent other than the Bond Trustee shall be documented in an amendment to these Bond Terms, signed by the Bond Trustee (in its discretion). If so desired by the Bond Trustee, any or all of the Transaction Security Documents shall be amended, assigned or re-issued, so that the Security Agent is the holder of the relevant Security (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

18.2 Authority with respect to documentation

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.

18.3 Notification of amendments or waivers

- (a) The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 18, setting out the date from which the amendment or waiver will be effective, unless such notice according to the Bond Trustee's sole discretion is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.
- (b) Prior to agreeing to an amendment or granting a waiver in accordance with paragraph (a)(i) of Clause 18.1 (*Procedure for amendments and waivers*), the Bond Trustee may inform the Bondholders of such waiver or amendment at a relevant information platform.

19. MISCELLANEOUS

19.1 Limitation of claims

All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.

19.2 Access to information

- (a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.
- (b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.
- (c) The information referred to in paragraph (b) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

19.3 Notices, contact information

- (a) Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the CSD with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

- (b) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the CSD with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).
- (c) Notwithstanding paragraph (a) above and provided that such written notification does not require the Bondholders to take any action under the Finance Documents, the Issuer's written notifications to the Bondholders may be published by the Bond Trustee on a relevant information platform only.
- (d) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter or e-mail. Any such notice or communication will be deemed to be given or made as follows:
 - (i) if by letter, when delivered at the address of the relevant party;
 - (ii) if by e-mail, when received; and
 - (iii) if by publication on a relevant information platform, when published.
- (e) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address and telephone and contact persons.
- (f) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):
 - (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
 - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
 - (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

19.4 Defeasance

- (a) Subject to paragraph (b) below and provided that:
 - (i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the relevant Repayment Date (including, to the extent applicable, any premium payable upon exercise of a Call Option), and always subject to paragraph (c) below (the "**Defeasance Amount**") is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the "**Defeasance Account**");

- (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the “**Defeasance Pledge**”); and
 - (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,
- then;
- (A) the Issuer will be relieved from its obligations under paragraph (a) of Clause 12.2 (*Requirements as to Financial Reports*), Clause 12.3 (*Put Option Event*), Clause 12.5 (*Information: miscellaneous*) and Clause 13 (*General and Financial Undertakings*);
 - (B) any Transaction Security shall be released and the Defeasance Pledge shall be considered replacement of the Transaction Security; and
 - (C) any Obligor shall be released from any Guarantee or other obligation applicable to it under any Finance Document.
- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.
 - (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems necessary.

A defeasance established according to this Clause 19.4 may not be reversed.

20. GOVERNING LAW AND JURISDICTION

20.1 Governing law

These Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions.

20.2 Main jurisdiction

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

20.3 Alternative jurisdiction

Clause 20 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

- (a) to commence proceedings against the Issuer or any other Obligor or any of their respective assets in any court in any jurisdiction; and
- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.



20.4 Service of process

- (a) Without prejudice to any other mode of service allowed under any relevant law, the Issuer:
 - (i) irrevocably appoints Advokatfirmaet Schjødt AS (business reg. no. 996 918 122) as its agent for service of process in relation to any proceedings in connection with these Bond Terms; and
 - (ii) agrees that failure by an agent for service of process to notify the Issuer of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Issuer must immediately (and in any event within 10 Business Days of such event taking place) appoint another agent on terms acceptable to the Bond Trustee. Failing this, the Bond Trustee may appoint another agent for this purpose.

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These Bond Terms have been executed by way of electronic signatures.

SIGNATURES:

<p>The Issuer:</p> <p>Samos Energy Infrastructure Ltd.</p> <p>DocuSigned by:  <i>Nadia Helene Trehou</i> DB26BB54665C48E...</p> <p>By: Nadia Helene Trehou</p> <p>Position: Authorised signatory</p>	<p>As Bond Trustee and Security Agent:</p> <p>Nordic Trustee AS</p> <p>DocuSigned by:  <i>Merete Vatsendvik</i> A07659014D99495...</p> <p>By: Merete Vatsendvik</p> <p>Position: Authorised signatory</p>
---	--

ATTACHMENT 1
COMPLIANCE CERTIFICATE

[date]

Samos Energy Infrastructure Ltd. 12.5% bonds 2024/2028 ISIN NO0013265827

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer. Pursuant to Clause 12.2 (*Requirements as to Financial Reports*) of the Bond Terms, a Compliance Certificate shall be issued in connection with each delivery of Financial Reports to the Bond Trustee.

This letter constitutes the Compliance Certificate for the period [●].

Capitalised terms used herein will have the same meaning as in the Bond Terms.

With reference to Clause 12.2 (*Requirements as to Financial Reports*), we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate. Copies of our latest consolidated [Annual Financial Statements] / [Interim Accounts] are enclosed.

[The financial covenants set out in Clause 13.23 (*Financial covenants*) are met, please see the calculations and figures in respect of the covenants attached hereto.]

We confirm that, to the best of our knowledge, no Event of Default has occurred or is likely to occur.

Yours faithfully,

Samos Energy Infrastructure Ltd.

Name of authorised person (director of the Issuer)

Enclosure: Annual Financial Statements / Interim Accounts; [and any other written documentation]

ATTACHMENT 2
RELEASE NOTICE – ESCROW ACCOUNT

[date]

Dear Sirs,

Samos Energy Infrastructure Ltd. 12.5% bonds 2024/2028 ISIN NO0013265827

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer.

Capitalised terms used herein will have the same meaning as in the Bond Terms.

We hereby give you notice that we on [date] wish to draw all amounts from the Escrow Account to be applied pursuant to the purpose set out in the Bond Terms, and request you to instruct the bank to release the above mentioned amount.

We hereby represent and warrant that (i) no Event of Default has occurred and is continuing or is likely to occur as a result of the release from the Escrow Account, and (ii) we confirm that the representations and warranties set out in the Bond Terms are true and accurate in all material respects at the date hereof.

Yours faithfully,

Samos Energy Infrastructure Ltd.

Name of authorised person

Enclosure I: Flow of Funds

GUARANTEE AGREEMENT

between

FPF003 Pte. Limited

and

FPF005 Limited

(as Guarantors)

and

Nordic Trustee AS

(as Security Agent)

In relation to
the Bond Agreement

www.bahr.no



KERAJAAN MALAYSIA

IBU PEJABAT
LEMBAGA HASIL DALAM NEGERI MALAYSIA
 MENARA HASIL
 PERSIARAN RIMBA PERMAI
 CYBER 8, 63000 CYBERJAYA
 SELANGOR DARUL EHSAN

**SIJIL PENGECUALIAN**

ASAL

EXEMPTION CERTIFICATE

(Sila lekatkan sijil pengecualian ini ke atas surat cara sebagai bukti penyeterman)

*Please attach this exemption certificate to the instrument as evidence of stamping***Cara Bayaran** *Payment Method***No. Adjudikasi** *Adjudication No.*

T01EC92A20XS051

Jenis Surat Cara*Type Of Instrument*

GUARANTEE AGREEMENT

BUKAN SURAT CARA UTAMA

Tarikh Surat Cara*Date Of Instrument*

05/07/2024

Balasan *Consideration*

RM 0.00

Duti Setem Dibayar Ke atas Surat Cara Utama*Stamps Duty paid on Principal Instrument*

RM 0.00

Maklumat Pihak Pertama / Penjual / Pemberi *First Party / Vendor / Transferor / Assignor*

FPF003 PTE. LIMITED, (201108078N); FPF005 LIMITED, (LL08420)

Maklumat Pihak Kedua / Pembeli / Penerima *Second Party / Purchaser / Transferee / Assignee*

NORDIC TRUSTEE AS, (963342624)

Butiran Harta / Suratcara *Property / Instrument Description*

TIDAK BERKENAAN



Dengan ini disahkan surat cara ini disetem dan diindors seperti maklumat di bawah:

This is to certify this instrument is stamped and indorsed as below:

No. Sijil Pengecualian <i>Exemption Certificate No.</i>	S0517E241301755
Tarikh Sijil Pengecualian <i>Date of Exemption Certificate</i>	22/07/2024
Indorsemen <i>Indorsement (Akta Setem 1949)</i>	Seksyen 11

Pemungut Duti Setem

No. Kelulusan Perbendaharaan *Treasury Approval No.* : KK/BSKK/10/600-2/1/2(60)Tarikh Cetak *Printed Date* : 23/07/2024 05:27:00

Pengesahan ketulenan Sijil Pengecualian ini boleh dipastikan di stamps.hasil.gov.my atau melalui aplikasi telefon pintar

The authenticity of this Exemption Certificate can be verified at stamps.hasil.gov.my or by mobile app

Ini adalah cetakan komputer dan tidak perlu ditandatangani

This is a computer generated printout and no signature is required

--- tamat/end ---

THIS GUARANTEE AGREEMENT (**the “Guarantee”**) is made on 5 July 2024 by:

- (1) FPF003 Pte. Limited, of 9 Raffles Place, 26-01 Republic Plaza, Singapore 048619, with business registration no. 201108078N (“FPF003”),
- (2) FPF005 Limited, of Unit Level 13(A), Main Office Tower Financial Park Labuan, Jalan Merdeka, 87000 Federal Territory of Labuan, Malaysia, with business registration no. LL08420 (“FPF005” **and** together with FPF003, **the “Guarantors”**), in favour of:
- (3) Nordic Trustee AS, of Kronprinsesse Märthas plass 1, 0160 Oslo, Norway, business registration no. 963 342 624 as Security Agent under the Bond Agreement on behalf of the Bondholders (**the “Security Agent”**).

BACKGROUND:

- (A) The Issuer has resolved to issue a series of Bonds in the maximum amount of USD 75,000,000 with ISIN NO0013265827 as regulated by a bond agreement dated on or about the date hereof (**as amended from time to time, the “Bond Agreement”**) **made between** Samos Energy Infrastructure Ltd (**the “Issuer”**) **and the** Security Agent (on behalf of the Bondholders).
- (B) In connection therewith, the Guarantors have been provided with a copy of the Bond Agreement and have agreed to provide this Guarantee in connection with the Bond Agreement.
- (C) The Security Agent holds the benefit of this Guarantee on behalf of itself and the Secured Parties, and this Guarantee constitutes a Finance Document as defined in the Bond Agreement.

IT IS AGREED AS FOLLOWS:

1. INTERPRETATION

Words and expressions defined in the Bond Agreement shall have the same meanings when used in this Guarantee unless the context otherwise requires.

1.1 Conflict

This Guarantee is entered into subject to the terms of the Bond Agreement. In the event of a conflict or inconsistency between the terms of this Guarantee and the Bond Agreement, then, the terms of the Bond Agreement shall prevail, provided however that this shall not in any way be interpreted or applied to prejudice the legality, validity or enforceability of the guarantee (**Norwegian: “selvskyldnergaranti”**) created hereunder.

2. GUARANTEE

2.1 Guarantee and indemnity

Each of the Guarantors irrevocably and unconditionally:

- (a) guarantees to the Secured Parties, as and for its own debt as principal obligor and not **merely as a surety (Norwegian: “selvskyldnergaranti”)** **the punctual performance of** the Secured Obligations, and agrees to whenever the Issuer (or any other Obligor) does not pay any amount when due under or in connection with any Finance Document pay, without any set-off or counterclaim whatsoever, on demand all such amounts due and payable by the Issuer or any other Obligor under the Finance Documents (as amended

from time to time), including amounts arising as a result of interests, default interests, costs and expenses; and

- (b) undertakes to indemnify the Secured Parties immediately on demand against any cost, loss or liability suffered by the Secured Parties if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which the Secured Parties would otherwise have been entitled to recover.

2.2 Continuing guarantee

The guarantee obligations as listed in Clause 2.1 (*Guarantee and indemnity*) (**the “Guarantee Obligations”**) are continuing guarantee obligations and will extend to the ultimate balance of all amounts payable by the Issuer or any other Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

2.3 Maximum liability

The liability of each of the Guarantors hereunder shall be limited to USD 90,000,000, in addition to interest and costs.

2.4 Number of claims

There is no limit on the number of claims that may be made by the Secured Parties under this Guarantee.

2.5 Survival of Guarantors’ **liability**

The Guarantors’ **liability to the Secured Parties under this Clause 2** (*Guarantee*) shall not be discharged, impaired or otherwise affected by reason of any of the following events or circumstances (regardless of whether any such events or circumstances occur with or without the Guarantors’ **knowledge or consent**):

- (a) any time, waiver, consent, forbearance or other indulgence given or agreed by the Secured Parties with the Issuer in respect of the **Issuer’s** obligations under the Bond Agreement; or
- (b) any legal limitation, disability or incapacity of the Issuer related to the Bond Agreement; or
- (c) any amendments to or variations of the Bond Agreement; or
- (d) the liquidation, bankruptcy or dissolution (or proceedings analogous thereto) of the Issuer; or
- (e) any other similar circumstance which might otherwise constitute a defence available to or discharge of, the Guarantors.

2.6 Enforcement

- (a) Any Secured Party shall not be obliged before taking steps to enforce the Guarantee Obligations of the Guarantors under this Guarantee:
 - (i) to obtain judgement against the Issuer or any third party in any court or other tribunal;

- (ii) to make or file any claim in a bankruptcy or liquidation of the Issuer or any third party; or
 - (iii) to take any action whatsoever against the Issuer or any third party under the Bond Agreement, except giving notice of any payment due hereunder,
- (b) The Guarantors hereby waive all such formalities or rights to which they would otherwise be entitled or which any Secured Party would otherwise first be required to satisfy or fulfil before proceeding or making any demand against any of the Guarantors thereunder, except as required hereunder or by law.
- (c) Any release, discharge or settlement between the Guarantors and any Secured Party in relation to the Bond Agreement shall be conditional upon no payment made by the Issuer to any Secured Party hereunder or thereunder being void, set aside or ordered to be refunded pursuant to any enactment or law relating to breach of duty by any person, bankruptcy, liquidation, administration, protection from creditors generally or insolvency or for any other reason whatsoever. If any payment is void or at any time so set aside or ordered to be refunded, the Security Agent shall be entitled subsequently to enforce the Guarantee Obligations hereunder as if such release, discharge or settlement had not occurred and any such payment had not been made.

2.7 Additional security

The Guarantee Obligations are in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Secured Parties, in relation to the Bond Agreement.

3. CONTINUING SECURITY; MULTIPLE DRAWINGS

3.1 This Guarantee shall remain in full force and effect from the date hereof and until the date on which the Secured Obligations have been irrevocably and unconditionally paid and discharged in full.

3.2 Multiple demands can be made under this Guarantee.

4. GUARANTEE PERIOD

This Guarantee is valid until all amounts payable under the Finance Documents (as amended from time to time), including amounts arising as a result of interests, default interests, costs and expenses, have been paid in full.

5. WAIVER OF RIGHTS

5.1 If and to the extent applicable, each party agrees that none of the non-mandatory provisions of the Norwegian financial agreements act of 18 December 2020 No. 146 (Norwegian: “*finansavtaleloven*”) and/or the Norwegian regulation on financial agreements of 19 September 2022 No. 1612 (Norwegian: “*finansavtaleforskriften*”) (in each case as amended and replaced from time to time) shall apply to this Guarantee, such that only provisions that cannot be excluded by reference to section 1-9 (2) second sentence of the Norwegian financial agreements act shall apply to this Guarantee, and the Guarantors expressly waives such provisions and all principles of background law which can be derived from such provisions.

5.2 The Guarantors may not:

- (a) require that the Security Agent, following the occurrence of an Event of Default, first makes demand upon or seeks to enforce remedies against any other Obligor in respect of the amounts outstanding under the Finance Documents before demanding payment or seeking to enforce this Guarantee;
- (b) assert that its liability under this Guarantee has been impacted because of a failure to give notice of any kind whatsoever;
- (c) require that the Security Agent must disclose additional information or furnish copies of any other documents relating to the Obligors or any third party in respect of the Finance Documents or otherwise in connection with the relationship of the Security Agent and the Obligors; or
- (d) require that any additional security be provided or maintained in respect of the obligations of the Obligors under the Finance Documents.

5.3 The Guarantors hereby irrevocably waive and discharge their right of subrogation into the security position of the Security Agent, as well as any and all claims for recourse against the other Obligors, and agree that no right of subrogation or any recourse claim shall arise against the other Obligors pursuant to this Guarantee.

5.4 The Security Agent is entitled to amend, supplement, release or waive any term of the Finance Documents or any Security provided for the obligations of the Obligors under the Finance Documents or under any third-party relationship, including (but not limited to) through any rescission, waiver, amendment or modification of any term or provision of the Finance Documents, without the Guarantors' consent.

6. RELATION TO OTHER SECURITY

The Guarantors' obligations under this Guarantee will not be affected in any way whatsoever by the existence or non-existence of any other guarantee, indemnity, suretyship or similar instrument or by any collateral or security interest provided by a third party for the obligations of the Obligors under the Finance Documents.

7. LIMITED RECOURSE AFTER PAYMENT

Following payment of an amount demanded hereunder, the Guarantors waive any right to assert that all or parts of such amount should be repaid to the Guarantors because of:

- (a) any of the **Obligors'** winding up or dissolution or its administration, provisional liquidation or any administration having a similar effect;
- (b) any obligation of any of the Obligors under the Finance Documents or any transaction relating to the Finance Documents being or becoming void, voidable or otherwise unenforceable in accordance with its terms; or
- (c) any legal limitation, disability or incapacity of or affecting any of the Obligors.

8. PAYMENTS

- 8.1 Except as otherwise expressly provided, all amounts payable under this Guarantee and any other Finance Document shall be payable in the same currency as the currency in which the Bonds are denominated.
- 8.2 If the Guarantors is required by law to withhold any withholding tax from any payment under this Guarantee:
 - (a) the amount of the payment due from the Guarantors shall be increased to such amount which is necessary to ensure that the Bondholders receive an amount which is (after making the required withholding) equal to the payment which would have been due if no withholding had been required; and
 - (b) the Issuer shall at the request of the Security Agent deliver to the Security Agent evidence that the required tax withholding has been made.

9. REPRESENTATIONS AND WARRANTIES

Each of the Guarantors hereby represents and warrants to the Security Agent that:

- (a) it is a limited liability company, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, organization or formation (as applicable), and has the power to own its assets and carry on its business as it is currently being conducted;
- (b) it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Guarantee and the transactions contemplated by this Guarantee;
- (c) this Guarantee constitutes its legal, valid and binding obligations, enforceable in accordance with its terms, and (save as otherwise may be provided for herein) no further registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it;
- (d) the entry into and performance by it of this Guarantee and the transactions contemplated hereby do not and will not conflict with (i) any law or regulation or judicial or official order applicable to it; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon it or any of its assets;
- (e) all authorisations, consents, approvals, resolutions, licenses, exemptions, filings, notarizations or registrations required to enable it to enter into, exercise its rights and comply with its obligations under this Guarantee, have been obtained or effected and are in full force and effect;

- (f) the Guarantors is not required to make any deduction or withholding from any payment which it may become obliged to make to the Security Agent under this Guarantee; and
- (g) its payment obligations under this Guarantee rank at least *pari passu* with all other unsecured obligations of the Guarantors (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application) and rank ahead of subordinated debt.

10. COVENANTS

Each Guarantor undertakes to:

- (a) not to do or cause or permit to be done anything, or omit to take any action, which will, or could be reasonably expected to, jeopardize or otherwise prejudice this Guarantee or the rights of the Security Agent or any Secured Party under this Guarantee; and
- (b) promptly do all such acts or execute all such documents (including assignments, transfers, notices, instructions and registrations) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)) to fulfil the intention of this Guarantee and that this Guarantee is, and continues to be, valid, legal, binding and enforceable.

10.2 The undertakings in this Clause 10 (*Covenants*) remain in force until all of the liabilities and obligations of the Obligor to the Security Agent and the Bondholders under the Finance Documents have been fully satisfied.

11. ASSIGNMENT

- (a) The Security Agent may at any time assign or transfer any of its rights and/or obligations under this Guarantee in accordance with the terms of the Finance Documents.
- (b) No Guarantor may assign or transfer any of their rights and/or obligations under this Guarantee.

12. NOTICES

12.1 Any notice or other communication hereunder shall be made in accordance with Clause 19.3 (*Notices, contact information*) of the Bond Agreement and addressed with respect to the Guarantors to the following address:

FPF003:

The Gateway West, 150 Beach Road, Room 35-39/50 Singapore 189720
Attn: Hussein Dada
notices@samosenergy.com

FPF005:

Unit Level 13(A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Federal Territory of Labuan, Malaysia
Attn: Hussein Dada
notices@samosenergy.com

13. GOVERNING LAW AND JURISDICTION

- 13.1 This Guarantee and all disputes arising out of, or in connection with this Guarantee between the Security Agent and the Guarantors, shall be governed by Norwegian law.
- 13.2 All disputes arising out of, or in connection with this Guarantee between the Security Agent, the Bondholders and the Guarantors shall, subject to Clause 13.3 below, be exclusively resolved by the courts of Norway, with the District Court of Oslo as sole legal venue.
- 13.3 Clause 13.2 is for the benefit of the Security Agent only. As a result, the Security Agent shall not be prevented from taking proceedings relating to a dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

[SIGNATURE PAGE - GUARANTEE]


SIGNATORIES:

The Guarantors:

EXECUTED AND DELIVERED AS A DEED
for and on behalf of
FPF003 Pte. Limited

By: 
Name: Harry Hely-Hutchison
Title: Director

in the presence of:

By: 
Name: Leong Chee Wei
Title: Witness

FPF005 Limited

By: _____
Name:
Title:

The Security Agent:

Nordic Trustee AS

By: _____
Name:
Title:

[SIGNATURE PAGE - GUARANTEE]

SIGNATORIES:

The Guarantors:

EXECUTED AND DELIVERED AS A DEED
for and on behalf of
FPF003 Pte. Limited

By: _____

Name:

Title: Director

in the presence of:

By: _____

Name:

Title: Witness

FPF005 Limited

By:  _____

Name: NORAZIMAH BINTI ALIAS

Title: DIRECTOR

The Security Agent:

Nordic Trustee AS

By: _____

Name:

Title:

[SIGNATURE PAGE - GUARANTEE]

SIGNATORIES:

The Guarantors:

EXECUTED AND DELIVERED AS A DEED
for and on behalf of
FPF003 Pte. Limited

By: _____

Name:

Title: Director

in the presence of:

By: _____

Name:

Title: Witness

FPF005 Limited

By: _____

Name:

Title:

The Security Agent:

Nordic Trustee AS

By: Merete Vatsendvik

Name:

Merete Vatsendvik

Title:

Authorised signatory



Samos Energy Infrastructure Ltd 12.5% senior secured USD 75,000,000 bonds 2024/2028

Terms:

Documentation:

The Loan Agreement ¹⁾ is described more closely in Standard Terms

Before investing in the bond, the investor is encouraged to become familiar with relevant documents such as this term sheet, the Loan Agreement and the Issuer's financial accounts and articles of association and if relevant, admission document, cf. ABM-rules section 2.7.2.3. The documents are available with the Issuer and in Relevant Places. In the case of any discrepancies between the Loan Agreement and this term sheet, the Loan Agreement will apply.

<https://www.samosenergy.com/>

Relevant places:

Issuer:

Samos Energy Infrastructure Ltd

Borrowing Limit – Tap Issue:

NA

First Tranche / Loan Amount: ²⁾

USD 75 000 000

Disbursement Date: ³⁾

05.07.2024

Maturity Date: ⁴⁾

05.07.2028

Interest Rate:

12.50 %

Yield on Disbursement Date:

12.50 %

Day Count Fraction– Interest rate: ⁵⁾

30/360

Business Day Convention: ⁶⁾

Unadjusted

Interest Payment Date(s): ⁷⁾

5 January, 5 April, 5 July and 5 October each year

Interest accrual date:

Disbursement Date

Date until which interest accrues:

Maturity Date

Status of the loan: ⁸⁾

Senior debt obligations

Issue Price: ⁹⁾

100.00%

Denomination:

USD 1 000

Call: ¹⁰⁾

Redemption Date(s):	Price:
05.07.2024 - 04.07.2026	Make Whole
05.07.2026 - 04.01.2027	106.25
05.01.2027 - 04.07.2027	104.6875
05.07.2027 - 04.01.2028	103.125
05.01.2028 - 04.04.2028	101.5625
05.04.2028 - 04.07.2028	100.50

Issuer's org. number/LEI number:

149126 / 213800OZQ4EKIQE6G428

Number / Codes:

Sector code:

Geographic code:

Industry (trade) Code:

Usage of funds:

The Issuer will use the Net Proceeds from the issuance of the Bonds for refinancing of the Existing Debt in full and any remaining amount may be applied for general corporate purposes.

Approvals / Permissions:

- The issuance is approved by the board of directors on 06.06.2024 and 18.06.2024
- The admission document has been inspected by Oslo Børs, cf ABM-rules sec 2.7

Trustee:

Nordic Trustee AS, Postboks 1470 Vika, 0116 Oslo

Arranger(s):

ABG Sundal Collier ASA

Paying Agent:

Nordic Trustee Services AS

Securities Depository:

Euronext Securities Oslo (Verdipapirsentralen (VPS))

FISN- and CFI-code:

FISN: Samos Energy/12.5 BD 20290705
CFI: DBFSGR

Market Making:

No market-maker agreement has been made for this Bond Issue.

MiFiD II target market of end clients:

Professional Clients/Eligible counterparty

No PRIIPS, No KID

Withholding tax: ¹¹⁾

Gross up

Special (distinct) conditions:

The Bonds will be repaid by the Issuer in the following instalments:

- (i) in 13 consecutive quarterly instalments, each in a Nominal Amount of USD 5,350,000, for the first time on the Interest Payment Date in January 2025 and thereafter quarterly on each subsequent Payment Date, until and including the Interest Payment Date in January 2028; and
- (ii) on the Maturity Date, with a Nominal Amount of USD 5,450,000, in each case, at a price of 100.00 per cent. of the Nominal Amount of the Bonds being redeemed (plus accrued and unpaid interest on the redeemed Bonds).

Instalment payments will be made pro rata in accordance with the applicable regulations of the CSD.

Information regarding "Mandatory repurchase due to a Put Option Event" – please see the Loan Agreement clause 10.3.

Information regarding "Early redemption option due to a tax event" – please see the Loan Agreement clause 10.4.

Information regarding "Mandatory redemption due to an Asset Disposal Event" – please see the Loan Agreement clause 10.5.

Information regarding "Mandatory redemption due to a Contract Termination Event" – please see the Loan Agreement clause 10.6.

Information regarding "Mandatory redemption due to a Total Loss Event" – please see the Loan Agreement clause 10.7.

Information regarding "Cash Sweep" – please see the Loan Agreement clause 10.8.

Supplementary information about status of the loan and collateral: ⁸⁾

The Bonds shall constitute senior debt obligations of the Issuer. The Bonds will rank pari passu between themselves and at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

As described in the Loan Agreement clause 2.5 – *Transaction Security*:

- (a) As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted in favour of the Security Agent on behalf of the Secured Parties with first priority within the times agreed in the Loan Agreement Clause 6 (*Conditions for Disbursement*), subject to the exceptions expressly set out herein (including but not limited to in respect of any Exempted Assets and Guarantees) and/or otherwise agreed):
 - (i) the Escrow Account Pledge;
 - (ii) the Pre-Disbursement Security; and
 - (iii) the Post-Disbursement Security.
- (b) The Transaction Security shall be entered into on such terms and conditions as the Security Agent and the Bond Trustee in its discretion deems appropriate in order to create the intended benefit for the Secured Parties under the relevant document.
- (c) The Security Agent is irrevocably authorised to release any Guarantees and Transaction Security over assets which are sold or otherwise disposed of (directly or indirectly) (A) in any merger, de-merger or disposal permitted in compliance with the Loan Agreement Clauses 13.6 (*Mergers and de-mergers*) or 13.13 (*Disposals*) and (B) following an enforcement.
- (d) In respect of an entity constituting an Extended Group Company on the Issue Date and for as long as it remains an Extended Group Company:
 - (i) such entity shall not be required to provide a Guarantee;
 - (ii) Transaction Security shall not be required over its assets; and
 - (iii) for as long as contractual arrangements prevent its creation, no Transaction Security shall be provided over the shares in such entity.

Due to the extensive number of definitions, and unless otherwise defined in this Loan Description capitalized terms used in this Loan Description shall have the meaning given to such terms in Clause 1.1 "*Definitions*" in the Loan Agreement.

Standard terms: If any discrepancy should occur between this Loan description and the Loan Agreement, then the Loan Agreement should apply.

Loan Agreement: ¹⁾	The Loan Agreement will be entered into between the Issuer and the Trustee prior to Disbursement Date. The Loan Agreement regulates the Bondholder's rights and obligations in relations with the Issue. The Trustee enters into this agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Loan Agreement. When bonds are subscribed/purchased, the Bondholder has accepted the Loan Agreement and is bound by the terms of the Loan Agreement. For tap issues, the Loan Agreement will apply for later issues made within the Borrowing Limit. The parties' rights and obligations are also valid for subsequent issued bonds within the Borrowing Limit.
Open / Close: ^{3) 4)}	Tap Issues will be opened on Disbursement Date and closed no later than five bank days before Maturity Date.
Disbursement date: ³⁾	Payment of the First Tranche / Loan Amount takes place on the banking date ahead of Disbursement Date as agreed with the Manager(s). In case of late payment, the applicable default interest rate according to "lov 17. desember 1976 nr 100 om renter ved forsinket betaling m.m." will accrue.
Expansions – Tap Issues: ²⁾	For Tap Issues the Issuer can increase the loan above the First Tranche/Loan Amount. For taps not falling on Interest Payment Dates, Accrued Interest will be calculated using standard market practice in the secondary bond market. The Issuer may apply for an increase in the Borrowing Limit.
Issue price – Tap Issues: ²⁾	Any taps under the Tap Issue will be made at market prices.
Interest Period: ⁷⁾	The interest rate is due in arrears on the Interest Payment Date. The first Interest Rate is paid on the first Interest Payment Date after Disbursement Date. The subsequent period runs from this date until the next Interest Payment Date. Last Interest Payment Date corresponds to Maturity Date.
Day Count Fraction– Interest rate: ⁵⁾	Interest shall be calculated on the basis of a 360 day year consisting of 12 months of 30 days, in case of a non-finished month the actual number of calendar days (30/360-basis), with the exception of periods where a) the last day in the period is the 31 st calendar day, and the first day of the period is neither the 30 th nor the 31 st of the month, in which the month containing the period shall not be reduced to 30 days; or b) the last day of the period is the last calendar day in February, in which February shall not be extended to a 30-day month.
Standard Business Day Convention ⁶⁾	Interest Payment Date will not be moved even if it is on a day that is not a banking day. If Interest Payment Date is not a banking day, payments will be made on the following banking day.
Accrued interest:	Accrued Interest rates for trades in the secondary bond market are calculated on the basis of current recommendations of Norske Finansanalytikerers Forening (<i>The Norwegian Society of Financial Analysts</i>).
Condition – Call: ¹⁰⁾	Exercise of Call shall be notified by the Issuer to the Bondholders and the Bond Trustee at least ten Business Days prior to the relevant Call Date. Partial exercise of Call shall be carried out pro rata between the Bonds (according to the procedures in the Securities Register).
Registration:	The loan must prior to disbursement be registered in the Securities Depository. The bonds are being registered on each Bondholders account or nominee account in the Securities Depository.
Issuer's acquisition of bonds:	The Issuer has the right to acquire Bonds and to retain, sell or discharge such Bonds in the Securities Depository. Subordinated bonds may not be purchased, sold or discharged by the Issuer without the consent of Finanstilsynet, provided that such consent is required.
Amortisation: ⁴⁾	Serial Bonds – see <i>Special (distinct) conditions</i>
Redemption:	Matured interest rate and matured principal will be credit each Bondholder directly from the Securities Registry. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of May 18 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.
Sale:	Tranche 1/ Loan amount has been sold by the Arranger. Later taps can also take place by other authorized investment firms.
Legislation:	Disputes arising from or in connection with, the Loan Agreement which are not resolved amicably, shall be resolved in accordance with Norwegian law and the Norwegian courts. Legal suits shall be served at the Trustee's competent legal venue.
Fees and expenses:	Any public fees payable in connection with the Bond Agreement and fulfilling of the obligations pursuant to the Bond Agreement shall be covered by the Issuer. The Issuer is not responsible for reimbursing any public fees levied on the trading of Bonds.
Withholding tax: ¹¹⁾	The issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the bonds. In case of Gross up, the issuer shall be liable to gross up any payments in relation to the bonds by virtue of withholding tax, public levy or similar taxes. In case of No gross up, the issuer shall not be liable to gross up any payments in relation to the bonds by virtue of withholding tax, public levy or similar taxes.

SAMOS

ABG
SUNDAL COLLIER

COMPANIES (JERSEY) LAW 1991

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

SAMOS ENERGY INFRASTRUCTURE LTD

NO PAR VALUE COMPANY (LIMITED LIABILITY)

1. The name of the company is Samos Energy Infrastructure Ltd.
2. The company shall have all the powers of a natural person and its capacity shall be unlimited.
3. The company is a private company.
4. The company is a no-par value company.
5. There is no limit on the number of shares of any class which the company is authorised to issue.
6. The liability of each member of the company arising from his shareholding is limited to the amount (if any) unpaid on it.

We, the subscribers to the memorandum of association, wish to form a company pursuant to this memorandum of association and we respectively agree to take the number of shares in the capital of the company as set opposite our respective names.

Names of Subscribers	Address	Shares
PREMIER CIRCLE LIMITED	26 New Street St. Helier Jersey JE2 3RA	1

N. Kenia

Authorised Signatory

[Signature]

Authorised Signatory

Witness to the signatures of the above-named subscribers

[Signature]

26 New Street
St. Helier
Jersey JE2 3RA

Derek de Sousa

06.06.2023

Date:

SAMOS ENERGY INFRASTRUCTURE LTD

NO PAR VALUE COMPANY (LIMITED LIABILITY)

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ARTICLES OF ASSOCIATION
OF
SAMOS ENERGY INFRASTRUCTURE LTD
NO PAR VALUE COMPANY (LIMITED LIABILITY)

1. INTERPRETATION

1.1 In these articles:

articles: the articles of association of the company;

clear days: in relation to the period of a notice shall mean that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

company: the company incorporated under the Law in respect of which these articles have been registered;

director: any director of the company appointed in accordance with these articles;

dividend: every description of dividend or distribution of the company's assets made in accordance with the Law to its members as members, whether in cash or otherwise.

executed: includes any mode of execution;

holder: in relation to shares means the member whose name is entered in the register of members of the company as the holder of the shares;

Law: the Companies (Jersey) Law 1991, as amended, including any statutory modification or re-enactment thereof for the time being in force.

office: the registered office of the company;

ordinary resolution: a resolution of the company in general meeting adopted by a simple majority of the votes cast at that meeting or in writing in accordance with the articles;

seal: the common or official seal of the company;

secretary: the secretary of the company or any other person appointed to perform the duties of the secretary of the company, including a joint, assistant or deputy secretary;

share: a share in the capital of the company; and

special resolution: a resolution that is described as such in its terms passed by a majority of not less than two thirds of such members as, being entitled to do so, vote in person or by proxy, at a duly convened general meeting of the Company.

- 1.2 Unless the context otherwise requires, words or expressions contained in these articles bear the same meaning as in the Law but excluding any statutory modification thereof not in force when these articles become binding on the company. The standard table prescribed pursuant to the Law shall not apply to the company and is expressly excluded in its entirety.

2. **SHARE CAPITAL**

- 2.1 Subject to the provisions of the Law:

- (a) without prejudice to any rights attached to any issued shares, any share may be issued with such rights or restrictions as the company may by special resolution determine and the company may issue fractions of shares and any such share shall rank *pari passu* in all respects with the other shares of the same class issued by the company;
- (b) the company may:
 - (i) issue, or
 - (ii) convert any existing non-redeemable shares, whether issued or not into, shares which are to be redeemed, or are liable to be redeemed at the option of the company or the shareholder, on such terms and in such manner as may be determined by special resolution; and
- (c) unissued shares shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to such persons and on such terms as the directors think fit.

- 2.2 The company may exercise the powers of paying commissions conferred by the Law. Subject to the provisions of the Law, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

- 2.3 Except as required by law, no person shall be recognised by the company as holding any share upon any trust and (except as otherwise provided by the articles or by law) the company shall not be bound by or recognise any interest in any share except an absolute right to the entirety thereof in the holder.

3. **RIGHTS ATTACHING TO CLASSES OF SHARES**

- 3.1 Where the capital of the company is divided into different classes of shares, the special rights attached to any class may (unless otherwise provided by terms of issue of the shares of that class) be varied with the consent in writing of the holders of a majority in nominal value of the issued shares of that class or with the sanction of an ordinary resolution passed at a separate meeting of the holders of the issued shares of that class.
- 3.2 The provisions of these articles relating to general meetings or to the proceedings at such general meetings, shall apply, *mutatis mutandis*, to each separate meeting held pursuant to article 3.1 above, save that the quorum shall be persons holding or representing by proxy

not less than one-third in nominal value of the issued shares of that class but provided that if at any adjourned meeting of such holders a quorum as above is not present those holders who are present shall be a quorum.

- 3.3 The special rights conferred upon holders of any shares or class of shares issued with preferred, deferred or other special rights shall (unless otherwise expressly provided by the terms of issue of such shares) be deemed not to be varied by the creation or issue of further shares or further classes of shares ranking *pari passu* with or behind such shares.

4. **SHARE CERTIFICATES**

- 4.1 Every holder, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall be sealed with the seal, or signed either by two directors or by one director and the secretary. Every certificate shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.
- 4.2 If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing out) on delivery up of the old certificate.

5. **LIEN**

- 5.1 The company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may at any time declare any share to be wholly or in part exempt from the provisions of this article. The company's lien on a share shall extend to any amount payable in respect of it.
- 5.2 The company may sell, in such manner as the directors determine, any shares on which the company has a lien, if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.
- 5.3 To give effect to a sale of the shares pursuant to article 5.2, the directors may authorise some person to execute an instrument of transfer of the shares. The title of the transferee to the shares shall not be affected by an irregularity in or invalidity of the proceedings in reference to the sale.

- 5.4 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

6. CALLS ON SHARES AND FORFEITURE

- 6.1 Subject to the terms of allotment, the directors may make calls upon the holders in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each holder shall (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.
- 6.2 A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
- 6.3 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 6.4 If a call remains unpaid after it has become due and payable, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share, or in the notice of the call, or at such rate not exceeding ten per cent per annum as the directors may determine, but the directors may waive payment of the interest wholly or in part.
- 6.5 An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and, if it is not paid, the provisions of the articles shall apply as if that amount had become due and payable by virtue of a call. The company may accept from a holder the whole or a part of the amount remaining unpaid on shares held by him, although no part of that amount has been called up.
- 6.6 Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.
- 6.7 If a call remains unpaid after it has become due and payable, the directors may give to the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with, the shares in respect of which the call was made will be liable to be forfeited.

- 6.8 If the notice referred to in article 6.7 is not complied with, any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
- 6.9 Subject to the provisions of the Law, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine, either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person, the directors may authorise some person to execute an instrument of transfer of the share to that person.
- 6.10 A person, any of whose shares have been forfeited, shall cease to be a holder in respect of them and shall deliver to the company for cancellation the certificate for the shares forfeited, but shall remain liable to the company for all moneys which at the date of forfeiture were presently payable by him to the company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture, or at such rate not exceeding ten per cent per annum as the directors may determine, from the date of forfeiture until payment, but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
- 6.11 A declaration under oath by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share, and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

7. TRANSFER OF SHARES

- 7.1 The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the shares are fully paid, by or on behalf of the transferee.
- 7.2 The directors may refuse to register the transfer of a share which is not fully paid to a person of whom they do not approve and they may refuse to register the transfer of a share on which the company has a lien. They may also refuse to register a transfer unless the instrument of transfer:
- (a) is lodged at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
 - (b) is in respect of only one class of shares; and

(c) is in favour of not more than four transferees.

- 7.3 If the directors refuse to register a transfer of a share, they shall within two months after the date on which the instrument of transfer was lodged with the company send to the transferor and the transferee notice of the refusal.
- 7.4 The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding 30 clear days in any year) as the directors may determine.
- 7.5 No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.
- 7.6 The company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.
- 7.7 Notwithstanding anything contained in these articles, the directors shall not decline to register any transfer of shares where such transfer is executed pursuant to, or for the purpose of enforcing, any security which has been granted over such shares and a certificate by the party to whom such security has been granted that the transfer was so executed shall be conclusive evidence of such fact.

8. TRANSMISSION OF SHARES

- 8.1 If a holder dies, the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the company as having any title to his interest; but nothing herein contained shall release the estate of a deceased holder from any liability in respect of any share which had been jointly held by him.
- 8.2 A person becoming entitled to a share in consequence of the death, incapacity or bankruptcy of a holder or otherwise by operation of law may, upon such evidence being produced as the directors may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder, he shall give notice to the company to that effect. If he elects to have another person registered, he shall execute an instrument of transfer of the share to that person. All the articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the holder and the death, incapacity or bankruptcy of the holder had not occurred.
- 8.3 A person becoming entitled to a share in consequence of the death, incapacity or bankruptcy of a holder or otherwise by operation of law shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to be entitled to be sent any notice given pursuant to these articles (unless specifically provided for) or attend or vote at any meeting of the company or at any separate meeting of the holders of any class of shares in the company.

9. **CONSOLIDATION OF SHARES**

Whenever as a result of a consolidation of shares any holders would become entitled to fractions of a share, the directors may, on behalf of those holders, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Law, the company) and distribute the net proceeds of sale in due proportion among those holders, and the directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

10. **GENERAL MEETINGS**

10.1 All general meetings other than annual general meetings shall be called extraordinary general meetings.

10.2 The directors may call general meetings and, on the requisition of holders pursuant to the provisions of the Law, shall forthwith proceed to call a general meeting for a date not later than two months after the receipt of the requisition. If there are not sufficient directors to call a general meeting, any director or any holder may call such a meeting.

11. **NOTICE OF GENERAL MEETINGS**

11.1 All general meetings, unless otherwise required by the Law, shall be called by at least 14 clear days' notice. A general meeting may be called by shorter notice if it is so agreed:

(a) in the case of an annual general meeting, by all the holders entitled to attend and vote thereat; and

(b) in the case of any other meeting, by a majority in number of the holders having a right to attend and vote at the meeting, being a majority together holding not less than 95% of the total voting rights of the holders who have that right.

11.2 The notice shall specify the day, time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

11.3 Subject to the provisions of the articles and to any restrictions imposed on any shares, the notice shall be given to all the holders, to all persons entitled to a share in consequence of the death, incapacity or bankruptcy of a holder and to the directors and auditors, if any.

11.4 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.

12. **PROCEEDINGS AT GENERAL MEETINGS**

- 12.1 No business shall be transacted at any meeting unless a quorum is present. The quorum shall be:
- (a) if all the issued shares are held by the same holder, one person being such holder present in person or by proxy; and
 - (b) otherwise, two persons entitled to vote upon the business to be transacted, each being a holder present in person or by proxy.
- 12.2 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or such day, time and place as the directors may determine. If at such adjourned meeting a quorum is not present within five minutes from the time appointed for the holding of the meeting, those holders present in person or by proxy shall be a quorum.
- 12.3 The chairman, if any, of the board of directors, or in his absence some other director nominated by the directors, shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) is present within 15 minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.
- 12.4 If no director is willing to act as chairman, or if no director is present within 15 minutes after the time appointed for holding the meeting, those holders present and entitled to be counted in a quorum shall choose one of their number to be chairman.
- 12.5 A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares.
- 12.6 The chairman may, with the consent of a general meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the general meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 14 clear days or more, at least seven clear days' notice shall be given specifying the day, time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- 12.7 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Law, a poll may be demanded:
- (a) by the chairman; or
 - (b) by at least two holders having the right to vote on the resolution; or

- (c) by a holder or holders representing not less than one-tenth of the total voting rights of all the holders having the right to vote on the resolution; or
- (d) by a holder or holders holding shares conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right,
- (e) and a demand by a person as proxy for a holder shall be the same as a demand by the holder.

12.8 Unless a poll is duly demanded, a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

12.9 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

12.10 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be holders) and fix a day, time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

12.11 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.

12.12 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such day, time and place as the chairman directs not being more than 30 clear days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn before the poll is taken, the meeting shall continue as if the demand had not been made.

12.13 No notice need be given of a poll not taken forthwith if the day, time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven clear days' notice shall be given specifying the day, time and place at which the poll is to be taken.

13. **VOTES OF HOLDERS**

13.1 Subject to any rights or restrictions attached to any shares, on a show of hands every holder who is present in person shall have one vote and on a poll every holder present in person or by proxy shall have one vote for every share of which he is the holder.

- 13.2 In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members.
- 13.3 A holder in respect of whom an order has been made by any court having jurisdiction (whether in Jersey or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator or other person authorised in that behalf appointed by that court, and any such receiver, curator or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place within Jersey as is specified in accordance with the articles for the deposit of instruments of proxy before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
- 13.4 No holder shall vote at any general meeting or at any separate meeting of the holders of any class of shares, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.
- 13.5 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
- 13.6 On a poll votes may be given either personally or by proxy. A holder may appoint more than one proxy to attend on the same occasion.
- 13.7 An instrument appointing a proxy shall be in writing in the usual form, or as approved by the directors, and shall be executed by or on behalf of the appointor.
- 13.8 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of that power of attorney or other authority certified as a true copy to the satisfaction of the secretary, shall be deposited at the office or such other place as is specified in the notice convening the meeting or any instrument of proxy sent out by the company within such time (not exceeding 48 hours) before the time for holding the meeting, or adjourned meeting, or for the taking of a poll at which the persons named in the instrument propose to vote as the directors may from time to time determine, and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.
- 13.9 A vote given or poll demanded by proxy or by the duly authorised representative of a body corporate shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll, unless notice of the determination was received by the company at the office or at such other place at which the instrument of proxy was duly deposited (at least 48 hours) before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded, or (in the case of a poll taken

otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

14. CORPORATIONS ACTING BY REPRESENTATIVES

14.1 Any corporation which is a holder may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any general meeting or at any meeting of a class of holders, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were a natural person who is a holder. A corporation present at any meeting by such representative shall be deemed for the purposes of these articles to be present in person.

14.2 Where a person is authorised to represent a body corporate at a general meeting of the company, the directors or the chairman of the meeting may require him to produce a certified copy of the resolution from which he derives his authority.

15. RESOLUTIONS IN WRITING

Anything that may be done in accordance with the provisions of the Law by a resolution in writing signed by or on behalf of each holder is authorised by these articles without restriction. The directors may determine the manner in which resolutions shall be put to the holders pursuant to the terms of this article and, without prejudice to the discretion of the directors, provision may be made in the form of a resolution in writing for each holder to indicate how many of the votes which he would have been entitled to cast at a meeting to consider the resolution he wishes to cast in favour of or against such resolution, or to be treated as abstentions, and the result of any such resolution in writing need not be unanimous and shall be determined upon the same basis as on a poll.

16. NUMBER OF DIRECTORS

The company may by ordinary resolution determine the maximum and minimum number of directors and unless and until it is so determined (or save where the Law otherwise provides), the minimum number of directors shall be two and the number of directors shall not be subject to any maximum.

17. ALTERNATE DIRECTORS

17.1 Any director (other than an alternate director) may appoint any other director, or any other person, to be an alternate director and may remove from office an alternate director so appointed by him.

17.2 An alternate director shall be entitled to attend, count in the quorum of and vote at any meeting of the directors and at all meetings of committees of directors of which his appointor is a member at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence, but shall not be entitled to receive any remuneration from the company for his services as an alternate director. It shall not be necessary to give notice of such a meeting to an alternate director.

- 17.3 An alternate director shall cease to be an alternate director if his appointor ceases to be a director, but, if a director is reappointed, any appointment of an alternate director made by him which is in force immediately prior to his reappointment shall continue after his reappointment.
- 17.4 Any appointment or removal of an alternate director shall be by notice to the company signed by the director making or revoking the appointment or in any other manner approved by the directors.
- 17.5 Save as otherwise provided in the articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

18. **POWERS OF DIRECTORS**

- 18.1 Subject to the provisions of the Law, the memorandum and the articles and any directions given by special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the company. No alteration of the memorandum or articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this article shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
- 18.2 The directors may, by power of attorney or otherwise, appoint any person to be the agent of the company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.
- 18.3 A director who has been appointed to act as a sole director may exercise all the powers of the company.

19. **DELEGATION OF DIRECTORS' POWERS**

The directors may delegate any of their powers to any committee consisting of one or more directors and (if thought fit) one or more other persons, but a majority of the members of the committee shall be directors. No resolution of the committee shall be effective unless a majority of those present when it is passed are directors. The directors may also delegate to any managing director or any director (whether holding any other executive office or not) such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

20. **APPOINTMENT OF DIRECTORS**

- 20.1 The first directors of the company shall be appointed in writing by the subscribers of the memorandum or a majority of them.

20.2 The company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.

20.3 The directors may (without sanction of the company in general meeting) appoint a person who is willing to act as a director, either to fill a vacancy or as an additional director.

21. **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

The office of a director shall be vacated if:

- (a) he ceases to be a director by virtue of any provision of the Law or he becomes prohibited by law from or disqualified from being a director; or
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (c) he resigns his office by giving written notice to the company at the office (which resignation shall be effective from such date as may be specified in such notice or if no date is specified upon delivery to the office); or
- (d) the company so resolves by ordinary resolution.

22. **REMUNERATION OF DIRECTORS**

The directors shall be entitled to such remuneration as the company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

23. **DIRECTORS' EXPENSES**

The directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the company or otherwise in connection with the discharge of their duties.

24. **DIRECTORS' APPOINTMENTS AND INTERESTS**

24.1 Subject to the provisions of the Law, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the company and may enter into an agreement or arrangement with any director for his employment by the company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the company.

24.2 Subject to the provisions of the Law, and provided that he has disclosed to the directors the nature and extent of any material interests of his, a director notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise interested;
- (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the company or in which the company is otherwise interested; and
- (c) shall not, by reason of his office, be accountable to the company for any benefit which he derives from any such office or employment, or from any such transaction or arrangement, or from any interest in any such body corporate, and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

24.3 For the purposes of these articles:

- (a) a general notice given by or on behalf of a director to the directors (or the holders where appropriate) that such director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;
- (b) disclosure of a sole director's interest in any transaction or arrangement shall be made by written notice given by or on behalf of that director to the secretary prior to any decision being made as to whether or not the company should enter into the relevant transaction or arrangement; and
- (c) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

25. **DIRECTORS' GRATUITIES AND PENSIONS**

The directors may resolve that the company shall provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the company or with any body corporate which is or has been a subsidiary of the company or a predecessor in business of the company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or who was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

26. **PROCEEDINGS OF DIRECTORS**

- 26.1 Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. Questions arising at such a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. A

director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.

- 26.2 Where the company has more than one director, the quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. If the company has a sole director, the transaction of the business by the sole director shall be by way or resolution in writing signed by the sole director.
- 26.3 Any director enabled to participate in the proceedings of a meeting of the directors by means of a telecommunication device (including a telephone) which allows all of the other directors present at such meeting to hear at all times such director and such director to hear at all times all other directors present at such meeting (in each case whether in person or by means of such type of communication device) shall be deemed to be present at such meeting and shall be counted when calculating a quorum. Where all of the directors who participate in a meeting participate in the proceedings of a meeting by means of a telecommunications device (including a telephone), the chairman may at his discretion determine the geographic location at which the meeting is deemed to have taken place.
- 26.4 Save where the company has a sole director, the directors may act notwithstanding any vacancies in their number but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting to appoint directors.
- 26.5 The directors may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. If there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.
- 26.6 All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director or alternate director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or alternate director or that any of them were disqualified for holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director or alternate director and had been entitled to vote.
- 26.7 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held, and may consist of several documents in the like form each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.

- 26.8 Save as otherwise provided by the articles, a director shall not vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the company unless he has disclosed the nature and extent of his interests in accordance with the Law, in which case he shall be entitled to vote and be counted in the quorum in respect of any such resolution.
- 26.9 Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the company or any body corporate in which the company is interested, the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
- 26.10 If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.

27. **SECRETARY**

Subject to the provisions of the Law, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

28. **MINUTES**

The directors shall cause minutes to be made in books kept for the purpose in accordance with the Law.

29. **THE SEAL**

The directors may at any time resolve that the company shall have or shall cease to have a common seal. The seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by two directors or by a director and the secretary. Subject to the provisions of the Law, the directors may resolve to have or cease to have:

- (a) an official seal for use in any country territory or place outside of Jersey, which shall be a copy of the common seal of the company. Any such official seal shall in addition bear either the name of the country, territory or place in which it is to be used or the words "branch seal"; and
- (b) an official seal for use only in connection with the sealing of securities issued by the company and such official seal shall be a copy of the common seal of the company but shall in addition bear the word "securities".

30. **DIVIDENDS**

- 30.1 Subject to the provisions of the Law, the company may by ordinary resolution declare dividends in accordance with the respective rights of the holders, but no dividend shall exceed the amount recommended by the directors.
- 30.2 Subject to the provisions of the Law, the directors may pay interim dividends if it appears to them that they are justified by the financial resources of the company available for distribution under the Law. If the share capital is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The directors may also pay at intervals settled by them any dividend payable at a fixed rate, if it appears to them that the financial resources available for distribution under the Law justify payment. Provided the directors act in good faith, they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.
- 30.3 Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.
- 30.4 A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets, and may determine that cash shall be paid to any holder upon the footing of the value so fixed in order to adjust the rights of holders, and may vest any assets in trustees.
- 30.5 Any dividend or other moneys payable in respect of a share may be paid by cheque or by warrant sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque or warrant shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque or warrant shall be a good discharge to the company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.
- 30.6 No dividend or other moneys payable in respect of a share shall bear interest against the company unless otherwise provided by the rights attached to the share.

- 30.7 Any dividend which has remained unclaimed for ten years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the company.

31. **ACCOUNTS AND AUDIT**

- 31.1 No holder shall (as such) have any right of inspecting any accounting records or other book or document of the company except as conferred by law or authorised by the directors or by ordinary resolution of the company.
- 31.2 The company in general meeting may appoint auditors to examine the accounts and report thereon in accordance with the Law.

32. **CAPITALISATION OF PROFITS**

The directors may with the authority of an ordinary resolution of the company:

- (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the company not required for paying any preferential dividend or any sum standing to the credit of the company's share premium account or capital redemption reserve;
- (b) appropriate the sum resolved to be capitalised to the holders in proportion to the nominal amounts of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were distributable and were distributed by way of dividend, and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up and allotting unissued shares or debentures of the company of a nominal amount equal to that sum, and allot the shares or debentures credited as partly or fully paid to those holders, or as they may direct, in those proportions, or partly in one way and partly in the other; but the capital redemption reserve may for the purposes of this article only be applied in paying up unissued shares to be allotted to holders credited as fully paid up; and
- (c) authorise any person to enter on behalf of all the holders concerned into an agreement with the company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such holders.

33. **NOTICES**

- 33.1 Any notice to be given to or by any person pursuant to the articles shall be in writing and may be given by email or any other electronic method except that a notice calling a meeting of the directors need not be in writing.
- 33.2 A holder shall be entitled to receive any notice to be given to him pursuant to the articles notwithstanding that his registered address is not within the British Islands. The company may give notice to a holder either personally or by sending it by post in a prepaid envelope

addressed to the holder at his registered address or by leaving it at that address or by emailing the notice to the holder's electronic address last notified to the company by the holder. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders.

- 33.3 A holder present, either in person or by proxy, at any meeting of the company or of the holders of any class of shares in the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 33.4 Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person from which he derives his title.
- 33.5 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted. Electronic communication of a notice (properly addressed and dispatched to the holder's electronic address last notified by the holder to the company in writing) is given or deemed to have been given at the time the electronic notice leaves the information system of the company or the information system any other person sending the notice on the company's behalf (as the case may be).
- 33.6 A notice may be given by the company to the persons entitled to a share in consequence of the death, incapacity or bankruptcy of a holder by sending or delivering it, in any manner authorised by the articles for the giving of notice to a holder, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or curator of the holder or by any like description at the address supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death, incapacity or bankruptcy had not occurred. If more than one person would be entitled to receive a notice in consequence of the death, incapacity or bankruptcy of a holder, notice given to any one of such persons shall be sufficient notice to all such persons.

34. **WINDING-UP**

If the company is wound up, the company may, with the sanction of a special resolution and any other sanction required by the Law, divide the whole or any part of the assets of the company among the holders in specie and the liquidator or, where there is no liquidator, the directors may, for that purpose, value any assets and determine how the division shall be carried out as between the holders or different classes of holders, and with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the holders as he with the like sanction determines, but no holder shall be compelled to accept any assets upon which there is a liability.

35. **INDEMNITY**

In so far as the Law allows, every present or former officer of the company (including without limitation any alternate director, secretary or director of the company) shall be indemnified out of the assets of the company against any loss or liability incurred by him by reason of being or having been such an officer. The directors, may without sanction of the company in general meeting authorize the purchase or maintenance by the company for any officer or former officer of the company (including without limitation any alternate director, secretary or director of the company) and any agent or employee of the company of any insurance as is permitted by the Law in respect of any liability which would otherwise attach to such officer or former officer of the company (including without limitation any alternate director, secretary or director of the company) and any agent or employee of the company.

We, the subscribers to the memorandum of association wish to form a company pursuant to these articles of association.

Name of Subscribers	Address	Shares
PREMIER CIRCLE LIMITED	26 New Street St. Helier Jersey JE2 3RA	1

N. Kenia

Authorised Signatory

[Signature]

Authorised Signatory

Witness to the signatures above-named subscribers

[Signature]

Derek de Sousa

26 New Street
St. Helier
Jersey JE2 3RA

06.06.2023

Dated

SAMOS ENERGY INFRASTRUCTURE LTD
(the "Company")

We, the undersigned, being all the members of the Company as at the date when the following resolution (the "**Resolution**") is deemed passed, **HEREBY RESOLVE** that the following Resolution be and is hereby approved as a special resolution of the Company, such Resolution being deemed to be passed when this instrument is signed:

SPECIAL RESOLUTION

1. **THAT** the Company's Articles of Association be amended by the deletion of Article 7.7 and the insertion of a new Article 7.7, as follows:

"7.7 Notwithstanding any other provision of these articles, in the case of any shares which is the subject of any security agreement by or pursuant to which a security interest has been granted in respect of such share:

7.7.1 the company shall not have any lien on such share, pursuant to the provisions of Article 5 (*Lien*) or otherwise;

7.7.2 no such share may be forfeited, pursuant to the provisions of Article 6 (*Calls on Shares and Forfeiture*) or otherwise;

7.7.3 the directors may not refuse and must recognise and immediately register the transfer of any such share where an instrument of transfer is lodged at the office accompanied by the certificate for any such share to which it relates and a certificate by the party to whom such security has been granted (or any successor or assignee of any such party) that the instrument of transfer was executed pursuant to or in connection with such a security agreement; and

7.7.4 the registration of any such transfer of any such share may not be suspended,

provided always that nothing in this article shall require the directors to do anything which shall be illegal or unlawful or otherwise expose them personally to criminal action or other statutory financial penalty claims."

DocuSigned by:

.....

Duly authorized

for and on behalf of

SAMOS ENERGY INFRASTRUCTURE MANAGEMENT LTD

Dated: 16 June 2023

Notes:

This instrument must be forwarded to the Secretary for filing with the minutes of meetings of the members of the Company.

Company Registration No. 149126

Samos Energy Infrastructure Ltd

Annual Financial Statements

For the financial period from 7 June 2023 (date of incorporation) to
31 December 2023



Samos Energy Infrastructure Ltd

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Samos Energy Infrastructure Ltd

Directors' statement

The directors are pleased to present their statement to the member together with the audited financial statements of Samos Energy Infrastructure Ltd (the "Company") for the financial period from 7 June 2023 (date of incorporation) to 31 December 2023.

Incorporation

The Company was incorporated in Jersey, Channel Island on 7 June 2023 with the registered number 149126.

Principal activity

The principal activity of the Company is owning and leasing floating production platforms through its subsidiaries.

Dividend and results

The results for the period are set out on page 6 of the financial statements. No dividends were declared in respect of the period ended 31 December 2023.

Directors

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

Jacques Joseph Tohme	(Appointed on 7 June 2023)
Charles David Furness-Smith	(Appointed on 7 June 2023 and resigned on 12 February 2024)
Hussein Dada	(Appointed on 12 February 2024)
Ocorian Corporate Services (Jersey) Limited	(Appointed on 30 June 2023)
Circle Corporate Services (Jersey) Limited	(Appointed on 30 June 2023 and resigned on 6 June 2024)
Nadia Helene Trehou	(Appointed on 6 June 2024)
Craig Wilkinson Cameron	(Appointed as alternate director on 6 June 2024)

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial period 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' interests in shares or debentures

The following directors, who held office at the end of the financial period, had, according to the register of directors' shareholdings:

Directors	Shareholders and % of shareholdings
Jacques Joseph Tohme	100% of ordinary shares in ultimate holding company, Amerocap LLC (of which 1% is through Amerocap Inc)

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

Samos Energy Infrastructure Ltd

Directors' statement

Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Secretary

Ocorian Secretaries (Jersey) Limited was appointed as secretary from 7 June 2023.

Auditor

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

Directors' responsibilities for the financial statements

The Directors are responsible for preparing financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period and are in accordance with applicable laws. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concerns basis unless it is inappropriate to presume the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board of Directors,



Hussein Dada
Director
17 October 2024

Samos Energy Infrastructure Ltd

Independent auditor's report

For the financial period from 7 June 2023 (date of incorporation) to 31 December 2023

Independent auditor's report to the member of Samos Energy Infrastructure Ltd

Report on the audit of the financial statements

We have audited the financial statements of Samos Energy Infrastructure Ltd (the "Company"), which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including material accounting policy information.

Opinion

In our opinion, the accompanying financial statements are properly drawn up in accordance with the International Financial Reporting Standards ("IFRS") so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibility under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the directors' report set up on page 1 to 2.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Samos Energy Infrastructure Ltd

Independent auditor's report

For the financial period from 7 June 2023 (date of incorporation) to 31 December 2023

Independent auditor's report to the member of Samos Energy Infrastructure Ltd

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 IFRS, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Samos Energy Infrastructure Ltd

Independent auditor's report

For the financial period from 7 June 2023 (date of incorporation) to 31 December 2023

Independent auditor's report to the member of Samos Energy Infrastructure Ltd

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
17 October 2024

Samos Energy Infrastructure Ltd

Statement of comprehensive income

For the financial period from 7 June 2023 (date of incorporation) to 31 December 2023

	Note	7 June 2023 (date of incorporation to 31 December 2023 USD
Revenue	4	3,100,000
Other income	5	8,652
Administrative expenses		(3,394,905)
Finance costs	6	(8,941,285)
Other operating expenses		(33,740,000)
Loss before tax	7	(42,967,538)
Income tax expense	8	—
Loss for the period, representing total comprehensive loss for the period		(42,967,538)

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

Samos Energy Infrastructure Ltd**Statement of financial position
As at 31 December 2023**

	Note	2023 USD
Non-current asset		
Investment in subsidiaries	9	66,540,890
		<u>66,540,890</u>
Current assets		
Other receivables	10	11,074,489
Cash and cash equivalents	11	677,099
		<u>11,751,588</u>
Total assets		<u>78,292,478</u>
Current liabilities		
Amount due to a subsidiary	12	10,020,016
Loans and borrowings	13	32,757,000
		<u>42,777,016</u>
Non-current liabilities		
Loans and borrowings	13	70,983,000
		<u>70,983,000</u>
Total liabilities		<u>113,760,016</u>
Net current liabilities		<u>(31,025,428)</u>
Net liabilities		<u>(35,467,538)</u>
Equity attributable to owner of the Company		
Share capital	14	7,500,000
Accumulated losses		(42,967,538)
Total equity		<u>(35,467,538)</u>

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

Samos Energy Infrastructure Ltd

Statement of changes in equity

For the financial period from 7 June 2023 (date of incorporation) to 31 December 2023

	Share capital (Note 14) USD	Accumulated losses USD	Total USD
At 7 June 2023 (date of incorporation)	7,500,000	–	7,500,000
Loss for the period, representing total comprehensive loss for the period	–	(42,967,538)	(42,967,538)
At 31 December 2023	7,500,000	(42,967,538)	(35,467,538)

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

Samos Energy Infrastructure Ltd

Statement of cash flows

For the financial period from 7 June 2023 (date of incorporation) to 31 December 2023

	Note	2023 USD
Cash flows from operating activities		
Loss before tax		(42,967,538)
Adjustments for:		
Interest expense	6	8,941,285
Interest income	5	(8,652)
Fair value loss on loans and borrowings	7	33,740,000
Operating cash flows before changes in working capital		(294,905)
Changes in working capital:		
Increase in other receivables		(11,074,489)
Increase in amount due to a subsidiary		10,020,016
Cash generated from operations		(1,349,378)
Interest received		8,652
Net cash used in operating activities		(1,340,726)
Cash flows from investing activities		
Investment in subsidiaries		(66,540,890)
Net cash used in investing activities		(66,540,890)
Cash flows from financing activities		
Proceeds from loans and borrowings		70,000,000
Interest paid		(8,941,285)
Proceeds from issuance of shares	14	7,500,000
Net cash generated from financing activities		68,558,715
Net increase in cash and cash equivalents		677,099
Cash and cash equivalents at date of incorporation		–
Cash and cash equivalents at end of the period	11	677,099

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

Samos Energy Infrastructure Ltd

Notes to the financial statements

For the financial period from 7 June 2023 (date of incorporation) to 31 December 2023

1. Corporate information

Samos Energy Infrastructure Limited ("SEIL") (the "Company") is a private limited company which is incorporated and domiciled in Jersey. The registered office and principal place of business of the Company is located at 26 New Street, St Helier, Jersey, JE2 3 RA.

During the year, SEIL acquired Samos Energy Floating Infrastructure 1 Limited ("SEFI1L") (formerly known as PetroFirst Infrastructure Limited) and Samos Energy Floating Infrastructure 2 Limited ("SEFI2L") (formerly known as PetroFirst Infrastructure 2 Limited) from PetroFirst Infrastructure Holdings Limited.

The immediate holding company is Samos Energy Infrastructure Management Ltd ("SEIML"). Since 3 July 2024, the immediate holding company has changed to Samos Energy Infrastructure (Finco) Limited ("SEIFinco"), both companies being incorporated in Jersey.

The ultimate holding company is Amerocap LLC, which is incorporated in Delaware.

The ultimate beneficial owner is Jacques Joseph Tohme, who owns 100% of ordinary shares in Amerocap LLC, of which 1% is through Amerocap Inc.

2. Material accounting policy information

2.1 Basis of preparation

The financial statements of the Company have been drawn up in accordance with International Financial Reporting Standards ("IFRS").

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

The financial statements are presented in United States Dollars (USD), which is the Company's functional currency.

The financial statements of the Company have been prepared on a going concern basis, notwithstanding the net current liabilities of USD31,025,428 as at 31 December 2023. The Directors have taken into consideration all available information up until the date of the financial statements. Based on their assessment of going concern, the Directors have a reasonable expectation that the Company has adequate resources available through its subsidiaries to meet its financial commitments for the twelve months from the date of the financial statements. For more information refer to Note 19.

2.2 Adoption of new and amended standards and interpretations

The Company has adopted all the new and revised standards which are effective for annual financial period beginning on or after the date of its incorporation, 7 June 2023, in the preparation of its first set of financial statements.

The adoption of these standards did not have any material effect on the financial performance or position of the Company.

Samos Energy Infrastructure Ltd**Notes to the financial statements****For the financial period from 7 June 2023 (date of incorporation) to 31 December 2023****2. Material accounting policy information (cont'd)****2.3 Standards issued but not yet effective**

A number of new standards and amendments to the standard that have been issued but not yet effective and have not been applied in preparing these financial statements:

Description	Effective for annual periods beginning on or after
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	1 January 2024
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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

2.4 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency 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 reporting date. 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 statement of comprehensive income.

2.5 Subsidiaries

A subsidiary is an investee that is controlled by the Company. The Company 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.

In the Company's financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

Samos Energy Infrastructure Ltd**Notes to the financial statements****For the financial period from 7 June 2023 (date of incorporation) to 31 December 2023**

2. Material accounting policy information (cont'd)**2.6 Impairment of non-financial assets**

The Company 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 Company 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 group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

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.

2.7 Financial instruments**(a) Financial assets*****Initial recognition and measurement***

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

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

Trade receivables are measured at the amount of consideration to which the Company 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***Debt instruments***

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Company only has debt instruments at amortised cost.

Samos Energy Infrastructure Ltd**Notes to the financial statements****For the financial period from 7 June 2023 (date of incorporation) to 31 December 2023**

2. Material accounting policy information (cont'd)**2.7 Financial instruments (cont'd)****(a) Financial assets (cont'd)*****Subsequent measurement (cont'd)******Debt instruments (cont'd)***

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.

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 is recognised in profit or loss.

(b) Financial liabilities***Initial recognition and measurement***

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company 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 FVPL, net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL 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.

De-recognition

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.

Samos Energy Infrastructure Ltd**Notes to the financial statements****For the financial period from 7 June 2023 (date of incorporation) to 31 December 2023**

2. Material accounting policy information (cont'd)**2.8 Impairment of financial assets**

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company 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 exposures, irrespective of timing of the default (a lifetime ECL).

2.9 Cash and cash equivalents

Cash and cash equivalents consist of cash at banks which are subject to an insignificant risk of changes in value.

2.10 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

2.11 Revenue

Revenue is recognised to the extent that it is probable economic benefits will flow to the Company and the revenue can be reliably measured. The Company's revenue is recognised as follows:

Dividend income

Dividend income is recognised in the statement of comprehensive income when the right to receive a payment from dividend is finalised.

2.12 Share capital

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.

Samos Energy Infrastructure Ltd

Notes to the financial statements

For the financial period from 7 June 2023 (date of incorporation) to 31 December 2023

3. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, 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 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair value of loans and borrowings

The fair value of the Company's loans and borrowings were determined based on the methods disclosed in Note 16. The carrying amount of the Company's loans and borrowings as at 31 December 2023 are disclosed in Note 13 to the financial statements.

4. Revenue

	7 June 2023 (date of incorporation) to 31 December 2023 USD
Dividend income	3,100,000

5. Other income

	7 June 2023 (date of incorporation) to 31 December 2023 USD
Interest income from bank	8,652

6. Finance costs

	7 June 2023 (date of incorporation) to 31 December 2023 USD
Interest expense on loans and borrowings	8,941,285

Samos Energy Infrastructure Ltd**Notes to the financial statements****For the financial period from 7 June 2023 (date of incorporation) to 31 December 2023****7. Loss before tax**

Loss before tax is arrived at after charging:

	7 June 2023 (date of incorporation) to 31 December 2023 USD
Fair value loss on loans and borrowings (Note 13)	33,740,000
Professional fee	2,928,152
Management fee	471,271
	<hr/>

8. Income tax expense

The corporate tax rate in Jersey is 0%.

9. Investment in subsidiaries

	2023 USD
Unquoted equity shares, at cost	66,540,890
	<hr/>

Details of the subsidiaries are as follows:

Name of subsidiaries (Country of incorporation)	Principal activities	Proportion (%) of ownership 2023 %
<i>Held by the Company</i>		
Samos Energy Floating Infrastructure 1 Ltd (Jersey) ***	Owning & leasing floating production platform through its subsidiaries	100%
Samos Energy Floating Infrastructure 1 Ltd (Jersey) ***	Owning & leasing floating production platform through its subsidiaries	100%
<i>Held by the Subsidiaries</i>		
FPF005 Limited (Malaysia) **	Owning & leasing floating production	100%
FPF003 Pte Limited (Singapore) *	Owning & leasing floating production	100%
PV Keez Pte Ltd (Singapore) *	Owning & leasing floating production	80%

* Audited by Ernst & Young LLP, Singapore

** Audited by member firms of Ernst & Young Global

*** Unaudited

Samos Energy Infrastructure Ltd

Notes to the financial statements

For the financial period from 7 June 2023 (date of incorporation) to 31 December 2023

10. Other receivables

	2023 USD
Amount due from a subsidiary	11,037,841
Amount due from immediate holding company	36,648
	<hr/> 11,074,489 <hr/>

Amounts due from a subsidiary and immediate holding company are non-trade related, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

11. Cash and cash equivalents

	2023 USD
Cash at banks	<hr/> 677,099 <hr/>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

The carrying amounts of cash and cash equivalents denominated in foreign currencies at 31 December are as follows:

	2023 USD
British Pound	<hr/> 545,189 <hr/>

12. Amount due to a subsidiary

The amount due to a subsidiary is non-trade related, unsecured, non-interest bearing, repayable on demand and is to be settled in cash.

13. Loans and borrowings

	2023 USD
<u>Fair value through profit or loss</u>	
Secured Acquisition Facility	70,000,000
Add: Fair value loss (Note 7)	33,740,000
	<hr/> 103,740,000 <hr/>
Current	32,757,000
Non-current	70,983,000
	<hr/> 103,740,000 <hr/>

Samos Energy Infrastructure Ltd

Notes to the financial statements

For the financial period from 7 June 2023 (date of incorporation) to 31 December 2023

13. Loans and borrowings (cont'd)

The Company entered into a bridging loan agreement on 5 July 2023 with Nova Venture Holdings Limited. The bridging loan was fully settled during the current financial year.

The Secured Acquisition Facility (“the Loan”) is a hybrid instrument that provides both debt and a form of preferred equity financing, resulting in a de facto higher equity contribution at the time of acquisition, as agreed with Damask Mercury L.L.C. (“Lender”) on 17 June 2023.

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■ **_____**

■ **THE FUTURE OF THE INDUSTRY.** The industry's future will depend on how well it can adapt to the challenges posed by the global economy, particularly the impact of the financial crisis and the resulting recession. Key factors influencing the industry's outlook include:

■ **_____**

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A reconciliation of liabilities arising from financing activities is as follows:

			Non-cash changes		
	At 7 June 2023 USD	Cash flows USD	Accretion of interests USD	Others USD	At 31 December 2023 USD
2023					
Secured Acquisition Facility	–	61,600,000	8,400,000	33,740,000	103,740,000
Bridging Loan	–	(541,285)	541,285	–	–
	–	61,058,715	8,941,285	33,740,000	103,740,000

Samos Energy Infrastructure Ltd

Notes to the financial statements

For the financial period from 7 June 2023 (date of incorporation) to 31 December 2023

14. Share capital

	2023	
	No. of shares	USD
Issued and fully paid ordinary shares:		
At 7 June 2023 (date of incorporation) and 31 December 2023	2	7,500,000

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.

15. Significant related party transactions

(a) *Sale and purchase of services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and the related parties took place at terms agreed between the parties during the financial year:

	2023 USD
Management fess paid to related parties	471,271
Interest expense paid to related party	541,285

(b) *Compensation of key management personnel*

There is no compensation for key management personnel who are the directors for the Company.

16. Financial risk management

The Company' activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk and liquidity risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Company's senior management.

The following sections provide details regarding the 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 Company's exposure to these financial risks or the manner in which it manages and measures the risks.

(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 carrying amount of loan due from a related party and cash and cash equivalents represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk. The Company minimises credit risk by trading with recognised and credit-worthy third parties.

Samos Energy Infrastructure Ltd

Notes to the financial statements

For the financial period from 7 June 2023 (date of incorporation) to 31 December 2023

16. Financial risk management (cont'd)

(b) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of funding from the immediate holding company to reduce its exposure to liquidity risk.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	One year or less USD	One to five years USD	Total USD
2023			
Financial assets:			
Other receivables	11,074,489	–	11,074,489
Cash and cash equivalents	677,099	–	677,099
Total undiscounted financial assets	11,751,588	–	11,751,588
Financial liabilities:			
Amount due to a subsidiary	10,020,016	–	10,020,016
Loans and borrowings	32,757,000	70,983,000	103,740,000
Total undiscounted financial liabilities	42,777,016	70,983,000	113,760,016
Total net undiscounted financial liabilities	(31,025,428)	(70,983,000)	(102,008,428)

Samos Energy Infrastructure Ltd**Notes to the financial statements****For the financial period from 7 June 2023 (date of incorporation) to 31 December 2023****17. Fair value of assets and liabilities****(a) Fair value hierarchy**

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Fair value measurements of assets and liabilities that are measured at fair value

The following table shows an analysis of each class of liabilities measured at their fair value at the end of the reporting period:

	2023		
	Fair value measurements at the reporting date using		
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)
	USD	USD	USD
Financial liabilities at fair value through profit or loss (recurring fair value measurement)			
Loans and borrowings (Note 13)	–	–	103,740,000
			103,740,000

(c) Level 3 fair value measurement**Valuation technique and inputs**

The fair value of loans and borrowings are determined based on the discounted cash flow method, with unobservable inputs being management's assumptions on the discount rate. A significant increase (decrease) in the discount rate would result in a lower (higher) fair value measurement.

Valuation policies and procedures

Each year, the directors of the Company decide which external valuer to be responsible for the external valuations of the Company's loans and borrowings. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management has discussions with the valuer on the valuation assumptions and valuation results when the valuation is performed at each annual reporting date.

Samos Energy Infrastructure Ltd

Notes to the financial statements
For the financial period from 7 June 2023 (date of incorporation) to 31 December 2023

17. Fair value of assets and liabilities (cont'd)

- (d) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

Management has determined that the carrying amounts of other receivables (Note 10), cash and cash equivalents (Note 11) and amount due to a subsidiary (Note 12) reasonably approximate their fair values because these are short-term in nature.

18. Capital management

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

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

19. Events occurring after the reporting period

-
-
-
-

On 19 September 2024, SEFI1L and SEFI2L have amalgamated into the Company as a single entity.

-

20. Comparative information

The financial statements cover the period since incorporation from 7 June 2023 to 31 December 2023. These being the first set of accounts, there are no comparative figures.

21. Authorisation of financial statements for issue

The financial statements for the financial period ended 31 December 2023 were authorised for issue in accordance with a resolution of the board of directors on 17 October 2024.

**SAMOS ENERGY INFRASTRUCTURE LIMITED
FINANCIAL STATEMENTS (UNAUDITED)
FOR YEAR TO DATE ENDED 30 JUNE 2024**

SAMOS ENERGY INFRASTRUCTURE LIMITED
Unaudited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For year to date ended 30 June 2024

	Q2'2024	YTD 2024	2023
	Group	Group	Group
	USD'000	USD'000	USD'000
REVENUE	9,681	21,178	27,255
Cost of sales	(693)	(1,560)	(2,246)
GROSS PROFIT	8,988	19,618	25,009
Administrative expenses	(666)	(1,479)	(3,739)
Depreciation	(4,905)	(9,810)	(9,809)
Fair value loss on loan	-	-	(33,740)
Gain on bargain purchase	-	-	32
PROFIT FROM OPERATIONS BEFORE TAX	3,417	8,329	(22,247)
Finance income	12	23	9
Finance costs	(9,048)	(15,096)	(9,039)
PROFIT BEFORE TAX	(5,619)	(6,744)	(31,277)
Income tax expenses	(331)	(387)	-
PROFIT FOR THE YEAR	(5,950)	(7,131)	(31,277)
OTHER COMPREHENSIVE INCOME	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(5,950)	(7,131)	(31,277)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Company	(6,235)	(7,971)	(32,262)
Non-controlling interests	285	840	985
	(5,950)	(7,131)	(31,277)

SAMOS ENERGY INFRASTRUCTURE LIMITED
Unaudited

STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	2024 Group USD' 000	2023 Group USD' 000
ASSETS		
Non-current Assets		
Floating platform	60,622	70,432
Finance lease receivable	24,665	30,126
Other receivable	1,542	2,248
	<u>86,829</u>	<u>102,806</u>
Current Assets		
Finance lease receivable	11,862	11,203
Trade and other receivables	6,787	7,171
Investments	-	-
Cash and short-term deposit	11,382	14,717
	<u>30,031</u>	<u>33,091</u>
TOTAL ASSETS	<u><u>116,860</u></u>	<u><u>135,897</u></u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	7,500	7,500
Retained Earnings	(39,973)	(32,262)
	<u>(32,473)</u>	<u>(24,762)</u>
Non-controlling interest	22,325	23,685
RCPS	2,389	2,389
Total equity	<u>(7,759)</u>	<u>1,312</u>
Current Liabilities		
Trade and other payables	20,448	30,796
Interest payable	48	49
Income tax payable	383	-
	<u>20,879</u>	<u>30,845</u>
Non-current Liabilities		
Borrowings	103,740	103,740
Total Liabilities	<u>124,619</u>	<u>134,585</u>
TOTAL EQUITY AND LIABILITIES	<u><u>116,860</u></u>	<u><u>135,897</u></u>

The financial statements were authorized for issue in accordance with a resolution of the directors

Director

SAMOS ENERGY INFRASTRUCTURE LIMITED
Unaudited

CONSOLIDATED STATEMENT OF CASH FLOWS
For year to date ended 30 June 2024

	2024	2023
	Group	Group
	USD' 000	USD' 000
OPERATING ACTIVITIES		
Comprehensive Income before tax	(6,744)	(31,277)
<i>Adjustments for:</i>		
Depreciation expense for plant & equipment	9,810	9,809
Amortisation of UWILD	719	514
Finance income & costs	15,073	9,030
Foreign exchange (gain)/loss	3	31
Fair value loss on loan	-	33,740
Gain on bargain purchase	-	(32)
	<u>18,861</u>	<u>21,815</u>
<i>Working Capital adjustments:</i>		
Trade and other receivables	5,649	3,133
Trade and other payables	(10,829)	11,909
Interest received & paid	(15,073)	(9,030)
Net cash flows generated from operating activities	<u>(1,392)</u>	<u>27,827</u>
INVESTING ACTIVITIES		
Investment in subsidiary	-	(66,541)
Cash flows used in investing activities	<u>-</u>	<u>(66,541)</u>
FINANCE ACTIVITIES		
Repayment of loan	-	(29,917)
Dividend/capital reduction payments to non-controlling interest	(1,940)	(3,600)
Loan received	-	79,479
Shares issued	-	7,500
Cash flows (used in)/ generated from financing activities	<u>(1,940)</u>	<u>53,462</u>
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(3,332)</u>	<u>14,748</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>14,717</u>	<u>-</u>
Effects of foreign exchange on cash	(3)	(31)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>11,382</u></u>	<u><u>14,717</u></u>

Company Registration No. 201108078N

FPF003 Pte. Limited

Annual Financial Statements
31 December 2023



FPF003 Pte. Limited

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FPF003 Pte. Limited

Directors' statement

The directors are pleased to present their statement to the member together with the audited financial statements of FPF003 Pte. Limited (the "Company") for the financial year ended 31 December 2023.

Opinion of the directors

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and
- (b) 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:

Jacques Joseph Tohme

Hussein Dada

Dutter Andre Dennis

(Resigned on 24 April 2024)

Charles David Furness-Smith

(Appointed on 24 April 2024)

Arrangements to enable directors to acquire shares or debentures

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

Directors' interests in shares or debentures

The Company has obtained waiver on the requirements to disclose the Directors' shareholding details under Section 201 (6) (g) of the Companies Act 1967.

FPF003 Pte. Limited

Directors' statement

Auditor

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

On behalf of the Board of Directors



Charles David Furness-Smith
Director



Hussein Dada
Director

Singapore
3 June 2024

FPF003 Pte. Limited

**Independent auditor's report
For the financial year ended 31 December 2023**

Independent auditor's report to the member of FPF003 Pte. Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FPF003 Pte. Limited (the "Company"), which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

FPF003 Pte. Limited

**Independent auditor's report
For the financial year ended 31 December 2023**

Independent auditor's report to the member of FPF003 Pte. Limited

Responsibilities of Management and Directors for the Financial Statements (cont'd)

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

FPF003 Pte. Limited

**Independent auditor's report
For the financial year ended 31 December 2023**

Independent auditor's report to the member of FPF003 Pte. Limited

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

3 June 2024

FPF003 Pte. Limited**Statement of comprehensive income
For the financial year ended 31 December 2023**

	Notes	2023 US\$	2022 US\$
Revenue	4	9,721,532	9,793,610
Cost of sales		(409,419)	(3,846,329)
Gross profit		9,312,113	5,947,281
Other income	5	317,587	–
Other expenses	6	(177,892)	(187,564)
Administrative expenses		(622,300)	(668,113)
Profit before tax	7	8,829,508	5,091,604
Income tax expense	8	–	–
Profit for the year, representing total comprehensive income for the year		8,829,508	5,091,604

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

FPF003 Pte. Limited**Statement of financial position
As at 31 December 2023**

	Notes	2023 US\$	2022 US\$
ASSETS			
Non-current assets			
Floating platform	9	13,562,889	13,744,271
Derivatives	14	–	177,892
		<hr/> 13,562,889	<hr/> 13,922,163
Current assets			
Unbilled receivable		200,813	63,283
Prepaid expenses		73,566	47,706
Other receivables		23,343	233
Cash and cash equivalents	10	1,805,099	991,617
		<hr/> 2,102,821	<hr/> 1,102,839
Total assets		<hr/> 15,665,710	<hr/> 15,025,002
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	11	269,661	30,816
Amounts due to a related company	12	–	273,950
Deferred revenue	13	–	1,603,695
Dividends payable	16	1,500,000	–
		<hr/> 1,769,661	<hr/> 1,908,461
Total liabilities		<hr/> 1,769,661	<hr/> 1,908,461
Net current assets/(liabilities)		<hr/> 333,160	<hr/> (805,622)
Net assets		<hr/> 13,896,049	<hr/> 13,116,541
Equity			
Share capital	15	32,401	32,401
Retained earnings		13,863,648	13,084,140
Total equity		<hr/> 13,896,049	<hr/> 13,116,541
Total equity and liabilities		<hr/> 15,665,710	<hr/> 15,025,002

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

FPF003 Pte. Limited**Statement of changes in equity
For the financial year ended 31 December 2023**

	Share capital (Note 15) US\$	Retained earnings US\$	Total US\$
At 1 January 2023	32,401	13,084,140	13,116,541
Profit for the year, representing total comprehensive income for the year	–	8,829,508	8,829,508
Dividends on ordinary shares (Note 16)	–	(8,050,000)	(8,050,000)
At 31 December 2023	32,401	13,863,648	13,896,049
At 1 January 2022	32,401	14,781,147	14,813,548
Profit for the year, representing total comprehensive income for the year	–	5,091,604	5,091,604
Dividends on ordinary shares (Note 16)	–	(6,788,611)	(6,788,611)
At 31 December 2022	32,401	13,084,140	13,116,541

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

FPF003 Pte. Limited**Statement of cash flows
For the financial year ended 31 December 2023**

	Note	2023 US\$	2022 US\$
Cash flows from operating activities			
Profit before tax		8,829,508	5,091,604
Adjustments for:			
Depreciation of floating platform	7	181,382	3,664,271
Fair value loss on derivatives	6	177,892	187,565
		9,188,782	8,943,440
Change in working capital:			
(Increase)/Decrease in trade receivable		(137,530)	88,313
(Increase)/Decrease in prepaid expenses and other receivables		(48,970)	2,242
(Decrease)/Increase in amounts due to a related company		(273,950)	230,681
Increase/(Decrease) in trade and other payables		238,845	(18,628)
Decrease in deferred revenue		(1,603,695)	(1,602,846)
Net cash generated from operating activities		7,363,482	7,643,202
Cash flows from financing activity			
Dividends paid on ordinary shares	16	(6,550,000)	(7,686,249)
Net cash used in financing activity		(6,550,000)	(7,686,249)
Net increase/(decrease) in cash and cash equivalents		813,482	(43,047)
Cash and cash equivalents at beginning of financial year		991,617	1,034,664
Cash and cash equivalents at end of financial year	10	1,805,099	991,617

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

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2023**

1. Corporate information

FPF003 Pte. Limited (the "Company") is a private limited company incorporated in Singapore. The registered office of the Company is at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619. The principal place of business of the Company is located at The Gateway West, 150 Beach Road #35-39/50, Singapore 189720.

The principal activity of the Company is the owning and leasing of floating platforms.

The immediate holding company is Samos Energy Floating Infrastructure 1 Ltd (formerly known as PetroFirst Infrastructure 1 Limited), a company incorporated in Jersey.

The intermediate holding companies are Samos Energy Infrastructure Ltd ("SEIL") and Samos Energy Infrastructure Management Ltd, both companies being incorporated in Jersey. During the year, SEIL had acquired the PetroFirst Infrastructure 1 Limited from PetroFirst Infrastructure Holdings Limited.

The ultimate holding company is Amerocap LLC, a company incorporated in United States.

2. Material accounting policy information**2.1 Basis of preparation**

The financial statements of the Company have been drawn up in accordance with Singapore Financial Reporting Standards International ("SFRS(I)"). The financial statements of the Company 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\$), which is the Company's functional currency.

The financial statements of the Company have been prepared on the basis that it will continue to operate as a going concern.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial period beginning on 1 January 2023. The adoption of these standards did not have any material effect on the financial statements of the Company.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2023****2. Material accounting policy information (cont'd)****2.2 Adoption of new and amended standards and interpretations (cont'd)**

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to SFRS(I) 16 Leases: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 1-7 Statement of Cash Flows and SFRS(I) 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 1-21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application.

2.3 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency 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 reporting date. 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 values were 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 statement of comprehensive income.

2.4 Floating platform

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying plant and equipment. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2023**

2. Material accounting policy information (cont'd)**2.4 Floating platform (cont'd)**

When significant parts of plant and equipment are required to be replaced in intervals, the Company 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.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Floating platform	18.5 years
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The carrying values of 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 least at the end of each financial period, and adjusted prospectively, if appropriate.

An item of 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.

2.5 Impairment of non-financial assets

The Company 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 Company 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 group 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. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2023**

2. Material accounting policy information (cont'd)**2.5 Impairment of non-financial assets (cont'd)**

Impairment losses of continuing operations are recognised in statement of comprehensive income, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's 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 statement of comprehensive income.

2.6 Financial instruments**(a) Financial assets*****Initial recognition and measurement***

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

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

Trade receivables are measured at the amount of consideration to which the Company 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***Debt instruments***

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Company only has debt instruments at 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.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2023**

2. Material accounting policy information (cont'd)**2.6 Financial instruments (cont'd)****(a) Financial assets (cont'd)*****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 Company becomes a party to the contractual provisions of the financial instrument. The Company 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 FVPL, net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL 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.

De-recognition

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.

2.7 Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company 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).

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2023**

2. Material accounting policy information (cont'd)**2.7 Impairment of financial assets (cont'd)**

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company 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 Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company 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 which could affect debtors' ability to pay.

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

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

2.9 Leases

The Company assess 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 lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2023**

2. Material accounting policy information (cont'd)**2.10 Revenue**

Revenue is measured based on the consideration to which the Company 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 Company 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.

The Company assesses its revenue arrangements to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

Charter income

Charter income under operating leases is recognised in statement of comprehensive income on a straight-line basis over the term of the lease.

[REDACTED]

[REDACTED]

2.11 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.

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 date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2023**

2. Material accounting policy information (cont'd)**2.11 Taxes (cont'd)****(b) Deferred tax (cont'd)**

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 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 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to 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 date.

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 income taxes relate to the same taxable entity and the same taxation authority.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2023**

2. Material accounting policy information (cont'd)**2.12 Share capital**

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.

3. Significant accounting judgments and estimates

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

3.1 Judgments made in applying accounting policies

Management is of the opinion that there are no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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 Company 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 Company. Such changes are reflected in the assumptions when they occur.

(a) Useful lives of floating platform

The cost of floating platform is depreciated on a straight-line basis over the floating platform's estimated economic useful lives and after taking into consideration the residual value. [REDACTED]

[REDACTED] These are common life expectancies applied in the oil and gas industry. Changes in the expected level of usage could impact the economic useful life and changes in the metal prices could impact the residual value of the asset, therefore future depreciation charges could be revised and could have an impact on the profit in future years. [REDACTED]

[REDACTED] The depreciation charge for the year ended 31 December 2023 was US\$181,382 (2022: US\$3,664,271).

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2023****4. Revenue**

	2023 US\$	2022 US\$
Lease rental income from floating platform facility	8,902,843	8,902,846
Production tariff	818,689	890,764
	<u>9,721,532</u>	<u>9,793,610</u>

**5. Other income**

	2023 US\$	2022 US\$
Management fee	317,587	–

6. Other expenses

	2023 US\$	2022 US\$
Fair value loss on derivatives – put option	177,892	187,564

7. Profit before tax

The following items have been included in arriving at profit before tax:

	Note	2023 US\$	2022 US\$
Depreciation of floating platform	9	181,382	3,664,271
Insurance expenses		200,198	182,058
Professional fees		37,896	64,003
Management fees paid to a related company	17	277,766	576,819

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2023****8. Income tax expense**

	2023 US\$	2022 US\$
Current income tax represents income tax expense recognised in profit or loss	—	—

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 2023 and 2022 were as follows:

	2023 US\$	2022 US\$
Profit before tax	8,829,508	5,091,604
Income tax using the statutory tax rate of 17% (2022: 17%)	1,501,016	865,573
Adjustments:		
Income not subject to tax	(1,652,661)	(1,664,914)
Non-deductible expenses	151,645	799,341
Income tax expense recognised in profit or loss	—	—

The Company derives rental income from the leasing of its floating platform facility. The income is exempted from tax under Section 13A and Section 13F of the Singapore Income Tax Act 1947.

9. Floating platform

	Floating platform US\$
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	58,600,000
Accumulated depreciation:	
At 1 January 2022	41,191,458
Depreciation charge for the year	3,664,271
At 31 December 2022 and 1 January 2023	44,855,729
Depreciation charge for the year	181,382
At 31 December 2023	45,037,111

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2023**

9. Floating platform (cont'd)

	Floating platform US\$
Net carrying amount:	
At 31 December 2022	13,744,271
	<hr/>
At 31 December 2023	13,562,889
	<hr/>

In 2023, the Company adjusted the remaining useful life of its floating platform to 6 years ending 31 December 2028, following the extension of charter period.

10. Cash and cash equivalents

	2023 US\$	2022 US\$
Cash at banks	1,805,099	991,617
	<hr/>	<hr/>

11. Trade and other payables

	2023 US\$	2022 US\$
Trade payables	228,626	1,598
Accrued operating expenses	41,035	29,218
	<hr/>	<hr/>
	269,661	30,816
	<hr/>	<hr/>

Trade payables are non-interest bearing and are normally settled on 30 days' credit terms.

12. Amounts due to a related company

The amounts due to a related company was unsecured, non-interest bearing, repayable on demand and was expected to be settled in cash.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2023****13. Deferred revenue**

	2023 US\$	2022 US\$
Current deferred rental income	–	1,603,695

The deferred rental income relates to billings in excess of revenue recognised from the lease of the floating platform.

14. Derivatives

	2023 US\$ Notional Amount	US\$ Assets	2022 US\$ Notional Amount	US\$ Assets
Option on sale of floating platform	–	–	10,000,000	177,892
Total financial assets at fair value through profit or loss		–		177,892

On 5 July 2023, the Company has terminated the put option agreement in relation to the sale of floating platform.

15. Share capital

	2023 No. of shares	US\$	2022 No. of shares	US\$
Issued and fully paid ordinary shares:				
At 1 January and 31 December	40,000	32,401	40,000	32,401

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.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2023****16. Dividends**

	2023 US\$	2022 US\$
Declared during the financial year:		
<i>Dividend on ordinary shares:</i>		
- Interim exempt (one-tier) dividends for 2023: \$163.75 (2022: \$169.72) per share	6,550,000	6,788,611
	<hr/>	<hr/>
Declared and not paid during the financial year:		
<i>Dividend on ordinary shares:</i>		
- Interim exempt (one-tier) dividends for 2023: \$37.50 (2022: \$nil) per share	1,500,000	—
	<hr/>	<hr/>

The interim dividends of US\$897,638 for 2021 and US\$1,500,000 for 2023 were declared in respect of financial years ended 31 December 2021 and 31 December 2023. The dividends were subsequently paid on 3 January 2022 and 5 January 2024 respectively. During the year, the total dividends paid amounted to US\$6,550,000 (2022: US\$7,686,249).

17. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year:

	2023 US\$	2022 US\$
Management fees to a related company	277,766	576,819
	<hr/>	<hr/>

Compensation of key management personnel

Management fees to a related company included a charge of US\$277,766 (2022: US\$576,819) for the compensation of certain management personnel of the Company.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2023****18. Commitments*****Operating lease commitments – Company as lessor***

The lessee is entitled to terminate the lease by giving at least 6 months' notice. [REDACTED]
 [REDACTED] Future minimum
 rentals receivable under non-cancellable operating lease as at 31 December are as follows:

	2023 US\$	2022 US\$
Within one year	2,928,000	8,902,843
After one year but not more than 5 years	11,688,000	–
	14,616,000	8,902,843

19. Contingencies

During the year, the Company and its related company have jointly provided a corporate guarantee to a financial institution for a US\$70,000,000 loan taken by intermediate holding company, Samos Energy Infrastructure Ltd.

In 2022, the Company had provided a corporate guarantee to a bank for a US\$24,930,620 loan taken by a related company.

20. Financial risk management

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk and liquidity risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Company's senior management.

The following sections provide details regarding the 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 Company's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. For financial assets (including cash and cash equivalents), the Company minimises credit risks by dealing exclusively with high credit rating counterparties.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2023****20. Financial risk management (cont'd)****(a) Credit risk (cont'd)**

The Company has a credit policy in place and its exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk

At reporting date, the carrying amounts of other receivables and cash and cash equivalents represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

(b) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of funding from the immediate holding company to reduce its exposure to liquidity risk.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	One year or less US\$	One to five years US\$	Total US\$
2023			
Financial assets:			
Other receivables	23,343	–	23,343
Cash and cash equivalents	1,805,099	–	1,805,099
Total undiscounted financial assets	1,828,442	–	1,828,442
Financial liabilities:			
Trade and other payables	269,661	–	269,661
Dividends payable	1,500,000	–	1,500,000
Total undiscounted financial liabilities	1,769,661	–	1,769,661
Total net undiscounted financial assets	58,781	–	58,781

FPF003 Pte. Limited

Notes to the financial statements
For the financial year ended 31 December 2023

20. Financial risk management (cont'd)

(b) *Liquidity risk (cont'd)*

	One year or less US\$	One to five years US\$	Total US\$
2022			
Financial assets:			
Derivatives	177,892	–	177,892
Other receivables	233	–	233
Cash and cash equivalents	991,617	–	991,617
Total undiscounted financial assets	1,169,742	–	1,169,742
Financial liabilities:			
Trade and other payables	30,816	–	30,816
Amounts due to a related company	273,950	–	273,950
Total undiscounted financial liabilities	304,766	–	304,766
Total net undiscounted financial assets	864,976	–	864,976

21. Fair value of assets and liabilities

(a) *Fair value hierarchy*

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

FPF003 Pte. Limited

Notes to the financial statements
For the financial year ended 31 December 2023

21. Fair value of assets and liabilities (cont'd)

(b) Assets measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the reporting date:

	<u>Fair value measurements at the reporting date using</u>			Total US\$
	Quoted prices in active markets for identical instruments (Level 1) US\$	Significant observable inputs other than quoted prices (Level 2) US\$	Significant unobservable inputs (Level 3) US\$	
2022				
Financial assets:				
Derivatives – Put Option	–	–	177,892	177,892
Financial assets as at 31 December 2022	–	–	177,892	177,892

(c) Level 3 fair value measurements

Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value as at 31 December 2022 US\$	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements				
Financial assets:				
Derivatives - Option	177,892	Option pricing model	Volatility rate	20.27%

For floating platform, a significant increase/(decrease) in the discount rate would result in a significantly lower/(higher) fair value measurement.

For derivative – option, a significant increase/(decrease) in the volatility rate would result in a significantly higher/(lower) in fair value measurement. The value of the floating platform is estimated by reference to current market steel price.

FPF003 Pte. Limited

Notes to the financial statements
For the financial year ended 31 December 2023

21. Fair value of assets and liabilities (cont'd)

(c) *Level 3 fair value measurements (cont'd)*

The following table shows the impact on the Level 3 fair value measurement of assets and liabilities that are sensitive to changes in unobservable inputs that reflect reasonably possible alternative assumptions. The positive and negative effects are approximately the same.

Description	31 December 2023		31 December 2022	
	Carrying amount US\$	Effect of reasonably possible alternative assumptions Increase/ (decrease) in profit before tax US\$'000	Carrying amount US\$	Effect of reasonably possible alternative assumptions Increase/ (decrease) in profit before tax US\$'000
Recurring fair value measurements				
Financial assets:				
Derivatives - Option	—	—	177,892	54/(49)

In 2022, in order to determine the effect of the above reasonably possible alternative assumptions, the Company adjusted the volatility rate used in the fair value measurement for derivatives – option, the Company by increasing/(decreasing) the assumptions by 10%.

(d) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

Management has determined that the carrying amounts of other receivables, cash and cash equivalents (Note 10), trade and other payables (Note 11) and amounts due to related company (Note 12) based on their notional amounts, reasonably approximate their fair values because these are short-term in nature or they are repriced frequently.

22. Capital management

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

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

FPF003 Pte. Limited

**Notes to the financial statements
For the financial year ended 31 December 2023**

23. 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 3 June 2024.

Company Registration No. 201108078N

FPF003 Pte. Limited

Annual Financial Statements
31 December 2022



FPF003 Pte. Limited

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FPF003 Pte. Limited

Directors' statement

The directors are pleased to present their statement to the member together with the audited financial statements of FPF003 Pte. Limited (the "Company") for the financial year ended 31 December 2022.

Opinion of the directors

In the opinion of the directors,

- (a) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2022 and the financial performance of the business, changes in equity and cash flows of the Company for the financial year ended on that date; and
- (b) 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 as the directors had reviewed the cash flow forecast and are satisfied that the Company is able to generate sufficient cash flow to meet its liquidity requirements for the next twelve months from the date the financial statements are authorised for issue.

Directors

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

Awadhesh Kumar
Hayden Philip Lee
Stephen Thomas Webber
Andrew Richard Hugh

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares and debentures

The Company has obtained waiver on the requirements to disclose the Directors' shareholding details under Section 201 (6) (g) of the Companies Act 1967.

FPF003 Pte. Limited

Directors' statement

Auditor

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

On behalf of the board of directors:



Awadhesh Kumar
Director



Hayden Philip Lee
Director

Singapore
20 June 2023

FPF003 Pte. Limited

**Independent auditor's report
For the financial year ended 31 December 2022**

Independent auditor's report to the member of FPF003 Pte. Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FPF003 Pte. Limited (the "Company"), which comprise the balance sheet of the Company as at 31 December 2022, the statement of changes in equity of the Company and the statement of comprehensive income and cash flow statement of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement of the Company is properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the financial position of the Company as at 31 December 2022 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

FPF003 Pte. Limited

**Independent auditor's report
For the financial year ended 31 December 2022**

Independent auditor's report to the member of FPF003 Pte. Limited

Responsibilities of Management and Directors for the Financial Statements (cont'd)

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

FPF003 Pte. Limited

**Independent auditor's report
For the financial year ended 31 December 2022**

Independent auditor's report to the member of FPF003 Pte. Limited

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

20 June 2023

FPF003 Pte. Limited**Statement of comprehensive income
For the financial year ended 31 December 2022**

	Notes	2022 US\$	2021 US\$
Revenue	5	9,793,610	9,793,654
Cost of sales		(3,846,329)	(3,849,228)
Gross profit		5,947,281	5,944,426
Other expenses	6	(187,564)	(1,555,492)
Administrative expenses		(668,113)	(593,902)
Finance costs	7	–	(205,295)
Profit before taxation	8	5,091,604	3,589,737
Tax expense	9	–	–
Profit for the financial year, representing total comprehensive income for the year		5,091,604	3,589,737

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

FPF003 Pte. Limited**Statement of financial position
As at 31 December 2022**

	Notes	2022 US\$	2021 US\$
ASSETS			
Non-current assets			
Floating platform	10	13,744,271	17,408,542
Derivatives	16	177,892	365,457
		<u>13,922,163</u>	<u>17,773,999</u>
Current assets			
Unbilled receivable		63,283	72,070
Prepaid expenses		47,706	49,948
Trade and other receivables	11	233	79,759
Cash and bank balances	12	991,617	1,034,664
		<u>1,102,839</u>	<u>1,236,441</u>
Total assets		<u>15,025,002</u>	<u>19,010,440</u>
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	13	30,816	49,444
Amounts due to related company	14	273,950	43,269
Deferred revenue	15	1,603,695	1,602,843
Dividend payable	18	–	897,638
Total current liabilities		<u>1,908,461</u>	<u>2,593,194</u>
Net current liabilities		<u>(805,622)</u>	<u>(1,356,753)</u>
Non-current liabilities			
Deferred revenue	15	–	1,603,698
Total non-current liabilities		<u>–</u>	<u>1,603,698</u>
Total liabilities		<u>1,908,461</u>	<u>4,196,892</u>
Net assets		<u>13,116,541</u>	<u>14,813,548</u>
Equity			
Share capital	17	32,401	32,401
Retained earnings		13,084,140	14,781,147
Total equity		<u>13,116,541</u>	<u>14,813,548</u>
Total equity and liabilities		<u>15,025,002</u>	<u>19,010,440</u>

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

FPF003 Pte. Limited**Statement of changes in equity
For the financial year ended 31 December 2022**

	Share capital (Note 18) US\$	Retained earnings US\$	Total equity US\$
Opening balance as at 1 January 2022	32,401	14,781,147	14,813,548
Profit for the year, representing total comprehensive income for the year	–	5,091,604	5,091,604
Dividends on ordinary shares (Note 17)	–	(6,788,611)	(6,788,611)
Closing balance as at 31 December 2022	32,401	13,084,140	13,116,541
Opening balance as at 1 January 2021	32,401	15,098,678	15,131,079
Profit for the year, representing total comprehensive income for the year	–	3,589,737	3,589,737
Dividends on ordinary shares (Note 17)	–	(3,907,268)	(3,907,268)
Closing balance as at 31 December 2021	32,401	14,781,147	14,813,548

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

FPF003 Pte. Limited**Statement of cash flows
For the financial year ended 31 December 2022**

	Note	2022 US\$	2021 US\$
Operating activities			
Profit before taxation		5,091,604	3,589,737
Adjustments for:			
Depreciation of floating platform	8	3,664,271	3,664,271
Interest expenses	7	–	131,652
Amortisation of borrowing costs	7	–	73,643
Fair value (gain)/loss on derivatives – interest rate swap	6	–	(44,512)
Fair value loss on derivatives – [REDACTED]	6	187,565	1,600,004
Operating cash flows before changes in working capital		8,943,440	9,014,795
Changes in working capital:			
Decrease/(Increase) in trade receivable		88,313	(127,584)
Decrease in prepaid expenses and other receivable		2,242	19,930
Increase in amounts due to related company		230,681	906
(Decrease)/Increase in trade and other payables		(18,628)	11,851
(Decrease)/Increase in deferred revenue		(1,602,846)	319,021
Cash generated from operations		7,643,202	9,238,919
Interest paid		–	(131,652)
Tax paid		–	–
Net cash flows generated from operating activities		7,643,202	9,107,267
Financing activities			
Dividends paid on ordinary shares		(7,686,249)	(3,800,655)
Repayment of loans and borrowings		–	(5,254,866)
Net cash flows used in financing activities		(7,686,249)	(9,055,521)
Net (decrease)/increase in cash and cash equivalents		(43,047)	51,746
Cash and cash equivalents at beginning of financial year		1,034,664	982,918
Cash and cash equivalents at end of financial year	12	991,617	1,034,664

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

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2022**

1. Corporate information

The Company is a private limited company incorporated in Singapore. The Company is a wholly owned subsidiary of PetroFirst Infrastructure Limited, incorporated in Jersey. The ultimate holding company is PetroFirst Infrastructure Holdings Limited incorporated in Cayman Islands.

The registered office of the Company is at 80 Robinson Road, #02-00, Singapore 068898. The principal place of business of the Company is located at No.2 International Business Park, The Strategy, Tower 1, Singapore 609930.

The principal activity of the Company is the owning and leasing of floating platforms.

2. Fundamental accounting assumption

As at 31 December 2022, the Company's current liabilities exceeded its current assets by US\$805,622 (2021: US\$1,356,752).

The directors had reviewed the cash flow forecast and are satisfied that the Company is able to generate sufficient cash flow to meet its liquidity requirements for the next twelve months from the date the financial statements are authorised for issue.

3. Summary of significant accounting policies**3.1 Basis of preparation**

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

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards International ("SFRS(I)").

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

The financial statements are presented in United States Dollars (USD or US\$).

3.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards that are effective for annual periods beginning on or after 1 January 2022. The adoption of these standards did not have any effect on the financial performance or position of the Company.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2022****3. Summary of significant accounting policies (cont'd)****3.3 Standards issued but not yet effective**

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
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(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 other standards above will have no material impact on the financial statements in the period of initial application.

3.4 Foreign currency

The Company's financial statements are presented in USD, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing 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 determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in statement of comprehensive income.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2022**

3. Summary of significant accounting policies (cont'd)**3.5 Floating platform**

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying plant and equipment. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced in intervals, the Company 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.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Floating platform	12.5 years
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The carrying values of 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 plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

3.6 Impairment of non-financial assets

The Company 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 Company 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 group 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. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2022**

3. Summary of significant accounting policies (cont'd)**3.6 Impairment of non-financial assets (cont'd)**

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in statement of comprehensive income, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's 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 statement of comprehensive income.

3.7 Financial instruments**(a) Financial assets*****Initial recognition and measurement***

Financial assets are recognised when, and only when the Company becomes a party to the contractual provisions of the financial instrument.

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

Trade and other receivables are measured at the amount of consideration to which the Company 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.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2022**

3. Summary of significant accounting policies (cont'd)**3.7 Financial instruments (cont'd)****(a) Financial assets (cont'd)*****Subsequent measurement***

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three 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.

(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 financial 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.

De-recognition

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 Company becomes a party to the contractual provisions of the financial instrument. The Company 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 statement of comprehensive income, directly attributable transaction costs.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2022**

3. Summary of significant accounting policies (cont'd)**3.7 Financial instruments (cont'd)****(b) Financial liabilities (cont'd)*****Subsequent measurement***

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

Subsequent to initial recognition, financial assets 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 assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

De-recognition

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

3.8 Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company 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).

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2022**

3. Summary of significant accounting policies (cont'd)**3.8 *Impairment of financial assets (cont'd)***

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company 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 which could affect debtors' ability to pay. To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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

3.9 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, which are subject to an insignificant risk of changes in value.

3.10 *Provisions*

Provisions are recognised when the Company 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.

3.11 *Deferred revenue*

Deferred revenue relates to contract liabilities for revenue paid in advance from the lease of floating platform by the customer and is amortised over the lease term on a straight line basis.

3.12 *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.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2022**

3. Summary of significant accounting policies (cont'd)**3.13 Leases***As lessor*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where the Company retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 3.14.

3.14 Revenue

Revenue is measured based on the consideration to which the Company 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 Company 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.

The Company assesses its revenue arrangements to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

Charter income

Charter income under operating leases is recognised in statement of comprehensive income on a straight-line basis over the term of the lease.

[REDACTED]

[REDACTED]

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2022**

3. Summary of significant accounting policies (cont'd)**3.15 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 Company 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.

Deferred tax assets are recognised for all deductible temporary differences, 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.

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.

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.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2022**

3. Summary of significant accounting policies (cont'd)**3.16 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 Company; 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 Company.

Contingent liabilities and assets are not recognised on the balance sheet of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

4. Significant accounting judgments and estimates

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

4.1 Judgments made in applying accounting policies

In the process of applying the Company's accounting policies, management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2022****4. Significant accounting judgments and estimates****4.2 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 Company based its assumptions and estimates on parameters available when the financial statement was prepared. Existing circumstances and assumptions about future development, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Useful lives of floating platform

The cost of floating platform is depreciated on a straight-line basis over the floating platform's estimated economic useful lives and after taking into consideration the residual value. Management estimates the useful life of the floating platform to be 12.5 years (2021: 12.5 years). These are common life expectancies applied in the oil and gas industry. Changes in the expected level of usage could impact the economic useful life and changes in the metal prices could impact the residual value of the asset, therefore future depreciation charges could be revised and could have an impact on the profit in future years. During the financial year, the Company revised the remaining useful life based on the extension of charter lease period. The depreciation charge for the year ended 31 December 2022 was US\$3,664,271 (2021: US\$3,664,271).

(b) Fair value of derivatives – option

The fair values of derivatives - option are determined using valuation techniques including option pricing model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The assumptions applied in determination of the valuation of these derivatives in more detail in Note 24.

The fair value of the derivatives – option as at 31 December 2022 is US\$177,892 (2021: US\$365,457).

5. Revenue

	2022 US\$	2021 US\$
Lease rental income from floating platform facility	8,902,846	8,901,974
Production tariff	890,764	891,680
	<u>9,793,610</u>	<u>9,793,654</u>

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2022****6. Other expenses**

	2022 US\$	2021 US\$
Fair value gain on derivatives – interest rate swaps	–	(44,512)
Fair value loss on derivatives – [REDACTED]	187,564	1,600,004
	<u>187,564</u>	<u>1,555,492</u>

7. Finance costs

	2022 US\$	2021 US\$
Interest expenses on loans and borrowings	–	131,652
Amortisation of borrowing costs	–	73,643
	<u>–</u>	<u>205,295</u>

8. Profit before taxation

The following items have been included in arriving at profit before tax:

	Note	2022 US\$	2021 US\$
Depreciation of floating platform	10	3,664,271	3,664,271
Insurance expenses		182,058	184,957
Professional fees		64,003	22,051
Management fees paid to a related company		576,819	518,301
		<u>576,819</u>	<u>518,301</u>

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2022****9. Tax expense**

	2022 US\$	2021 US\$
Current income tax represents income tax expense recognised in profit or loss	—	—

Relationship between tax expense and accounting profit

A reconciliation between income tax expense and profit before income tax multiplied by the applicable corporate tax rate for the financial years ended 31 December 2022 and 31 December 2021 were as follows:

	2022 US\$	2021 US\$
Profit before taxation	5,091,604	3,589,737
Tax at statutory tax rate 17% (2021: 17%)	865,573	610,255
Adjustments for tax effects of:		
Income not subject to tax	(1,664,914)	(1,664,921)
Expenses not deductible for tax purposes	799,341	1,054,666
Overprovision in prior years	—	—
Taxation (credit)/expense	—	—

The Company derives rental income from the leasing of its floating platform facility. The income is exempted from tax under Section 13A and Section 13F of the Singapore Income Tax Act 1947.

10. Floating platform

	Floating platform US\$
At 1 January 2021, 31 December 2021, 1 January 2022 and 31 December 2022	58,600,000
Accumulated depreciation:	
At 31 January 2021	37,527,187
Depreciation charge for the year	3,664,271
At 31 December 2021 and 1 January 2022	41,191,458
Depreciation charge for the year	3,664,271
At 31 December 2022	44,855,729

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2022****10. Floating platform (cont'd)**

	Floating platform US\$
Net carrying amount:	
At 31 December 2021	17,408,542
	<hr/>
At 31 December 2022	13,744,271
	<hr/>

In 2017, the Company adjusted the remaining useful life of its floating platform to 8 years ending 31 December 2023, following the extension of charter period.

11. Trade and other receivables

	2022 US\$	2021 US\$
Trade receivables – Third parties	–	78,743
Other receivables – Third parties	233	1,016
	<hr/>	<hr/>
	233	79,759
	<hr/>	<hr/>

Trade receivables are non-interest bearing and are normally settled at the end of the month they are billed in accordance with the terms of the lease agreement.

12. Cash and bank balances

	2022 US\$	2021 US\$
Cash at bank	991,617	1,034,664
	<hr/>	<hr/>

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2022****13. Trade and other payables**

	2022 US\$	2021 US\$
Trade payables	1,598	1,599
Accrued operating expenses	29,218	47,845
	<u>30,816</u>	<u>49,444</u>

Trade payables are non-interest bearing and are normally settled on 30 days' credit terms.

14. Amounts due to related company and holding company

The amounts due to related company and holding company are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

15. Deferred revenue

	2022 US\$	2021 US\$
Deferred rental income	1,603,695	3,206,541
	<u>1,603,695</u>	<u>3,206,541</u>
	2022 US\$	2021 US\$
Current deferred rental income	1,603,695	1,602,843
Non-current deferred rental income	–	1,603,698
	<u>1,603,695</u>	<u>3,206,541</u>

The deferred rental income relates to billings in excess of revenue recognised from the lease of the floating platform.

FPF003 Pte. Limited

Notes to the financial statements
For the financial year ended 31 December 2022

16. Derivatives

	2022		2021	
	US\$ Notional Amount	US\$ Assets	US\$ Notional Amount	US\$ Assets
Option on sale of floating platform	10,000,000	177,892	10,000,000	365,457
Total financial assets at fair value through profit or loss		<u>177,892</u>		<u>365,457</u>



17. Share capital

	2022		2021	
	No. of shares	US\$	No. of shares	US\$
Issued and fully paid ordinary shares:				
At 1 January and 31 December	40,000	32,401	40,000	32,401

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.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2022**

18. Dividends

	2022 US\$	2021 US\$
Declared during the financial year:		
<i>Dividend on ordinary shares:</i>		
- Interim exempt (one-tier) dividends for 2022: \$169.72 (2021: \$97.68) per share	6,788,611	3,907,268

The interim dividend of US\$791,025 for 2020 and US\$897,638 for 2021 were declared in respect of financial year ended 31 December 2020 and 31 December 2021. The dividends were subsequently paid on 4 January 2021 and 3 January 2022 respectively. During the year, the total dividend paid amounted to US\$7,686,249 (2021: US\$3,800,655).

19. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place at terms agreed between the parties during the financial period:

	2022 US\$	2021 US\$
Management fees to a related company	576,819	518,301

Compensation of key management personnel

Management fees to a related company included a charge of US\$576,819 (2021: US\$518,301) for the compensation of certain management personnel of the Company.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2022**

20. Commitments***Operating lease commitments – Company as lessor***

On 29 September 2016, the Company entered into amendment of charter agreement for the non-cancellable lease of floating platform which was extended for term of 8 years following the end of the initial lease period at a predetermined hire rate. The lessee is entitled to terminate the lease by giving at least 6 months' notice. This lease has remaining term of 1 year (2021: 2 years) as at 31 December 2022. Future minimum rentals receivable under non-cancellable operating lease as at 31 December are as follows:

	2022 US\$	2021 US\$
Within one year	8,902,843	8,902,843
After one year but not more than 5 years	–	8,902,843
	<u>8,902,843</u>	<u>17,805,686</u>

21. Contingencies

The Company has provided a corporate guarantee to a bank for a US\$24,930,620 (2021: US\$29,757,055) loan taken by a related company.

22. Financial risk management objectives and policies

The Company's principal financial liabilities comprise amounts due to related company, loans and borrowings, derivatives and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has various financial assets such as amounts due from immediate holding company, other receivables and cash and cash equivalents that arrive directly from its operations.

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Company's senior management.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2022**

22. Financial risk management objectives and policies (cont'd)

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

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. For the financial assets (including cash and cash equivalents), the Company minimizes credit risks by dealing exclusively with high credit rating counterparties.

The Company has a credit policy in place and its exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet.

Financial assets that are neither past due nor impaired

Cash and cash equivalents are placed with reputable financial institutions. Other receivable credit risk is managed in accordance with the Company's established policy, procedures and control relating to other receivable credit risk management.

Financial assets that are either past due or impaired

There are no financial assets that are past due or impaired.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2022****22. Financial risk management objectives and policies (cont'd)****(b) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of funding from the immediate holding company to reduce its exposure to liquidity risk. Financial liabilities comprise amounts due to related company, loans and borrowings, derivatives and trade and other payables.

Analysis of financial instruments by remaining contractual maturities

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

	One year or less US\$	One to five years US\$	Total US\$
2022			
<i>Financial assets:</i>			
Derivatives	177,892	—	177,892
Trade and other receivables	233	—	233
Cash and bank balances	991,617	—	991,617
Total undiscounted financial assets	1,169,742	—	1,169,742
<i>Financial liabilities:</i>			
Trade and other payables	30,816	—	30,816
Amount due to related company	273,950	—	273,950
Total undiscounted financial liabilities	304,766	—	304,766
Total net undiscounted financial liabilities	864,976	—	864,976

FPF003 Pte. Limited

Notes to the financial statements
For the financial year ended 31 December 2022

22. Financial risk management objectives and policies (cont'd)

(b) *Liquidity risk (cont'd)*

	One year or less US\$	One to five years US\$	Total US\$
2021			
<i>Financial assets:</i>			
Derivatives	–	365,457	365,457
Trade and other receivables	79,759	–	79,759
Cash and bank balances	1,034,664	–	1,034,664
Total undiscounted financial assets	1,114,423	365,457	1,479,880
<i>Financial liabilities:</i>			
Trade and other payables	49,444	–	49,444
Amount due to related company	43,269	–	43,269
Total undiscounted financial liabilities	92,713	–	92,713
Total net undiscounted financial liabilities	1,021,711	365,457	1,387,167

(c) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flow of the Company's financial instruments will fluctuate because of changes in market interest rates. For the financial years ended 31 December 2022 and 31 December 2021, the Company does not have any exposure to interest rate risk.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2022****23. Fair value of assets and liabilities**

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

(a) Fair value hierarchy

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Fair value measurements at the end of the reporting period using			Total
	Quoted prices in active markets for identical instruments (Level 1) US\$	Significant observable inputs other than quoted prices (Level 2) US\$	Significant unobservable inputs (Level 3) US\$	
2022				
Assets measured at fair value				
Financial assets:				
Derivatives	–	–	177,892	177,892
Financial assets as at 31 December 2022	–	–	177,892	177,892

FPF003 Pte. Limited

Notes to the financial statements
For the financial year ended 31 December 2022

23. Fair value of assets and liabilities (cont'd)

(b) *Assets and liabilities measured at fair value (cont'd)*

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period: (cont'd)

	Fair value measurements at the end of the reporting period using			Total US\$
	Quoted prices in active markets for identical instruments (Level 1) US\$	Significant observable inputs other than quoted prices (Level 2) US\$	Significant unobservable inputs (Level 3) US\$	
2021				
Assets measured at fair value				
Financial assets:				
Derivatives – Put Option	–	–	365,457	365,457
Financial assets as at 31 December 2021	–	–	365,457	365,457

FPF003 Pte. Limited

Notes to the financial statements
For the financial year ended 31 December 2022

23. Fair value of assets and liabilities (cont'd)**(c) Level 3 fair value measurements***Information about significant unobservable inputs used in Level 3 fair value measurements*

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value as at 31 December 2022 US\$	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements				
Financial assets:				
Derivatives - Option	177,892	Option pricing model	Volatility rate	20.27%

Description	Fair value as at 31 December 2021 US\$	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements				
Financial assets:				
Derivatives - Option	365,457	Option pricing model	Volatility rate	20.67%

Information about significant unobservable inputs used in Level 3 fair value measurements

For floating platform, a significant increase/(decrease) in the discount rate would result in a significantly lower/(higher) fair value measurement.

For derivative – option, a significant increase/(decrease) in the volatility rate would result in a significantly higher/(lower) in fair value measurement. The value of the floating platform is estimated by reference to current market steel price.

FPF003 Pte. Limited

Notes to the financial statements
For the financial year ended 31 December 2022

23. Fair value of assets and liabilities (cont'd)

(d) *Level 3 fair value measurements (cont'd)*

The following table shows the impact on the Level 3 fair value measurement of assets and liabilities that are sensitive to changes in unobservable inputs that reflect reasonably possible alternative assumptions. The positive and negative effects are approximately the same.

Description	31 December 2022		31 December 2021	
	Carrying amount US\$	Effect of reasonably possible alternative assumptions Increase/(decrease) in profit before tax US\$'000	Carrying amount US\$	Effect of reasonably possible alternative assumptions Increase/(decrease) in profit before tax US\$'000
Recurring fair value measurements				
Financial assets:				
Derivatives - Option	177,892	54/(49)	365,457	93/(87)

In order to determine the effect of the above reasonably possible alternative assumptions, the Company adjusted the volatility rate used in the fair value measurement for derivatives – option, the Company by increasing/(decreasing) the assumptions by 10% (2021: 10%).

(e) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

Management has determined that the carrying amounts of trade and other receivables (Note 11), cash and bank balances (Note 12), trade and other payables (Note 13), amounts due to related company (Note 14), and loans and borrowings (Note 16) based on their notional amounts, reasonably approximate their fair values because these are short-term in nature or they are repriced frequently.

24. Capital management

Capital comprises equity of the Company. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholders' value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2022 and 31 December 2021.

FPF003 Pte. Limited

**Notes to the financial statements
For the financial year ended 31 December 2022**

25. Events occurring after the reporting period

On 17 June 2023, the shareholders of the Company entered into a Break Fee Letter (the "Letter Agreement") with a third-party buyer in relation to the future sale of shares in the immediate holding company, PetroFirst Infrastructure Limited. In accordance with the terms of the Letter Agreement, the buyer had placed a US\$2,000,000 "Break Fee" in an escrow account. The Break Fee was subsequently distributed to the shareholders. The directors of the Company expect the sale to be completed in July 2023, subjected to the terms and conditions of the Letter Agreement.

26. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 20 June 2023.

Company Registration No. 201108078N

FPF003 Pte. Limited

Annual Financial Statements
31 December 2021



FPF003 Pte. Limited

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FPF003 Pte. Limited

Directors' statement

The directors are pleased to present their statement to the member together with the audited financial statements of FPF003 Pte. Limited (the "Company") for the financial year ended 31 December 2021.

Opinion of the directors

In the opinion of the directors,

- (a) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and the financial performance of the business, changes in equity and cash flows of the Company for the financial year ended on that date; and
- (b) 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:

Awadhesh Kumar
Hayden Philip Lee
Stephen Thomas Webber
Andrew Richard Hugh

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares and debentures

The Company has obtained waiver on the requirements to disclose the Directors' shareholding details under Section 201 (6) (g) of the Companies Act 1967.

FPF003 Pte. Limited

Directors' statement

Auditor

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

On behalf of the board of directors:



Awadhesh Kumar
Director



Hayden Philip Lee
Director

Singapore
29 June 2022

FPF003 Pte. Limited

**Independent auditor's report
For the financial year ended 31 December 2021**

Independent auditor's report to the member of FPF003 Pte. Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FPF003 Pte. Limited (the "Company"), which comprise the balance sheet of the Company as at 31 December 2021, the statement of changes in equity of the Company and the statement of comprehensive income and cash flow statement of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement of the Company is properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

FPF003 Pte. Limited

**Independent auditor's report
For the financial year ended 31 December 2021**

Independent auditor's report to the member of FPF003 Pte. Limited

Responsibilities of Management and Directors for the Financial Statements (cont'd)

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

FPF003 Pte. Limited

**Independent auditor's report
For the financial year ended 31 December 2021**

Independent auditor's report to the member of FPF003 Pte. Limited

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

29 June 2022

FPF003 Pte. Limited**Statement of comprehensive income
For the financial year ended 31 December 2021**

	Notes	2021 US\$	2020 US\$
Revenue	5	9,793,654	9,147,750
Cost of sales		(3,849,228)	(3,859,600)
Gross profit		5,944,426	5,288,150
Other expenses	6	(1,555,492)	(220,506)
Administrative expenses		(593,902)	(581,614)
Finance costs	7	(205,295)	(523,223)
Profit before taxation	8	3,589,737	3,962,807
Tax credit	9	—	632
Profit for the financial year, representing total comprehensive income for the year		3,589,737	3,963,439

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

FPF003 Pte. Limited**Statement of financial position
As at 31 December 2021**

	Notes	2021 US\$	2020 US\$
ASSETS			
Non-current assets			
Floating platform	10	17,408,542	21,072,813
Derivatives	17	365,457	1,965,461
		17,773,999	23,038,274
Current assets			
Unbilled receivable		72,071	23,409
Prepaid expenses		49,948	69,878
Trade and other receivables	11	79,759	837
Cash and bank balances	12	1,034,664	982,918
		1,236,442	1,077,042
Total assets		19,010,441	24,115,316
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	13	49,444	37,593
Amounts due to related company	14	43,269	42,363
Deferred revenue	15	1,602,843	—
Loans and borrowings	16	—	5,181,224
Derivatives	17	—	44,512
Dividend payable	19	897,638	791,025
Total current liabilities		2,593,194	6,096,717
Net current liabilities		(1,356,752)	(5,019,675)
Non-current liabilities			
Deferred revenue	15	1,603,698	2,887,520
Total non-current liabilities		1,603,698	2,887,520
Total liabilities		4,196,892	8,984,237
Net assets		14,813,549	15,131,079
Equity			
Share capital	18	32,401	32,401
Retained earnings		14,781,147	15,098,678
Total equity		14,813,548	15,131,079
Total equity and liabilities		19,010,440	24,115,316

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

FPF003 Pte. Limited**Statement of changes in equity
For the financial year ended 31 December 2021**

	Share capital (Note 18) US\$	Retained earnings US\$	Total equity US\$
Opening balance as at 1 January 2021	32,401	15,098,678	15,131,079
Profit for the year, representing total comprehensive income for the year	–	3,589,737	3,589,737
Dividends on ordinary shares (Note 19)	–	(3,907,268)	(3,907,268)
Closing balance as at 31 December 2021	32,401	14,781,147	14,813,548
Opening balance as at 1 January 2020	32,401	14,530,258	14,562,659
Profit for the year, representing total comprehensive income for the year	–	3,963,439	3,963,439
Dividends on ordinary shares (Note 19)	–	(3,395,019)	(3,395,019)
Closing balance as at 31 December 2020	32,401	15,098,678	15,131,079

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

FPF003 Pte. Limited**Statement of cash flows
For the financial year ended 31 December 2021**

	Note	2021 US\$	2020 US\$
Operating activities			
Profit before taxation		3,589,737	3,962,807
Adjustments for:			
Depreciation of floating platform	8	3,664,271	3,664,270
Interest expenses	7	131,652	338,463
Amortisation of borrowing costs	7	73,643	184,760
Fair value (gain)/loss on derivatives – interest rate swap	6	(44,512)	50,916
Fair value loss on derivatives – ██████████	6	1,600,004	169,590
Operating cash flows before changes in working capital		9,014,795	8,370,806
Changes in working capital:			
(Increase)/Decrease in trade receivable		(127,584)	63,386
Decrease in prepaid expenses and other receivable		19,930	22,209
Increase/(Decrease) in amounts due to related company		906	(22,826)
Increase/(Decrease) in trade and other payables		11,851	(124,345)
Increase in deferred revenue		319,021	319,021
Cash generated from operations		9,238,919	8,628,251
Interest paid		(131,652)	(338,463)
Tax paid		–	(1,627)
Net cash flows generated from operating activities		9,107,267	8,288,161
Financing activities			
Dividends paid on ordinary shares		(3,800,655)	(3,607,740)
Repayment of loans and borrowings		(5,254,866)	(4,995,515)
Net cash flows used in financing activities		(9,055,521)	(8,603,255)
Net increase/(decrease) in cash and cash equivalents		51,746	(315,094)
Cash and cash equivalents at beginning of financial year		982,918	1,298,012
Cash and cash equivalents at end of financial year	12	1,034,664	982,918

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

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2021**

1. Corporate information

The Company is a private limited company incorporated in Singapore. The Company is a wholly owned subsidiary of PetroFirst Infrastructure Limited, incorporated in Jersey. The ultimate holding company is PetroFirst Infrastructure Holdings Limited incorporated in Cayman Islands.

The registered office of the Company is at 80 Robinson Road, #02-00, Singapore 068898. The principal place of business of the Company is located at No.2 International Business Park, The Strategy, Tower 1, Singapore 609930.

The principal activity of the Company is the owning and leasing of floating platforms.

2. Fundamental accounting assumption

As at 31 December 2021, the Company's current liabilities exceeded its current assets by US\$1,356,752 (2020: US\$5,019,675).

The directors had reviewed the cash flow forecast and are satisfied that the Company is able to generate sufficient cash flow to meet its cash flow requirements for the next twelve months from the date the financial statements are authorised for issue.

3. Summary of significant accounting policies**3.1 Basis of preparation**

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

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards International ("SFRS(I)").

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

The financial statements are presented in United States Dollars (USD or US\$).

3.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards that are effective for annual periods beginning on or after 1 January 2021. The adoption of these standards did not have any effect on the financial performance or position of the Company.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2021****3. Summary of significant accounting policies (cont'd)****3.3 Standards issued but not yet effective**

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to SFRS (I) 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to SFRS(I) 1-16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to SFRS(I) 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
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 other standards above will have no material impact on the financial statements in the period of initial application.

3.4 Foreign currency

The Company's financial statements are presented in USD, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing 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 determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in statement of comprehensive income.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2021**

3. Summary of significant accounting policies (cont'd)**3.5 Floating platform**

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying plant and equipment. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced in intervals, the Company 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.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Floating platform	12.5 years
-------------------	------------

The carrying values of 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 plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

3.6 Impairment of non-financial assets

The Company 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 Company 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 group 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. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2021**

3. Summary of significant accounting policies (cont'd)**3.6 Impairment of non-financial assets (cont'd)**

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in statement of comprehensive income, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's 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 statement of comprehensive income.

3.7 Financial instruments**(a) Financial assets*****Initial recognition and measurement***

Financial assets are recognised when, and only when the Company becomes a party to the contractual provisions of the financial instrument.

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

Trade and other receivables are measured at the amount of consideration to which the Company 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.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2021**

3. Summary of significant accounting policies (cont'd)**3.7 Financial instruments (cont'd)****(a) Financial assets (cont'd)*****Subsequent measurement***

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three 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.

(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 financial 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.

De-recognition

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 Company becomes a party to the contractual provisions of the financial instrument. The Company 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 statement of comprehensive income, directly attributable transaction costs.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2021**

3. Summary of significant accounting policies (cont'd)**3.7 Financial instruments (cont'd)****(b) Financial liabilities (cont'd)*****Subsequent measurement***

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

Subsequent to initial recognition, financial assets 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 assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

De-recognition

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

3.8 Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company 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).

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2021**

3. Summary of significant accounting policies (cont'd)**3.8 Impairment of financial assets (cont'd)**

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company 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 which could affect debtors' ability to pay. To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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

3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, which are subject to an insignificant risk of changes in value.

3.10 Provisions

Provisions are recognised when the Company 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.

3.11 Deferred revenue

Deferred revenue relates to revenue paid in advance from the lease of floating platform to the customer and is amortised over the lease term on a straight line basis.

3.12 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.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2021**

3. Summary of significant accounting policies (cont'd)**3.13 Leases***As lessor*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where the Company retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 3.14.

3.14 Revenue

Revenue is measured based on the consideration to which the Company 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 Company 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.

The Company assesses its revenue arrangements to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

Charter income

Charter income under operating leases is recognised in statement of comprehensive income on a straight-line basis over the term of the lease.

[REDACTED]

[REDACTED]

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2021**

3. Summary of significant accounting policies (cont'd)**3.15 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 Company 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.

Deferred tax assets are recognised for all deductible temporary differences, 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.

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.

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.

FPF003 Pte. Limited

**Notes to the financial statements
For the financial year ended 31 December 2021**

3. Summary of significant accounting policies (cont'd)

3.16 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 Company; 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 Company.

Contingent liabilities and assets are not recognised on the balance sheet of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

4. Significant accounting judgments and estimates

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

4.1 Judgments made in applying accounting policies

In the process of applying the Company's accounting policies, management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2021****4. Significant accounting judgments and estimates****4.2 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 Company based its assumptions and estimates on parameters available when the financial statement was prepared. Existing circumstances and assumptions about future development, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Useful lives of floating platform

The cost of floating platform is depreciated on a straight-line basis over the floating platform's estimated economic useful lives and after taking into consideration the residual value. Management estimates the useful life of the floating platform to be 12.5 years (2020: 12.5 years). These are common life expectancies applied in the oil and gas industry. Changes in the expected level of usage could impact the economic useful life and changes in the metal prices could impact the residual value of the asset, therefore future depreciation charges could be revised and could have an impact on the profit in future years. During the financial year, the Company revised the remaining useful life based on the extension of charter lease period. The depreciation charge for the year ended 31 December 2021 was US\$3,664,271 (2020: US\$3,664,270).

(b) Fair value of derivatives – option

The fair values of derivatives - option are determined using valuation techniques including option pricing model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The assumptions applied in determination of the valuation of these derivatives in more detail in Note 24.

The fair value of the derivatives – option as at 31 December 2021 is US\$365,457 (2020: US\$1,965,461).

5. Revenue

	2021 US\$	2020 US\$
Lease rental income from floating platform facility	8,901,974	8,927,238
Production tariff	891,680	220,512
	<u>9,793,654</u>	<u>9,147,750</u>

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2021****6. Other expenses**

	2021 US\$	2020 US\$
Interest income from short term fixed deposit	–	–
Fair value (gain)/loss on derivatives – interest rate swaps	(44,512)	50,916
Fair value loss on derivatives – [REDACTED]	1,600,004	169,590
	<u>1,555,492</u>	<u>220,506</u>

7. Finance costs

	2021 US\$	2020 US\$
Interest expenses on loans and borrowings	131,652	338,463
Amortisation of borrowing costs	73,643	184,760
Total finance costs	<u>205,295</u>	<u>523,223</u>

8. Profit before taxation

The following items have been included in arriving at profit before tax:

	Note	2021 US\$	2020 US\$
Depreciation of floating platform	10	3,664,271	3,664,270
Insurance expenses		184,957	195,329
Professional fees		22,051	22,113
Travelling and accommodation expenses		-	863
Management fees paid to a related company		518,301	506,559
		<u>4,389,580</u>	<u>4,589,134</u>

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2021****9. Tax credit**

	2021 US\$	2020 US\$
Current income tax represents income tax expense recognised in profit or loss	–	–
Overprovision in prior years	–	(632)
	–	(632)

Relationship between tax expense and accounting profit

A reconciliation between income tax expense and profit before income tax multiplied by the applicable corporate tax rate for the financial years ended 31 December 2021 and 31 December 2020 were as follows:

	2021 US\$	2020 US\$
Profit before taxation	3,589,737	3,962,807
Tax at statutory tax rate 17% (2020: 17%)	610,255	673,677
Adjustments for tax effects of:		
Income not subject to tax	(1,664,921)	(1,555,117)
Expenses not deductible for tax purposes	1,054,666	881,440
Overprovision in prior years	–	(632)
Taxation (credit)/expense	–	(632)

The Company derives rental income from the leasing of its floating platform facility. The income is exempted from tax under Section 13A and Section 13F of the Singapore Income Tax Act 1947.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2021****10. Floating platform**

	Floating platform US\$
At 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021	58,600,000
Accumulated depreciation:	
At 1 January 2020	33,862,917
Depreciation charge for the year	3,664,270
At 31 December 2020 and 1 January 2021	37,527,187
Depreciation charge for the year	3,664,271
At 31 December 2021	41,191,458
Net carrying amount:	
At 31 December 2020	21,072,813
At 31 December 2021	17,408,542

As at 31 December 2020, the floating platform was secured against loans and borrowings (Note 16).

**11. Trade and other receivables**

	2021 US\$	2020 US\$
Trade receivables – Third parties	78,743	–
Other receivables – Third parties	1,016	837
	79,759	837

Trade receivables are non-interest bearing and are normally settled at the end of the month they are billed in accordance with the terms of the lease agreement.

12. Cash and bank balances

	2021 US\$	2020 US\$
Cash at bank	1,034,664	982,918

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2021****13. Trade and other payables**

	2021 US\$	2020 US\$
Trade payables	1,599	–
Accrued operating expenses	47,845	37,593
	<u>49,444</u>	<u>37,593</u>

Trade payables are non-interest bearing and are normally settled on 30 days' credit terms.

14. Amounts due to related company and holding company

The amounts due to related company and holding company are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

15. Deferred revenue

	2021 US\$	2020 US\$
Non-current deferred rental income	<u>3,206,541</u>	<u>2,887,520</u>
	2021 US\$	2020 US\$
Current deferred rental income	1,602,843	–
Non-current deferred rental income	1,603,698	2,887,520
	<u>3,206,541</u>	<u>2,887,520</u>

The deferred rental income relates to billings in excess of revenue recognised from the lease of the floating platform.

FPF003 Pte. Limited

Notes to the financial statements
For the financial year ended 31 December 2021

16. Loans and borrowings

	Maturity	2021 US\$	2020 US\$
Current:			
	2021		
USD loan at 2.57% - 4.29% p.a.		–	5,254,866
Less: Amortisation of loan and borrowing costs		–	(73,642)
		–	5,181,224

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

[REDACTED]

FPF003 Pte. Limited

Notes to the financial statements
For the financial year ended 31 December 2021

16. Loans and borrowings (cont'd)

A reconciliation of liabilities arising from financing activities is as follows:

	2020	Cash flow	Non-cash flow		2021
			Amortisation of transaction cost	Others	
	US\$	US\$	US\$	US\$	US\$
Loans and borrowings					
- Current	5,181,224	(5,254,866)	73,642	-	-
- Non-Current	-	-	-	-	-
Total	5,181,224	(5,254,866)	73,642	-	-

	2019	Cash flow	Non-cash flow		2020
			Amortisation of transaction cost	Others	
	US\$	US\$	US\$	US\$	US\$
Loans and borrowings					
- Current	4,810,627	(4,995,515)	184,760	5,181,352	5,181,224
- Non-Current	5,181,352	-	-	(5,181,352)	-
Total	9,991,979	(4,995,515)	184,760	-	5,181,224

The 'others' column relates to reclassification of non-current portion of bank loans due to passage of time during the year.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2021****18. Share capital**

	2021		2019	
	No. of shares	US\$	No. of shares	US\$
Issued and fully paid ordinary shares:				
At 1 January and 31 December	40,000	32,401	40,000	32,401

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.

19. Dividends

	31 December 2021	
	US\$	Dividend per ordinary shares US\$
Cash dividends on ordinary shares declared and paid:		
- Interim exempt (one-tier) dividend for 2020: paid on 2 January 2021	791,025	19.78
- Interim exempt (one-tier) dividend for 2021: paid on 1 April 2021	740,906	18.52
- Interim exempt (one-tier) dividend for 2021: paid on 1 July 2021	1,223,325	30.58
- Interim exempt (one-tier) dividend for 2021: paid on 1 October 2021	1,045,399	26.13
	<u>3,800,655</u>	

FPF003 Pte. Limited

Notes to the financial statements
For the financial year ended 31 December 2021

19. Dividends (cont'd)

	31 December 2021	Dividend per ordinary shares
	US\$	US\$
Cash dividends on ordinary shares declared and not paid:		
- Interim exempt (one-tier) dividend for 2021	897,638	22.44
	<u>897,638</u>	
	31 December 2020	Dividend per ordinary shares
	US\$	US\$
Cash dividends on ordinary shares declared and paid:		
- Interim exempt (one-tier) dividend for 2020: paid on 2 January 2021	1,003,746	25.09
- Interim exempt (one-tier) dividend for 2021: paid on 1 April 2021	567,911	14.20
- Interim exempt (one-tier) dividend for 2021: paid on 1 July 2021	1,068,760	26.72
- Interim exempt (one-tier) dividend for 2021: paid on 1 October 2021	967,323	24.18
	<u>3,607,740</u>	
	31 December 2020	Dividend per ordinary shares
	US\$	US\$
Cash dividends on ordinary shares declared and not paid:		
- Interim exempt (one-tier) dividend for 2020	791,025	19.78
	<u>791,025</u>	

At 31 December 2020, the interim dividend of US\$791,025 for 2020 was declared and approved in the shareholding meeting. The dividend was paid on 4 January 2021.

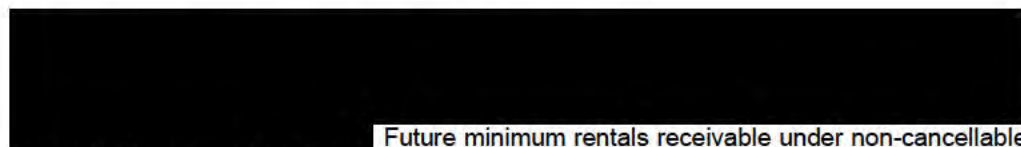
FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2021****20. Related party transactions**

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place at terms agreed between the parties during the financial period:

	2021 US\$	2020 US\$
Management fees to a related company	518,301	506,559

Compensation of key management personnel

Management fees to a related company include a charge of US\$518,301 (2020: US\$506,559) for the compensation of certain management personnel of the Company.

21. Commitments***Operating lease commitments – Company as lessor***

Future minimum rentals receivable under non-cancellable operating lease as at 31 December are as follows:

	2021 US\$	2019 US\$
Within one year	8,902,843	8,902,843
After one year but not more than 5 years	8,902,843	17,805,686
	17,805,686	26,708,529

22. Contingencies**Guarantee**

The Company has provided a corporate guarantee to a bank for a US\$29,757,055 (2020: US\$37,220,935) loan taken by a related company.

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2021**

23. Financial risk management objectives and policies

The Company's principal financial liabilities comprise amounts due to related company, loans and borrowings, derivatives and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has various financial assets such as amounts due from immediate holding company, other receivables and cash and cash equivalents that arrive directly from its operations.

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Company's senior management.

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

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. For the financial assets (including cash and cash equivalents), the Company minimizes credit risks by dealing exclusively with high credit rating counterparties.

The Company has a credit policy in place and its exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet.

Financial assets that are neither past due nor impaired

Cash and cash equivalents are placed with reputable financial institutions. Other receivable credit risk is managed in accordance with the Company's established policy, procedures and control relating to other receivable credit risk management.

Financial assets that are either past due or impaired

There are no financial assets that are past due or impaired.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of funding from the immediate holding company to reduce its exposure to liquidity risk. Financial liabilities comprise amounts due to related company, loans and borrowings, derivatives and trade and other payables.

FPF003 Pte. Limited

Notes to the financial statements
For the financial year ended 31 December 2021

23. Financial risk management objectives and policies (cont'd)**(b) Liquidity risk (cont'd)***Analysis of financial instruments by remaining contractual maturities*

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

	One year or less US\$	One to five years US\$	Total US\$
2021			
Financial assets:			
Derivatives	–	365,457	365,457
Trade and other receivables	79,759	–	79,759
Cash and bank balances	1,034,664	–	1,034,664
Total undiscounted financial assets	1,114,423	365,457	1,479,880
Financial liabilities:			
Trade and other payables	49,444	–	49,444
Amount due to related company	43,269	–	43,269
Total undiscounted financial liabilities	92,713	–	92,713
Total net undiscounted financial liabilities	1,021,711	365,457	1,387,167
2020			
Financial assets:			
Derivatives	–	1,965,461	1,965,461
Trade and other receivables	837	–	837
Cash and bank balances	982,918	–	982,918
Total undiscounted financial assets	983,755	1,965,461	2,949,216
Financial liabilities:			
Trade and other payables	37,593	–	37,593
Amount due to related company	42,363	–	42,363
Loans and borrowings	5,389,260	–	5,389,260
Derivatives	44,512	–	44,512
Total undiscounted financial liabilities	5,513,728	–	5,513,728
Total net undiscounted financial liabilities	(4,529,973)	1,965,461	(2,564,512)

FPF003 Pte. Limited**Notes to the financial statements
For the financial year ended 31 December 2021**

23. Financial risk management objectives and policies (cont'd)**(c) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flow of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from its loans and borrowings. The interest rate of loans and borrowings are at floating rates. Any changes in the interest rate would affect the Company future cash flows.

Sensitivity analysis for interest rate risk

At the end of reporting period, if USD interest rates had been 100 (2020: 100) basis points lower/higher with all other variables held constant, the Company's profit before tax would have been Nil (2020: US\$51,812) higher/lower, arising mainly as a result of lower/higher interest expense on loans and borrowings.

24. Fair value of assets and liabilities

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

(a) Fair value hierarchy

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

FPF003 Pte. Limited

Notes to the financial statements
For the financial year ended 31 December 2021

24. Fair value of assets and liabilities (cont'd)**(b) Assets and liabilities measured at fair value**

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Fair value measurements at the end of the reporting period using			Total US\$
	Quoted prices in active markets for identical instruments (Level 1) US\$	Significant observable inputs other than quoted prices (Level 2) US\$	Significant unobservable inputs (Level 3) US\$	
2021				
Assets measured at fair value				
Financial assets:				
Derivatives – [REDACTED]	–	–	365,457	365,457
Financial assets as at 31 December 2021	–	–	365,457	365,457
2020				
Assets measured at fair value				
Financial assets:				
Derivatives – [REDACTED]	–	–	1,965,461	1,965,461
Financial assets as at 31 December 2020	–	–	1,965,461	1,965,461
Financial liabilities:				
Derivatives – Interest Rate Swap	–	44,512	–	44,512
Financial liabilities as at 31 December 2020	–	44,512	–	44,512

FPF003 Pte. Limited

Notes to the financial statements
For the financial year ended 31 December 2021

24. Fair value of assets and liabilities (cont'd)**(c) Level 2 fair value measurements**

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives

Interest rate swaps are valued using a valuation technique with market observable inputs. Their fair values are determined by reference to current market interest rates.

(d) Level 3 fair value measurements*Information about significant unobservable inputs used in Level 3 fair value measurements*

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value as at 31 December 2021 US\$	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements				
Financial assets:				
Derivatives - Option	365,457	Option pricing model	Volatility rate	20.67%
Description	Fair value as at 31 December 2020 US\$	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements				
Financial assets:				
Derivatives - Option	1,965,461	Option pricing model	Volatility rate	20.92%

FPF003 Pte. Limited

Notes to the financial statements
For the financial year ended 31 December 2021

24. Fair value of assets and liabilities (cont'd)

(d) *Level 3 fair value measurements (cont'd)*

Information about significant unobservable inputs used in Level 3 fair value measurements

For floating platform, a significant increase/(decrease) in the discount rate would result in a significantly lower/(higher) fair value measurement.

For derivative – option, a significant increase/(decrease) in the volatility rate would result in a significantly higher/(lower) in fair value measurement. The value of the floating platform is estimated by reference to current market steel price.

The following table shows the impact on the Level 3 fair value measurement of assets and liabilities that are sensitive to changes in unobservable inputs that reflect reasonably possible alternative assumptions. The positive and negative effects are approximately the same.

Description	31 December 2021		31 December 2020	
	Carrying amount US\$	Effect of reasonably possible alternative assumptions Increase/(decrease) in profit before tax US\$'000	Carrying amount US\$	Effect of reasonably possible alternative assumptions Increase/(decrease) in profit before tax US\$'000
Recurring fair value measurements				
Financial assets:				
Derivatives - Option	365,457	93/(87)	1,965,461	125/(124)

In order to determine the effect of the above reasonably possible alternative assumptions, the Company adjusted the volatility rate used in the fair value measurement for derivatives – option, the Company by increasing/(decreasing) the assumptions by 10% (2020: 10%).

(e) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

Management has determined that the carrying amounts of trade and other receivables (Note 11), cash and bank balances (Note 12), trade and other payables (Note 13), amounts due to related company (Note 14), and loans and borrowings (Note 16) based on their notional amounts, reasonably approximate their fair values because these are short-term in nature or they are repriced frequently.

FPF003 Pte. Limited

**Notes to the financial statements
For the financial year ended 31 December 2021**

25. Capital management

Capital comprises equity of the Company. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholders' value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2021 and 31 December 2020.

26. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 29 June 2022.

FPF005 LIMITED.

(LL08420)

**(Incorporated in the Federal Territory of Labuan,
Malaysia)**

**Statement by Directors and Audited Financial Statements
31 December 2023**

LL08420

FPF005 Limited

(Incorporated in the Federal Territory of Labuan, Malaysia)

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FPF005 Limited

(Incorporated in the Federal Territory of Labuan, Malaysia)

Statement by directors

We, Norazimah Binti Alias and Hussein Dada, being two of the directors of FPF005 Limited, do hereby state that, in the opinion of the directors, the financial statements set out on pages 5 to 39 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and of its financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 7 June 2024.



Norazimah Binti Alias



Hussein Dada

LL08420

**Independent auditors' report to the member of
FPF005 Limited
(Incorporated in the Federal Territory of Labuan, Malaysia)**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of FPF005 Limited, which comprise the statement of financial position as at 31 December 2023 and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting information, as set out on pages 5 to 39.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

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**Independent auditors' report to the member of
FPF005 Limited (cont'd.)
(Incorporated in the Federal Territory of Labuan, Malaysia)**

Responsibilities of the directors for the financial statements (cont'd.)

In preparing the financial statements of the Company, the directors are responsible for assessing the Company'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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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Independent auditors' report to the member of
FPF005 Limited (cont'd.)
(Incorporated in the Federal Territory of Labuan, Malaysia)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other matters

This report is made solely to the member of the Company, as a body, in accordance with Section 117 of the Labuan Companies Act 1990 and Section 174(3) of the Labuan Financial Services and Securities Act 2010 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AAL 0001
Chartered Accountants



Liew Foo Shen
No. 03349/01/2026 J
Chartered Accountant

Federal Territory of Labuan, Malaysia
7 June 2024

LL08420

FPF005 Limited

(Incorporated in the Federal Territory of Labuan, Malaysia)

Statement of comprehensive income

For the financial year ended 31 December 2023

	Note	2023 USD	2022 USD
Revenue	3	13,436,811	13,928,531
Cost of sales		<u>(1,811,400)</u>	<u>(1,408,200)</u>
Gross profit		11,625,411	12,520,331
Other income	4	-	756,131
Loss on lease remeasurement		(8,958,381)	-
Administrative expenses		<u>(1,778,806)</u>	<u>(1,580,893)</u>
Profit from operations	5	888,224	11,695,569
Finance costs	6	<u>(1,259,025)</u>	<u>(1,547,168)</u>
(Loss)/Profit before taxation		(370,801)	10,148,401
Taxation	7	<u>-</u>	<u>(301,830)</u>
Net (loss)/profit for the year, representing total comprehensive (loss)/income for the year		<u>(370,801)</u>	<u>9,846,571</u>

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

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FPF005 Limited

(Incorporated in the Federal Territory of Labuan, Malaysia)

Statement of financial position

As at 31 December 2023

	Note	2023 USD	2022 USD
Assets			
Non-current assets			
Lease receivable	8	26,882,348	46,469,844
Other receivable	9	2,248,409	-
		<u>29,130,757</u>	<u>46,469,844</u>
Current assets			
Lease receivable	8	11,203,114	8,547,079
Trade and other receivables	9	3,456,983	713,027
Contract asset	10	547,168	590,604
Derivative asset	16	-	567,714
Cash and bank balances	11	358,663	7,915,424
		<u>15,565,928</u>	<u>18,333,848</u>
Total assets		<u>44,696,685</u>	<u>64,803,692</u>
Equity and liabilities			
Equity attributable to equity holder of the Company			
Share capital	12	1,200,000	100,000
Retained earnings		31,772,660	33,043,461
Shareholder's equity		<u>32,972,660</u>	<u>33,143,461</u>
Non-current liabilities			
Borrowings	13	-	20,195,138
Current liabilities			
Borrowings	13	-	5,799,525
Other payables	14	686,184	67,890
Amount due to intermediate holding company	15	11,037,841	-
Dividend payable	17	-	5,300,000
Tax payable		-	297,678
		<u>11,724,025</u>	<u>11,465,093</u>
Total liabilities		<u>11,724,025</u>	<u>31,660,231</u>
Total equity and liabilities		<u>44,696,685</u>	<u>64,803,692</u>

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

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FPF005 Limited

(Incorporated in the Federal Territory of Labuan, Malaysia)

Statement of changes in equity

For the financial year ended 31 December 2023

	Share capital USD (Note 12)	Distributable Retained earnings USD	Total USD
At 1 January 2022	100,000	36,307,608	36,407,608
Net profit for the year, representing total comprehensive income	-	9,846,571	9,846,571
Transaction with owner:			
Dividends (Note 17)	-	(13,110,718)	(13,110,718)
At 31 December 2022	<u>100,000</u>	<u>33,043,461</u>	<u>33,143,461</u>
At 1 January 2023	100,000	33,043,461	33,143,461
Issuance of ordinary shares	1,100,000		1,100,000
Net loss for the year, representing total comprehensive loss	-	(370,801)	(370,801)
Transaction with owner:			
Dividend (Note 17)	-	(900,000)	(900,000)
At 31 December 2023	<u>1,200,000</u>	<u>31,772,660</u>	<u>32,972,660</u>

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

FPF005 Limited

(Incorporated in the Federal Territory of Labuan, Malaysia)

Statement of cash flows

For the financial year ended 31 December 2023

	2023 USD	2022 USD
Cash flows from operating activities		
(Loss)/Profit before taxation	(370,801)	10,148,401
Adjustments for:		
Interest expense on external borrowings (Note 6)	786,715	1,262,370
Amortisation of borrowing costs (Note 6)	472,310	284,798
Fair value loss/(gain) on interest rate swaps (Note 16)	162,266	(750,919)
Loss on lease remeasurement (Note 5)	8,958,381	-
Unrealised foreign exchange loss/(gain) (Note 5)	21,165	(5,212)
Operating profit before working capital changes	10,030,036	10,939,438
Working capital changes:		
Decrease in lease receivables, trade receivable and other receivables	3,024,151	7,155,600
Increase/(Decrease) in other payables	618,294	(168,408)
Cash generated from operating activities	13,672,481	17,926,630
Interest paid (Note 6)	(786,715)	(1,262,370)
Tax paid	(297,678)	(516,716)
Net cash generated from operating activities	12,588,088	16,147,544
Cash flows from financing activities		
Dividends paid (Note 17)	(6,200,000)	(7,810,718)
Repayment of external borrowings (Note 13)	(26,466,973)	(3,291,318)
Proceeds from disposal of derivative (Note 16)	405,448	-
Advances from intermediate holding company	20,437,841	-
Repayment of internal borrowings from holding company	(9,400,000)	-
Proceeds from issuance of ordinary shares	1,100,000	-
Net cash used in financing activities	(20,123,684)	(11,102,036)
Net (decrease)/increase in cash and cash equivalents	(7,535,596)	5,045,508
Effect of exchange rate changes (Note 5)	(21,165)	5,212
Cash and cash equivalents at beginning of year	7,915,424	2,864,704
Cash and cash equivalents at end of year (Note 11)	358,663	7,915,424

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

FPF005 Limited
(Incorporated in the Federal Territory of Labuan, Malaysia)

Notes to the financial statements
For the financial year ended 31 December 2023

1. Corporate information

FPF005 Limited (the "Company") is a private limited liability company, incorporated and domiciled in the Federal Territory of Labuan, Malaysia. The registered office of the Company is located at Level 13(A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000, Federal Territory of Labuan, Malaysia. The principal place of business of the Company is located at Level 14(B) & 14(C), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000, Federal Territory of Labuan, Malaysia.

The immediate holding company is Samos Energy Floating 1 Ltd (formerly known as PetroFirst Infrastructure Limited), which is incorporated and domiciled in Jersey.

The intermediate holding companies are Samos Energy Infrastructure Ltd ("SEIL") and Samos Energy Infrastructure Management Ltd, both companies being incorporated in Jersey. During the year, SEIL had acquired PetroFirst Infrastructure 1 Limited from Petrofirst Infrastructure Holdings Limited.

The ultimate holding company is Amerocap LLC, a company incorporated in United States.

The Company is principally involved in the business of leasing of vessel, engines and any maritime parts or equipment.

There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 7 June 2024.

2. Material accounting policies information

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below, and are presented in United States Dollar ("USD").

FPF005 Limited
(Incorporated in the Federal Territory of Labuan, Malaysia)

2. Material accounting policies information (cont'd.)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2023, the Company adopted the following new and amended MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2023:

- MFRS 17: Insurance Contract
- Amendments to MFRS 17: Initial Application of MFRS 17 and 9
 - Comparative Information
- Amendments to MFRS 101: Disclosure of Accounting Policies
- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

There is no significant impact on the financial statement of the Company upon adoption of the above new standards, amendments to published standards and interpretations.

2.3 Standards and interpretations issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Effective for annual financial periods beginning on or after 1 January 2024:

- Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101: Presentation of Financial Statement
 - Non-current Liabilities with Covenants
 - Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107: Statement of Cash Flows
 - Disclosure of Supplier Finance Arrangements

2. Material accounting policies information (cont'd.)

2.3 Standards and interpretations issued but not yet effective (cont'd.)

Effective for annual financial periods beginning on or after 1 January 2025:

- Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

Deferred:

- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

2.4 Summary of material accounting policies

(a) Finance lease - the Company as a lessor

As a lessor, the Company determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset or whether the present value of the lease payments amounts to at least substantially all of the fair value of a leased asset.

Leases in which substantially all the risks and rewards of ownership of the asset are transferred to the lessee are classified as finance leases. Assets held pursuant to a finance lease are presented in the statement of financial position as a receivable at an amount equal to the net investment in the lease. The recognition of finance income on the receivable is based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

(b) Financial assets

At initial recognition, financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL").

FPF005 Limited
(Incorporated in the Federal Territory of Labuan, Malaysia)

2. Material accounting policies information (cont'd.)

2.4 Summary of material accounting policies (cont'd.)

(b) Financial assets (cont'd.)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics, and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under MFRS 15.

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

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Financial assets measured at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- (i) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FPF005 Limited
(Incorporated in the Federal Territory of Labuan, Malaysia)

2. Material accounting policies information (cont'd.)

2.4 Summary of material accounting policies (cont'd.)

(b) Financial assets (cont'd.)

Financial assets measured at amortised cost (cont'd.)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include lease receivables, other receivables, amount due from related party and cash and bank balances.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- (i) The rights to receive cash flows from the asset have expired; or
- (ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

FPF005 Limited
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2. Material accounting policies information (cont'd.)

2.4 Summary of material accounting policies (cont'd.)

(c) Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all financial assets not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company 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 required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

(d) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities subsequently measured at amortised cost, except for:

- Financial liabilities at FVTPL;
- Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when continuing involvement approach applies;
- Financial guarantee contracts;
- Commitments to provide a loan at below-market interest rate; or
- Contingent consideration recognised by an acquirer in a business to which MFRS 3: Business Combinations applies.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities subsequently measured at amortised cost, net of directly attributable transaction costs.

The Company's financial liabilities include borrowings, other payables, amounts due to related parties and derivative liabilities.

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2. Material accounting policies information (cont'd.)

2.4 Summary of material accounting policies (cont'd.)

(d) Financial liabilities (cont'd.)

(i) Financial liabilities subsequently measured at amortised cost

After initial recognition, financial liabilities 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 as well as through the effective interest amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest. The effective interest amortisation is included as finance costs in the statement of comprehensive income.

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

(ii) Financial liabilities subsequently measured at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied.

2. Material accounting policies information (cont'd.)

2.4 Summary of material accounting policies (cont'd.)

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks which is subject to an insignificant risk of changes in value.

(f) Provisions

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

Provisions are reviewed at each reporting date 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.

(g) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(h) Income tax

Income tax relating to leasing is measured at the fixed rate of 3% on the audited net profit, as enacted by the Labuan Business Activity Tax Act 1990 (the "Act").

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2. Material accounting policies information (cont'd.)

2.4 Summary of material accounting policies (cont'd.)

(i) Foreign currency

(i) Functional and presentation currency

The financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in USD, which is also the Company's functional currency.

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency 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 reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

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

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

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2. Material accounting policies information (cont'd.)

2.4 Summary of material accounting policies (cont'd.)

(j) 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 recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Company incurred in connection with the borrowing of funds.

(k) Finance lease interest income

Finance lease interest income from the leasing of the Mobile Offshore Production Unit ("MOPU") is recognised according to the effective interest rate method so as to provide constant periodic rate of return on the net investment.

(l) Contract asset

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, costs and estimated earnings in excess of billings on uncompleted contracts (contract assets) on the statements of financial position.

Contract assets is the right to consideration in exchange for goods or services transferred to the customer. If the Company perform by transferring goods or services to a customer before the customer pays consideration or before payment is due, contract assets is recognised for the earned consideration that is conditional.

(m) Fair value measurement

The Company measures financial instruments such as derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability; or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

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2. Material accounting policies information (cont'd.)

2.4 Summary of material accounting policies (cont'd.)

(m) Fair value measurement (cont'd.)

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The fair value of financial instruments, and non-financial assets and liabilities are disclosed in Note 20(b).

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2. Material accounting policies information (cont'd.)

2.4 Summary of material accounting policies (cont'd.)

(n) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(o) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- (i) Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- (ii) Held primarily for the purpose of trading;
- (iii) Expected to be realised within twelve months after the reporting period; or
- (iv) Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- (i) It is expected to be settled in normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of the equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.5 Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of finance lease interest income, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

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2. Material accounting policies information (cont'd.)

2.5 Significant accounting judgements and estimates (cont'd.)

(a) Critical judgement made in applying accounting policies

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

Finance lease - the Company as a lessor

The Company has developed certain criteria based on MFRS 16: Leases in making the judgement of whether a lease qualifies as a finance lease. Management determined that this is a significant criteria to conclude that the lease substantially transfers all the risks and rewards incidental to ownership of an asset from the lessor to the lessee.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Company 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 Company. Such changes are reflected in the assumptions when they occur.

Unguaranteed residual value in a lease - the Company as a lessor

Residual value is estimated based on scrap value of a leased asset that is mainly driven by commercial factors which could change significantly as a result market conditions. Changes in the scrap value could impact the residual value of the leased asset, therefore finance lease receivables could be revised.

During the year, the Company revised the estimated residual value from a fixed option price to scrap value of its leased asset. In the previous financial year, the lessee had option to purchase the assets at a fixed price at the end of the contract term, represented an unguaranteed residual value of the leased assets at the end of the contract term to a lessor. This option has been terminated following the change of shareholder during the financial year.

The revision was accounted for prospectively as a change in accounting estimates resulted in a write down of finance lease receivables of RM8,958,381 recognised as a loss on lease remeasurement in the income statement in the current financial year.

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3. Revenue

Type of services

The following tables represent revenue by type of services:

	2023	2022
	USD	USD
Finance lease interest income	6,626,555	8,268,791
Production tariff income	6,810,256	5,659,740
	<u>13,436,811</u>	<u>13,928,531</u>

4. Other income

	2023	2022
	USD	USD
Fair value gain on interest rate swaps (Note 16)	-	750,919
Unrealised foreign exchange gain	-	5,212
	<u>-</u>	<u>756,131</u>

5. (Loss)/Profit from operations

(Loss)/Profit from operations is stated after charging/(crediting) the following:

	2023	2022
	USD	USD
Auditors' remuneration	13,553	11,479
Realised foreign exchange (gain)/loss	(9,829)	9,845
Unrealised foreign exchange loss/(gain)	21,165	(5,212)
Insurance costs	840,225	692,081
Amortisation of underwater inspection in lieu of drydocking ("UWILD") costs	963,466	723,928
Fair value loss/(gain) on interest rate swaps	162,266	(750,919)
Management fees and other services paid/ payable to a related party (Note 18)	138,014	-
Loss on lease remeasurement	<u>8,958,381</u>	<u>-</u>

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6. Finance costs

Finance costs represent interest expense on loan and borrowings obtained from financial institutions. The interest expense recognised is as follows:

	2023	2022
	USD	USD
Interest expense on external borrowings	786,715	1,262,370
Amortisation of borrowing costs	472,310	284,798
Total finance costs	<u>1,259,025</u>	<u>1,547,168</u>

7. Taxation

The Company's principal activity is the leasing of MOPU. The Company is taxed at a flat rate of 3% on the audited net profit, in accordance with the Labuan Business Activity Tax Act 1990.

8. Lease receivables

	2023	2022
	USD	USD
Current		
Amount billed	1,239,969	1,239,969
Amount billable in the next 12 months	<u>9,963,145</u>	<u>7,307,110</u>
	<u>11,203,114</u>	<u>8,547,079</u>
Non-current		
Amount billable after the next 12 months	<u>26,882,348</u>	<u>46,469,844</u>

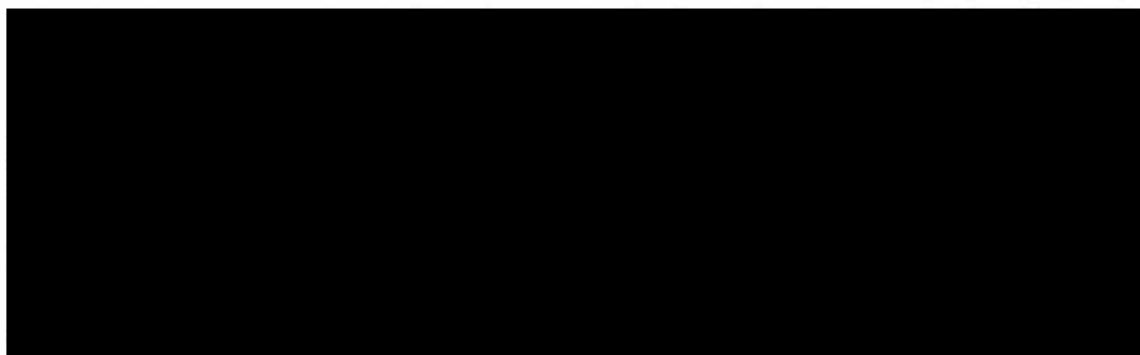
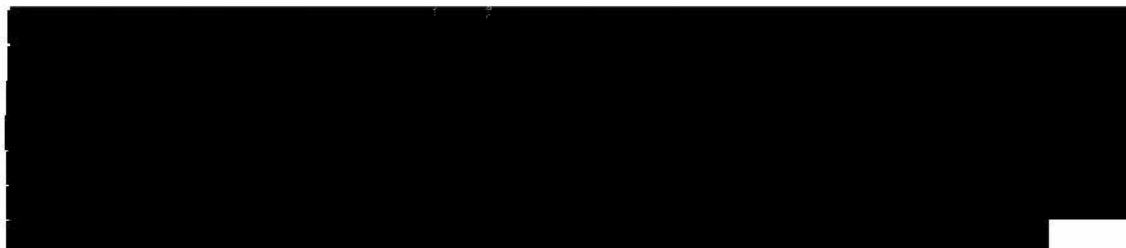


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8. Lease receivables (cont'd.)



The Company's normal credit term is 60 days (2022: 60 days). The lease receivables are neither past due nor impaired and comprises solely amounts due from customer, which also represents the Company's concentration of credit risk.

Aging analysis of lease receivables

The aging analysis of the Company's current lease receivables which have been billed are as follow:

	2023 USD	2022 USD
Neither past due nor impaired	<u>1,239,969</u>	<u>1,239,969</u>

Receivables that are neither past due nor impaired

Lease receivables that are neither past due nor impaired is due from a creditworthy debtor with good payment records with the Company. The directors of the Company are of the opinion that no provision for impairment is necessary in respect of the lease receivable as there has not been a significant change in credit quality and the balance is still considered fully recoverable. The Company does not hold any collateral or other credit enhancement over the lease receivable.

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8. Lease receivables (cont'd.)

Receivables that are neither past due nor impaired (cont'd.)

None of the Company's lease receivables that are neither past due nor impaired has been renegotiated during the financial year.

	2023 USD	2022 USD
Future minimum lease receivables:		
Not later than one year	15,879,603	15,839,604
Later than one year and not later than five years	31,241,862	60,158,996
Total minimum future lease receivables	47,121,465	75,998,600
Less: Future finance charges	(9,036,003)	(20,981,677)
Present value of finance lease receivables	38,085,462	55,016,923

Analysis of present value of lease receivables:

Not later than one year	11,203,114	8,547,079
Later than one year and not later than five years	26,882,348	46,469,844
	38,085,462	55,016,923
Less: Amount due within 12 months	(11,203,114)	(8,547,079)
Amount due after 12 months	26,882,348	46,469,844



Other information on financial risks of lease receivables are disclosed in Note 20(a).

9. Trade and other receivables

	2023 USD	2022 USD
Current		
Trade receivable		
Third parties	1,765,242	-
Other receivables		
Deposit	1,820	1,723
Prepaid expenses	25,727	44,725
Prepaid insurance costs	238,864	156,931
Prepaid expenses for UWILD	1,425,330	509,648
	1,691,741	713,027
Total current	3,456,983	713,027

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9. Trade and other receivables (cont'd.)

	2023 USD	2022 USD
Non-current		
Other receivables		
Prepaid expenses for UWILD	2,248,409	-
Total trade and other receivables	5,705,392	713,027

Trade receivable are non-interest bearing, and the Company's normal trade credit term generally on 60 days term.

Other information about the credit exposures are disclosed in Note 20(a).

10. Contract assets

Contract asset is recognised from accrued production tariff income from a third party.

11. Cash and bank balances

	2023 USD	2022 USD
Cash at banks, representing total cash and bank balances	358,663	7,915,424

Other information on financial risks of cash and bank balances are disclosed in Note 20(a).

12. Share capital

	Number of ordinary shares		Amount	
	2023	2022	2023 USD	2022 USD
Issued and fully paid:				
1 January	100,000	100,000	100,000	100,000
Issuance of ordinary shares during the financial year	1,100,000	-	1,100,000	-
31 December	1,200,000	100,000	1,200,000	100,000

On 26 June 2023, the Company has issued 1,100,000 ordinary shares with an issue price of USD1.00 per ordinary share.

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

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13. Borrowings

The amount recognised in the statement of financial position of the Company is analysed as follows:

	2023 USD	2022 USD
Secured		
Bank loans	-	26,465,737
Less: Transaction costs capitalised	-	(1,414,386)
	-	25,051,351
Add: Accumulated amortisation of transaction costs	-	943,312
	-	25,994,663
Less: Amount due within 12 months	-	(5,799,525)
Amount due after 12 months	-	20,195,138

[REDACTED]

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13. Borrowings (cont'd.)

The net debt repayment schedule for the borrowings was as follows:

	2023 USD	2022 USD
Not later than one year	-	6,084,323
Later than one year and not later than five years	-	20,381,414
	<u>-</u>	<u>26,465,737</u>

The changes in liabilities arising from financing activities are as follows:

	At 1 January 2023 USD	Cash flows USD	Other changes USD	At 31 December 2023 USD
Borrowings	25,994,663	(26,466,973)	472,310	-

	At 1 January 2022 USD	Cash flows USD	Other changes USD	At 31 December 2022 USD
Borrowings	29,001,183	(3,291,318)	284,798	25,994,663

Other information on financial risks of borrowings are disclosed in Notes 20(b) and (c).

14. Other payables

	2023 USD	2022 USD
Sundry payables	534,130	53,663
Accrued expenses	150,026	13,849
Others	2,028	378
	<u>686,184</u>	<u>67,890</u>

Other payables are non-interest bearing and normally settled between 30 to 60 days (2022: 30 to 60 days).

Other information on financial risks of other payables are disclosed in Note 20(b).

FPF005 Limited**(Incorporated in the Federal Territory of Labuan, Malaysia)****15. Amount due to intermediate holding company**

The amount due to intermediate holding company represents non-trade transactions which is unsecured, non-interest bearing and is repayable on demand.

Other information on financial risks of amount due to intermediate holding company are disclosed in Note 20(b).

16. Derivative assets/(liabilities)

	2023	2022
	USD	USD
At 1 January	567,714	(183,205)
Fair value (loss)/gain on interest rate swaps	(162,266)	750,919
Proceeds from disposal of derivative	(405,448)	-
At 31 December	<u>-</u>	<u>567,714</u>

The amount represents the fair value changes of interest rate swaps designated as FVTPL at the reporting date and the increase in net finance charges.

Other details of fair value of derivative assets are further disclosed in Note 19(b).

17. Dividends

	Amount		Net dividend per ordinary share	
	2023	2022	2023	2022
	USD	USD	USD	USD
Recognised during the financial year:				
Interim dividend for 2023:				
- First interim tax exempt (single-tier) dividend, declared on 30 March 2023 and paid on 5 April 2023	900,000	-	9.00	-
	<u>900,000</u>	<u>-</u>	<u>9.00</u>	<u>-</u>

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17. Dividends (cont'd.)

	Amount		Net dividend per ordinary share	
	2023 USD	2022 USD	2023 USD	2022 USD
Recognised during the financial year:				
Interim dividend for 2022:				
- First interim tax exempt (single-tier) dividend, declared on 22 March 2022 and paid on 6 April 2022	-	261,100	-	2.61
- Second interim tax exempt (single-tier) dividend, declared on 14 July 2022 and paid on 19 July 2022	-	4,334,618	-	43.35
- Third interim tax exempt (single-tier) dividend, declared on 20 September 2022 and paid on 12 October 2022	-	3,215,000	-	32.15
- Fourth interim tax exempt (single-tier) dividend, declared on 7 December 2022 and paid on 4 January 2023	-	5,300,000	-	53.00
	-	13,110,718	-	131.11

FPF005 Limited**(Incorporated in the Federal Territory of Labuan, Malaysia)****18. Related party disclosures****Sale and purchase of services**

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place at terms agreed between the parties during the financial year:

	Expense	
	2023	2022
	USD	USD
(i) Immediate holding company - Samos Energy Floating 1 Ltd:		
Dividend paid	900,000	7,810,718
(ii) Related party - FPF0003 Limited:		
Management fees and other services paid/payable	<u>138,014</u>	<u>-</u>

Related parties refer to companies which are subsidiaries of Amerocap LLC, a company in which the immediate holding company is an associate of.

19. Financial instruments

(a) Classification of financial instruments

The following table analyses the financial assets and liabilities of the Company in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

	Note	Financial assets measured at amortised cost USD	Financial liabilities subsequently measured at amortised cost USD	Total USD
31 December 2023				
Assets				
Lease receivables	8	38,085,462	-	38,085,462
Deposit	9	1,820	-	1,820
Cash and bank balances	11	358,663	-	358,663
Total financial assets		<u>38,445,945</u>	-	<u>38,445,945</u>
Total non-financial assets				<u>6,250,740</u>
Total assets				<u>44,696,685</u>
Liabilities				
Other payables	14	-	686,184	686,184
Amount due to intermediate holding company	15	-	11,037,841	11,037,841
Total financial liabilities		<u>-</u>	<u>11,724,025</u>	<u>11,724,025</u>
Total non-financial liabilities				<u>-</u>
Total liabilities				<u>11,724,025</u>

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19. Financial instruments (cont'd.)

(a) Classification of financial instruments (cont'd.)

	Note	Financial assets measured at amortised cost USD	Financial liabilities subsequently measured at amortised cost USD	Fair value through profit or loss USD	Total USD
31 December 2022					
Assets					
Lease receivables	8	55,016,923	-	-	55,016,923
Deposit	9	1,723	-	-	1,723
Cash and bank balances	11	7,915,424	-	-	7,915,424
Derivatives asset	16	-	-	567,714	567,714
Total financial assets		<u>62,934,070</u>	<u>-</u>	<u>567,714</u>	<u>63,501,784</u>
Total non-financial assets					<u>1,301,908</u>
Total assets					<u>64,803,692</u>
Liabilities					
Borrowings	13	-	25,994,663	-	25,994,663
Other payables	14	-	67,890	-	67,890
Total financial liabilities		<u>-</u>	<u>26,062,553</u>	<u>-</u>	<u>26,062,553</u>
Total non-financial liabilities					<u>5,597,678</u>
Total liabilities					<u>31,660,231</u>

FPF005 Limited**(Incorporated in the Federal Territory of Labuan, Malaysia)****19. Financial instruments (cont'd.)****(b) Determination of fair value**

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Short term lease receivables	8
Borrowings	13
Other payables	14
Amount due to intermediate holding company	15

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Fair value hierarchy

The Company uses the following hierarchy for determining the fair value of the following financial instruments:

Financial instruments not carried at fair value

	Significant observable inputs (Level 3)	
	2023	2022
	USD	USD
Fair value of long term lease receivables	28,183,551	52,508,231

The Company estimates the fair value of long term lease receivables by discounting future contractual cash flows using incremental borrowing rate at the end of the reporting period.

FPF005 Limited**(Incorporated in the Federal Territory of Labuan, Malaysia)****19. Financial instruments (cont'd.)****(b) Determination of fair value (cont'd.)****Fair value hierarchy (cont'd.)**Financial instruments carried at fair value through profit or loss

	Significant observable inputs (Level 3)	
	2023	2022
	USD	USD
Derivative assets (Note 16)	-	567,714

As disclosed in Note 16, the Company has terminated a derivatives asset during the year. The Company recognised a gain of USD162,266 (2022: loss of USD750,919) arising from the fair value changes in derivative assets. The fair value changes are attributable to the change in interest rate swaps.

20. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk.

The Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Company's business whilst managing its credit and liquidity risks. The Company operates within clearly defined guidelines approved by the Board and the Company's policy is to not engage in speculative transactions.

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

20. Financial risk management objectives and policies (cont'd.)

(a) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily lease receivables and production tariffs) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Lease receivables

Customer credit risk is managed by the Company based on its established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. At 31 December 2023, the Company had 1 customer (2022: 1 customer) that accounted for 100% of its lease receivables outstanding.

Based on the impairment analysis performed, the Company's exposure to credit risk at the reporting date is minimal as the Company's estimate of the amount of ECLs relating to lease receivables are negligible.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 19(a).

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company manages liquidity risk by maintaining sufficient cash, banking facilities such as working capital lines and funding from its immediate holding company to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as and when they fall due.

FPF005 Limited

(Incorporated in the Federal Territory of Labuan, Malaysia)

20. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year USD	One to five years USD	Total USD
31 December 2023			
Other payables	686,184	-	686,184
Amount due to intermediate holding company	11,037,841	-	11,037,841
	<u>11,724,025</u>	<u>-</u>	<u>11,724,025</u>

	On demand or within one year USD	One to five years USD	Total USD
31 December 2022			
Borrowings	7,005,790	20,867,127	27,872,917
Other payables	67,890	-	67,890
	<u>7,073,680</u>	<u>20,867,127</u>	<u>27,940,807</u>

FPF005 Limited**(Incorporated in the Federal Territory of Labuan, Malaysia)****20. Capital management**

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

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

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings, other payables and amount due to intermediate holding company, less cash and bank balances. Capital includes equity attributable to equity holder of the Company.

	Note	2023 USD	2022 USD
Borrowings	13	-	25,994,663
Other payables	14	686,184	67,890
Amount due to intermediate holding company	15	11,037,841	-
		<u>11,724,025</u>	<u>26,062,553</u>
Less: Cash and bank balances	11	(358,663)	(7,915,424)
Net debt		<u>11,365,362</u>	<u>18,147,129</u>
Total capital		<u>32,972,660</u>	<u>33,143,461</u>
Capital and net debt		<u>44,338,022</u>	<u>51,290,590</u>
Gearing ratio		<u>26%</u>	<u>35%</u>

LL08420

FPF005 Limited

(Incorporated in the Federal Territory of Labuan, Malaysia)

21. Contingent liability

During the year, the Company and its related company have jointly provided a corporate guarantee to a financial institution for a USD70,000,000 loan taken by intermediate holding company, Samos Energy Infrastructure Ltd.



Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AAL: 0001
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87011 Federal Territory of Labuan, Malaysia

Our Ref: NRG/MOLI/CL/YTW

The Board of Directors
FPF005 Limited
Level 14(B) & 14(C)
Main Office Tower
Financial Park Labuan Complex, Jalan Merdeka,
87000 Federal Territory of Labuan,
Malaysia.

7 June 2024

Dear Sirs,

**CERTIFICATE BY AN APPROVED AUDITOR
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
FPF005 LIMITED (LL08420)**

We have audited FPF005 Limited ("the Company")'s financial statements for the financial year ended 31 December 2023 and expressed an unmodified audit opinion on those financial statements in our report dated 7 June 2024.

The appended certificate dated 7 June 2024 is provided in accordance with Section 111(2A) of the Labuan Companies Act, 1990 and for no other purpose. We do not assume responsibility to any other person for the content of this certificate.

Yours faithfully,

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AAL: 0001
Chartered Accountants

FORM 29
Labuan Companies Act 1990
(Subsection 111(2A))

CERTIFICATE BY AN APPROVED AUDITOR

LL08420
FPF005 LIMITED ("the Company")
(Incorporated in the Federal Territory of Labuan, Malaysia)

We certify that:

- a) proper financial statements of the Company for the financial year ended 31 December 2023 have been kept by the Company, and a statement of financial position as at 31 December 2023 and statement of comprehensive income for the year then ended have been prepared by the Company and audited by us; and
- b) the Director who gave the certificate under Section 111(1A) of the Labuan Companies Act, 1990 has been furnished with a copy of the above-mentioned financial statements.

Dated this 7 June 2024

This certificate is to be read together with the cover letter.



Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AAL: 0001
Chartered Accountants



Liew Foo Shen
No. 03349/01/2026 J
Chartered Accountant

F P F 0 0 5 L I M I T E D .

(LL08420)

**(Incorporated in the Federal Territory of Labuan,
Malaysia)**

**Statement by Directors and Audited Financial Statements
31 December 2022**

LL08420

FPF005 Limited

(Incorporated in the Federal Territory of Labuan, Malaysia)

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FPF005 Limited

(Incorporated in the Federal Territory of Labuan, Malaysia)

Statement by directors

I, Norazimah Binti Alias, being the resident director of FPF005 Limited, do hereby state that, in the opinion of the directors, the financial statements set out on pages 5 to 39 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 December 2022 and of its financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 16 June 2023



Norazimah Binti Alias

LL08420

**Independent auditors' report to the member of
FPF005 Limited
(Incorporated in the Federal Territory of Labuan, Malaysia)**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of FPF005 Limited, which comprise the statement of financial position as at 31 December 2022 and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 39.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

LL08420

**Independent auditors' report to the member of
FPF005 Limited (cont'd.)
(Incorporated in the Federal Territory of Labuan, Malaysia)**

Responsibilities of the directors for the financial statements (cont'd.)

In preparing the financial statements of the Company, the directors are responsible for assessing the Company'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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



Building a better
working world

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**Independent auditors' report to the member of
FPF005 Limited (cont'd.)
(Incorporated in the Federal Territory of Labuan, Malaysia)**

Auditors' responsibilities for the audit of the financial statements (cont'd.)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other matters

This report is made solely to the member of the Company, as a body, in accordance with Section 117 of the Labuan Companies Act 1990 and Section 174(3) of the Labuan Financial Services and Securities Act 2010 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AAL 0001
Chartered Accountants

Liew Foo Shen
No. 03349/01/2024 J
Chartered Accountant

Federal Territory of Labuan, Malaysia
16 June 2023

FPF005 Limited**(Incorporated in the Federal Territory of Labuan, Malaysia)****Statement of comprehensive income****For the financial year ended 31 December 2022**

	Note	2022 USD	2021 USD
Revenue	3	13,928,531	12,393,613
Cost of sales		<u>(1,408,200)</u>	<u>(1,177,518)</u>
Gross profit		12,520,331	11,216,095
Other income	4	756,131	8,741,780
Administrative expenses		<u>(1,580,893)</u>	<u>(1,328,282)</u>
Profit from operations	5	11,695,569	18,629,593
Finance costs	6	<u>(1,547,168)</u>	<u>(1,544,129)</u>
Profit before taxation		10,148,401	17,085,464
Taxation	7	<u>(301,830)</u>	<u>(512,564)</u>
Net profit for the year, representing total comprehensive income for the year		<u>9,846,571</u>	<u>16,572,900</u>

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

FPF005 Limited

(Incorporated in the Federal Territory of Labuan, Malaysia)

Statement of financial position

As at 31 December 2022

	Note	2022 USD	2021 USD
Assets			
Non-current assets			
Lease receivable	8	46,469,844	53,776,953
Other receivable	9	-	422,233
		<u>46,469,844</u>	<u>54,199,186</u>
Current assets			
Lease receivable	8	8,547,079	7,570,814
Other receivables	9	713,027	923,882
Amount due from related company	15	-	369,336
Contract asset	10	590,604	412,936
Derivative asset	16	567,714	-
Cash and bank balances	11	7,915,424	2,864,704
		<u>18,333,848</u>	<u>12,141,672</u>
Total assets		<u>64,803,692</u>	<u>66,340,858</u>
Equity and liabilities			
Equity attributable to equity holder of the Company			
Share capital	12	100,000	100,000
Retained earnings		33,043,461	36,307,608
Shareholder's equity		<u>33,143,461</u>	<u>36,407,608</u>
Non-current liabilities			
Borrowings	13	20,195,138	25,994,661
Current liabilities			
Borrowings	13	5,799,525	3,006,522
Other payables	14	65,152	137,986
Amount due to related party	15	2,738	98,312
Derivative liabilities	16	-	183,205
Dividend payable	17	5,300,000	-
Tax payable		297,678	512,564
		<u>11,465,093</u>	<u>3,938,589</u>
Total liabilities		<u>31,660,231</u>	<u>29,933,250</u>
Total equity and liabilities		<u>64,803,692</u>	<u>66,340,858</u>

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

FPF005 Limited**(Incorporated in the Federal Territory of Labuan, Malaysia)****Statement of changes in equity****For the financial year ended 31 December 2022**

	Share capital USD (Note 13)	Distributable Retained earnings USD	Total USD
At 1 January 2021	100,000	28,275,400	28,375,400
Net profit for the year, representing total comprehensive income	-	16,572,900	16,572,900
Transaction with owner:			
Dividends (Note 17)	-	(8,540,692)	(8,540,692)
At 31 December 2021	<u>100,000</u>	<u>36,307,608</u>	<u>36,407,608</u>
At 1 January 2022	100,000	36,307,608	36,407,608
Net profit for the year, representing total comprehensive income	-	9,846,571	9,846,571
Transaction with owner:			
Dividends (Note 17)	-	(13,110,718)	(13,110,718)
At 31 December 2022	<u>100,000</u>	<u>33,043,461</u>	<u>33,143,461</u>

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

FPF005 Limited**(Incorporated in the Federal Territory of Labuan, Malaysia)****Statement of cash flows****For the financial year ended 31 December 2022**

	2022	2021
	USD	USD
Cash flows from operating activities		
Profit before taxation	10,148,401	17,085,464
Adjustments for:		
Interest expense on external borrowings (Note 6)	1,262,370	1,259,331
Amortisation of borrowing costs (Note 6)	284,798	284,798
Fair value gain on interest rate swaps (Note 16)	(750,919)	(508,162)
Revaluation gain on lease receivables (Note 4)	-	(8,224,505)
Unrealised foreign exchange gain (Note 4)	(5,212)	(9,113)
Operating profit before working capital changes	10,939,438	9,887,813
Working capital changes:		
Decrease in lease receivables, other receivables and amount due from related party	7,155,600	8,395,679
(Decrease)/Increase in other payables and amount due to related party	(168,408)	75,946
Cash generated from operating activities	17,926,630	18,359,438
Interest paid (Note 6)	(1,262,370)	(1,259,331)
Tax paid	(516,716)	(133,234)
Net cash generated from operating activities	16,147,544	16,966,873
Cash flows from financing activities		
Dividends paid (Note 17)	(7,810,718)	(8,540,692)
Repayment of external borrowings (Note 13)	(3,291,318)	(7,463,880)
Net cash used in financing activities	(11,102,036)	(16,004,572)
Net increase in cash and cash equivalents	5,045,508	962,301
Effect of exchange rate changes (Note 5)	5,212	9,113
Cash and cash equivalents at beginning of year	2,864,704	1,893,290
Cash and cash equivalents at end of year (Note 11)	7,915,424	2,864,704

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

FPF005 Limited

(Incorporated in the Federal Territory of Labuan, Malaysia)

Notes to the financial statements

For the financial year ended 31 December 2022

1. Corporate information

FPF005 Limited (the "Company") is a private limited liability company, incorporated and domiciled in the Federal Territory of Labuan, Malaysia. The registered office of the Company is located at Level 13(A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000, Federal Territory of Labuan, Malaysia. The principal place of business of the Company is located at Level 14(B) & 14(C), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000, Federal Territory of Labuan, Malaysia.

The immediate holding company is PetroFirst Infrastructure Limited, which is incorporated and domiciled in Jersey. The ultimate holding company is PetroFirst Infrastructure Holdings Limited, which is incorporated and domiciled in Cayman Island.

The Company is principally involved in the business of leasing of vessel, engines and any maritime parts or equipment.

There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 16 June 2023.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below, and are presented in United States Dollar ("USD").

FPF005 Limited**(Incorporated in the Federal Territory of Labuan, Malaysia)****2. Significant accounting policies (cont'd.)****2.2 Changes in accounting policies**

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2022, the Company adopted the following new and amended MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2022:

- Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards: Annual improvements to MFRS Standards 2018 - 2020
- Amendments to MFRS 3 Business Combinations: Reference to the Conceptual Framework
- Amendments to MFRS 9 Financial Instruments: Annual improvements to MFRS Standards 2018 - 2020
- Amendments to MFRS 116 Property, Plant and Equipment: Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract
- Amendments to MFRS 141 Agriculture: Annual improvements to MFRS Standards 2018 - 2020

There is no significant impact on the financial results and position of the Company upon adoption of the above new standards, amendments to published standards and interpretations.

2.3 Standards and interpretations issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Effective for annual financial periods beginning on or after 1 January 2023:

- MFRS 17: Insurance Contracts
- Amendments to MFRS 17: Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)
- Amendments to MFRS 101 and MFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

2. Significant accounting policies (cont'd.)

2.3 Standards and interpretations issued but not yet effective (cont'd.)

Effective for annual financial periods beginning on or after 1 January 2024:

- Amendments to MFRS 116: Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

Deferred:

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Company will assess the impact at later date and plans to adopt the above standards, amendments, annual improvement and interpretations on the stipulated effective date.

2.4 Summary of significant accounting policies

(a) Finance lease - the Company as a lessor

As a lessor, the Company determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset or whether the present value of the lease payments amounts to at least substantially all of the fair value of a leased asset.

Leases in which substantially all the risks and rewards of ownership of the asset are transferred to the lessee are classified as finance leases. Assets held pursuant to a finance lease are presented in the statement of financial position as a receivable at an amount equal to the net investment in the lease. The recognition of finance income on the receivable is based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

(b) Financial assets

At initial recognition, financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL").

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(b) Financial assets (cont'd.)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics, and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under MFRS 15.

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

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Financial assets measured at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- (i) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FPF005 Limited**(Incorporated in the Federal Territory of Labuan, Malaysia)****2. Significant accounting policies (cont'd.)****2.4 Summary of significant accounting policies (cont'd.)****(b) Financial assets (cont'd.)****Financial assets measured at amortised cost (cont'd.)**

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include lease receivables, other receivables, amount due from related party and cash and bank balances.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- (i) The rights to receive cash flows from the asset have expired; or
- (ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

FPF005 Limited
(Incorporated in the Federal Territory of Labuan, Malaysia)

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(c) Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all financial assets not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company 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 required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

(d) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities subsequently measured at amortised cost, except for:

- Financial liabilities at FVTPL;
- Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when continuing involvement approach applies;
- Financial guarantee contracts;
- Commitments to provide a loan at below-market interest rate; or
- Contingent consideration recognised by an acquirer in a business to which MFRS 3: Business Combinations applies.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities subsequently measured at amortised cost, net of directly attributable transaction costs.

The Company's financial liabilities include borrowings, other payables, amounts due to related parties and derivative liabilities.

FPF005 Limited
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2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(d) Financial liabilities (cont'd.)

(i) Financial liabilities subsequently measured at amortised cost

After initial recognition, financial liabilities 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 as well as through the effective interest amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest. The effective interest amortisation is included as finance costs in the statement of comprehensive income.

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

(ii) Financial liabilities subsequently measured at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied.

FPF005 Limited**(Incorporated in the Federal Territory of Labuan, Malaysia)****2. Significant accounting policies (cont'd.)****2.4 Summary of significant accounting policies (cont'd.)****(e) Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks which is subject to an insignificant risk of changes in value.

(f) Provisions

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

Provisions are reviewed at each reporting date 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.

(g) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(h) Income tax

Income tax relating to leasing is measured at the fixed rate of 3% on the audited net profit, as enacted by the Labuan Business Activity Tax Act 1990 (the "Act").

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2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(i) Foreign currency

(i) Functional and presentation currency

The financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in USD, which is also the Company's functional currency.

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency 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 reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

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

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

FPF005 Limited**(Incorporated in the Federal Territory of Labuan, Malaysia)****2. Significant accounting policies (cont'd.)****2.4 Summary of significant accounting policies (cont'd.)****(j) 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 recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Company incurred in connection with the borrowing of funds.

(k) Finance lease interest income

Finance lease interest income from the leasing of the Mobile Offshore Production Unit ("MOPU") is recognised according to the effective interest rate method so as to provide constant periodic rate of return on the net investment.

(l) Contract asset

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, costs and estimated earnings in excess of billings on uncompleted contracts (contract assets) on the statements of financial position.

Contract assets is the right to consideration in exchange for goods or services transferred to the customer. If the Company perform by transferring goods or services to a customer before the customer pays consideration or before payment is due, contract assets is recognised for the earned consideration that is conditional.

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2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(m) Fair value measurement

The Company measures financial instruments such as derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability; or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

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2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(m) Fair value measurement (cont'd.)

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The fair value of financial instruments, and non-financial assets and liabilities are disclosed in Note 19(b).

2.5 Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of finance lease interest income, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(a) Critical judgement made in applying accounting policies

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

Finance lease - the Company as a lessor

The Company has developed certain criteria based on MFRS 16: Leases in making the judgement of whether a lease qualifies as a finance lease. Management determined that this is a significant criteria to conclude that the lease substantially transfers all the risks and rewards incidental to ownership of an asset from the lessor to the lessee.

(b) Key sources of estimation uncertainty

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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3. Revenue

Type of services

The following tables represent revenue by type of services:

	2022	2021
	USD	USD
Finance lease interest income	8,268,791	8,855,349
Production tariff income	5,659,740	3,538,264
	<u>13,928,531</u>	<u>12,393,613</u>

4. Other income

	2022	2020
	USD	USD
Gain on revaluation of lease receivables	-	8,224,505
Fair value gain on interest rate swaps (Note 16)	750,919	508,162
Unrealised foreign exchange gain	5,212	9,113
	<u>756,131</u>	<u>8,741,780</u>

5. Profit from operations

Profit from operations is stated after charging/(crediting) the following:

	2022	2021
	USD	USD
Auditors' remuneration	11,479	12,750
Realised foreign exchange loss/(gain)	9,845	(695)
Unrealised foreign exchange gain	(5,212)	(9,113)
Insurance costs	692,081	654,656
Amortisation of underwater inspection in lieu of drydocking ("UWILD") costs	803,533	492,129
Management fees and other services paid/ payable to a related party (Note 18)	<u>1,405,911</u>	<u>1,180,165</u>

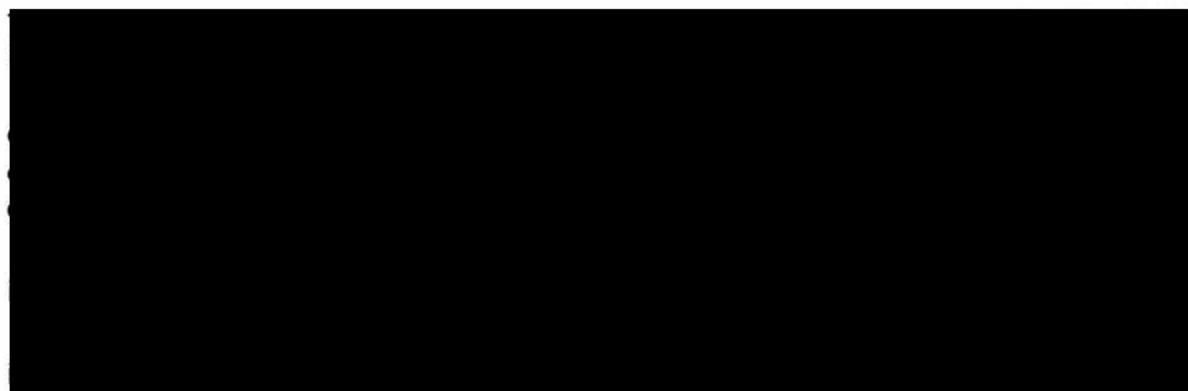
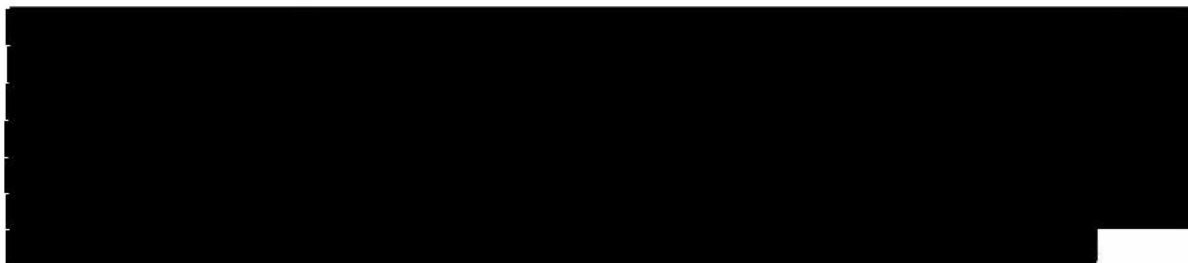
	2022 USD	2021 USD
Interest expense on external borrowings	1,262,370	1,259,331
Amortisation of borrowing costs	284,798	284,798
Total finance costs	1,547,168	1,544,129

	2022 USD	2021 USD
Current		
Amount billed	1,239,969	1,239,969
Amount billable in the next 12 months	7,307,110	6,330,845
	<u>8,547,079</u>	<u>7,570,814</u>
Non-current		
Amount billable after the next 12 months	46,469,844	53,776,953

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8. Lease receivables (cont'd.)



The Company's normal credit term is adjusted to 60 days (2021: 60 days). The lease receivables are neither past due nor impaired and comprises solely amounts due from said related party, which also represents the Company's concentration of credit risk.

Aging analysis of lease receivables

The aging analysis of the Company's current lease receivables which have been billed are as follow:

	2022 USD	2021 USD
Neither past due nor impaired	<u>1,239,969</u>	<u>1,239,969</u>

Receivables that are neither past due nor impaired

Lease receivables that are neither past due nor impaired is due from a creditworthy debtor with good payment records with the Company. The directors of the Company are of the opinion that no provision for impairment is necessary in respect of the lease receivable as there has not been a significant change in credit quality and the balance is still considered fully recoverable. The Company does not hold any collateral or other credit enhancement over the lease receivable.

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8. Lease receivables (cont'd.)

Receivables that are neither past due nor impaired (cont'd.)

None of the Company's lease receivables that are neither past due nor impaired has been renegotiated during the financial year.

	2022 USD	2021 USD
Future minimum lease receivables:		
Not later than one year	15,839,604	15,839,604
Later than one year and not later than five years	60,158,996	74,758,631
Total minimum future lease receivables	75,998,600	90,598,235
Less: Future finance charges	(20,981,677)	(29,250,468)
Present value of finance lease receivables	55,016,923	61,347,767

Analysis of present value of lease receivables:

Not later than one year	8,547,079	7,570,814
Later than one year and not later than five years	46,469,844	53,776,953
	55,016,923	61,347,767
Less: Amount due within 12 months	(8,547,079)	(7,570,814)
Amount due after 12 months	46,469,844	53,776,953

Other information on financial risks of lease receivables are disclosed in Note 20(a).

9. Other receivable

	2022 USD	2021 USD
Current		
Deposit	1,723	1,833
Prepaid expenses	44,725	45,669
Prepaid insurance costs	156,931	152,551
Prepaid expenses for UWILD	509,648	723,829
	713,027	923,882
Non-current		
Prepaid expenses for UWILD	-	422,233

FPF005 Limited**(Incorporated in the Federal Territory of Labuan, Malaysia)****10. Contract assets**

Contract asset is recognised from accrued production tariff income from a related party.

11. Cash and bank balances

	2022	2021
	USD	USD
Cash at banks, representing total cash and bank balances	<u>7,915,424</u>	<u>2,864,704</u>

Other information on financial risks of cash and bank balances are disclosed in Note 20(a).

12. Share capital

	Number of ordinary shares		Amount	
	2022	2021	2022	2021
			USD	USD
Issued and fully paid:				
At 1 January/				
31 December	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

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13. Borrowings

The amount recognised in the statement of financial position of the Company is analysed as follows:

	2022 USD	2021 USD
Secured		
Bank loans	26,465,737	29,757,055
Less: Transaction costs capitalised	<u>(1,414,386)</u>	<u>(1,414,386)</u>
	25,051,351	28,342,669
Add: Accumulated amortisation of transaction costs	<u>943,312</u>	<u>658,514</u>
	25,994,663	29,001,183
Less: Amount due within 12 months	<u>(5,799,525)</u>	<u>(3,006,522)</u>
Amount due after 12 months	<u>20,195,138</u>	<u>25,994,661</u>

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13. Borrowings (cont'd.)

The net debt repayment schedule for the borrowings are as follows:

	2022 USD	2021 USD
Not later than one year	6,084,323	3,291,318
Later than one year and not later than five years	20,381,414	26,465,737
	<u>26,465,737</u>	<u>29,757,055</u>

The changes in liabilities arising from financing activities are as follows:

	At 1 January 2022 USD	Cash flows USD	Other changes USD	At 31 December 2022 USD
Borrowings	29,001,183	(3,291,318)	284,798	25,994,663

	At 1 January 2021 USD	Cash flows USD	Other changes USD	At 31 December 2021 USD
Borrowings	36,180,265	(7,463,880)	284,798	29,001,183

Other information on financial risks of borrowings are disclosed in Notes 20(b) and (c).

14. Other payables

	2022 USD	2021 USD
Sundry payables	50,925	24,707
Accrued expenses	13,849	112,902
Others	378	377
	<u>65,152</u>	<u>137,986</u>

Other payables are non-interest bearing and normally settled between 30 to 60 days (2021: 30 to 60 days).

Other information on financial risks of other payables are disclosed in Note 20(b).

FPF005 Limited**(Incorporated in the Federal Territory of Labuan, Malaysia)****15. Amounts due from and due to related parties**

The amount due from related party represents transactions that are trade in nature which are non-interest bearing and generally on 60 days term.

The amount due to related party represents non-trade transactions which are unsecured, non-interest bearing and are repayable on demand.

Other information on financial risks of amounts due to and due from related parties are disclosed in Note 20(b).

16. Derivative assets/(liabilities)

	2022	2021
	USD	USD
At 1 January	(183,205)	(691,367)
Fair value gain on interest rate swaps	750,919	508,162
At 31 December	<u>567,714</u>	<u>(183,205)</u>

The amount represents the fair value changes of interest rate swaps designated as FVTPL at the reporting date and the increase in net finance charges.

Other details of fair value of derivative assets are further disclosed in Note 19(b).

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17. Dividends

	Amount		Net dividend per ordinary share	
	2022 USD	2021 USD	2022 USD	2021 USD
Recognised during the financial year:				
Interim dividend for 2022:				
- First interim tax exempt (single-tier) dividend, declared on 22 March 2022 and paid on 6 April 2022	261,100	-	2.61	-
- Second interim tax exempt (single-tier) dividend, declared on 14 July 2022 and paid on 19 July 2022	4,334,618	-	43.35	-
- Third interim tax exempt (single-tier) dividend, declared on 20 September 2022 and paid on 12 October 2022	3,215,000	-	32.15	-
- Fourth interim tax exempt (single-tier) dividend, declared on 7 December 2022 and paid on 4 January 2023	5,300,000	-	53.00	-
	<u>13,110,718</u>	<u>-</u>	<u>131.11</u>	<u>-</u>

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17. Dividends (cont'd.)

	Amount		Net dividend per ordinary share	
	2022 USD	2021 USD	2022 USD	2021 USD
Recognised during the financial year:				
Interim dividend for 2021:				
- First interim tax exempt (single-tier) dividend, declared on 16 June 2021 and paid on 1 July 2022	-	5,534,921	-	55.35
- Second interim tax exempt (single-tier) dividend, declared on 21 September 2021 and paid on 11 October 2021	-	3,005,771	-	30.06
	-	8,540,692	-	85.41

FPF005 Limited**(Incorporated in the Federal Territory of Labuan, Malaysia)****18. Related party disclosures****Sale and purchase of services**

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place at terms agreed between the parties during the financial year:

	Expense/ (income)	
	2022	2021
	USD	USD
(i) Immediate holding company - PetroFirst Infrastructure Limited:		
Dividend paid	7,810,718	8,540,692
(ii) Related party - Petrofac (Malaysia-PM304) Ltd:		
Finance lease interest income received/receivables	(8,268,791)	(8,855,349)
Production tariff income received/receivables	(5,659,740)	(3,538,264)
(iii) Related party - Petrofac South East Asia Pte Ltd:		
Management fees and other services paid/payable	<u>1,405,911</u>	<u>1,180,165</u>

Related parties refer to companies which are subsidiaries of Petrofac Limited, a company in which the immediate holding company is an associate of.

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19. Financial instruments

(a) Classification of financial instruments

The following table analyses the financial assets and liabilities of the Company in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

	Note	Financial assets measured at amortised cost USD	Financial liabilities subsequently measured at amortised cost USD	Fair value through profit or loss USD	Total USD
31 December 2022					
Assets					
Lease receivables	8	55,016,923	-	-	55,016,923
Deposit	9	1,723	-	-	1,723
Cash and bank balances	11	7,915,424	-	-	7,915,424
Derivative asset	16	567,714	-	-	567,714
Total financial assets		63,501,784	-	-	63,501,784
Total non-financial assets					1,301,908
Total assets					64,803,692
Liabilities					
Borrowings	13	-	25,994,663	-	25,994,663
Other payables	14	-	65,152	-	65,152
Amount due to related party	15	-	2,738	-	2,738
Derivative liabilities	16	-	-	-	-
Total financial liabilities		-	26,062,553	-	26,062,553
Total non-financial liabilities					5,597,678
Total liabilities					31,660,231

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19. Financial instruments (cont'd.)

(a) Classification of financial instruments (cont'd.)

		Financial assets measured at amortised cost USD	Financial liabilities subsequently measured at amortised cost USD	Fair value through profit or loss USD	Total USD
31 December 2021					
Assets					
Lease receivables	9	61,347,767	-	-	61,347,767
Deposit	10	1,833	-	-	1,833
Cash and bank balances	12	2,864,704	-	-	2,864,704
Amount due from related party		369,336	-	-	369,336
Total financial assets		<u>64,583,640</u>	-	-	64,583,640
Total non-financial assets				<u>1,757,218</u>	
Total assets				<u>66,340,858</u>	
Liabilities					
Borrowings	14	-	29,001,183	-	29,001,183
Other payables	15	-	137,986	-	137,986
Amount due to related party	16	-	98,312	-	98,312
Derivative liabilities	17	-	-	183,205	183,205
Total financial liabilities		-	<u>29,237,481</u>	<u>183,205</u>	29,420,686
Total non-financial liabilities				<u>512,564</u>	
Total liabilities				<u>29,933,250</u>	

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19. Financial instruments (cont'd.)

(b) Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Short term lease receivables	8
Borrowings	13
Other payables	14
Amounts due from and due to related parties	15

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Fair value hierarchy

The Company uses the following hierarchy for determining the fair value of the following financial instruments:

Financial instruments not carried at fair value

	Significant observable inputs (Level 3)	
	2022	2021
	USD	USD
Fair value of long term lease receivables	52,508,231	65,177,132

The Company estimates the fair value of long term lease receivables by discounting future contractual cash flows using incremental borrowing rate at the end of the reporting period.

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19. Financial instruments (cont'd.)**(b) Determination of fair value (cont'd.)****Fair value hierarchy (cont'd.)**Financial instruments carried at fair value through profit or loss

	Significant observable inputs (Level 3)	
	2022	2021
	USD	USD
Derivative assets/(liabilities) (Note 16)	<u>567,714</u>	<u>(183,205)</u>

As disclosed in Note 16, the Company recognised a gain of USD750,919 (2021 gain: USD508,162) arising from the fair value changes in derivative assets/(liabilities). The fair value changes are attributable to the change in interest rate swaps.

20. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk.

The Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Company's business whilst managing its credit, liquidity and interest rate risks. The Company operates within clearly defined guidelines approved by the Board and the Company's policy is to not engage in speculative transactions.

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

20. Financial risk management objectives and policies (cont'd.)**(a) Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily lease receivables and production tariffs) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Lease receivables

Customer credit risk is managed by the Company based on its established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. At 31 December 2022, the Company had 1 customer (2021: 1 customer) that accounted for 100% of its lease receivables outstanding.

Based on the impairment analysis performed, the Company's exposure to credit risk at the reporting date is minimal as the Company's estimate of the amount of ECLs relating to lease receivables are negligible.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 19(a).

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company manages liquidity risk by maintaining sufficient cash, banking facilities such as working capital lines and funding from its immediate holding company to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as and when they fall due.

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20. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year USD	One to five years USD	Total USD
31 December 2022			
Borrowings	7,005,790	20,867,127	27,872,917
Other payables	65,152	-	65,152
Amount due to related party	2,738	-	2,738
	<u>7,073,680</u>	<u>20,867,127</u>	<u>27,940,807</u>

	On demand or within one year USD	One to five years USD	Total USD
31 December 2021			
Borrowings	7,052,094	25,030,291	32,082,385
Other payables	137,986	-	137,986
Amount due to related party	98,312	-	98,312
	<u>7,288,392</u>	<u>25,030,291</u>	<u>32,318,683</u>

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20. Financial risk management objectives and policies (cont'd.)

(c) Interest rate risk

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

The Company's main income and operating cash flows are generated from interest bearing lease receivables which are fixed by the lease arrangement and therefore, are independent of changes in market interest rates.

Borrowings obtained at floating rates expose the Company to cash flow interest rate risk whilst borrowings obtained at fixed rates expose the Company to fair value interest rate risk. The Company's policy is to manage interest cost using a mix of fixed and floating rate borrowings. To manage this mix in a cost-efficient manner, the Company enters into interest rate swaps.

Sensitivity analysis for interest rate risk

	Change in interest basis points	(Decrease)/increase on profit before taxation 2022 USD	2021 USD
Borrowings			
Effective interest rate of 4.27%	+25	(66,164)	(74,393)
(2021: 3.67%)	-25	66,164	74,393

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points higher/lower, with all other variables held constant, the Company's profit before taxation would have been lower/higher by the amounts above, arising mainly as a result of higher/lower interest expense on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

FPF005 Limited**(Incorporated in the Federal Territory of Labuan, Malaysia)****21. Capital management**

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2022 and 2021.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings, other payables and amount due to related party, less cash and bank balances. Capital includes equity attributable to equity holder of the Company.

	Note	2022 USD	2021 USD
Borrowings	13	25,994,663	29,001,183
Other payables	14	65,152	137,986
Amount due to related party	15	2,738	98,312
		<u>26,062,553</u>	<u>29,237,481</u>
Less: Cash and bank balances	11	<u>(7,915,424)</u>	<u>(2,864,704)</u>
Net debt		<u>18,147,129</u>	<u>26,372,777</u>
Total capital		<u>33,143,461</u>	<u>36,407,608</u>
Capital and net debt		<u>51,290,590</u>	<u>62,780,385</u>
Gearing ratio		<u>35%</u>	<u>42%</u>

Our Ref: NRG/MOLI/CL/YTW/AR

The Board of Directors
FPF005 Limited
Level 14(B) & 14(C)
Main Office Tower
Financial Park Labuan Complex, Jalan Merdeka,
87000 Federal Territory of Labuan,
Malaysia.

16 June 2023

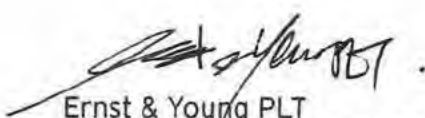
Dear Sirs,

**CERTIFICATE BY AN APPROVED AUDITOR
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022
FPF005 LIMITED (LL08420)**

We have audited FPF005 Limited ("the Company")'s financial statements for the financial year ended 31 December 2022 and expressed an unmodified audit opinion on those financial statements in our report dated 16 June 2023.

The appended certificate dated 16 June 2023 is provided in accordance with Section 111(2A) of the Labuan Companies Act, 1990 and for no other purpose. We do not assume responsibility to any other person for the content of this certificate.

Yours faithfully,


Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AAL: 0001
Chartered Accountants

FORM 29
Labuan Companies Act 1990
(Subsection 111(2A))

CERTIFICATE BY AN APPROVED AUDITOR

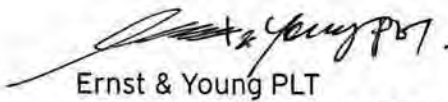
LL08420
FPF005 LIMITED ("the Company")
(Incorporated in the Federal Territory of Labuan, Malaysia)

We certify that:

- a) proper financial statements of the Company for the financial year ended 31 December 2022 have been kept by the Company, and a statement of financial position as at 31 December 2022 and statement of comprehensive income for the year then ended have been prepared by the Company and audited by us; and
- b) the Director who gave the certificate under Section 111(1A) of the Labuan Companies Act, 1990 has been furnished with a copy of the above-mentioned financial statements.

Dated this 16 June 2023

This certificate is to be read together with the cover letter.



Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AAL: 0001
Chartered Accountants



Liew Foo Shen
No. 03349/01/2024 J
Chartered Accountant

FPF005 LIMITED.

(LL08420)

**(Incorporated in the Federal Territory of Labuan,
Malaysia)**

**Statement by Directors and Audited Financial Statements
31 December 2021**

LL08420

FPF005 Limited

(Incorporated in the Federal Territory of Labuan, Malaysia)

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Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9 - 35

LL08420

FPF005 Limited
(Incorporated in the Federal Territory of Labuan, Malaysia)

Statement by directors

I, Norazimah Binti Alias, being one of the alternate directors of FPF005 Limited, do hereby state that, in the opinion of the directors, the financial statements set out on pages 5 to 35 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and of its financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated

22 March 2022.



Norazimah Binti Alias

LL08420

**Independent auditors' report to the member of
FPF005 Limited
(Incorporated in the Federal Territory of Labuan, Malaysia)**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of FPF005 Limited, which comprise the statement of financial position as at 31 December 2021, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 35.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

LL08420

**Independent auditors' report to the member of
FPF005 Limited (cont'd.)
(Incorporated in the Federal Territory of Labuan, Malaysia)**

Responsibilities of the directors for the financial statements (cont'd.)

In preparing the financial statements of the Company, the directors are responsible for assessing the Company'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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



Building a better
working world

LL08420

**Independent auditors' report to the member of
FPF005 Limited (cont'd.)
(Incorporated in the Federal Territory of Labuan, Malaysia)**

Auditors' responsibilities for the audit of the financial statements (cont'd.)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other matters

This report is made solely to the member of the Company, as a body, in accordance with Section 117 of the Labuan Companies Act 1990 and Section 174(3) of the Labuan Financial Services and Securities Act 2010 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AAL 0001
Chartered Accountants

Liew Foo Shen
No. 03349/01/2024 J
Chartered Accountant

Federal Territory of Labuan, Malaysia
22 March 2022

FPF005 Limited

(Incorporated in the Federal Territory of Labuan, Malaysia)

Statement of comprehensive income

For the financial year ended 31 December 2021

	Note	2021 USD	2020 USD
Revenue	3	12,393,613	10,154,515
Cost of sales		(1,177,518)	(1,348,477)
Gross profit		11,216,095	8,806,038
Other income	4	8,741,780	22,957
Other expenses	5	-	(796,742)
Administrative expenses		(1,328,282)	(1,341,399)
Profit from operations	6	18,629,593	6,690,854
Finance costs	7	(1,544,129)	(2,249,731)
Profit before taxation		17,085,464	4,441,123
Taxation	8	(512,564)	(133,234)
Net profit for the year, representing total comprehensive income for the year		<u>16,572,900</u>	<u>4,307,889</u>

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

LL08420

FPF005 Limited

(Incorporated in the Federal Territory of Labuan, Malaysia)

Statement of financial position

As at 31 December 2021

	Note	2021 USD	2020 USD
Assets			
Non-current assets			
Lease receivable	9	53,776,953	-
Other receivable	10	422,233	-
		<u>54,199,186</u>	<u>-</u>
Current assets			
Lease receivable	9	7,570,814	63,293,216
Other receivables	10	923,882	354,112
Amount due from related company	16	369,336	-
Contract asset	11	412,936	-
Cash and bank balances	12	2,864,704	1,893,290
		<u>12,141,672</u>	<u>65,540,618</u>
Total assets		<u>66,340,858</u>	<u>65,540,618</u>
Equity and liabilities			
Equity attributable to equity holder of the Company			
Share capital	13	100,000	100,000
Retained earnings		36,307,608	28,275,400
Shareholder's equity		<u>36,407,608</u>	<u>28,375,400</u>
Non-current liabilities			
Borrowings	14	25,994,661	29,001,437
Current liabilities			
Borrowings	14	3,006,522	7,178,828
Other payables	15	137,986	58,218
Amount due to related party	16	98,312	102,134
Derivative liabilities	17	183,205	691,367
Tax payable		512,564	133,234
		<u>3,938,589</u>	<u>8,163,781</u>
Total liabilities		<u>29,933,250</u>	<u>37,165,218</u>
Total equity and liabilities		<u>66,340,858</u>	<u>65,540,618</u>

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

FPF005 Limited**(Incorporated in the Federal Territory of Labuan, Malaysia)****Statement of changes in equity****For the financial year ended 31 December 2021**

	Share capital USD (Note 13)	Distributable Retained earnings USD	Total USD
At 1 January 2020	100,000	33,821,668	33,921,668
Net profit for the year, representing total comprehensive income	-	4,307,889	4,307,889
Transaction with owner:			
Dividends (Note 18)	-	(9,854,157)	(9,854,157)
At 31 December 2020	<u>100,000</u>	<u>28,275,400</u>	<u>28,375,400</u>
At 1 January 2021	100,000	28,275,400	28,375,400
Net profit for the year, representing total comprehensive income	-	16,572,900	16,572,900
Transaction with owner:			
Dividends (Note 18)	-	(8,540,692)	(8,540,692)
At 31 December 2021	<u>100,000</u>	<u>36,307,608</u>	<u>36,407,608</u>

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

FPF005 Limited**(Incorporated in the Federal Territory of Labuan, Malaysia)****Statement of cash flows****For the financial year ended 31 December 2021**

	2021	2020
	USD	USD
Cash flows from operating activities		
Profit before taxation	17,085,464	4,441,123
Adjustments for:		
Interest expense on external borrowings (Note 7)	1,259,331	1,961,289
Amortisation of borrowing costs (Note 7)	284,798	288,442
Fair value (gain)/loss on interest rate swaps (Note 6)	(508,162)	796,742
Revaluation gain on lease receivables (Note 4)	(8,224,505)	-
Unrealised foreign exchange gain (Note 6)	(9,113)	(22,957)
Operating profit before working capital changes	9,887,813	7,464,639
Working capital changes:		
Decrease in lease receivables, other receivables and amount due from related party	8,395,679	20,247,311
Increase/(decrease) in other payables and amount due to related party	75,946	(537,533)
Cash generated from operating activities	18,359,438	27,174,417
Interest paid (Note 7)	(1,259,331)	(1,961,289)
Tax paid	(133,234)	(140,695)
Net cash generated from operating activities	16,966,873	25,072,433
Cash flows from financing activities		
Dividends paid (Note 18)	(8,540,692)	(9,854,157)
Repayment of external borrowings (Note 14)	(7,463,880)	(14,616,029)
Net cash used in financing activities	(16,004,572)	(24,470,186)
Net increase in cash and cash equivalents	962,301	602,247
Effect of exchange rate changes (Note 6)	9,113	22,957
Cash and cash equivalents at beginning of year	1,893,290	1,268,086
Cash and cash equivalents at end of year (Note 12)	2,864,704	1,893,290

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

FPF005 Limited

(Incorporated in the Federal Territory of Labuan, Malaysia)

Notes to the financial statements

For the financial year ended 31 December 2021

1. Corporate information

FPF005 Limited (the "Company") is a private limited liability company, incorporated and domiciled in the Federal Territory of Labuan, Malaysia. The registered office of the Company is located at Level 13(A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000, Federal Territory of Labuan, Malaysia. The principal place of business of the Company is located at Level 14(B) & 14(C), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000, Federal Territory of Labuan, Malaysia.

The immediate holding company is PetroFirst Infrastructure Limited, which is incorporated and domiciled in Jersey. The ultimate holding company is PetroFirst Infrastructure Holdings Limited, which is incorporated and domiciled in Cayman Island.

The Company is principally involved in the business of leasing of vessel, engines and any maritime parts or equipment.

There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 March 2022.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below, and are presented in United States Dollar ("USD").

2. Significant accounting policies (cont'd.)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2021, the Company adopted the following new and amended MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2021:

- Amendments to MFRS 4, MFRS 7, MFRS 9 and MFRS 139: Interest Rate Benchmark Reform - Phase 2
- Amendments to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

2.3 Standards and interpretations issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Effective for annual financial periods beginning on or after 1 January 2022:

- Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards: Annual improvements to MFRS Standards 2018 - 2020
- Amendments to MFRS 3 Business Combinations: Reference to the Conceptual Framework
- Amendments to MFRS 9 Financial Instruments: Annual improvements to MFRS Standards 2018 - 2020
- Amendments to MFRS 116 Property, Plant and Equipment: Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract
- Amendments to MFRS 141 Agriculture: Annual improvements to MFRS Standards 2018 - 2020

Effective for annual financial periods beginning on or after 1 January 2023:

- Amendments to MFRS 17 Insurance contracts
- Amendments to MFRS 101 and MFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

2. Significant accounting policies (cont'd.)

2.3 Standards and interpretations issued but not yet effective (cont'd.)

Deferred:

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Company will assess the impact at later date and plans to adopt the above standards, amendments, annual improvement and interpretations on the stipulated effective date.

2.4 Summary of significant accounting policies

(a) Finance lease - the Company as a lessor

As a lessor, the Company determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset or whether the present value of the lease payments amounts to at least substantially all of the fair value of a leased asset.

Leases in which substantially all the risks and rewards of ownership of the asset are transferred to the lessee are classified as finance leases. Assets held pursuant to a finance lease are presented in the statement of financial position as a receivable at an amount equal to the net investment in the lease. The recognition of finance income on the receivable is based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

(b) Financial assets

At initial recognition, financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics, and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under MFRS 15.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(b) Financial assets (cont'd.)

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

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Financial assets measured at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- (i) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include lease receivables, other receivables, amount due from related party and cash and bank balances.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- (i) The rights to receive cash flows from the asset have expired; or

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(b) Financial assets (cont'd.)

Financial assets measured at amortised cost (cont'd.)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when: (cont'd.)

- (ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(c) Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all financial assets not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company 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 required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

FPF005 Limited
(Incorporated in the Federal Territory of Labuan, Malaysia)

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(d) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities subsequently measured at amortised cost, except for:

- Financial liabilities at FVTPL;
- Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when continuing involvement approach applies;
- Financial guarantee contracts;
- Commitments to provide a loan at below-market interest rate; or
- Contingent consideration recognised by an acquirer in a business to which MFRS 3: Business Combinations applies.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities subsequently measured at amortised cost, net of directly attributable transaction costs.

The Company's financial liabilities include borrowings, other payables, amounts due to related parties and derivative liabilities.

(i) Financial liabilities subsequently measured at amortised cost

After initial recognition, financial liabilities 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 as well as through the effective interest amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest. The effective interest amortisation is included as finance costs in the statement of comprehensive income.

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

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(d) Financial liabilities (cont'd.)

(ii) Financial liabilities subsequently measured at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks which is subject to an insignificant risk of changes in value.

(f) Provisions

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

Provisions are reviewed at each reporting date 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.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(g) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(h) Income tax

Income tax relating to leasing is measured at the fixed rate of 3% on the audited net profit, as enacted by the Labuan Business Activity Tax Act 1990 (the "Act").

(i) Foreign currency

(i) Functional and presentation currency

The financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in USD, which is also the Company's functional currency.

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency 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 reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

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

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(i) Foreign currency (cont'd.)

(ii) Foreign currency transactions (cont'd.)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(j) 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 recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Company incurred in connection with the borrowing of funds.

(k) Finance lease interest income

Finance lease interest income from the leasing of the Mobile Offshore Production Unit ("MOPU") is recognised according to the effective interest rate method so as to provide constant periodic rate of return on the net investment.

(l) Contract asset

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, costs and estimated earnings in excess of billings on uncompleted contracts (contract assets) on the statements of financial position.

Contract assets is the right to consideration in exchange for goods or services transferred to the customer. If the Company perform by transferring goods or services to a customer before the customer pays consideration or before payment is due, contract assets is recognised for the earned consideration that is conditional.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(m) Fair value measurement

The Company measures financial instruments such as derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability; or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(m) Fair value measurement (cont'd.)

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The fair value of financial instruments, and non-financial assets and liabilities are disclosed in Note 20(b).

2.5 Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of finance lease interest income, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(a) Critical judgement made in applying accounting policies

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

Finance lease - the Company as a lessor

The Company has developed certain criteria based on MFRS 16: Leases in making the judgement of whether a lease qualifies as a finance lease. Management determined that this is a significant criteria to conclude that the lease substantially transfers all the risks and rewards incidental to ownership of an asset from the lessor to the lessee.

(b) Key sources of estimation uncertainty

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

FPF005 Limited**(Incorporated in the Federal Territory of Labuan, Malaysia)****3. Revenue****Type of services**

The following tables represent revenue by type of services:

	2021	2020
	USD	USD
Finance lease interest income	8,855,349	10,154,515
Production tariff income	3,538,264	-
	<u>12,393,613</u>	<u>10,154,515</u>

4. Other income

	2021	2020
	USD	USD
Gain on revaluation of lease receivables	8,224,505	-
Fair value gain on interest rate swaps (Note 17)	508,162	-
Gain from unrealised foreign exchange	9,113	22,957
	<u>8,741,780</u>	<u>22,957</u>

5. Other expenses

	2021	2020
	USD	USD
Fair value loss on interest rate swaps (Note 17)	<u>-</u>	<u>796,742</u>

6. Profit from operations

Profit from operations is stated after charging/(crediting) the following:

	2021	2020
	USD	USD
Auditors' remuneration	12,750	10,900
Realised foreign exchange (gain)/loss	(695)	7,050
Unrealised foreign exchange gain	(9,113)	(22,957)
Insurance costs	654,656	640,661
Amortisation of underwater inspection in lieu of drydocking ("UWILD") costs	492,129	699,920
Management fees and other services paid/ payable to a related party (Note 19)	<u>1,180,165</u>	<u>1,161,991</u>

FPF005 Limited**(Incorporated in the Federal Territory of Labuan, Malaysia)****7. Finance costs**

Finance costs represent interest expense on loan and borrowings obtained from financial institutions. The interest expense recognised is as follows:

	2021 USD	2020 USD
Interest expense on external borrowings	1,259,331	1,961,289
Amortisation of borrowing costs	284,798	288,442
Total finance costs	<u>1,544,129</u>	<u>2,249,731</u>

8. Taxation

The Company's principal activity is the leasing of MOPU. The Company is taxed at a flat rate of 3% on the audited net profit, in accordance with the Labuan Business Activity Tax Act 1990.

9. Lease receivables

	2021 USD	2020 USD
Current		
Amount billed	1,239,969	2,503,250
Amount billable in the next 12 months	<u>6,330,845</u>	<u>60,789,966</u>
	<u>7,570,814</u>	<u>63,293,216</u>
Non-current		
Amount billable after the next 12 months	<u>53,776,953</u>	<u>-</u>

[REDACTED]

[REDACTED]

[REDACTED]

The Company's lease receivables bear an effective interest rate of 14.43% (2020: 14.19%) per annum.

9. Lease receivables (cont'd.)



The Company's normal credit term is adjusted to 60 days (2020: 60 days). The lease receivables are neither past due nor impaired and comprises solely amounts due from said related party, which also represents the Company's concentration of credit risk.

Ageing analysis of lease receivables

The ageing analysis of the Company's current lease receivables which have been billed are as follow:

	2021 USD	2020 USD
Neither past due nor impaired	<u>1,239,969</u>	<u>2,503,250</u>

Receivables that are neither past due nor impaired

Lease receivables that are neither past due nor impaired is due from a creditworthy debtor with good payment records with the Company. The directors of the Company are of the opinion that no provision for impairment is necessary in respect of the lease receivable as there has not been a significant change in credit quality and the balance is still considered fully recoverable. The Company does not hold any collateral or other credit enhancement over the lease receivable.

None of the Company's lease receivables that are neither past due nor impaired has been renegotiated during the financial year.

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9. Lease receivables (cont'd.)

Receivables that are neither past due nor impaired (cont'd.)

	2021 USD	2020 USD
Future minimum lease receivables:		
Not later than one year	15,839,604	66,069,917
Later than one year and not later than five years	74,758,631	-
Total minimum future lease receivables	90,598,235	66,069,917
Less: Future finance charges	(29,250,468)	(2,776,701)
Present value of finance lease receivables	61,347,767	63,293,216
Analysis of present value of lease receivables:		
Not later than one year	7,570,814	63,293,216
Later than one year and not later than five years	53,776,953	-
	61,347,767	63,293,216
Less: Amount due within 12 months	(7,570,814)	(63,293,216)
Amount due after 12 months	53,776,953	-



Other information on financial risks of lease receivables are disclosed in Note 21(a).

10. Other receivable

	2021 USD	2020 USD
Current		
Deposit	1,833	1,690
Prepaid expenses	45,669	43,696
Prepaid insurance costs	152,551	118,193
Prepaid expenses for UWILD	723,829	190,533
	923,882	354,112
Non-current		
Prepaid expenses for UWILD	422,233	-

11. Contract assets

Contract asset is recognised from accrued production tariff income from a related party.

FPF005 Limited**(Incorporated in the Federal Territory of Labuan, Malaysia)****12. Cash and bank balances**

	2021	2020
	USD	USD
Cash at banks, representing total cash and bank balances	<u>2,864,704</u>	<u>1,893,290</u>

13. Share capital

	Number of ordinary shares		Amount	
	2021	2020	2021	2020
			USD	USD
Issued and fully paid:				
At 1 January/				
31 December	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

14. Borrowings

The amount recognised in the statement of financial position of the Company is analysed as follows:

	2021	2020
	USD	USD
Secured		
Bank loans	29,757,055	37,255,723
Less: Transaction costs capitalised	<u>(1,414,386)</u>	<u>(1,449,174)</u>
	28,342,669	35,806,549
Add: Accumulated amortisation of transaction costs	<u>658,514</u>	<u>373,716</u>
	29,001,183	36,180,265
Less: Amount due within 12 months	<u>(3,006,522)</u>	<u>(7,178,828)</u>
Amount due after 12 months	<u>25,994,661</u>	<u>29,001,437</u>

14. Borrowings (cont'd.)


The net debt repayment schedule for the borrowings are as follows:

	2021	2020
	USD	USD
Not later than one year	3,291,318	7,463,880
Later than one year and not later than five years	26,465,737	29,791,843
	<u>29,757,055</u>	<u>37,255,723</u>

The changes in liabilities arising from financing activities are as follows:

	At			At
	1 January		Other	31 December
	2021	Cash flows	changes	2021
	USD	USD	USD	USD
Borrowings	36,180,265	(7,463,880)	284,798	29,001,183

	At			At
	1 January		Other	31 December
	2020	Cash flows	changes	2020
	USD	USD	USD	USD
Borrowings	50,474,760	(14,616,029)	321,534	36,180,265

Other information on financial risks of borrowings are disclosed in Notes 21(b) and (c).

FPF005 Limited**(Incorporated in the Federal Territory of Labuan, Malaysia)****15. Other payables**

	2021	2020
	USD	USD
Sundry payables	24,707	9,819
Accrued expenses	112,902	48,019
Others	377	380
	<u>137,986</u>	<u>58,218</u>

Other payables are non-interest bearing and normally settled between 30 to 60 days (2020: 30 to 60 days).

Other information on financial risks of other payables are disclosed in Note 21(b).

16. Amounts due from and due to related parties

The amount due from related party represents transactions that are trade in nature which are non-interest bearing and generally on 60 days term.

The amount due to related party represents non-trade transactions which are unsecured, non-interest bearing and are repayable on demand.

Other information on financial risks of amounts due to and due from related parties are disclosed in Note 21(b).

17. Derivative (liabilities)/assets

	2021	2020
	USD	USD
At 1 January	(691,367)	105,375
Fair value gain/(loss) on interest rate swaps (Note 5)	<u>508,162</u>	<u>(796,742)</u>
At 31 December	<u>(183,205)</u>	<u>(691,367)</u>

The amount represents the fair value changes of interest rate swaps designated as FVTPL at the reporting date and the increase in net finance charges.

Other details of fair value of derivative assets are further disclosed in Note 20(b).

18. Dividends

	Amount		Net dividend per ordinary share	
	2021 USD	2020 USD	2021 USD	2020 USD
Recognised during the financial year:				
Interim dividend for 2021:				
- First interim tax exempt (single-tier) dividend, declared on 16 June 2021 and paid on 1 July 2021	5,534,921	-	55.35	-
- Second interim tax exempt (single-tier) dividend, declared on 21 September 2021 and paid on 11 October 2021	3,005,771	-	30.06	-
	<u>8,540,692</u>	<u>-</u>	<u>85.41</u>	<u>-</u>

Interim dividend for 2020:

- First interim tax exempt (single-tier) dividend, declared on 25 March 2020 and paid on 1 April 2020	-	2,564,712	-	25.65
- Second interim tax exempt (single-tier) dividend, declared on 15 June 2020 and paid on 1 July 2020	-	3,157,962	-	31.58
- Third interim tax exempt (single-tier) dividend, declared on 21 September 2020 and paid on 1 October 2020	-	3,047,739	-	30.48

18. Dividends (cont'd.)

	Amount		Net dividend per ordinary share	
	2021	2020	2021	2020
	USD	USD	USD	USD
Recognised during the financial year: (cont'd.)				
Interim dividend for 2020: (cont'd.)				
- Fourth interim tax exempt (single-tier) dividend, declared on 8 December 2020 and paid on 17 December 2020	-	1,083,744	-	10.84
	-	9,854,157	-	98.55

19. Related party disclosures**Sale and purchase of services**

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place at terms agreed between the parties during the financial year:

	Expense/ (income)	
	2021	2020
	USD	USD
(i) Immediate holding company - PetroFirst Infrastructure Limited:		
Dividend paid	8,540,692	9,854,157
(ii) Related party - Petrofac (Malaysia-PM304) Ltd:		
Finance lease interest income received/receivables	(8,855,349)	(10,154,515)
Production tariff income received/receivables	(3,538,264)	-
(iii) Related party - Petrofac South East Asia Pte Ltd:		
Management fees and other services paid/payable	1,180,165	1,161,991

Related parties refer to companies which are subsidiaries of Petrofac Limited, a company in which the immediate holding company is an associate of.

20. Financial instruments

(a) Classification of financial instruments

The following table analyses the financial assets and liabilities of the Company in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

	Note	Financial assets measured at amortised cost USD	Financial liabilities subsequently measured at amortised cost USD	Fair value through profit or loss USD	Total USD
31 December 2021					
Assets					
Lease receivables	9	61,347,767	-	-	61,347,767
Deposit	10	1,833	-	-	1,833
Cash and bank balances	12	2,864,704	-	-	2,864,704
Amount due from related party	16	369,336	-	-	369,336
Total financial assets		64,583,640	-	-	64,583,640
Total non-financial assets					1,757,218
Total assets					66,340,858
Liabilities					
Borrowings	14	-	29,001,183	-	29,001,183
Other payables	15	-	137,986	-	137,986
Amount due to related party	16	-	98,312	-	98,312
Derivative liabilities	17	-	-	183,205	183,205
Total financial liabilities		-	29,237,481	183,205	29,420,686
Total non-financial liabilities					512,564
Total liabilities					29,933,250

20. Financial instruments (cont'd.)

(a) Classification of financial instruments (cont'd.)

	Note	Financial assets measured at amortised cost USD	Financial liabilities subsequently measured at amortised cost USD	Fair value through profit or loss USD	Total USD
31 December 2020					
Assets					
Lease receivables	9	63,293,216	-	-	63,293,216
Deposit	10	1,690	-	-	1,690
Cash and bank balances	12	1,893,290	-	-	1,893,290
Total financial assets		<u>65,188,196</u>	<u>-</u>	<u>-</u>	<u>65,188,196</u>
Total non-financial assets				352,422	
Total assets				<u>352,422</u>	<u>65,540,618</u>
Liabilities					
Borrowings	14	-	36,180,265	-	36,180,265
Other payables	15	-	58,218	-	58,218
Amount due to related party	16	-	102,134	-	102,134
Derivative liabilities	17	-	-	691,367	691,367
Total financial liabilities		<u>-</u>	<u>36,340,617</u>	<u>691,367</u>	<u>37,031,984</u>
Total non-financial liabilities				133,234	
Total liabilities				<u>133,234</u>	<u>37,165,218</u>

20. Financial instruments (cont'd.)**(b) Determination of fair value**

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Short term lease receivables	9
Borrowings	14
Other payables	15
Amounts due from and due to related parties	16

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Fair value hierarchy

The Company uses the following hierarchy for determining the fair value of the following financial instruments:

Financial instruments not carried at fair value

	Significant observable inputs (Level 2)	
	2021	2020
	USD	USD
Fair value of long term lease receivables	<u>65,177,132</u>	<u>-</u>

The Company estimates the fair value of long term lease receivables by discounting future contractual cash flows using market interest rate at the end of the reporting period.

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20. Financial instruments (cont'd.)

(b) Determination of fair value (cont'd.)

Fair value hierarchy (cont'd.)

Financial instruments carried at fair value through profit or loss

	Significant observable inputs (Level 2)	
	2021	2020
	USD	USD
Derivative liabilities (Note 17)	<u>(183,205)</u>	<u>(691,367)</u>

As disclosed in Note 17, the Company recognised a gain of USD508,162 (2020 loss: USD796,742) arising from the fair value changes in derivative (liabilities)/assets. The fair value changes are attributable to the change in interest rate swaps.

21. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk.

The Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Company's business whilst managing its credit, liquidity and interest rate risks. The Company operates within clearly defined guidelines approved by the Board and the Company's policy is to not engage in speculative transactions.

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

(a) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily lease receivables and production tariffs) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

21. Financial risk management objectives and policies (cont'd.)**(a) Credit risk (cont'd.)****Lease receivables**

Customer credit risk is managed by the Company based on its established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. At 31 December 2021, the Company had 1 customer (2020: 1 customer) that accounted for 100% of its lease receivables outstanding.

Based on the impairment analysis performed, the Company's exposure to credit risk at the reporting date is minimal as the Company's estimate of the amount of ECLs relating to lease receivables are negligible.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 20(a).

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company manages liquidity risk by maintaining sufficient cash, banking facilities such as working capital lines and funding from its immediate holding company to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as and when they fall due.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year USD	One to five years USD	Total USD
31 December 2021			
Borrowings	7,052,094	25,030,291	32,082,385
Other payables	137,986	-	137,986
Amount due to related party	98,312	-	98,312
	<u>7,288,392</u>	<u>25,030,291</u>	<u>32,318,683</u>

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20. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

The table below summarises the maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations. (cont'd.)

	On demand or within one year USD	One to five years USD	Total USD
31 December 2020			
Borrowings	8,867,457	32,328,854	41,196,311
Other payables	58,218	-	58,218
Amount due to related party	102,134	-	102,134
	<u>9,027,809</u>	<u>32,328,854</u>	<u>41,356,663</u>

(c) Interest rate risk

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

The Company's main income and operating cash flows are generated from interest bearing lease receivables which are fixed by the lease arrangement and therefore, are independent of changes in market interest rates.

Borrowings obtained at floating rates expose the Company to cash flow interest rate risk whilst borrowings obtained at fixed rates expose the Company to fair value interest rate risk. The Company's policy is to manage interest cost using a mix of fixed and floating rate borrowings. To manage this mix in a cost-efficient manner, the Company enters into interest rate swaps.

Sensitivity analysis for interest rate risk

	Change in interest basis points	(Decrease)/increase on profit before taxation	
		2021 USD	2020 USD
Borrowings			
Effective interest rate of 3.67%	+25	(74,393)	(93,052)
(2020: 4.13%)	-25	74,393	93,052
		<u>74,393</u>	<u>93,052</u>

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20. Financial risk management objectives and policies (cont'd.)

(c) Interest rate risk (cont'd.)

Sensitivity analysis for interest rate risk (cont'd.)

At the reporting date, if interest rates had been 25 basis points higher/lower, with all other variables held constant, the Company's profit before taxation would have been lower/higher by the amounts above, arising mainly as a result of higher/lower interest expense on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

22. Capital management

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2021 and 2020.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings, other payables and amount due to related party, less cash and bank balances. Capital includes equity attributable to equity holder of the Company.

	Note	2021 USD	2020 USD
Borrowings	14	29,001,183	36,180,265
Other payables	15	137,986	58,218
Amount due to related party	16	98,312	102,134
		<u>29,237,481</u>	<u>36,340,617</u>
Less: Cash and bank balances	12	<u>(2,864,704)</u>	<u>(1,893,290)</u>
Net debt		<u>26,372,777</u>	<u>34,447,327</u>
Total capital		<u>36,407,608</u>	<u>28,375,400</u>
Capital and net debt		<u>62,780,385</u>	<u>62,822,727</u>
Gearing ratio		<u>42%</u>	<u>55%</u>

Company Registration No. 200920125C

PV Keez Pte. Ltd.

Annual Financial Statements
31 August 2023



PV Keez Pte. Ltd.

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PV Keez Pte. Ltd.

Directors' statement

The directors are pleased to present their statement to the members together with the audited financial statements of PV Keez Pte. Ltd. (the "Company") for the financial year ended 31 August 2023.

1. Opinion of the directors

In the opinion of the directors:

- (i) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the Company as at 31 August 2023 and the financial performance, changes in equity and cash flows of the Company for the 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.

2. Directors

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

Chor How Jat	
Jacques Joseph Tohme	(w.e.f. 5 th Jul 2023)
Hussein Dada	(w.e.f. 5 th Jul 2023)
Dutter Andre Dennis	(w.e.f. 29 th Aug 2023)
Andrew Richard Hugh	(resigned w.e.f. 5 th Jul 2023)
Stephen Thomas Webber	(resigned w.e.f. 5 th Jul 2023)
Awadhesh Kumar	(resigned w.e.f. 5 th Jul 2023)
Hayden Philip Lee	(resigned w.e.f. 5 th Jul 2023)

3. Arrangements to enable directors to acquire shares and debentures

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

4. Directors' interests in shares and debentures

The Company has obtained waiver on the requirements to disclose the Directors' shareholding details under Section 201 (16) of the Companies Act 1967.

PV Keez Pte. Ltd.

Directors' statement

5. Auditor

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

On behalf of the board of directors,



Jacques Tohme
Director



Hussein Dada
Director

Singapore
11 January 2024

PV Keez Pte. Ltd.

**Independent auditor's report
For the financial year ended 31 August 2023**

Independent auditor's report to the members of PV Keez Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of PV Keez Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 August 2023, the statement of comprehensive income, statement of changes in equity and cash flow statement of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 August 2023 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for other information. The other information comprises directors' statement set out on pages 1 to 2.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

PV Keez Pte. Ltd.

**Independent auditor's report
For the financial year ended 31 August 2023**

Independent auditor's report to the members of PV Keez Pte. Ltd.

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 FRSS, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

PV Keez Pte. Ltd.

**Independent auditor's report
For the financial year ended 31 August 2023**

Independent auditor's report to the members of PV Keez Pte. Ltd.

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
11 January 2024

PV Keez Pte. Ltd.**Statement of financial position
As at 31 August 2023**

	Note	2023 US\$	2022 US\$
Assets			
Non-current asset			
Plant and equipment	5	118,443,549	137,881,224
Current assets			
Cash and cash equivalents	6	6,339,979	5,162,059
Trade receivables	7	5,049,863	3,930,741
Other receivables	8	3,664	4,707
Total current assets		11,393,506	9,097,507
Total assets		129,837,055	146,978,731
Liabilities and equity			
Current liabilities			
Other payables and accruals	9	528,469	346,205
Redeemable cumulative preference shares	10	2,389,343	2,389,343
Total current liabilities		2,917,812	2,735,548
Total liabilities		2,917,812	2,735,548
Capital and reserves			
Share capital	11	123,565,856	143,136,340
Accumulated profits		3,353,387	1,106,843
Total equity		126,919,243	144,243,183
Total liabilities and equity		129,837,055	146,978,731

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

PV Keez Pte. Ltd.**Statement of comprehensive income
For the financial year ended 31 August 2023**

	Note	2023 US\$	2022 US\$
Revenue	13	24,932,910	27,617,971
Cost of sales		(19,437,675)	(20,396,040)
Gross profit		5,495,235	7,221,931
Administrative expenses		(1,056,079)	(1,147,819)
Profit from operations		4,439,156	6,074,112
Finance costs	14	(193,803)	(193,803)
Profit before tax	15	4,245,353	5,880,309
Income tax	16	(498,809)	(556,087)
Profit for the year representing total comprehensive income for the year		3,746,544	5,324,222

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

PV Keez Pte. Ltd.**Statement of changes in equity
For the financial year ended 31 August 2023**

	Share capital US\$	Accumulated profits US\$	Total US\$
Balance at 31 August 2021	150,000,000	8,733,268	158,733,268
Profit representing total comprehensive income for the year	–	5,324,222	5,324,222
Dividends (Note 12)	–	(12,950,647)	(12,950,647)
Capital reduction (Note 11)	(6,863,660)	–	(6,863,660)
Balance at 31 August 2022	143,136,340	1,106,843	144,243,183
Profit representing total comprehensive income for the year	–	3,746,544	3,746,544
Dividends (Note 12)	–	(1,500,000)	(1,500,000)
Capital reduction (Note 11)	(19,570,484)	–	(19,570,484)
Balance at 31 August 2023	123,565,856	3,353,387	126,919,243

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

PV Keez Pte. Ltd.**Statement of cash flows
For the financial year ended 31 August 2023**

	Note	2023 US\$	2022 US\$
Operating activities			
Profit before tax		4,439,156	5,880,309
Adjustments for:			
Depreciation expense	5	19,437,675	20,396,041
Operating cash flows before movement in working capital		23,876,831	26,276,350
Trade receivables		(1,119,122)	(1,074,521)
Other receivables		1,043	1,706
Other payables and accruals		328,595	(2,520,156)
Cash generated from operations		23,087,347	22,683,379
Income tax paid		(645,141)	(484,264)
Net cash generated from operating activities		22,442,206	22,199,115
Financing activity			
Dividends paid on redeemable convertible preference shares		(193,803)	(193,803)
Dividends on ordinary shares	12	(1,500,000)	(12,950,647)
Capital reduction	11	(19,570,484)	(6,863,660)
Net cash used in financing activities		(21,264,287)	(20,008,110)
Net increase/(decrease) in cash and cash equivalents		1,177,920	2,191,005
Cash and cash equivalents at beginning of year		5,162,059	2,971,054
Cash and cash equivalents at end of the year	6	6,339,979	5,162,059

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

PV Keez Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 August 2023****1. Corporate information**

PV Keez Pte. Ltd. ("the Company") is a private limited company incorporated and domiciled in Singapore. The principal place of business of the Company is located at The Gateway West, 150 Beach Road #35-39/50, Singapore 189720.

The Company is principally engaged in the owning and leasing of floating production storage and offloading system ("FPSO"). In the current financial year, following an acquisition exercise, the immediate, intermediate and ultimate holding companies were as follows:

The immediate holding company is Samos Energy Floating Infrastructure 2 Ltd (formerly known as PetroFirst Infrastructure 2 Limited), a company incorporated in Jersey.

The intermediate holding companies are Samos Energy Infrastructure Ltd ("SEIL") and Samos Energy Infrastructure Management Ltd, both companies being incorporated in Jersey. During the year, SEIL had acquired the PetroFirst Infrastructure 2 Limited from PetroFirst Infrastructure Holdings Limited.

The ultimate holding company is Amerocap LLC, a company incorporated in United States.

2. Summary of significant accounting policies**2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

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

The financial statements are presented in United States Dollars ("USD" or "US\$" or "\$") except when otherwise indicated.

2.2 Change in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 September 2022. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Company.

The Company has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2023
Amendments to FRS 37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2023
Annual Improvements to FRS 2018-2023	1 January 2023
Amendments to FRS 1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to FRS 8: <i>Definition of Accounting Estimates</i>	1 January 2023

PV Keez Pte. Ltd.

**Notes to the financial statements
For the financial year ended 31 August 2023**

2. Summary of significant accounting policies (cont'd)

2.2 Change in accounting policies (cont'd)

Description	Effective for annual periods beginning on or after
Amendments to FRS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to FRS 110 and FRS 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 other standards above will have no material impact on the financial statements in the period of initial application.

2.3 Foreign currencies

(a) Functional and presentation currency

The financial statements are presented in USD, which is the Company's functional currency.

(b) Foreign currency transactions and balances

Transactions in a currency other than the respective functional currencies ("foreign currency") of the Company are recorded on initial recognition in the functional currencies at foreign exchange rates approximating those ruling at the dates of the transactions. Foreign currency monetary items are translated into the functional currency using foreign exchange rate ruling at the end of the reporting period. Non-monetary assets and liabilities measured at historical cost in foreign currencies are translated into the functional currency using foreign exchange rates at the dates of the transactions. Non-monetary items measured at fair value in foreign currencies are translated into the functional currency at exchange rates ruling at the dates the fair value was measured.

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

2.4 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to profit or loss.

The carrying amount of the plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Depreciation is charged so as to write off the cost of the plant and equipment over its estimated useful life, using the straight-line method, on the following bases:

Vessel - 17 years

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2023

2. Summary of significant accounting policies (cont'd)

2.4 *Plant and equipment (cont'd)*

Fully depreciated assets still in use are retained in the financial statements until they are no longer in use.

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

2.5 *Impairment of non-financial assets*

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company 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 to dispose 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 group 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. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to dispose, recent market transactions are taken into account, if available.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's 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.

PV Keez Pte. Ltd.

**Notes to the financial statements
For the financial year ended 31 August 2023**

2. Summary of significant accounting policies (cont'd)

2.6 Financial instruments

(a) Financial assets

Initial recognition and measurement

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

At initial recognition, the Company 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 Company 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 Company'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 for the Company 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.

(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.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2023

2. Summary of significant accounting policies (cont'd)

2.6 Financial instruments (cont'd)

(a) Financial assets (cont'd)

De-recognition

A financial asset is de-recognised where the contractual rights to receive cash flows from the asset have expired. On de-recognition 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 has been recognised in other comprehensive income is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company 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 and loss, directly attributable transaction costs.

Subsequent measurement

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.

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.

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.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks and fixed deposits subject to an insignificant risk of changes in value.

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2023

2. Summary of significant accounting policies (cont'd)

2.8 *Impairment of financial assets*

The Company 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 Company 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 Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company 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 Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.9 *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 being 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.

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2023

2. Summary of significant accounting policies (cont'd)

2.10 Provisions

Provisions are recognised when the Company 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.

2.11 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an agreement.

Operating lease – when the Company is a lessor

Leases where the Company retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Assets leased out under operating lease are included in fixed assets and are stated at cost less accumulated depreciation and impairment loss. The accounting policy for vessel chartering is set out in Note 2.12. Contingent rents are recognised as revenue in the period in which they are earned.

2.12 Revenue recognition

Revenue is measured based on consideration to which the Company 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 Company 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.

The Company is in the business of chartering floating production storage and offloading system. The performance obligations under the charter contract are satisfied and charter revenue is recognised over the duration of the charter period. Transaction price is based on the contracted charter rate on a per day basis.

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2023

2. Summary of significant accounting policies (cont'd)

2.13 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 Company 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 provision 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 taxable temporary differences, except where the deferred tax liability 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.

Deferred tax assets are recognised for all deductible temporary differences, 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 differences arise 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.

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 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the financial 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.

PV Keez Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 August 2023**

2. Summary of significant accounting policies (cont'd)**2.13 Taxes (cont'd)****(b) Deferred tax (cont'd)**

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.

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) 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 tax authority is included as part of receivables or payables in the statement of financial position.

2.14 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of new equity shares are taken to equity as a deduction from the proceeds.

2.15 Contingent liabilities

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 Company; 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 Company.

Contingent liabilities and assets are not recognised on the statement of financial position of the Company.

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2023

3. Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectation of future events that are believed to be reasonable under the circumstances.

(a) 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, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Estimated useful lives of Floating Production Storage and Offloading ("FPSO")

The FPSO is depreciated on a straight-line basis over the estimated useful lives. The estimated useful life reflects the management's estimate of the periods that the Company intends to derive future economic benefits from the use of the FPSO. Management estimates the useful life of FPSO to be 17 years (2022: 17years). Therefore, future depreciation charges could be revised and could have an impact on the profit in future years. The carrying amount of FPSO at the end of each reporting period is disclosed in Note 5 to the financial statements.

(ii) Determination of ECLs for trade receivables

The Company assesses ECLs for trade receivables based on the counterparties' assessed historical loss rates, collateral held and adjusting for forward-looking economic and other factors that are specific to these counterparties.

The Company have assessed the ECLs in respect of trade receivables at the end of the financial year to be immaterial and hence, no provision was made. This is because trade receivables held at the end of the financial year were relatively short-term and are due from counterparties that were assessed to have an insignificant risk of default.

Further details regarding the ECLs on trade receivables are disclosed in Note 7.

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2023

3. Significant accounting estimates and judgements (cont'd)

(a) ***Key sources of estimation uncertainty (cont'd)***

(iii) ***Income taxes***

Significant judgement is involved in determining the Company 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 Company 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.

(b) ***Critical judgements made in applying accounting policies***

There are no critical judgements made by management in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statement.

4. Related party transactions

Some of the company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Significant transactions with corporate shareholders:

	2023	2022
	US\$	US\$
Significant transactions with related party:		
Ship management fee	839,022	986,680

PV Keez Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 August 2023****5. Plant and equipment**

	US\$
Cost	
At 1 September 2020, 31 August 2022, 1 September 2022 and 31 August 2023	462,061,638
Accumulated depreciation	
At 1 September 2021	303,784,374
Charge for the financial year	20,396,040
At 31 August 2022 and 1 September 2022	324,180,414
Charge for the financial year	19,437,675
At 31 August 2023	343,618,089
Net carrying amount	
At 31 August 2022	137,881,224
At 31 August 2023	118,443,549

6. Cash and cash equivalents

	2023 US\$	2022 US\$
Cash and bank balances	6,339,979	5,162,059

Cash and cash equivalents amounting to US\$9,997 (2022: US\$8,116) are denominated in Singapore Dollars as at year end.

7. Trade receivables

	2023 US\$	2022 US\$
Third party	2,514,061	1,677,765
Unbilled revenue	2,535,802	2,252,976
Total	5,049,863	3,930,741
<i>Add: Other receivables excluding prepayments and goods and services tax receivable (Note 8)</i>	3,664	3,664
<i>Add: Cash and cash equivalents</i>	6,339,979	5,162,059
Total financial assets carried at amortised cost	11,393,506	9,096,464

PV Keez Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 August 2023****7. Trade receivables (cont'd)**

The Company has trade receivables amounting to US\$2,514,061 (2022: US\$ US\$1,677,765) that are past due at the end of the reporting period but not impaired. The receivable amount from outside party is due from a single customer, current and unsecured. The average credit period is 30 days (2022: 30 days). No interest is charged on the outstanding receivables.

Unbilled revenue relates to the revenue recognised from the lease of FPSO, the Production Tariff billings.

Expected credit losses

The Company has assessed expected credit losses based on historical observed loss rates, collateral held and taking into consideration potential changes in economic environment affecting its counterparties. The ECLs in respect of trade and other receivables at the end of the financial year were determined to be immaterial and hence, no provision was made.

8. Other receivables

	2023 US\$	2022 US\$
Goods and services tax receivable	—	1,043
Other debtors	3,664	3,664
	<u>3,664</u>	<u>4,707</u>

9. Other payables and accruals

	2023 US\$	2022 US\$
Accruals	303,309	23,051
Amount due to related parties	—	160,507
Third-parties	15,821	778
Interest payable:		
- Preference shares - dividend payable (Note 10)	32,920	32,920
Others	176,419	128,948
	<u>528,469</u>	<u>346,204</u>
Add:		
Redeemable cumulative preference shares – current (Note 10)	2,389,343	2,389,343
Total financial liabilities carried at amortised cost	<u>2,917,812</u>	<u>2,735,547</u>

The other payable amount due to related parties are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2023

10. Redeemable cumulative preference shares ("RCPS")

	2023		2022	
	No of share	US\$	No of share	US\$
Issued and paid up:				
At beginning and end of financial year	2,389,343	2,389,343	2,389,343	2,389,343



A reconciliation of liabilities arising from financing activities is as follows:

	2022	Cash flow	Non-cash flow		2023
	US\$		Amortisation of transaction cost	Others	US\$
Redeemable cumulative preference share	2,389,343	–	–	–	2,389,343
Preference shares – dividend payables	32,920	(193,803)	–	193,803	32,920
Total	2,422,263	(193,803)	–	193,803	2,422,263

PV Keez Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 August 2023****10. Redeemable cumulative preference shares ("RCPS") (cont'd)**

	2021	Cash flow	Non-cash flow		2022
			Amortisation of transaction cost	Others	
	US\$				US\$
Redeemable cumulative preference share	2,389,343	–	–	–	2,389,343
Preference shares – dividend payables	32,920	(193,803)	–	193,803	32,920
Total	2,422,263	(193,803)	–	193,803	2,422,263

The 'others' column relates to reclassification of non-current portion of bank loans due to passage of time and dividends declared for preference shares during the year.

11. Share capital

	2023		2022	
	No of share	US\$	No of share	US\$
Issued and paid up:				
At beginning of financial year	150,000,000	143,136,340	150,000,000	150,000,000
Share capital reductions	–	(19,570,484)	–	(6,863,660)
At the end of financial year	150,000,000	123,565,856	150,000,000	143,136,340

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.

During the financial year, the Company completed a series of share capital reduction exercises to reduce the ordinary paid up share capital of the Company. There were no changes to the number of issued ordinary shares in the Company.

PV Keez Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 August 2023****12. Dividends**

	2023 US\$	2022 US\$
Declared during the financial year:		
<i>Dividends on ordinary shares:</i>		
- Interim exempt (one-tier) dividend for 2023: \$0.010 (2022: \$0.086) per share	1,500,000	12,950,647

13. Revenue

	2023 US\$	2022 US\$
<u>Over time</u>		
Chartering revenue	24,932,910	27,617,971

14. Finance costs

	2023 US\$	2022 US\$
Dividends on redeemable cumulative preference shares	193,803	193,803

15. Profit before tax

The following items have been included in arriving at profit before tax:

	2023 US\$	2022 US\$
Depreciation of expense (Note 5)	19,437,675	20,396,040
Net foreign exchange loss	87	467
Legal and professional fees	28,077	20,502
Management fees paid to a related party (Note 4)	893,022	986,680

PV Keez Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 August 2023****16. Income tax**

	2023 US\$	2022 US\$
Under provision of tax in respect of previous years	151	3,728
Withholding tax	498,658	552,359
Total	498,809	556,087

The total income tax for the year can be reconciled to the accounting profits as follows:

	2023 US\$	2022 US\$
Profit before tax	4,245,353	5,880,309
Tax expenses at domestic income tax rate of 17%	721,710	999,653
Exempt shipping profits under S13A of the Singapore Income Tax Act *	(721,710)	(999,653)
Under-provision of tax in respect of previous years	151	3,728
Withholding tax **	498,658	552,359
Income tax expense	498,809	556,087

* In accordance with the provisions of the Singapore Income Tax Act ("the Act"), the operating profits from shipping activities of Singapore registered vessels plying international waters are tax-exempt. The exemption is subject to the company meeting the terms and conditions set out in Section 13A of the Act. In addition, income tax is chargeable on interest received during the financial year which is treated as a separate source of income for tax purposes.

** The Company incurs withholding tax expense on income sourced from a foreign tax jurisdiction.

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2023

17. Operating lease commitments

The Company charters its vessel under operating lease. Charter revenue earned during the year was US\$24,932,910 (2022: US\$27,617,972).

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

At the end of the reporting period, the Company has contracted with an external party for the following future minimum lease receivable:

	2023 US\$	2022 US\$
Within one year	18,877,896	18,826,317
Within two to five years	6,292,632	25,170,528
Total	25,170,528	43,996,845

18. Financial risk management objectives and policies

The Company is exposed to financial risks including credit risk, liquidity risk and foreign currency risk. The Company's principal financial instruments comprise trade and other payables, bank loan and cash and cash equivalents. The main purpose of these financial instruments is to finance the Company's operations.

The Company's overall risk policy is to minimise potential adverse effects on the Company's financial performance.

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2023

18. Financial risk management objectives and policies (cont'd)

The management reviews and agrees policies for managing these risks and they are summarised below:

Credit risk

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

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Company considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2023

18. Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Company provides for lifetime expected credit losses for all trade receivables using the probability of default approach. In calculating the expected credit loss rates, the Company considers the historical default rates of each category of counterparty and expected recovery rates in the event of a default by the counterparty. The expected recovery rates are determined after taking into consideration the existence, enforceability and quality of collateral and/or other credit enhancements related to the receivables. The expected credit loss rates are adjusted for forward looking economic and other data affecting the counterparties' credit behaviour.

Exposure to credit risk

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the statement of financial position.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

In the management of liquidity risk, the Company monitors and maintains a level of cash and bank balances deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The Company's funding is obtained from funds generated from operations and banks.

PV Keez Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 August 2023****18. Financial risk management objectives and policies (cont'd)*****Liquidity risk (cont'd)***

The table below analyses the Company's liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	One year or less US\$	One to five years US\$	Total US\$
Year ended 31 August 2023			
Financial assets:			
Cash and cash equivalents (Note 6)	6,339,979	–	6,339,979
Trade and other receivables (Notes 7)	5,053,527	–	5,053,527
Total undiscounted financial assets	11,393,506	–	11,393,506
Financial liabilities:			
Other payables and accruals (Note 9)	495,549	–	495,549
Redeemable cumulative preference shares (Note 10)	2,389,343	–	2,389,343
Derivatives			
Total undiscounted financial liabilities	2,884,892	–	2,884,892
Net undiscounted financial liabilities	8,508,614	–	8,508,614
	One year or less US\$	One to five years US\$	Total US\$
Year ended 31 August 2022			
Financial assets:			
Cash and cash equivalents (Note 6)	5,162,059	–	5,162,059
Trade and other receivables (Notes 7)	2,256,640	–	2,256,640
Total undiscounted financial assets	7,418,699	–	7,418,699
Financial liabilities:			
Other payables and accruals (Note 9)	313,284	–	313,284
Redeemable cumulative preference shares (Note 10)	2,389,343	–	2,389,343
Derivatives			
Total undiscounted financial liabilities	2,702,627	–	2,702,627
Net undiscounted financial liabilities	4,716,072	–	4,716,072

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2023

18. Financial risk management objectives and policies (cont'd)

Foreign currency risk

The Company has exposure to foreign exchange risk as a result of transactions denominated in a currency other than its functional currency, arising mainly from operating expenses. It is the Company's policy to hedge these risks through foreign currency forward exchange contracts, if material. The primary purpose of the Company's foreign currency hedging activities is to protect against the volatility associated with foreign currency liabilities created in the normal course of business.

As at 31 August 2023 and 31 August 2022, the Company has no significant exposure to foreign exchange risk.

19. Fair value of assets and liabilities

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

As at 31 August 2023 and 31 August 2022, the Company did not have any class of assets or liabilities measured at fair value.

20. Capital Management

Capital comprises equity of the Company. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholders' value.

The Company manages its capital structure and makes adjustment to it, in light of the changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 August 2023 and 31 August 2022.

21. Authorisation of financial statements

The financial statements for the financial year ended 31 August 2023 were authorised for issue in accordance with a resolution of the directors on 11 January 2024.

Company Registration No. 200920125C

PV Keez Pte. Ltd.

Annual Financial Statements
31 August 2022



PV Keez Pte. Ltd.

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PV Keez Pte. Ltd.

Directors' statement

The directors are pleased to present their statement to the members together with the audited financial statements of PV Keez Pte. Ltd. (the "Company") for the financial year ended 31 August 2022.

1. Opinion of the directors

In the opinion of the directors:

- (i) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the Company as at 31 August 2022 and the financial performance, changes in equity and cash flows of the Company for the 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.

2. Directors

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

Stephen Thomas Webber
Awadhesh Kumar
Hayden Philip Lee
Chor How Jat
Andrew Richard Hugh

3. Arrangements to enable directors to acquire shares and debentures

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

4. Directors' interests in shares and debentures

The Company has obtained waiver on the requirements to disclose the Directors' shareholding details under Section 201 (16) of the Companies Act 1967.

PV Keez Pte. Ltd.

Directors' statement

5. Auditor

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

On behalf of the board of directors,



Awadhesh Kumar
Director

Hayden Philip Lee

Hayden Philip Lee
Director

Singapore
13 March 2023

PV Keez Pte. Ltd.

**Independent auditor's report
For the financial year ended 31 August 2022**

Independent auditor's report to the members of PV Keez Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of PV Keez Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 August 2022, the statement of comprehensive income, statement of changes in equity and cash flow statement of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 August 2022 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for other information. The other information comprises directors' statement set out on pages 1 to 2.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

PV Keez Pte. Ltd.

**Independent auditor's report
For the financial year ended 31 August 2022**

Independent auditor's report to the members of PV Keez Pte. Ltd.

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 FRSSs, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

PV Keez Pte. Ltd.

**Independent auditor's report
For the financial year ended 31 August 2022**

Independent auditor's report to the members of PV Keez Pte. Ltd.

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
13 March 2023

PV Keez Pte. Ltd.**Statement of financial position
As at 31 August 2022**

	Note	2022 US\$	2021 US\$
Assets			
Non-current asset			
Plant and equipment	5	137,881,224	158,277,264
Current assets			
Cash and cash equivalents	6	5,162,059	2,971,054
Trade receivables	7	3,930,741	2,856,220
Other receivables and prepayments	8	4,707	6,414
Total current assets		9,097,507	5,833,688
Total assets		146,978,731	164,110,952
Liabilities and equity			
Current liabilities			
Other payables and accruals	9	346,205	2,988,341
Redeemable cumulative preference shares	10	2,389,343	2,389,343
Total current liabilities		2,735,548	5,377,684
Total liabilities		2,735,548	5,377,684
Capital and reserves			
Share capital	11	143,136,340	150,000,000
Accumulated profits		1,106,843	8,733,268
Total equity		144,243,183	158,733,268
Total liabilities and equity		146,978,731	164,110,952

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

PV Keez Pte. Ltd.**Statement of comprehensive income
For the financial year ended 31 August 2022**

	Note	2022 US\$	2021 US\$
Revenue	13	27,617,971	39,117,754
Cost of sales		(20,396,040)	(30,938,067)
Gross profit		7,221,931	8,179,687
Other operating income	14	–	2,794
Administrative expenses		(1,147,819)	(920,923)
Profit from operations		6,074,112	7,261,558
Finance costs	15	(193,803)	(318,409)
Profit before tax	16	5,880,309	6,943,149
Income tax	17	(556,087)	(777,411)
Profit for the year representing total comprehensive income for the year		5,324,222	6,165,738

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

PV Keez Pte. Ltd.**Statement of changes in equity
For the financial year ended 31 August 2022**

	Share capital US\$	Accumulated profits US\$	Total US\$
Balance at 31 August 2020	150,000,000	42,157,015	192,157,015
Profit representing total comprehensive income for the year	–	6,165,738	6,165,738
Dividends (Note 12)	–	(39,589,485)	(39,589,485)
Balance at 31 August 2021	150,000,000	8,733,268	158,733,268
Profit representing total comprehensive income for the year	–	5,324,222	5,324,222
Dividends (Note 12)	–	(12,950,647)	(12,950,647)
Capital reduction (Note 11)	(6,863,660)		(6,863,660)
Balance at 31 August 2022	143,136,340	1,106,843	144,243,183

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

PV Keez Pte. Ltd.**Statement of cash flows
For the financial year ended 31 August 2022**

	Note	2022 US\$	2021 US\$
Operating activities			
Profit before tax		5,880,309	6,943,149
Adjustments for:			
Depreciation expense	5	20,396,041	30,938,067
Fair value gain on derivative instrument	14	—	(82,318)
Interest income	14	—	(2,794)
Amortization of deferred loan fees	15	—	40,539
Finance costs	15	—	277,870
Operating cash flows before movement in working capital		26,276,350	38,114,513
Trade receivables		(1,074,521)	2,107,858
Other receivables and prepayments		1,706	17,506
Other payables and accruals		(2,520,156)	11,965
Cash generated from operations		22,683,379	40,251,842
Interest received		—	6,295
Interest paid		—	(210,943)
Income tax paid		(484,264)	(819,569)
Net cash generated from operating activities		22,199,115	39,227,625
Financing activity			
Dividends paid on redeemable convertible preference shares		(193,803)	(193,803)
Dividends on ordinary shares	12	(12,950,647)	(36,818,729)
Repayment of bank loan	10	—	(15,858,141)
Capital reduction	11	(6,863,660)	—
Net cash used in financing activities		(20,008,110)	(52,870,673)
Net increase/(decrease) in cash and cash equivalents		2,191,005	(13,643,048)
Cash and cash equivalents at beginning of year		2,971,054	16,614,102
Cash and cash equivalents at end of the year	6	5,162,059	2,971,054

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

PV Keez Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 August 2022**

1. Corporate information

PV Keez Pte. Ltd. ("the Company") is a private limited company incorporated and domiciled in Singapore. The registered office and principal place of business of the Company is located at 2 International Business Park #12-01, The Strategy, Singapore 609930.

The Company is principally engaged in the owning and leasing of floating production storage and offloading system ("FPSO").

2. Summary of significant accounting policies**2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

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

The financial statements are presented in United States Dollars ("USD" or "US\$" or "\$") except when otherwise indicated.

2.2 Change in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 September 2021. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Company.

The Company has not adopted the following standards that have been issued but not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to FRS 37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to FRS 2018-2022	1 January 2022
Amendments to FRS 1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to FRS 8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to FRS 12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to FRS 110 and FRS 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 other standards above will have no material impact on the financial statements in the period of initial application.

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2022

2. Summary of significant accounting policies (cont'd)

2.3 Foreign currencies

(a) Functional and presentation currency

The financial statements are presented in USD, which is the Company's functional currency.

(b) Foreign currency transactions and balances

Transactions in a currency other than the respective functional currencies ("foreign currency") of the Company are recorded on initial recognition in the functional currencies at foreign exchange rates approximating those ruling at the dates of the transactions. Foreign currency monetary items are translated into the functional currency using foreign exchange rate ruling at the end of the reporting period. Non-monetary assets and liabilities measured at historical cost in foreign currencies are translated into the functional currency using foreign exchange rates at the dates of the transactions. Non-monetary items measured at fair value in foreign currencies are translated into the functional currency at exchange rates ruling at the dates the fair value was measured.

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

2.4 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to profit or loss.

The carrying amount of the plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Depreciation is charged so as to write off the cost of the plant and equipment over its estimated useful life, using the straight-line method, on the following bases:

Vessel - 17 years

The estimated useful life, residual value and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements until they are no longer in use.

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

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2022

2. Summary of significant accounting policies (cont'd)

2.5 *Impairment of non-financial assets*

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company 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 to dispose 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 group 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. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to dispose, recent market transactions are taken into account, if available.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's 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.

2.6 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

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

At initial recognition, the Company 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.

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2022

2. Summary of significant accounting policies (cont'd)

2.6 Financial instruments

(a) Financial assets (cont'd)

Initial recognition and measurement (cont'd)

Trade receivables are measured at the amount of consideration to which the Company 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 Company'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 for the Company 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.

(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.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

De-recognition

A financial asset is de-recognised where the contractual rights to receive cash flows from the asset have expired. On de-recognition 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 has been recognised in other comprehensive income is recognised in profit or loss.

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2022

2. Summary of significant accounting policies (cont'd)

2.6 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company 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 and loss, directly attributable transaction costs.

Subsequent measurement

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.

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.

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.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks and fixed deposits subject to an insignificant risk of changes in value.

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2022

2. Summary of significant accounting policies (cont'd)

2.8 *Impairment of financial assets*

The Company 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 Company 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 Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company 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 Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.9 *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 being 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.

PV Keez Pte. Ltd.

**Notes to the financial statements
For the financial year ended 31 August 2022**

2. Summary of significant accounting policies (cont'd)

2.10 Provisions

Provisions are recognised when the Company 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.

2.11 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an agreement.

Operating lease – when the Company is a lessor

Leases where the Company retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Assets leased out under operating lease are included in fixed assets and are stated at cost less accumulated depreciation and impairment loss. The accounting policy for vessel chartering is set out in Note 2.12. Contingent rents are recognised as revenue in the period in which they are earned.

2.12 Revenue recognition

Revenue is measured based on consideration to which the Company 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 Company 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.

The Company is in the business of chartering floating production storage and offloading system. The performance obligations under the charter contract are satisfied and charter revenue is recognised over the duration of the charter period. Transaction price is based on the contracted charter rate on a per day basis.

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2022

2. Summary of significant accounting policies (cont'd)

2.13 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 Company 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 provision 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 taxable temporary differences, except where the deferred tax liability 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.

Deferred tax assets are recognised for all deductible temporary differences, 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 differences arise 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.

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 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the financial 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.

PV Keez Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 August 2022**

2. Summary of significant accounting policies (cont'd)**2.13 Taxes (cont'd)****(b) Deferred tax (cont'd)**

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.

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) 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 tax authority is included as part of receivables or payables in the statement of financial position.

2.14 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of new equity shares are taken to equity as a deduction from the proceeds.

2.15 Contingent liabilities

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 Company; 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 Company.

Contingent liabilities and assets are not recognised on the statement of financial position of the Company.

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2022

3. Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectation of future events that are believed to be reasonable under the circumstances.

(a) ***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, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) ***Estimated useful lives of Floating Production Storage and Offloading ("FPSO")***

The FPSO is depreciated on a straight-line basis over the estimated useful lives. The estimated useful life reflects the management's estimate of the periods that the Company intends to derive future economic benefits from the use of the FPSO. Management estimates the useful life of FPSO to be 17 years (2021: 15 years). Therefore, future depreciation charges could be revised and could have an impact on the profit in future years. The carrying amount of FPSO at the end of each reporting period is disclosed in Note 5 to the financial statements. A 5.9% (2021: 6.7%) difference in the expected useful lives of the FPSO from management's estimates would result in approximately 45.1% (2021: 14.2%) variance in profit for the financial year.

(ii) ***Determination of ECLs for trade receivables***

The Company assesses ECLs for trade receivables based on the counterparties' assessed historical loss rates, collateral held and adjusting for forward-looking economic and other factors that are specific to these counterparties.

The Company have assessed the ECLs in respect of trade receivables at the end of the financial year to be immaterial and hence, no provision was made. This is because trade receivables held at the end of the financial year were relatively short-term and are due from counterparties that were assessed to have an insignificant risk of default.

Further details regarding the ECLs on trade receivables are disclosed in Note 7.

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2022

3. Significant accounting estimates and judgements (cont'd)

(a) ***Key sources of estimation uncertainty (cont'd)***

(iii) ***Income taxes***

Significant judgement is involved in determining the Company 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 Company 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.

(b) ***Critical judgements made in applying accounting policies***

There are no critical judgements made by management in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statement.

4. Related party transactions

Some of the company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Significant transactions with corporate shareholders:

	2022	2021
	US\$	US\$
Significant transactions with related party:		
Ship management fee	986,680	878,234

PV Keez Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 August 2022****5. Plant and equipment**

	US\$
Cost	
At 1 September 2020, 31 August 2021, 1 September 2021 and 31 August 2022	462,061,638
Accumulated depreciation	
At 1 September 2020	272,846,307
Charge for the financial year	30,938,067
At 31 August 2021 and 1 September 2021	303,784,374
Charge for the financial year	20,396,040
At 31 August 2022	324,180,414
Net carrying amount	
At 31 August 2021	158,277,264
At 31 August 2022	137,881,224

In the previous financial year, the vessel was pledged to secure the Company's facility loan.

6. Cash and cash equivalents

	2022 US\$	2021 US\$
Cash and bank balances	5,162,059	2,971,054

Cash and cash equivalents amounting to US\$8,116 (2021: US\$5,021) are denominated in Singapore Dollars as at year end.

7. Trade receivables

	2022 US\$	2021 US\$
Third party	1,677,765	—
Unbilled revenue	2,252,976	2,856,220
Total	3,930,741	2,856,220
Add: Other receivables excluding prepayments and goods and services tax receivable (Note 8)	3,664	3,736
Add: Cash and cash equivalents	5,162,059	2,971,054
Total financial assets carried at amortised cost	9,096,464	5,831,010

PV Keez Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 August 2022****7. Trade receivables (cont'd)**

The Company has trade receivables amounting to US\$1,677,765 (2021: US\$ Nil) that are past due at the end of the reporting period but not impaired. The receivable amount from outside party is due from a single customer, current and unsecured. The average credit period is 30 days (2021: 30 days). No interest is charged on the outstanding receivables.

Unbilled revenue relates to the revenue recognised from the lease of FPSO, the Production Tariff billings.

Expected credit losses

The Company has assessed expected credit losses based on historical observed loss rates, collateral held and taking into consideration potential changes in economic environment affecting its counterparties. The ECLs in respect of trade and other receivables at the end of the financial year were determined to be immaterial and hence, no provision was made.

8. Other receivables and prepayments

	2022 US\$	2021 US\$
Prepayments	–	2,568
Goods and services tax receivable	1,043	110
Other debtors	3,664	3,736
	4,707	6,414

9. Other payables and accruals

	2022 US\$	2021 US\$
Accruals	23,051	50,559
Amount due to related parties	160,507	75,361
Outside parties	778	1,620
Interest payable:		
loan	–	–
preference shares - dividend payable (Note 10)	32,920	2,803,676
Others	128,948	57,125
	346,204	2,988,341
Add:		
Redeemable cumulative preference shares – current (Note 10)	2,389,343	2,389,343
Total financial liabilities carried at amortised cost	2,735,547	5,377,684

The other payable amount due to related parties are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

PV Keez Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 August 2022****10. Redeemable cumulative preference shares ("RCPS")**

	2022		2021	
	No of share	US\$	No of share	US\$
Issued and paid up:				
At beginning and end of financial year	2,389,343	2,389,343	2,389,343	2,389,343



A reconciliation of liabilities arising from financing activities is as follows:

	2021	Cash flow	Non-cash flow		2022
			Amortisation of transaction cost	Others	
	US\$				US\$
Redeemable cumulative preference share	2,389,343	–	–	–	2,389,343
Preference shares – dividend payables	32,920	(193,803)	–	193,803	32,920
Total	2,422,263	(193,803)	–	193,803	2,422,263

PV Keez Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 August 2022****10. Redeemable cumulative preference shares ("RCPS") (cont'd)**

	2020	Cash flow	Non-cash flow		2021
			Amortisation of transaction cost	Others	
	US\$	US\$	US\$	US\$	US\$
Bank Loan					
- Current	15,817,602	(15,858,141)	40,538	—	—
- Non-Current	—	—	—	—	—
Redeemable cumulative preference share	2,389,343	—	—	—	2,389,343
Preference shares – dividend payables	32,920	(193,803)	—	193,803	32,920
Total	18,239,866	(16,051,944)	40,538	193,803	2,422,263

The 'others' column relates to reclassification of non-current portion of bank loans due to passage of time and dividends declared for preference shares during the year.

11. Share capital

	2022		2021	
	No of share	US\$	No of share	US\$
Issued and paid up:				
At beginning of financial year	150,000,000	150,000,000	150,000,000	150,000,000
Share capital reductions	—	(6,863,660)	—	—
At the end of financial year	150,000,000	143,136,340	150,000,000	150,000,000

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.

During the financial year, the Company completed a series of share capital reduction exercises to reduce the ordinary paid up share capital of the Company. There were no changes to the number of issued ordinary shares in the Company.

PV Keez Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 August 2022****12. Dividends**

	2022 US\$	2021 US\$
Declared during the financial year:		
<i>Dividends on ordinary shares:</i>		
- Interim exempt (one-tier) dividend for 2022: \$0.086 (2021: \$0.264) per share	12,950,647	39,589,485

13. Revenue

	2022 US\$	2021 US\$
Chartering revenue	27,617,971	39,117,754

14. Other operating income

	2022 US\$	2021 US\$
Interest income	—	2,794

15. Finance costs

	2022 US\$	2021 US\$
Dividends on redeemable cumulative preference shares	193,803	193,803
Interest expense on borrowings	—	84,067
Amortization of deferred loan fees	193,803	277,870
	—	40,539
Total	193,803	318,409

PV Keez Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 August 2022****16. Profit before tax**

The following items have been included in arriving at profit before tax:

	2022 US\$	2021 US\$
Depreciation of expense (Note 5)	20,396,040	30,938,067
Net foreign exchange loss	467	502
Insurance expense	—	12,858
Legal and professional fees	20,502	24,240
Management fees paid to a related party (Note 4)	986,680	878,234

17. Income tax

	2022 US\$	2021 US\$
Current year income tax expense	—	—
Under/(Over) provision of tax in respect of previous years	3,728	(5,867)
Withholding tax	552,359	783,278
Total	556,087	777,411

The total income tax for the year can be reconciled to the accounting profits as follows:

	2022 US\$	2021 US\$
Profit before tax	5,880,309	6,943,149
Tax expenses at domestic income tax rate of 17%	999,653	1,180,335
Exempt shipping profits under S13A of the Singapore Income Tax Act *	(999,653)	(1,180,335)
Under-provision of tax in respect of previous years	3,728	(5,867)
Withholding tax	552,359	783,278
Income tax expense	556,087	777,411

* In accordance with the provisions of the Singapore Income Tax Act ("the Act"), the operating profits from shipping activities of Singapore registered vessels plying international waters are tax-exempt. The exemption is subject to the company meeting the terms and conditions set out in Section 13A of the Act. In addition, income tax is chargeable on interest received during the financial year which is treated as a separate source of income for tax purposes.

PV Keez Pte. Ltd.**Notes to the financial statements**
For the financial year ended 31 August 2022

18. Operating lease commitments

The Company charters its vessel under operating lease. Charter revenue earned during the year was US\$27,617,972 (2021: US\$39,117,754).

[REDACTED]

[REDACTED]

[REDACTED]

At the end of the reporting period, the Company has contracted with an external party for the following future minimum lease receivable:

	2022 US\$	2021 US\$
Within one year	18,826,317	18,633,685
Within two to five years	25,170,528	43,996,844
Total	43,996,845	62,630,529

19. Financial risk management objectives and policies

The Company is exposed to financial risks including interest rate risk, credit risk, liquidity risk and foreign currency risk. The Company's principal financial instruments comprise trade and other payables, bank loan and cash and cash equivalents. The main purpose of these financial instruments is to finance the Company's operations.

The Company's overall risk policy is to minimise potential adverse effects on the Company's financial performance.

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2022

19. Financial risk management objectives and policies (cont'd)

The management reviews and agrees policies for managing these risks and they are summarised below:

Interest rate risk

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

The Company's exposure to interest rate risk arises primarily from its floating rate bank loan. The Company's financial liabilities at floating rates are contractually re-priced at intervals of less than 6 months from the end of the reporting period.

At the end of the reporting period, if interest rates had been 20 basis points lower/higher with all other variables held constant, the Company's profit before tax would have been approximately US\$Nil (2021: US\$1,339) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the current observable market environment, showing a significantly higher volatility as in prior years.

Credit risk

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

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Company considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2022

19. Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Company provides for lifetime expected credit losses for all trade receivables using the probability of default approach. In calculating the expected credit loss rates, the Company considers the historical default rates of each category of counterparty and expected recovery rates in the event of a default by the counterparty. The expected recovery rates are determined after taking into consideration the existence, enforceability and quality of collateral and/or other credit enhancements related to the receivables. The expected credit loss rates are adjusted for forward looking economic and other data affecting the counterparties' credit behaviour.

Exposure to credit risk

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the statement of financial position.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

In the management of liquidity risk, the Company monitors and maintains a level of cash and bank balances deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The Company's funding is obtained from funds generated from operations and banks.

PV Keez Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 August 2022****19. Financial risk management objectives and policies (cont'd)*****Liquidity risk (cont'd)***

The table below analyses the Company's liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	One year or less US\$	One to five years US\$	Total US\$
Year ended 31 August 2022			
Financial assets:	5,162,059	–	5,162,059
Cash and cash equivalents (Note 6)			
Trade and other receivables (Notes 7)	2,256,640	–	2,256,640
Total undiscounted financial assets	7,418,699	–	7,418,699
Financial liabilities:			
Other payables and accruals (Note 9)	313,284	–	313,284
Redeemable cumulative preference shares (Note 10)	2,389,343	–	2,389,343
Derivatives			
Total undiscounted financial liabilities	2,702,627	–	2,702,627
Net undiscounted financial liabilities	4,716,072	–	4,716,072
Year ended 31 August 2021			
Financial assets:			
Cash and cash equivalents (Note 6)	2,971,054	–	2,971,054
Trade and other receivables (Notes 7)	2,859,956	–	2,859,956
Total undiscounted financial assets	5,831,010	–	5,831,010
Financial liabilities:			
Other payables and accruals (Note 9)	217,585	–	217,585
Redeemable cumulative preference shares (Note 10)	2,389,343	–	2,389,343
Derivatives	–	–	–
Total undiscounted financial liabilities	2,606,928	–	2,606,928
Net undiscounted financial liabilities	3,224,082	–	3,224,082

PV Keez Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 August 2022

19. Financial risk management objectives and policies (cont'd)

Foreign currency risk

The Company has exposure to foreign exchange risk as a result of transactions denominated in a currency other than its functional currency, arising mainly from operating expenses. It is the Company's policy to hedge these risks through foreign currency forward exchange contracts, if material. The primary purpose of the Company's foreign currency hedging activities is to protect against the volatility associated with foreign currency liabilities created in the normal course of business.

As at 31 August 2022, the Company has no significant exposure to foreign exchange risk.

20. Fair value of assets and liabilities

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

As at 31 August 2022 and 31 August 2021, the Company did not have any class of assets or liabilities measured at fair value.

21. Capital Management

Capital comprises equity of the Company. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholders' value.

The Company manages its capital structure and makes adjustment to it, in light of the changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 August 2022 and 31 August 2021.

22. Authorisation of financial statements

The financial statements for the financial year ended 31 August 2022 were authorised for issue in accordance with a resolution of the directors on 13 March 2023.

Company Registration No. 200920125C

PV Keez Pte. Ltd.

Annual Financial Statements
31 August 2021



PV Keez Pte Ltd

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PV Keez Pte Ltd

Directors' statement

The directors are pleased to present their statement to the members together with the audited financial statements of PV Keez Pte Ltd (the "Company") for the financial year ended 31 August 2021.

1. Opinion of the directors

In the opinion of the directors:

- (i) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the Company as at 31 August 2021 and the financial performance, changes in equity and cash flows of the Company for the 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.

2. Directors

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

Stephen Thomas Webber
Awadhesh Kumar
Hayden Philip Lee
Chor How Jat
Andrew Richard Hugh

3. Arrangements to enable directors to acquire shares and debentures

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

4. Directors' interests in shares and debentures

The Company has obtained waiver on the requirements to disclose the Directors' shareholding details under Section 201 (16) of the Companies Act 1967.

PV Keez Pte Ltd

Directors' statement

5. Auditor

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

On behalf of the board of directors,



Awadhesh Kumar
Director

Hayden Philip Lee

Hayden Philip Lee
Director

Singapore
27 April 2022

PV Keez Pte Ltd

**Independent auditor's report
For the financial year ended 31 August 2021**

Independent auditor's report to the members of PV Keez Pte Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of PV Keez Pte Ltd (the "Company"), which comprise the statement of financial position as at 31 August 2021, the statement of comprehensive income, statement of changes in equity and cash flow statement of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 August 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for other information. The other information comprises directors' statement set out on pages 1 to 2.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

PV Keez Pte Ltd

**Independent auditor's report
For the financial year ended 31 August 2021**

Independent auditor's report to the members of PV Keez Pte Ltd

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 FRSSs, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

PV Keez Pte Ltd

**Independent auditor's report
For the financial year ended 31 August 2021**

Independent auditor's report to the members of PV Keez Pte Ltd

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
27 April 2022

PV Keez Pte Ltd**Statement of financial position
As at 31 August 2021**

	Note	2021 US\$	2020 US\$
ASSETS			
Non-current asset			
Plant and equipment	5	158,277,264	189,215,331
Current assets			
Cash and cash equivalents	6	2,971,054	16,614,102
Trade receivables	7	2,856,220	4,964,078
Other receivables and prepayments	8	6,414	27,421
Derivatives	12	—	—
Total current assets		5,833,688	21,605,601
Total assets		164,110,952	210,820,932
LIABILITIES AND EQUITY			
Current liabilities			
Other payables and accruals	9	2,988,341	355,105
Borrowings	10	—	15,817,602
Redeemable cumulative preference shares	11	2,389,343	2,389,343
Tax provision		—	19,549
Derivatives	12	—	82,318
Total current liabilities		5,377,684	18,663,917
Total liabilities		5,377,684	18,663,917
Capital and reserves			
Share capital	13	150,000,000	150,000,000
Accumulated profits		8,733,268	42,157,015
Total equity		158,733,268	192,157,015
Total liabilities and equity		164,110,952	210,820,932

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

PV Keez Pte Ltd**Statement of comprehensive income
For the financial year ended 31 August 2021**

	Note	2021 US\$	2020 US\$
Revenue	15	39,117,754	48,659,533
Cost of sales		(30,938,067)	(30,938,066)
Gross profit		8,179,687	17,721,467
Other operating income/(expenses)	16	2,794	67,314
Administrative expenses		(920,923)	(995,588)
Profit from operations		7,261,558	16,793,193
Finance costs	17	(318,409)	(2,192,656)
Profit before tax	18	6,943,149	14,600,537
Income tax	19	(777,411)	(999,044)
Profit for the year representing total comprehensive income for the year		6,165,738	13,601,493

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

PV Keez Pte Ltd**Statement of changes in equity
For the financial year ended 31 August 2021**

	Share capital US\$	Accumulated profits US\$	Total US\$
Balance at 31 August 2019	150,000,000	44,702,690	194,702,690
Profit representing total comprehensive income for the year	—	13,601,493	13,601,493
Dividends (Note 14)	—	(16,147,168)	(16,147,168)
Balance at 31 August 2020	150,000,000	42,157,015	192,157,015
Profit representing total comprehensive income for the year	—	6,165,738	6,165,738
Dividends (Note 14)	—	(39,589,485)	(39,589,485)
Balance at 31 August 2021	150,000,000	8,733,268	158,733,268

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

PV Keez Pte Ltd**Statement of cash flows
For the financial year ended 31 August 2021**

	Note	2021 US\$	2020 US\$
Operating activities			
Profit before tax		6,943,149	14,600,537
Adjustments for:			
Depreciation expense	5	30,938,067	30,938,066
Fair value (gain)/loss on derivative instrument	16	(82,318)	62,800
Interest income	16	(2,794)	(130,114)
Amortization of deferred loan fees	17	40,539	491,856
Finance costs	17	277,870	1,700,800
Operating cash flows before movement in working capital		38,114,513	47,663,945
Trade receivables		2,107,858	2,015,729
Other receivables and prepayments		17,506	25,950
Other payables and accruals		11,965	71,200
Cash generated from operations		40,251,842	49,776,824
Interest received		6,295	181,300
Interest paid		(210,943)	(1,820,115)
Income tax paid		(819,569)	(1,041,493)
Net cash generated from operating activities		39,227,625	47,096,516
Financing activity			
Dividends paid on redeemable convertible preference shares		(193,803)	(194,334)
Dividends on ordinary shares	14	(36,818,729)	(16,147,168)
Repayment of bank loan	10	(15,858,141)	(30,633,613)
Transaction costs on bank loan		-	(77,315)
Net cash used in financing activities		(52,870,673)	(47,052,430)
Net (decrease)/increase in cash and cash equivalents		(13,643,048)	44,086
Cash and cash equivalents at beginning of year		16,614,102	16,570,016
Cash and cash equivalents at end of the year	6	2,971,054	16,614,102

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

PV Keez Pte Ltd**Notes to the financial statements
For the financial year ended 31 August 2021**

1. Corporate information

PV Keez Pte Ltd ("the Company") is a private limited company incorporated and domiciled in Singapore. The registered office and principal place of business of the Company is located at 2 International Business Park #12-01, The Strategy, Singapore 609930.

The Company is principally engaged in the owning and leasing of floating production storage and offloading system ("FPSO").

2. Summary of significant accounting policies**2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

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

The financial statements are presented in United States Dollars ("USD" or "US\$" or "\$") except when otherwise indicated.

2.2 Change in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 September 2020. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Company.

The Company has not adopted the following standards that have been issued but not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 116: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to FRS 16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to FRS 37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to FRS 2018-2020	1 January 2022
Amendments to FRS 1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to FRS 8: Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to FRS 110 and FRS 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 other standards above will have no material impact on the financial statements in the period of initial application.

PV Keez Pte Ltd**Notes to the financial statements
For the financial year ended 31 August 2021**

2. Summary of significant accounting policies (cont'd)**2.3 Foreign currencies****(a) Functional and presentation currency**

The financial statements are presented in USD, which is the Company's functional currency.

(b) Foreign currency transactions and balances

Transactions in a currency other than the respective functional currencies ("foreign currency") of the Company are recorded on initial recognition in the functional currencies at foreign exchange rates approximating those ruling at the dates of the transactions. Foreign currency monetary items are translated into the functional currency using foreign exchange rate ruling at the end of the reporting period. Non-monetary assets and liabilities measured at historical cost in foreign currencies are translated into the functional currency using foreign exchange rates at the dates of the transactions. Non-monetary items measured at fair value in foreign currencies are translated into the functional currency at exchange rates ruling at the dates the fair value was measured.

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

2.4 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to profit or loss.

The carrying amount of the plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Depreciation is charged so as to write off the cost of the plant and equipment over its estimated useful life, using the straight-line method, on the following bases:

Vessel - 15 years

The estimated useful life, residual value and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements until they are no longer in use.

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

PV Keez Pte Ltd**Notes to the financial statements
For the financial year ended 31 August 2021**

2. Summary of significant accounting policies (cont'd)**2.5 *Impairment of non-financial assets***

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company 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 to dispose 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 group 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. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to dispose, recent market transactions are taken into account, if available.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's 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.

2.6 *Financial instruments***(a) *Financial assets******Initial recognition and measurement***

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

At initial recognition, the Company 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.

PV Keez Pte Ltd**Notes to the financial statements
For the financial year ended 31 August 2021**

2. Summary of significant accounting policies (cont'd)**2.6 Financial instruments****(a) Financial assets (cont'd)*****Initial recognition and measurement (cont'd)***

Trade receivables are measured at the amount of consideration to which the Company 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 Company'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 for the Company 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.

(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.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

De-recognition

A financial asset is de-recognised where the contractual rights to receive cash flows from the asset have expired. On de-recognition 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 has been recognised in other comprehensive income is recognised in profit or loss.

PV Keez Pte Ltd**Notes to the financial statements
For the financial year ended 31 August 2021**

2. Summary of significant accounting policies (cont'd)**2.6 Financial instruments (cont'd)****(b) Financial liabilities*****Initial recognition and measurement***

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company 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 and loss, directly attributable transaction costs.

Subsequent measurement

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.

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.

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.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks and fixed deposits subject to an insignificant risk of changes in value.

PV Keez Pte Ltd**Notes to the financial statements
For the financial year ended 31 August 2021**

2. Summary of significant accounting policies (cont'd)**2.8 *Impairment of financial assets***

The Company 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 Company 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 Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company 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 Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.9 *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 being 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.

PV Keez Pte Ltd**Notes to the financial statements
For the financial year ended 31 August 2021**

2. Summary of significant accounting policies (cont'd)**2.10 Provisions**

Provisions are recognised when the Company 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.

2.11 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an agreement.

Operating lease – when the Company is a lessor

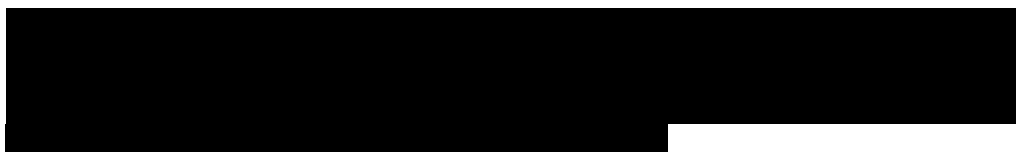
Leases where the Company retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Assets leased out under operating lease are included in fixed assets and are stated at cost less accumulated depreciation and impairment loss. The accounting policy for vessel chartering is set out in Note 2.12. Contingent rents are recognised as revenue in the period in which they are earned.

2.12 Revenue recognition

Revenue is measured based on consideration to which the Company 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 Company 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.

The Company is in the business of chartering floating production storage and offloading system. The performance obligations under the charter contract are satisfied and charter revenue is recognised over the duration of the charter period. Transaction price is based on the contracted charter rate on a per day basis.



PV Keez Pte Ltd**Notes to the financial statements
For the financial year ended 31 August 2021**

2. Summary of significant accounting policies (cont'd)**2.13 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 Company 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 provision 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 taxable temporary differences, except where the deferred tax liability 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.

Deferred tax assets are recognised for all deductible temporary differences, 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 differences arise 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.

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 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the financial 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.

PV Keez Pte Ltd**Notes to the financial statements
For the financial year ended 31 August 2021**

2. Summary of significant accounting policies (cont'd)**2.13 Taxes (cont'd)**

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.

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) 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 tax authority is included as part of receivables or payables in the statement of financial position.

2.14 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of new equity shares are taken to equity as a deduction from the proceeds.

2.15 Contingent liabilities

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 Company; 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 Company.

Contingent liabilities and assets are not recognised on the statement of financial position of the Company.

PV Keez Pte Ltd**Notes to the financial statements
For the financial year ended 31 August 2021**

3. Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectation of future events that are believed to be reasonable under the circumstances.

(a) 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, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Estimated useful lives of Floating Production Storage and Offloading ("FPSO")

The FPSO is depreciated on a straight-line basis over the estimated useful lives. The estimated useful life reflects the management's estimate of the periods that the Company intends to derive future economic benefits from the use of the FPSO. Management estimates the useful life of FPSO to be 15 years (2020: 15 years). Therefore, future depreciation charges could be revised and could have an impact on the profit in future years. The carrying amount of FPSO at the end of each reporting period is disclosed in Note 5 to the financial statements. A 6.7% (2019: 6.7%) difference in the expected useful lives of the FPSO from management's estimates would result in approximately 27.7% (2020: 14.2%) variance in profit for the financial year.

(ii) Determination of ECLs for trade receivables

The Company assesses ECLs for trade receivables based on the counterparties' assessed historical loss rates, collateral held and adjusting for forward-looking economic and other factors that are specific to these counterparties.

The Company have assessed the ECLs in respect of trade receivables at the end of the financial year to be immaterial and hence, no provision was made. This is because trade receivables held at the end of the financial year were relatively short-term and are due from counterparties that were assessed to have an insignificant risk of default.

Further details regarding the ECLs on trade receivables are disclosed in Note 7.

PV Keez Pte Ltd**Notes to the financial statements
For the financial year ended 31 August 2021**

3. Significant accounting estimates and judgements (cont'd)**(a) Key sources of estimation uncertainty (cont'd)****(iii) Income taxes**

Significant judgement is involved in determining the Company 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 Company 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.

(b) Critical judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statement.

4. Related party transactions

Some of the company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Significant transactions with corporate shareholders:

	2021	2020
	US\$	US\$
Significant transactions with related party:		
Ship management fee	878,234	835,254

PV Keez Pte Ltd**Notes to the financial statements
For the financial year ended 31 August 2021****5. Plant and equipment**

	US\$
Cost	
At 1 September 2019, 31 August 2020, 1 September 2020 and 31 August 2021	462,061,638
Accumulated depreciation	
At 1 September 2019	241,908,241
Charge for the financial year	30,938,066
At 31 August 2020 and 1 September 2020	272,846,307
Charge for the financial year	30,938,067
At 31 August 2021	303,784,374
Net carrying amount	
At 31 August 2020	189,215,331
At 31 August 2021	158,277,264

The vessel has been pledged to secure the Company's facility loan (Note 10).

6. Cash and cash equivalents

	2021 US\$	2020 US\$
Cash and bank balances	2,971,054	16,614,102

Cash and cash equivalents amounting to US\$5,021 (2020: US\$5,766) are denominated in Singapore Dollars as at year end.

7. Trade receivables

	2021 US\$	2020 US\$
Outside party	—	4,292,167
Unbilled revenue	2,856,220	671,911
Total	2,856,220	4,964,078
Add: Other receivables excluding prepayments and goods and services tax receivable (Note 8)	3,736	7,165
Add: Cash and cash equivalents	2,971,054	16,614,102
Total financial assets carried at amortised cost	5,831,010	21,585,345

PV Keez Pte Ltd**Notes to the financial statements
For the financial year ended 31 August 2021****7. Trade receivables (cont'd)**

The Company has trade receivables amounting to Nil (2020: US\$4,292,167) that are past due at the end of the reporting period but not impaired. The receivable amount from outside party is due from a single customer, current and unsecured. The average credit period is 30 days (2020: 30 days). No interest is charged on the outstanding receivables.

Unbilled revenue relates to the revenue recognised from the lease of FPSO, the Production Tariff billings.

Expected credit losses

The Company has assessed expected credit losses based on historical observed loss rates, collateral held and taking into consideration potential changes in economic environment affecting its counterparties. The ECLs in respect of trade and other receivables at the end of the financial year were determined to be immaterial and hence, no provision was made.

8. Other receivables and prepayments

	2021 US\$	2020 US\$
Prepayments	2,568	20,093
Goods and services tax receivable	110	163
Interest receivable	—	3,501
Other debtors	3,736	3,664
	<u>6,414</u>	<u>27,421</u>

9. Other payables and accruals

	2021 US\$	2020 US\$
Accruals	50,559	23,181
Amount due to related parties	75,361	72,059
Outside parties	1,620	787
Interest payable:		
loan	—	126,876
preference shares - dividend payable (Note 11)	2,803,676	32,920
Others	57,125	99,282
	<u>2,988,341</u>	<u>355,105</u>
Add:		
Bank loan (Note 10)	—	15,817,602
Redeemable cumulative preference shares – current (Note 11)	2,389,343	2,389,343
Total financial liabilities carried at amortised cost	<u>5,377,684</u>	<u>19,562,050</u>

The other payable amount due to related parties are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

PV Keez Pte Ltd**Notes to the financial statements
For the financial year ended 31 August 2021****10. Borrowings**

	2021 US\$	2020 US\$
Bank loan		
- Current	–	15,817,602
- Non-current	–	–
Total borrowings	–	15,817,602
Total bank loan balance	–	15,858,140
Less: Unamortised loan arrangement fee	–	(40,538)
Total bank loan balance, net of unamortised loan arrangement fee	–	15,817,602
	2021 US\$	2020 US\$
The borrowings is repayable as follow:		
Within one year	–	15,817,602

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

PV Keez Pte Ltd**Notes to the financial statements**
For the financial year ended 31 August 2021**10. Borrowings (cont'd)**

A reconciliation of liabilities arising from financing activities is as follows:

	2020	Cash flow	Non-cash flow		2021
			Amortisation of transaction cost	Others	
	US\$	US\$	US\$	US\$	US\$
Bank Loan					
- Current					
- Non-Current	15,817,602	(15,858,141)	40,538	—	—
	—	—	—	—	—
Redeemable cumulative preference share	2,389,343	—	—	—	2,389,343
Preference shares – dividend payables	32,920	(193,803)	—	193,803	32,920
Total	18,239,866	(16,051,944)	40,538	193,803	2,422,263

	2019	Cash flow	Non-cash flow		2020
			Amortisation of transaction cost	Others	
	US\$	US\$	US\$	US\$	US\$
Bank Loan					
- Current					
- Non-Current	30,141,757	(30,633,613)	451,317	15,858,141	15,817,602
	15,817,602	—	40,539	(15,858,141)	—
Redeemable cumulative preference share	2,389,343	—	—	—	2,389,343
Preference shares – dividend payables	32,920	(194,334)	—	194,334	32,920
Total	48,381,622	(30,827,947)	491,856	194,334	18,239,866

The 'others' column relates to reclassification of non-current portion of bank loans due to passage of time and dividends declared for preference shares during the year.

PV Keez Pte Ltd**Notes to the financial statements
For the financial year ended 31 August 2021****11. Redeemable cumulative preference shares ("RCPS")**

	2021		2020	
	No of share	US\$	No of share	US\$
Issued and paid up:				
At beginning and end of financial year	2,389,343	2,389,343	2,389,343	2,389,343

12. Derivatives***Interest Rate Swaps***

The Company entered into interest rate swaps hedging agreements with financial institutions for swapping its floating interest rate on bank loan (Note 10) of 3 month US\$ LIBOR + 3%p.a. (2020: 3 month US\$ LIBOR + 3%p.a.) into fixed interest rate of 1.98% (2020: 1.98%). The interest rate swaps matured on 31 December 2020.

	2021			2020		
	US\$			US\$		
	Contract/ Notional Amount	Assets	Liabilities	Contract/ Notional Amount	Assets	Liabilities
Interest Rate Swaps	—	—	—	12,686,512	—	82,318

PV Keez Pte Ltd**Notes to the financial statements
For the financial year ended 31 August 2021****13. Share capital**

	2021		2020	
	No of share	US\$	No of share	US\$
Issued and paid up:				
At beginning and end of financial year	150,000,000	150,000,000	150,000,000	150,000,000

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.

14. Dividends

	2021 US\$	2020 US\$
Declared during the financial year:		
<i>Dividends on ordinary shares:</i>		
- Interim exempt (one-tier) dividend for 2021: \$0.03 (2020: \$0.03) per share	4,077,444	4,128,538
- Interim exempt (one-tier) dividend for 2021: \$0.06 (2020: \$0.03) per share	8,496,783	3,994,743
- Interim exempt (one-tier) dividend for 2021: \$0.02 (2020: \$0.03) per share	3,621,513	3,905,274
- Interim exempt (one-tier) dividend for 2021: \$0.03 (2020: \$0.03) per share	4,437,040	4,118,613
- Interim exempt (one-tier) dividend for 2021: \$0.02 (2020: \$0.03) per share	3,524,457	—
- Interim exempt (one-tier) dividend for 2021: \$0.02 (2020: \$0.03) per share	2,970,550	—
- Interim exempt (one-tier) dividend for 2021: \$0.02 (2020: \$0.03) per share	2,870,462	—
- Interim exempt (one-tier) dividend for 2021: \$0.02 (2020: \$0.03) per share	2,468,963	—
- Interim exempt (one-tier) dividend for 2021: \$0.01 (2020: \$0.03) per share	1,879,418	—
- Interim exempt (one-tier) dividend for 2021: \$0.02 (2020: \$0.03) per share	2,472,099	—
- Interim exempt (one-tier) dividend for 2021: \$0.02 (2020: \$0.03) per share	2,770,756	—
	39,589,485	16,147,168

PV Keez Pte Ltd**Notes to the financial statements
For the financial year ended 31 August 2021****15. Revenue**

	2021 US\$	2020 US\$
Chartering revenue	39,117,754	48,659,533

16. Other operating income/(expense)

	2021 US\$	2020 US\$
Fair value loss on derivative instruments	—	(62,800)
Interest income	2,794	130,114
	<u>2,794</u>	<u>67,314</u>

17. Finance costs

	2021 US\$	2020 US\$
Dividends on redeemable cumulative preference shares	193,803	194,334
Interest expense on borrowings	84,067	1,506,466
	<u>277,870</u>	<u>1,700,800</u>
Amortization of deferred loan fees	40,539	491,856
Total	<u>318,409</u>	<u>2,192,656</u>

18. Profit before tax

The following items have been included in arriving at profit before tax:

	2021 \$	2020 \$
Depreciation of expense (Note 5)	30,938,067	30,938,066
Net foreign exchange loss	502	193
Insurance expense	12,858	69,550
Legal and professional fees	24,240	21,282
Management fees paid to a related party	878,234	835,254

PV Keez Pte Ltd**Notes to the financial statements
For the financial year ended 31 August 2021****19. Income tax**

	2021 US\$	2020 US\$
Current year income tax expense	–	10,895
Under-provision of tax in respect of previous years	(5,867)	–
Withholding tax	783,278	988,149
Total	<u>777,411</u>	<u>999,044</u>

The total income tax for the year can be reconciled to the accounting profits as follows:

	2021 US\$	2020 US\$
Profit before tax	<u>6,943,149</u>	<u>14,600,537</u>
Tax expenses at domestic income tax rate of 17%	1,180,335	2,482,091
Exempt shipping profits under S13A of the Singapore Income Tax Act *	(1,180,335)	(2,471,196)
Under-provision of tax in respect of previous years	(5,867)	–
Withholding tax	783,278	988,149
Income tax expense	<u>777,411</u>	<u>999,044</u>

* In accordance with the provisions of the Singapore Income Tax Act ("the Act"), the operating profits from shipping activities of Singapore registered vessels plying international waters are tax-exempt. The exemption is subject to the company meeting the terms and conditions set out in Section 13A of the Act. In addition, income tax is chargeable on interest received during the financial year which is treated as a separate source of income for tax purposes.

20. Operating lease commitments

The Company charters its vessel under operating lease. Charter revenue earned during the year was US\$ 39,117,754 (2020: US\$48,659,533).

[REDACTED]

[REDACTED]

[REDACTED]

PV Keez Pte Ltd**Notes to the financial statements
For the financial year ended 31 August 2021**

20. Operating lease commitments (cont'd)

At the end of the reporting period, the Company has contracted with an external party for the following future minimum lease receivable:

	2021 US\$	2020 US\$
Within one year	18,633,685	16,891,754
Within two to five years	43,996,844	–
Total	<u>62,630,529</u>	<u>16,891,754</u>

21. Financial risk management objectives and policies

The Company is exposed to financial risks including interest rate risk, credit risk, liquidity risk and foreign currency risk. The Company's principal financial instruments comprise trade and other payables, bank loan and cash and cash equivalents. The main purpose of these financial instruments is to finance the Company's operations.

The Company's overall risk policy is to minimise potential adverse effects on the Company's financial performance.

The management reviews and agrees policies for managing these risks and they are summarised below:

Interest rate risk

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

The Company's exposure to interest rate risk arises primarily from its floating rate bank loan. The Company's financial liabilities at floating rates are contractually re-priced at intervals of less than 6 months from the end of the reporting period.

At the end of the reporting period, if interest rates had been 20 basis points lower/higher with all other variables held constant, the Company's profit before tax would have been approximately US\$ 1,339 (2020: US\$40,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the current observable market environment, showing a significantly higher volatility as in prior years.

Credit risk

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

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

PV Keez Pte Ltd**Notes to the financial statements
For the financial year ended 31 August 2021**

21. Financial risk management objectives and policies (cont'd)***Credit risk (cont'd)***

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Company considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Company provides for lifetime expected credit losses for all trade receivables using the probability of default approach. In calculating the expected credit loss rates, the Company considers the historical default rates of each category of counterparty and expected recovery rates in the event of a default by the counterparty. The expected recovery rates are determined after taking into consideration the existence, enforceability and quality of collateral and/or other credit enhancements related to the receivables. The expected credit loss rates are adjusted for forward looking economic and other data affecting the counterparties' credit behaviour.

Exposure to credit risk

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the statement of financial position.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

In the management of liquidity risk, the Company monitors and maintains a level of cash and bank balances deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The Company's funding is obtained from funds generated from operations and banks.

PV Keez Pte Ltd**Notes to the financial statements
For the financial year ended 31 August 2021****21. Financial risk management objectives and policies (cont'd)*****Liquidity risk (cont'd)***

The table below analyses the Company's liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	One year or less US\$	One to five years US\$	Total US\$
Year ended 31 August 2021			
Financial assets:			
Cash and cash equivalents (Note 6)	2,971,054	–	2,971,054
Trade and other receivables (Notes 7)	2,859,956	–	2,859,956
Total undiscounted financial assets	5,831,010	–	5,831,010
Financial liabilities:			
Other payables and accruals (Note 9)	217,585	–	217,585
Borrowings	–	–	–
Redeemable cumulative preference shares	2,389,343	–	2,389,343
Derivatives	–	–	–
Total undiscounted financial liabilities	2,606,928	–	2,606,928
Net undiscounted financial liabilities	3,224,082	–	3,224,082
Year ended 31 August 2020			
Financial assets:			
Cash and cash equivalents (Note 6)	16,614,102	–	16,614,102
Trade and other receivables (Notes 7)	4,971,243	–	4,971,243
Total undiscounted financial assets	21,585,345	–	21,585,345
Financial liabilities:			
Other payables and accruals (Note 9)	355,105	–	355,105
Borrowings	16,107,518	–	16,107,518
Redeemable cumulative preference shares	2,389,343	–	2,389,343
Derivatives	82,318	–	82,318
Total undiscounted financial liabilities	18,934,284	–	18,934,284
Net undiscounted financial liabilities	2,651,061	–	2,651,061

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21. Financial risk management objectives and policies (cont'd)***Foreign currency risk***

The Company has exposure to foreign exchange risk as a result of transactions denominated in a currency other than its functional currency, arising mainly from operating expenses. It is the Company's policy to hedge these risks through foreign currency forward exchange contracts, if material. The primary purpose of the Company's foreign currency hedging activities is to protect against the volatility associated with foreign currency liabilities created in the normal course of business.

As at 31 August 2021, the Company has no significant exposure to foreign exchange risk.

22. Fair value of assets and liabilities

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

(a) Fair value hierarchy

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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For the financial year ended 31 August 2021****22. Fair value of assets and liabilities (cont'd)****(b) Assets and liabilities measured at fair value (cont'd)**

As at 31 August 2021, the Company did not have any class of assets or liabilities measured at fair value.

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the previous reporting period:

	Fair value measurements at the end of the reporting period using			Total
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
Liabilities measured at fair value				
Financial liabilities:				
Derivatives – Interest Rate Swaps	–	82,318	–	82,318
Financial liabilities as at 31 August 2020	–	82,318	–	82,318

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives-Interest Rate Swaps

Interest rate swaps are valued using a valuation technique with market observable inputs. Their fair values are determined by reference to current market interest rates.

PV Keez Pte Ltd

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23. Capital Management

Capital comprises equity of the Company. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholders' value.

The Company manages its capital structure and makes adjustment to it, in light of the changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 August 2021 and 31 August 2020.

24. Authorisation of financial statements

The financial statements for the financial year ended 31 August 2021 were authorised for issue in accordance with a resolution of the directors on 27 April 2022.