

100382/20 ~~100379/1000~~ ~~OP~~

In accordance with
Section 1046 of the
Companies Act 2006 &
Regulation 4(1) of the
Overseas Companies
Regulations 2009.

OS IN01

Registration of an overseas company opening a
UK establishment



Companies House

A fee is payable with this form
Please see 'How to pay' on the last page.

☒ **What this form is for**
You may use this form to register a
UK establishment.

☒ **What this form is for**
You cannot use this form to register
the details of an existing company
officer or establishment.

FI TUESDAY



A04 21/06/2022 #245
COMPANIES HOUSE
AB6NSY76
A01 10/06/2022 #2
COMPANIES HOUSE
AB5VXDYN

base
use

Part 1 Overseas company details (Name)

For official use

A1 Corporate name of overseas company

Corporate name¹

ENTER ENGINEERING PTE. LTD.

Do you propose to carry on business in the UK under the corporate name as
incorporated in your home state or country, or under an alternative name?

- To register using your corporate name, go to **Section A3**.
- To register using an alternative name, go to **Section A2**.

→ Filling in this form

Please complete in typescript (10pt
or above), or in bold black capitals

All fields are mandatory unless
specified or indicated by *

¹ This must be the corporate name in
the home state or country in which
the company is incorporated.

A2 Alternative name of overseas company *

Please show the alternative name that the company will use to do business
in the UK.

Alternative name
(if applicable) ²

ENTER ENGINEERING UK

² A company may register an
alternative name under which it
proposes to carry on business in the
United Kingdom under Section 1048
of the Companies Act 2006. Once
registered it is treated as being its
corporate name for the purposes of
law in the UK.

A3 Overseas company name restrictions³

Please tick the box only if the proposed company name contains sensitive or
restricted words or expressions that require you to seek comments of a
government department or other specified body.

☐

I confirm that the proposed company name contains sensitive or
restricted words or expressions and that approval, where appropriate,
has been sought of a government department or other specified body
and I attach a copy of their response.

**³ Overseas company name
restrictions**

A list of sensitive or restricted words
or expressions that require consent
can be found in guidance available
on our website:
www.gov.uk/companieshouse

OS IN01

Registration of an overseas company opening a UK establishment

Part 2 Overseas company details

B1 Particulars previously delivered

Have particulars about this company been previously delivered in respect of another UK establishment. ❶

→ No Go to Section B2.

→ Yes Please enter the registration number below and then go to Part 5 of the form. Please note the original UK establishment particulars must be filed up to date.

❶ The particulars are: legal form, identity of register, number in registration, director and secretaries details, whether the company is a credit or financial institution, law, governing law, accounting requirements, objects, share capital, constitution, and accounts.

UK establishment
registration number

B R

B2 Credit or financial institution

Is the company a credit or financial institution? ❷

☐ Yes

☒ No

❷ Please tick one box.

B3 Company details

If the company is registered in its country of incorporation, please enter the details below.

Legal form ❸

PRIVATE COMPANY LIMITED BY SHARES

Country of
incorporation *

REPUBLIC OF SINGAPORE

Identity of register
in which it is
registered ❹

Office of the Accounting and Corporate Regulatory Association (ACRA)

Registration number in
that register

2 0 1 0 0 8 4 0 5 G

❸ Please state whether or not the company is limited. Please also include whether the company is a private or public company if applicable.

❹ This will be the registry where the company is registered in its parent country.

B4 Governing law and accounting requirements

Please give the law under which the company is incorporated.

Governing law ❺

LAW OF SINGAPORE

Is the company required to prepare, audit and disclose accounting documents under parent law?

→ Yes Complete the details below.

→ No Go to Part 3.

Please give the period for which the company is required to prepare accounts by parent law.

From

0 1 0 1

To

3 1 1 2

Please give the period allowed for the preparation and public disclosure of accounts for the above accounting period.

Months

1 1

❺ This means the relevant rules or legislation which regulates the incorporation of companies in that state.

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B5

Latest disclosed accounts

Are copies of the latest disclosed accounts being sent with this form? Please note if accounts have been disclosed, a copy must be sent with the form, and, if applicable, with a certified translation. ¹

☒ Yes.

Please indicate what documents have been disclosed.

☒ Please tick this box if you have enclosed a copy of the accounts.

☐ Please tick this box if you have enclosed a certified translation of the accounts.

☐ Please tick this box if no accounts have been disclosed.

¹ Please tick the appropriate box(es).

Part 3 Constitution

C1

Constitution of company

The following documents must be delivered with this application.

- Certified copy of the company's constitution and, if applicable, a certified translation.

Please tick the appropriate box(es) below.

- ☒ I have enclosed a certified copy of the company's constitution. ❶
- ☐ I enclose a certified translation, if applicable. ❷

❶ A certified copy is defined as a copy certified as correct and authenticated by - the secretary or a director of the company, permanent representative, administrator, administrative receiver, receiver manager, receiver and liquidator.

❷ A certified translation into English must be authenticated by the secretary or a director of the company, permanent representative, administrator, administrative receiver, receiver manager, receiver and liquidator.

C2

Constitutional documents

Are all of the following details in the copy of the constitutional documents of the company?

- Address of principal place of business or registered office in home country of incorporation
- Objects of the Company
- Amount of issued share capital

→ Yes Go to Part 4 'Officers of the company'

→ No If any of the above details are not included in the constitutional documents, please enter them in Section C3.

The information is not required if it is contained within the constitutional documents accompanying this registration.

C3

Information not included in the constitutional documents

Please give the address of principal place of business or registered office in the country of incorporation. ❸

Building name/number #24-23/61 CAPITAGREEN

Street 138 MARKET STREET

Post town SINGAPORE

County/Region SINGAPORE

Postcode 0 4 8 9 4 6

Country REPUBLIC OF SINGAPORE

Please give the objects of the company and the amount of issued share capital.

Objects of the company ❹
General Contractors (Building Construction including Major Upgrading Works) and Water/Gas Pipe-line and Sewer Construction

Amount of issued share capital ❺
1000 SINGAPORE DOLLARS

❸ This address will appear on the public record.

❹ Please give a brief description of the company's business.

❺ Please specify the amount of shares issued and the value.

Part 4 Officers of the company

Have particulars about this company been previously delivered in respect of another UK establishment?

- **Yes** Please ensure you entered the registration number in **Section B1** and then go to **Part 5** of this form.
- **No** Complete the officer details.

For a secretary who is an individual, go to **Section D1**; for a corporate secretary, go to **Section E1**; for a director who is an individual, go to **Section F1**; or for a corporate director, go to **Section G1**.

Continuation pages

Please use a continuation page if you need to enter more officer details.

Secretary

D1 Secretary details^①

Use this section to list all the secretaries of the company. Please complete **Sections D1-D3**. For a corporate secretary, complete **Sections E1-E5**. Please use a continuation page if necessary.

Full forename(s) KANG YINYUN

Surname SILVIA

Former name(s)^②

① Corporate details

Please use Sections E1-E5 to enter corporate secretary details.

② Former name(s)

Please provide any previous names (including maiden or married names) which have been used for business purposes in the last 20 years.

D2 Secretary's service address^③

Building name/number #13-22

Street 229 PASIR RIS STREET 21

Post town SINGAPORE

County/Region SINGAPORE

Postcode 5 1 0 2 2 9

Country REPUBLIC OF SINGAPORE

③ Service address

This is the address that will appear on the public record. This does not have to be your usual residential address.

If you provide your residential address here it will appear on the public record.

D3 Secretary's authority

Please enter the extent of your authority as secretary. Please tick one box.

Extent of authority

☒ Limited ^④

☐ Unlimited

Description of limited authority, if applicable

Actions are subject to approval from Board of Directors.

Are you authorised to act alone or jointly? Please tick one box.

☐ Alone

☒ Jointly ^⑤

If applicable, name(s) of person(s) with whom you are acting jointly

SRIKUMAR SRINIVASAN

EVGENIA SODNOMOVA

ALFONSO SAMONTE TENGCO

^④ If you have indicated that the extent of your authority is limited, please provide a brief description of the limited authority in the box below.

^⑤ If you have indicated that you are not authorised to act alone but only jointly, please enter the name(s) of the person(s) with whom you are authorised to act below.

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Corporate secretary

E1 Corporate secretary details ^①	
Use this section to list all the corporate secretaries of the company. Please complete Sections E1-E3. Please use a continuation page if necessary.	
Name of corporate body or firm	
Building name/number	
Street	
Post town	
County/Region	
Postcode	
Country	
① Registered or principal address This is the address that will appear on the public record. This address must be a physical location for the delivery of documents. It cannot be a PO box number (unless contained within a full address) or DX number.	

E2 Legal details	
Please give details of the legal form of the corporate body or firm and the law by which it is governed. If applicable, please also give details of the register in which it is entered (including the state) and its registration number in that register.	
Legal form of the corporate body or firm	
Governing law	
If applicable, where the company/firm is registered ^②	
If applicable, the registration number	
② Where you have provided details of the register (including state) where the company or firm is registered, you must also provide its number in that register	

E3 Corporate secretary's authority	
Please enter the extent of your authority as corporate secretary. Please tick one box.	
Extent of authority	<input type="checkbox"/> Limited ^① <input type="checkbox"/> Unlimited
Description of limited authority, if applicable	Are you authorised to act alone or jointly? Please tick one box. <input type="checkbox"/> Alone <input type="checkbox"/> Jointly ^②
If applicable, name(s) of person(s) with whom you are acting jointly	
① If you have indicated that the extent of your authority is limited, please provide a brief description of the limited authority in the box below. ② If you have indicated that you are not authorised to act alone but only jointly, please enter the name(s) of the person(s) with whom you are authorised to act below.	

OS IN01

Registration of an overseas company opening a UK establishment

Director

F1	Director details ^①	
	Use this section to list all the directors of the company. Please complete Sections F1-F5. For a corporate director, complete Sections G1-G3. Please use a continuation page if necessary.	
Full forename(s)	ALFONSO SAMONTE	
Surname	TENGCO	
Former name(s) ^②		
Country/State of residence ^③	UZBEKISTAN	
Nationality	FILIPINO	
Month/year of birth ^④	X X 1 2 1 9 4 3	
Business occupation (if any) ^⑤		
		① Corporate details Please use Sections G1-G3 to enter corporate director details.
		② Former name(s) Please provide any previous names (including maiden or married names) which have been used for business purposes in the last 20 years.
		③ Country/State of residence This is in respect of your usual residential address as stated in Section F5.
		④ Month and year of birth Please provide month and year only. Provide full date of birth in section F4.
		⑤ Business occupation If you have a business occupation, please enter here. If you do not, please leave blank.
F2	Director's service address ^⑥	
Building name/number	FLAT 27, HOUSE 57	
Street	AFROSIYOB STREET	
Post town	TASHKENT	
County/Region		
Postcode	1 0 0 0 1 5	
Country	UZBEKISTAN	
		⑥ Service address This is the address that will appear on the public record. This does not have to be your usual residential address. If you provide your residential address here it will appear on the public record.
F3	Director's authority	
	Please enter the extent of your authority as director. Please tick one box.	
Extent of authority	<input checked="" type="checkbox"/> Limited ^⑦ <input type="checkbox"/> Unlimited	
Description of limited authority, if applicable	Company decisions are made by simple majority of Board Members. Certain decisions require prior consent of Shareholders. Are you authorised to act alone or jointly? Please tick one box. <input type="checkbox"/> Alone <input checked="" type="checkbox"/> Jointly ^⑧	
If applicable, name(s) of person(s) with whom you are acting jointly	EVGENIA SODNOMOVA SRIKUMAR SRINIVASAN	
		⑦ If you have indicated that the extent of your authority is limited, please provide a brief description of the limited authority in the box below. ⑧ If you have indicated that you are not authorised to act alone but only jointly, please enter the name(s) of the person(s) with whom you are authorised to act below.

OS IN01 - continuation page

Registration of an overseas company opening a UK establishment

Director

F1	Director details ^①	
	Use this section to list all the directors of the company. Please complete Sections F1-F5. For a corporate director, complete Sections G1-G3. Please use a continuation page if necessary.	
Full forename(s)	SRIKUMAR	① Corporate details Please use Sections G1-G3 to enter corporate director details.
Surname	SRINIVASAN	
Former name(s) ^②		
Country/State of residence ^③	SINGAPORE	
Nationality	INDIAN	② Former name(s) Please provide any previous names (including maiden or married names) which have been used for business purposes in the last 20 years.
Month/year of birth ^④	X X 0 7 1 9 8 7	③ Country/State of residence This is in respect of your usual residential address as stated in Section F5.
Business occupation (if any) ^⑤		④ Month and year of birth Please provide month and year only. Provide full date of birth in section F4.
		⑤ Business occupation If you have a business occupation, please enter here. If you do not, please leave blank.

F2	Director's service address ^⑥	
Building name/number	#2-6	⑥ Service address This is the address that will appear on the public record. This does not have to be your usual residential address. If you provide your residential address here it will appear on the public record.
Street	204 LOYANG AVENUE	
Post town	SINGAPORE	
County/Region	SINGAPORE	
Postcode	5 0 9 0 6 0	
Country	REPUBLIC OF SINGAPORE	

F3	Director's authority	
	Please enter the extent of your authority as director. Please tick one box.	
Extent of authority	<input checked="" type="checkbox"/> Limited ^⑦ <input type="checkbox"/> Unlimited	⑦ If you have indicated that the extent of your authority is limited, please provide a brief description of the limited authority in the box below. ⑧ If you have indicated that you are not authorised to act alone but only jointly, please enter the name(s) of the person(s) with whom you are authorised to act below.
Description of limited authority, if applicable	Decisions made by simple majority of board members.	
	Some decisions require prior consent of Shareholders	
	Are you authorised to act alone or jointly? Please tick one box.	
	<input type="checkbox"/> Alone <input checked="" type="checkbox"/> Jointly ^⑧	
If applicable, name(s) of person(s) with whom you are acting jointly	EVGENIA SODNOMOVA ALFONSO SAMONTE TENGCO	

OS IN01 - continuation page

Registration of an overseas company opening a UK establishment

Director

F1	Director details ^①	
	Use this section to list all the directors of the company. Please complete Sections F1-F5. For a corporate director, complete Sections G1-G3. Please use a continuation page if necessary.	
Full forename(s)	EVGENIA	① Corporate details Please use Sections G1-G3 to enter corporate director details.
Surname	SODNOMOVA	
Former name(s) ^②		
Country/State of residence ^③	CYPRUS	
Nationality	RUSSIAN	
Month/year of birth ^④	X X 0 7 1 9 8 8	② Former name(s) Please provide any previous names (including maiden or married names) which have been used for business purposes in the last 20 years.
Business occupation (if any) ^⑤		③ Country/State of residence This is in respect of your usual residential address as stated in Section F5.
		④ Month and year of birth Please provide month and year only. Provide full date of birth in section F4.
		⑤ Business occupation If you have a business occupation, please enter here. If you do not, please leave blank.

F2	Director's service address ^⑥	
Building name/number	APARTMENT B-30	⑥ Service address This is the address that will appear on the public record. This does not have to be your usual residential address. If you provide your residential address here it will appear on the public record.
Street	1 IRAKLION STREET	
Post town	GERMASOGEIA	
County/Region	LIMASSOL DISTRICT	
Postcode	4 0 4 1	
Country	CYPRUS	

F3	Director's authority	
	Please enter the extent of your authority as director. Please tick one box.	
Extent of authority	<input checked="" type="checkbox"/> Limited ^⑦ <input type="checkbox"/> Unlimited	⑦ If you have indicated that the extent of your authority is limited, please provide a brief description of the limited authority in the box below. ⑧ If you have indicated that you are not authorised to act alone but only jointly, please enter the name(s) of the person(s) with whom you are authorised to act below.
Description of limited authority, if applicable	Decisions made by simple majority of board members.	
	Some decisions require prior consent of Shareholders	
	Are you authorised to act alone or jointly? Please tick one box.	
	<input type="checkbox"/> Alone <input checked="" type="checkbox"/> Jointly ^⑧	
If applicable, name(s) of person(s) with whom you are acting jointly	SRIKUMAR SRINIVASAN ALFONSO SAMONTE TENGCO	

OS IN01

Registration of an overseas company opening a UK establishment

Corporate director

G1 Corporate director details ^①

Use this section to list all the corporate directors of the company.
Please complete G1-G3. Please use a continuation page if necessary.

Name of corporate
body or firm

Building name/number

Street

Post town

County/Region

Postcode

Country

① Registered or principal address
This is the address that will appear on the public record. This address must be a physical location for the delivery of documents. It cannot be a PO box number (unless contained within a full address) or DX number.

G2 Legal details

Please give details of the legal form of the corporate body or firm and the law by which it is governed. If applicable, please also give details of the register in which it is entered (including the state) and its registration number in that register.

Legal form of the
corporate body
or firm

Governing law

If applicable, where
the company/firm is
registered ^②

If applicable, the
registration number

② Where you have provided details of the register (including state) where the company or firm is registered, you must also provide its number in that register

G3 Corporate director's authority

Please enter the extent of your authority as corporate director.
Please tick one box.

Extent of authority

- ☐ Limited ^①
☐ Unlimited

Description of limited
authority, if applicable

Are you authorised to act alone or jointly? Please tick one box.

- ☐ Alone
☐ Jointly ^②

If applicable, name(s)
of person(s) with
whom you are
acting jointly

① If you have indicated that the extent of your authority is limited, please provide a brief description of the limited authority in the box below.

② If you have indicated that you are not authorised to act alone but only jointly, please enter the name(s) of the person(s) with whom you are authorised to act below.

OS IN01

Registration of an overseas company opening a UK establishment

Part 5 UK establishment details**H1 Documents previously delivered - constitution**

Has the company previously registered a certified copy of the company's constitution with material delivered in respect of another UK establishment?

→ **No** Go to **Section H3**.→ **Yes** Please enter the UK establishment number below and then go to **Section H2**.UK establishment
registration numberB R **H2 Documents previously delivered – accounting documents**

Has the company previously delivered a copy of the company's accounting documents with material delivered in respect of another UK establishment?

→ **No** Go to **Section H3**.→ **Yes** Please enter the UK establishment number below and then go to **Section H3**.UK establishment
registration numberB R **H3 Delivery of accounts and reports**This section **must** be completed. Please state if the company intends to comply with accounting requirements with respect to this establishment or in respect of another UK establishment. ^①☒ In respect of this establishment. Please go to **Section H4**.☐ In respect of another UK establishment. Please give the registration number below, then go to **Section H4**.^① Please tick the appropriate box.UK establishment
registration numberB R **H4 Particulars of UK establishment ^①**You **must** enter the name and address of the UK establishment.

Name of establishment

ENTER ENGINEERING UK

Building name/number

HAMILTON HOUSE

Street

MABLEDON PLACE

Post town

LONDON

County/Region

GREATER LONDON

Postcode

W C 1 H 9 B B

Country

UNITED KINGDOM

Date establishment
opened

Please give the date the establishment was opened and the business of the establishment.

^d0 ^d6 ^m0 ^m6 ^y2 ^y0 ^y2 ^y2Business carried on at
the UK establishment

NEGOTIATIONS ON BEHALF OF THE PARENT COMPANY

^① **Address**

This is the address that will appear on the public record.

OS IN01

Registration of an overseas company opening a UK establishment

Part 6 Permanent representative

Please enter the name and address of every person authorised to represent the company as a permanent representative of the company in respect of the UK establishment.

J1 Permanent representative's details

Please use this section to list all the permanent representatives of the company. Please complete **Sections J1-J4**.

Continuation pages

Please use a continuation page if you need to enter more details.

Full forename(s)

DMITRY

Surname

ZHITLUKHIN

J2 Permanent representative's service address ^①

Building name/number

HAMILTON HOUSE

Street

MABLEDON PLACE

Post town

LONDON

County/Region

GREATER LONDON

Postcode

W C 1 H 9 B B

Country

UNITED KINGDOM

^① Service address

This is the address that will appear on the public record. This does not have to be your usual residential address.

If you provide your residential address here it will appear on the public record.

J3 Permanent representative's authority

Please enter the extent of your authority as permanent representative. Please tick one box.

Extent of authority

☐ Limited ^②☒ Unlimited

Description of limited authority, if applicable

Power of Attorney - To do all acts, things and actions of behalf of the

Parent Company in the territory of the United Kingdom

Are you authorised to act alone or jointly? Please tick one box.

☒ Alone☐ Jointly ^③

If applicable, name(s) of person(s) with whom you are acting jointly

^② If you have indicated that the extent of your authority is limited, please provide a brief description of the limited authority in the box below.

^③ If you have indicated that you are not authorised to act alone but only jointly, please enter the name(s) of the person(s) with whom you are authorised to act below.

OS IN01

Registration of an overseas company opening a UK establishment

Part 7

Person authorised to accept service

Does the company have any person(s) in the UK authorised to accept service of documents on behalf of the company in respect of its UK establishment?

→ **Yes** Please enter the name and service address of every person(s) authorised below.

→ **No** Tick the box below then go to **Part 8** 'Signature'.

☐ If there is no such person, please tick this box.

K1

Details of person authorised to accept service of documents in the UK

Please use this section to list all the persons' authorised to accept service below. Please complete **Sections K1-K2**.

Continuation pages

Please use a continuation page if you need to enter more details.

Full forename(s)

DMITRY

Surname

ZHITLUKHIN

K2

Service address of person authorised to accept service ¹

Building name/number

HAMILTON HOUSE

Street

MABLEDON PLACE

Post town

LONDON

County/Region

GREATER LONDON

Postcode

W C 1 H 9 B B

Country

UNITED KINGDOM

¹ Service address

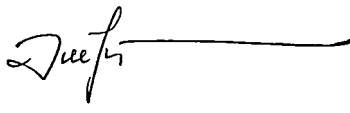
This is the address that will appear on the public record. This does not have to be your usual residential address. Please note, a DX address would not be acceptable.

OS IN01

Registration of an overseas company opening a UK establishment

Part 8

Signature

	<div>This must be completed by all companies.</div> <div>I am signing this form on behalf of the company.</div>	
Signature	<div><div>Signature</div><div>X  X</div></div> <div>This form may be signed by: Director, Secretary, Permanent representative.</div>	

OS IN01

Registration of an overseas company opening a UK establishment



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Isaac Leigh-Howarth

Company name Sterling Lawyers Limited

Address Fleet House, 8-12 New Bridge Street

Post town London

County/Region Greater London

Postcode E C 4 V 6 A L

Country United Kingdom

DX

Telephone



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The overseas corporate name on the form matches the constitutional documents exactly.
- ☐ You have included a copy of the appropriate correspondence in regard to sensitive words, if appropriate.
- ☐ You have included certified copies and certified translations of the constitutional documents, if appropriate.
- ☐ You have included a copy of the latest disclosed accounts and certified translations, if appropriate.
- ☐ You have completed all of the company details in Section B3 if the company has not registered an existing establishment.
- ☐ You have complete details for all company secretaries and directors in Part 4 if the company has not registered an existing establishment.
- ☐ Any addresses given must be a physical location. They cannot be a PO Box number (unless part of a full service address) DX number.
- ☐ You have completed details for all permanent representatives in Part 6 and persons authorised to accept service in Part 7.
- ☐ You have signed the form.
- ☐ You have enclosed the correct fee.



Important information

Please note that all information on this form will appear on the public record, apart from information relating to usual residential addresses and day of birth.



How to pay

A fee of £20 is payable to Companies House in respect of a registration of an overseas company. Make cheques or postal orders payable to 'Companies House.'



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the appropriate address below:

England and Wales:

The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:

The Registrar of Companies, Companies House, Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1.

Northern Ireland:

The Registrar of Companies, Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.

Higher protection

If you are applying for, or have been granted, higher protection, please post this whole form to the different postal address below:

The Registrar of Companies, PO Box 4082, Cardiff, CF14 3WE.



Further information

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



Enter Engineering Pte. Ltd.
138 Market street, #24-23/61,
Capitagreen, Singapore
www.ent-en.com

Date June 20, 2022
Ref. # 1LETT-2006/22

To: **UK Companies House**

Dear Ladies and Sirs,

I, Mr. Tengco Alfonso Samonte, acting for and behalf of Enter Engineering Pte. Ltd. in the capacity of Director, do hereby certify that provided corporate documents are true, correct and authenticated.

- Memorandum of Association, dd. May 23, 2022
- Certificate of Incumbency, dd, May 5, 2022
- Certificate confirming Incorporation of the Company, dd. May 5, 2022

Tengco Alfonso Samonte
Director

A handwritten signature in black ink, followed by a circular stamp. The stamp contains the text 'ENTER ENGINEERING PTE. LTD.' around the perimeter, 'Co. Reg. No.' in the center, and '138 MARKET STREET' below it.

Company No.: **201008405G**

THE COMPANIES ACT, (CAP. 50)
PRIVATE COMPANY LIMITED BY SHARES

CONSTITUTION

OF

ENTER ENGINEERING PTE. LTD.
(f.k.a. SANTO SGO CO. PTE. LTD.)

INCORPORATED ON THE 20TH DAY OF APRIL 2010
(Reprinted on 22/04/2022 including amendments made up to 22/04/2022)

Lodged in the Office of the Accounting and Corporate
Regulatory Authority (ACRA), Singapore



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23 May 2022

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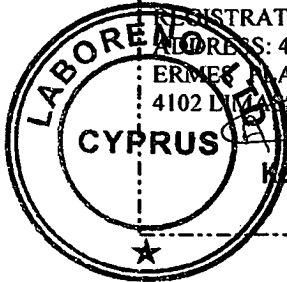


THE COMPANIES ACT, (CAP.50)

Private Company Limited by Shares

**CONSTITUTION
OF
ENTER ENGINEERING PTE. LIMITED**

1. The Name of the Company is **ENTER ENGINEERING PTE. LTD.**
2. The Registered Office of the Company is situated in the Republic of Singapore.
3. The liability of the Members is limited.
4. The Share Capital of the Company is **SINGAPORE DOLLARS 1000.**
5. We, the persons whose name and occupation are set out in the Constitution, desire to form a Company in pursuance of this Constitution and we agree to take the number of shares in the capital of the Company set opposite our name.

Name, Address and Occupation of Member	Number of Shares Allotted	Class of Shares	Currency
 KLINTWORTH INVESTMENTS LTD REGISTRATION NO: HE 287943 ADDRESS: AGIOS ATHANASIOS 46, INTERLINK ERMES PLAZA, 4 TH FLOOR, FLAT/OFFICE 400A, 4102 LYMASSOL, CYPRUS <i>Konstantia Anastasiou</i> Konstantia Anastasiou Director	700	Ordinary	SGD
 LABORENO LTD REGISTRATION NO: HE 377705 ADDRESS: 46 AGIOU ATHANASIOU, INTERLINK ERMES PLAZA, 4 TH FLOOR, FLAT/OFFICE 400A, 4102 LYMASSOL, CYPRUS <i>Konstantia Anastasiou</i> Konstantia Anastasiou Director	300		

Dated this day of 19th May 2022**Certified True Copy**

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Interpretation**6. In this Constitution —**

"Act" means the Companies Act (Cap. 50) and any statutory modification or re-enactment thereof for the time being in force;

"Beneficial Owner" means the person who, on 13 April 2022, has or had acquired ultimate effective Control over the Company, and the Beneficial Owner of any Shares (or shares of any Shareholder) as at 13 April 2022, and any person who, directly or indirectly, through any contract, arrangement, understanding, relationship with the Beneficial Owner made in accordance with Regulation 31, has or shares: (i) voting power which includes the power to vote, or to direct the voting of, such Shares (or shares of any Shareholder); and/or, (ii) investment power which includes the power to dispose, or to direct the disposition of, such Shares (or shares of any Shareholder), but does not include any person who, directly or indirectly, acquired such voting or investment power in breach of Regulation 31 or otherwise without the prior written consent of the Major Creditor;

"Board" means the board of directors of the Company;

"Business Day" means a day other than a Saturday or Sunday or public holiday in Cyprus, Singapore, United Arab Emirates, USA and Russia on which banks generally are open in Nicosia, Singapore, Dubai, New York and Moscow for general commercial business;

"Company" or **"JVC"** means the above named Company by whatever name from time to time called;

"Company Group" or **"JVC Group"** means the Company and its Subsidiaries;

"Company Group Member" or **"JVC Group Member"** means any member of the Company Group;

"Control" or **"Controlling Interest"** means:

- (a) the ownership or control (directly or indirectly) of more than 50 per cent. of the voting share capital of the relevant undertaking; or
- (b) the ability to direct the casting of more than 50 per cent. of the votes exercisable at general meetings of the relevant undertaking on all, or substantially all, matters; or
- (c) the right to appoint or remove directors of the relevant undertaking holding a majority of the voting rights at meetings of the board on all, or substantially all, matters;

"Duration of the Facilities" means the period ending upon all outstanding amounts owing by the JVC under the Facility Agreements have been paid or settled to the satisfaction of the Major Creditor;



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"Facility Agreements" means collectively the facility agreements (including the security documents, guarantees and indemnities relating to the said facility agreements) entered or to be entered into by the Major Creditor as lender, the JVC as the borrower, and other JVC Group Members, from time to time, as they may be amended and/or supplemented in writing;

"Financial Year" means the period from 1 January to 31 December of the relevant calendar year;

"Group" means in relation to (a) the Company, the Company Group, (b) Shareholders of the Company, affiliate persons of the Shareholders, including but not limited to, the Shareholders, spouses, parents, children, undertakings under the Control of the abovementioned existing shareholder(s) of the Shareholders, as it may be from time to time, and its Subsidiaries for the time being;

"IAS" means International Accounting Standards;

"Major Creditor" mean the primary or major creditor of the Company at any point of time;

"MC's Director" has the meaning given in Regulation 75;

"Ordinary Course of Business" means the ordinary and usual course of business of the JVC Group as conducted in accordance with Regulation 130 and consistent (including as to nature and scope) with prior practice of the JVC Group as conducted in the last four-years period;

"Reserved Board Matters" means the Reserved Board Matters as set out in Regulation 65(b);

"Shareholders" means the person or entity holding shares in the Company;

"Shares" means shares in the equity capital of the Company;

"seal" means the common seal of the Company;

"secretary" means any person appointed to perform the duties of a secretary of the Company;

"Subsidiary" means, in relation to an undertaking (the **"holding undertaking"**), any other undertaking in which the holding undertaking (or persons acting on its, or their behalf) for the time being directly or indirectly holds or controls either:

- (a) a majority of the voting rights exercisable at general meetings of the members of that undertaking on all, or substantially all, matters; or
- (b) the right to appoint or remove directors having a majority of the voting rights exercisable at meetings of the board of directors of that undertaking on all, or substantially all, matters,



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and any undertaking which is a subsidiary of another undertaking is also a subsidiary of any further undertaking of which that other is a subsidiary;

"Third Party Purchaser" means a third party purchaser of the Shares (who is not a Group member of the Shareholders);

Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form;

Words or expressions contained in this Constitution shall be interpreted in accordance with the provisions of the Interpretation Act, and of the Act as in force at the date at which this Constitution becomes binding on the Company.

Share capital and variation of rights

7. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject to section 161 of the Act, shares in the Company may be issued by the directors and any such shares may be issued with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise, as the directors may, subject to and in accordance with Regulation 65, determine.
8. Subject to the Act, any preference shares may, with the sanction of an special resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed.
9. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to Regulation 65, whether or not the Company is being wound up, be varied with the consent in writing of the holders of 90% of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these Regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy 95% of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll, except that where there is only one holder of the shares of the class, that sole holder shall constitute the quorum for the meeting of the holders of that class of shares. To every such special resolution section 184 of the Act shall with such adaptations as are necessary apply.
10. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking equally therewith.
11. The Company may exercise the powers of paying commissions conferred by the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the commission shall not exceed the rate of 10% of the price at which the shares in respect whereof the same is



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paid are issued or an amount equal to 10% of that price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

12. Subject to and in accordance with the provisions of the Act and Regulation 65, the Company may purchase or otherwise acquire shares issued by it on such terms as the Company may think fit and in the manner prescribed by the Act. All shares purchased by the Company shall be cancelled.
13. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or unit of a share or (except only as by these Regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
14. Every person whose name is entered as a member in the electronic register of members shall be entitled without payment to receive a certificate under the seal of the Company in accordance with the Act but in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

Lien

15. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all money (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares (other than fully paid shares) registered in the name of a single person for all money presently payable by him or his estate to the Company; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The Company's lien, if any, on a share shall extend to all dividends payable thereon.
16. Notwithstanding anything contained in these Regulations, any bank, fund entity, financial institution or company (or any nominee, agent or trustee of or on behalf of such bank, fund entity, financial institution or company) to whom any shares have from time to time been charged by way of security shall have a fixed charge over such shares, ranking in priority over the lien expressed to be created under Regulation 15, whether the period for the payment, fulfilment or discharge shall have actually arrived or not, and such fixed charge shall extend to all dividends from time to time declared or payable in respect of such shares.
17. The Company may sell, subject to Regulation 19, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of 14 days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the



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share, or the person entitled thereto by reason of his death or bankruptcy. However, no sale pursuant to this Regulation 17 shall be made of any shares which have been charged by way of security, from time to time, to any bank, fund entity, financial institution or company (or any nominee, agent or trustee of or on behalf of such bank, fund entity, financial institution or company).

18. To give effect to any such sale the directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he 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 or invalidity in the proceedings in reference to the sale.
19. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums 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.

Calls on shares

20. The directors may from time to time make calls upon the members in respect of any money unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall be payable at less than one month from the date fixed for the payment of the last preceding call, and each member shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the directors may determine.
21. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed and may be required to be paid by installments.
22. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
23. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding 8% per annum as the directors may determine, but the directors shall be at liberty to waive payment of that interest wholly or in part.
24. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Regulations be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Regulations as to payment of interest and expenses, forfeiture, or otherwise shall apply as if the sum had become payable by virtue of a call duly made and notified.



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25. The directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.
26. The directors may, if they think fit, receive from any member willing to advance the same all or any part of the money uncalled and unpaid upon any shares held by him, and upon all or any part of the money so advanced may (until the same would, but for the advance, become payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) 8% per annum as may be agreed upon between the directors and the member paying the sum in advance.

Transfer of shares

27. Subject to these Regulations and other terms and conditions agreed between the Shareholders in writing, any member may transfer all or any of his shares by instrument in writing in any usual or common form or in any other form which the directors may approve. The instrument shall be executed by or on behalf of the transferor and the transferor shall remain the holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the electronic register of members in respect thereof.
- 27A. Notwithstanding anything contained in these Regulations, any bank, fund entity, financial institution or company (or any nominee, agent or trustee of or on behalf of such bank, fund entity, financial institution or company) to whom any shares have from time to time been charged by way of security shall be entitled to transfer such shares to any person free from any restrictions on transfer or pre-emption rights contained in these Regulations.
28. The instrument of transfer must be left for registration at the registered office of the Company together with such fee, not exceeding \$1 as the directors from time to time may require, accompanied by the certificate of 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, and thereupon the Company shall subject to the powers vested in the directors by these Regulations register the transferee as a shareholder and retain the instrument of transfer. However, no fee shall be chargeable for the registration of any transfer of shares by any bank, fund entity, financial institution or company (or any nominee, agent or trustee of or on behalf of such bank, fund entity, financial institution or company) to whom such shares have been charged by way of security.
29. The directors may, subject to Regulation 31, decline to register any transfer of shares, not being fully paid shares to a person of whom they do not approve and may also decline to register any transfer of shares on which the Company has a lien.
- 29A. Notwithstanding anything contained in these Regulations, the directors shall not decline to register any transfer of shares, nor may they suspend registration thereof, nor shall they decline to accept any instrument of transfer, where such transfer is requested by any bank, fund entity, financial institution or company (or any nominee, agent or trustee of or on behalf of such bank, fund entity, financial institution or company) to whom any shares have from time to time been charged by way of security, and where such registration is executed by any bank, fund entity, financial institution or company (or



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any nominee, agent or trustee of or on behalf of such bank, fund entity, financial institution or company) to whom any shares have from time to time been charged by way of security to the power of sale under such security, and a certificate by any officer of such bank, fund entity, financial institution or company (or any nominee, agent or trustee of or on behalf of such bank, fund entity, financial institution or company) that the shares were so charged and the transfer was so executed shall be conclusive evidence of such facts save in the case of manifest error.

30. The registration of transfers may subject to Regulation 31 be suspended at such times and for such periods as the directors may from time to time determine not exceeding in the whole 30 days in any year.

Restrictions on transfers

31. The Shareholders and the Company agree that:

- (a) Save with the prior written consent of the other Shareholder(s) and the Major Creditor, except for a transfer of shares permitted by and in accordance with this Regulation 31, no Shareholder shall:
- (i) sell, transfer, dispose of or otherwise deal with any right or interest in any shares (including the grant of any option over or in respect of any shares); or
 - (ii) create or permit to exist any pledge, mortgage, lien, fixed or floating charge or other encumbrance over any shares or any interest in any shares (except for any pledge, mortgage, lien, fixed or floating charge or other encumbrance provided to secure loans provided by a creditor); or
 - (iii) enter into any agreement with any person (other than a Shareholder) in respect of the votes attached to any shares;
- (b) No consent or approval pursuant to Regulation 31(a) shall be required in any of the following cases or where otherwise agreed between the Shareholders in writing:
- (i) a transfer by a Shareholder to any member of its own Group in accordance with Regulation 31(d);
 - (ii) a transfer to an existing Shareholder;
 - (iii) a transfer in accordance with Regulation 103 (*Change of Control*); or
 - (iv) a transfer of Shares requested by the Major Creditor (or any agent or trustee of or on behalf of the Major Creditor) to whom such Shares have been or will be charged by way of security, or by any nominee, agent or (as the case may be) trustee of such bank or institution, pursuant to the power of sale under such security.



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- (c) Subject to Regulation 32, no Shareholder shall transfer any shares to any person unless:
 - (i) such transfer comprise all (and not some only) of the shares held by such Shareholder;
 - (ii) (unless to a member of its own Group or as approved otherwise by the other Shareholder) such transfer is solely for cash consideration; and
 - (iii) such other requirements as the Shareholders may agree in writing.
- (d) Transfer to a Group Member: Subject to Regulation 31(e) and Regulation 32, each Shareholder is free to transfer its shares to any member of its own Group, provided that such Group member shall execute a deed of adherence in the form prescribed by the Shareholders.
- (e) Undertaking to Inform the Major Creditor: The Shareholders and JVC shall inform the Major Creditor in writing and provide full details of any proposed transfer of shares prior to the entering into any agreement of the transfer and no later than the completion of such transfer, regardless of whether such transfer is permitted under these Regulations or not.

Charged shares

32. The Shareholders and the Company agree and undertake to ensure that:
- (a) no Shareholder shall sell, assign, transfer or otherwise dispose of the whole or any part of the shares for so long as there is a security interest created over such shares in favour of a pledgee (or any agent or trustee of or on behalf of such pledgee) save where the prior written consent of a pledgee (or any agent or trustee of or on behalf of such pledgee) has been obtained; and
 - (b) notwithstanding anything contained in these Regulations, a pledgee (or any agent or trustee of or on behalf of such pledgee) to whom any shares have been charged by way of security from time to time, shall be entitled to transfer such Shares to any person in its sole discretion, pursuant to the power of sale conferred on a pledgee (or any agent or trustee of or on behalf of such pledgee) to whom such shares have been charged pursuant to such security, without reference to any restriction on transfer contained in these Regulations or otherwise.

Transmission of shares

33. In case of the death of a member the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased



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joint holder from any liability in respect of any share which had been jointly held by him with other persons.

34. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly be required by the directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy.
35. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions, and provisions of these Regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.
36. Where the registered holder of any share dies or becomes bankrupt his personal representative or the assignee of his estate, as the case may be, shall, upon the production of such evidence as may from time to time be properly required by the directors in that behalf, be entitled to the same dividends and other advantages, and to the same rights (whether in relation to meetings of the Company, or to voting, or otherwise), as the registered holder would have been entitled to if he had not died or become bankrupt; and where two or more persons are jointly entitled to any share in consequence of the death of the registered holder they shall, for the purposes of these Regulations, be deemed to be joint holders of the share.

Forfeiture of shares

37. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
38. The notice shall name a further day (not earlier than the expiration of 14 days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.
39. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.



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40. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.
- 40A. Notwithstanding anything contained in these Regulations, no forfeiture pursuant to Regulation 39 shall be effected and no sale pursuant to Regulation 40 shall be made of any shares which have been charged by way of security, from time to time, to any bank, fund entity, financial institution or company (or any nominee, agent or trustee of or on behalf of such bank, fund entity, financial institution or company).
41. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all money which, at the date of forfeiture, was payable by him to the Company in respect of the shares (together with interest at the rate of 8% per annum from the date of forfeiture on the money for the time being unpaid if the directors think fit to enforce payment of such interest), but his liability shall cease if and when the Company receives payment in full of all such money in respect of the shares.
42. A statutory declaration in writing that the declarant is a director or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
43. The Company may receive the consideration, if any, given for a forfeited share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, or disposal of the share.
44. The provisions of these Regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Conversion of shares into stock

45. The Company may subject to Regulation 65 (*Reserved Board Matters*) by a resolution passed at a general meeting convert any paid-up shares into stock and reconvert any stock into paid-up shares of any denomination.
- 45A. Notwithstanding anything contained in these Regulations, no shares for the time being forming part of the share capital of the Company which have been charged by way of security, from time to time, to any bank, fund entity, financial institution or company (or any nominee, agent or trustee of or on behalf of such bank, fund entity, financial institution or company) shall be converted to stock without the prior written consent of such bank, fund entity, financial institution or company (or nominee, agent or trustee of or on behalf of such bank, fund entity, financial institution or company).



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46. The holders of stock may subject to Regulation 65 (*Reserved Board Matters*) transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit; but the directors may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, but the minimum shall not exceed the nominal amount of the shares from which the stock arose.
47. The holders of stock shall according to the amount of the stock held by them have the same rights, privileges and advantages as regards dividends voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by any such aliquot part of stock which would not if existing in shares have conferred that privilege or advantage.
- 47A Notwithstanding anything contained in these Regulations, the rights, privileges or conditions for the time being attached or belonging to any class of shares for the time being forming part of the share capital of the Company which have been charged by way of security, from time to time, to any bank, fund entity, financial institution or company (or any nominee, agent or trustee of or on behalf of such bank, fund entity, financial institution or company), shall not be modified, affected, varied, extended or surrendered in any way or manner without the prior written consent of such bank, fund entity, financial institution or company (or, as the case may be, such nominee, agent or trustee).
48. Such of the Regulations of the Company as are applicable to paid-up shares shall apply to stock, and the words share and shareholder therein shall include stock and stockholder.

Alteration of capital

49. The Company may from time to time subject to or in accordance with Regulation 65 (*Reserved Board Matters*):
- (a) increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (c) subdivide its shares or any of them into shares of smaller amount than is fixed by the memorandum; so however that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
 - (d) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been



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forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

50. All new shares shall before issue be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled.

The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may (subject to Regulation 32) dispose of those shares in such manner as they think most beneficial to the Company. The directors may (subject to Regulation 32) likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under this Regulation.

51. The Company may, subject to and in accordance with Regulation 65, reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any incident authorised, and consent required by law.

Management of the Company

52. The Company shall be governed by the following bodies:

- (a) general meeting of the Shareholders; and
- (b) Board.

The Shareholders and the Major Creditor shall also form a committee in the Company (the "**Advisory Board**"), as set out in Regulation 95 which will make recommendations to the Board. Any recommendations given by the Advisory Board to the Board shall not be legally binding on the Board and shall in no case restrict the legal powers of the Board.

53. The Board shall, as a Reserved Board Matter, determine the structure of the management bodies of the Company Group Members (other than the Company), their scope of responsibilities, procedures and principles for taking decisions, or any change of the so determined structure, scope, procedures, and principles. The parties shall use their respective powers to ensure, so far as they are legally able to do so, that each Company Group Member and any of its board of directors, management boards, officers or managers comply with the scope of responsibilities, procedures and principles for taking decisions as determined by the Board for the relevant Company Group Member in accordance with this Regulation.

General meetings



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54. An annual general meeting of the Company shall be held in accordance with the provisions of the Act. All general meetings other than the annual general meetings shall be called extraordinary general meetings.
55. Any director may, whenever he thinks fit, convene an extraordinary general meeting, and extraordinary general meetings shall be convened on such requisition or in default may be convened by such requisitions as provided by the Act.
56. Subject to the provisions of the Act relating to agreements for shorter notice, 14 days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting, and setting out an agenda identifying in reasonable details the matters to be discussed (unless the Shareholders agree otherwise) and in the case of special business general nature of that business, shall be given to such persons as are entitled to receive such notices from the Company.
57. All business shall be special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance-sheets, and the report of the directors and auditors, the election of directors in the place of those retiring, and the appointment and fixing of the remuneration of the auditors.

Proceedings at general meetings

58. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. The quorum shall constitute:
- (i) duly authorised representative of all Shareholders in case the agenda of the relevant general meeting has any of the Reserved Shareholder Matters; or
 - (ii) duly authorised representatives of Shareholders, holding, in aggregate, no less than eighty-one per cent (81%) of the relevant shares in case the agenda of the relevant general meeting has no matters related to any of the Reserved Shareholder Matters.
59. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the directors may determine.
60. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the Company, or if there is no such chairman, or if he is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act, the members present shall elect one of their number to be chairman of the meeting.
61. The chairman may, with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.



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When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Except as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

62. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:
- (a) by the chairman;
 - (b) by at least 3 members present in person or by proxy;
 - (c) by any member or members present in person or by proxy and representing not less than 10% of the total voting rights of all the members having the right to vote at the meeting; or
 - (d) by a member or members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the shares conferring that right.

Unless a poll is so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company 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. The demand for a poll may be withdrawn.

63. If a poll is duly demanded it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the chairman directs, and the result of the poll shall be the resolution of the meeting at which the poll was demanded, but a poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith.
64. Subject to the provisions of the Act, the Shareholders may participate in a general meeting by written means or by means of a conference telephone or a video conference telephone or similar communications equipment by which all persons participating in the general meeting are able to hear and be heard by all other Shareholders without the need for a Shareholder to be in the physical presence of another Shareholder(s) and participation in the general meeting in this manner shall be deemed to constitute presence in person at such meeting. The Shareholders participating in any such general meeting shall be counted in the quorum for such general meeting and subject to there being a requisite quorum under these Regulations, all resolutions agreed by the Shareholders in such general meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Shareholders duly convened and held. A general meeting conducted by written means or by means of a conference telephone or a video conference telephone or similar communications equipment as aforesaid is deemed to be held at the place agreed upon by the Shareholders attending the general meeting,



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provided that at least one of the Shareholders present at the general meeting was at that place for the duration of the general meeting.

Reserved Board Matters

65. The Company shall not proceed with any of the matters specified in Regulation 65 (*Reserved Board Matters*) unless approved by all the Directors on the Board unanimously.

The Reserved Board Matters are:

- (a) Memorandum and articles of association of the JVC or JVC Group Members: altering the memorandum of association, the articles of association or other constitutional documents of JVC or any JVC Group Member;
- (b) Changes in share capital/options: changing the authorised or issued share capital of the JVC and/or creation of any options enabling their holders to subscribe to or acquire newly issued additional shares of the JVC or JVC Group members;
- (c) Dividends: any JVC Group member declaring (other than the JVC Group Member with 100% direct or indirect participation interest of JVC) or paying any dividend or distribution of any form (including in the form of share buy-backs);
- (d) Corporate reorganisation: any proposal to carry out a corporate reorganisation of the JVC or any JVC Group member;
- (e) Securities: the JVC and/or any other JVC Group Member entering into any transaction with securities;
- (f) Winding-up: any proposal to wind up the JVC or any JVC Group member or other voluntary proceeding seeking liquidation, administration (whether out of court or otherwise), reorganisation, readjustment or other relief under any bankruptcy, insolvency or similar law or the appointment of a trustee, receiver, administrator (whether out of court or otherwise) or liquidator or similar officer;
- (g) Change in nature of Business: changing the nature or scope of the Business;
- (h) Partnerships and joint ventures: the JVC or any other JVC Group Member entering into (or terminating) any alliance, partnership, joint venture, profit-sharing agreement, technology license or collaboration or other associations with any third parties;
- (i) Shareholder decisions and resolutions: deciding on or giving prior approval to any material matters exceeding 5 (five) million US Dollars (US\$5,000,000), in accordance with applicable law or the relevant constitutional documents are to be decided by the shareholder(s) or general meeting of any JVC Group Member (other than the JVC) unless such shareholder decisions referred to the issues specified in the sub-clauses (c), (k), (l) and (n) of this Regulation 65 (*Reserved Board Matters*);



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- (j) Acquisitions, transfers and disposals: the JVC and/or any other JVC Group Member acquiring, transferring or disposing of (whether pursuant to a single transaction or a series of related transactions) any property, plant or equipment with a market value in excess of twenty (20) million US Dollars (US\$20,000,000), in aggregate in any Financial Year, except for transactions entered into in the Ordinary Course of Business;
- (k) Annual budgets: adopting annual budgets (including the consolidated budget of the JVC Group), development strategies, mid-term business plans (if any), the results of their implementation;
- (l) Capital expenditure/investments/acquisition of assets: the JVC and/or any other JVC Group Member incurring any capital expenditure and/or making any investment and/or acquiring any asset that is in excess of 20 (twenty) million US Dollars (US\$20,000,000) in aggregate in any Financial Year, unless specified in the Development Strategy plan and(or) annual budget;
- (m) Borrowings: the JVC and/or any other JVC Group Member borrowing or raising money (excluding any intra-group transactions and transactions with the Major Creditor) (including by issuing bonds, credit notes, finance leasing, promissory notes or bills of exchange) that is in excess of ten (10) million US Dollars (US\$10,000,000), in aggregate in any Financial Year;
- (n) Guarantees, encumbrances, other security: the JVC and/or any other JVC Group Member entering into a guarantee, suretyship or pledge agreement or creating any type of charge or encumbrance or security interest over its properties or assets or made any other transaction, agreement or arrangement having similar economic effect, including in favor of a third party, or in respect of financial obligations of a third party (including in respect of bonds, letters of credit, promissory notes and bills of exchange, loans or credits and excluding transactions with the Major Creditor);
- (o) Material contracts: the JVC and/or any other JVC Group Member entering into any agreement, contract or other commitment:
 - i. if a contract is with any JVC Group Member's customer or client (an income generating contract) and if in the Ordinary Course of Business, for any amount equal or in excess of seventy (70) million US Dollars (US\$70,000,000);
 - ii. if outside the Ordinary Course of Business, for any amount in excess of or, if as a result the JVC and/or any JVC Group Member will incur a liability equal or in excess of five (5) million US Dollars (US\$5,000,000);
- (p) Charitable activity, the JVC and/or any other JVC Group Member carrying out charitable or other non-for-profit activity involving expenditure of more than five (5) million US Dollars (US\$5,000,000) per annum;
- (q) Transactions with Eriell Holding: any transactions between the JVC Group or any JVC Group Member, on the one side, and Eriell Holding Company Limited, a



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company incorporated under the laws of the Republic of Cyprus having its registration number HE203403 or any of its Subsidiaries (“**Eriell Holding**”), on the other side not on arm’s length terms;

- (r) Recommendations on dividends: recommendations on the amount of dividends to be declared by the JVC;
 - (s) Operating lease of property: the JVC and/or any other JVC Group member leasing movable or immovable property to a third party not on arm’s length terms;
 - (t) Participation: Participation in share capital of third parties;
 - (u) Lending to third parties: the JVC and/or any other JVC Group Member lending to third parties sums exceeding thirty (30) million US Dollars (US\$30,000,000) (whether pursuant to a single loan or a series of tranches);
 - (v) Investments: the JVC and/or any other JVC Group Member entering into any investments or participation in share capital of third parties; and
 - (w) Transactions with Shareholders: the JVC and/or any other JVC Group Member entering into, renewing or amending any transaction with any Shareholder or a member of its Group, excluding Eriell Holding, which is either (i) outside the Ordinary Course of Business or not on arm's length terms or (ii) within the Ordinary Course of Business but has a value of more than five (5) million US Dollars (US\$5,000,000).
- 1) Other matters in the competence of the Board (other than matters set out in Regulation 65) shall require approval of the Board by a simple majority of votes of all Directors.
- 2) All matters, transactions and business undertaken by JVC Group Member, which are similar to the Reserved Board Matters and subject to the same thresholds in US Dollars (or equivalent in any other currency) shall not be taken unless such matters, transactions and business are approved unanimously by all the Directors of the Board of the JVC including always MC’s Director and approved as if they are Reserved Board Matters.
66. Subject to any rights or restrictions for the time being attached to any class or classes of shares, at meetings of members or classes of members, each member entitled to vote may vote in person or by proxy or by attorney and on a show of hands every person present who is a member or a representative of a member shall have one vote, and on a poll every member present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each share he holds.
67. Preference shares do not confer the right to vote at any general meeting unless otherwise provided by the law.



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68. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
69. 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 given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.
70. The instrument appointing a proxy shall be in writing, in the common or usual form, under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
71. Where it is desired to afford members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:

I/We, , of being a member/members of the abovenamed Company, hereby appoint, of , or failing him, of, , as my/our proxy to vote for me/us on my/our behalf at the annual/extraordinary general meeting of the Company, to be held on the day of 20 , and at any adjournment thereof.

Signed this day of 20 .

This form is to be used *in favour of the resolution.

against

*Strike out whichever is not desired. [Unless otherwise instructed, the proxy may vote as he thinks fit.]

72. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the company, or at such other place in Singapore as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
73. A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid notwithstanding the previous death or unsoundness of mind of the principal or revocation of the instrument or of the authority under which the instrument was executed, or the transfer of the share in respect of which the instrument is given, if no intimation in writing of such death, unsoundness of mind, revocation, or transfer as aforesaid has been received by the Company at the registered office before the commencement of the meeting or adjourned meeting at which the instrument is used.



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74. Subject to the provisions of the Act, a resolution in writing signed by the members for the time being entitled to receive notice of and to attend and vote at general meetings (or, being corporations, by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. A written notice of confirmation of such resolution in writing sent by or on behalf of a member shall be deemed to be his signature to such resolution in writing for the purposes of this Regulation. Such resolution in writing may consist of several documents each signed by one or more members.

Directors: Appointment, etc.

75. Subject to the provisions of the Act, there shall be at least one director in the Company. All directors of the Company shall be natural persons. The number of the directors comprising the Board shall be three (3), of which one director shall be nominated by the Major Creditor (“MC’s Director”) and two shall be nominated by the Shareholders.

All references to “*Directors*” or “*Director*” in these Regulations shall include MC’s Director.

75A. MC’s Director

- (a) Notwithstanding any provision in these Regulations, and for the entire Duration of the Facilities, and solely for the purposes of safeguarding the Major Creditor’s interest under the Facility Agreements, MC’s Director shall not be removed except by a specific and duly authorised written waiver or release by the Major Creditor. The Major Creditor shall have the right at any time, and from time to time, to remove from office any such person designated as MC’s Director, to replace any person who (for any reason whatsoever) ceases to be MC’s Director and to determine the period for which such person shall hold office as MC’s Director. The Major Creditor shall notify the JVC in respect of MC’s Director removal. The Shareholders shall procure the appointment, replacement or removal of such MC’s Director not later than 3 (three) Business Days after the date on which the relevant notice is delivered to the JVC, unless such notice indicates otherwise (or unless applicable law requires Shareholders’ resolution for such appointment or removal to take effect, in which case each Shareholder undertakes to vote in favor of the relevant resolution and otherwise procure that the relevant appointment or removal takes effect no later than within 10 Business Days after the date on which the relevant notice requiring appointment or removal of the Director is delivered to the JVC).
- (b) If at any time during the entire Duration of the Facilities as a result of any applicable Sanctions (as defined in paragraph (c) below), law, regulations or whatsoever, the appointment and role of the MC’s Director is no longer permitted or lawful (whether due to the nationality of the person serving as MC’s Director or due to the Major Creditor being a sanctioned entity) and the said person has to be removed as MC’s Director and/or if the appointment and/or replacement of



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the MC's Director is no longer possible, permitted or lawful, the Shareholders shall immediately inform the Major Creditor in writing .

- (c) “Sanctions” means any trade, economic or financial sanctions, embargoes or restrictive measures or related laws or regulations enacted, imposed, administered or enforced from time to time by:
- a. Singapore or any government or any governmental agency, semi- governmental or judicial entity, body or authority (including, without limitation, any stock exchange or any self-regulatory organisation established under any law or regulation – (“Governmental Agency”), including the Monetary Authority of Singapore);
 - b. the United Nations Security Council;
 - c. the United States of America and any Governmental Agency thereof (including the Office of Foreign Assets Control of the US Department of Treasury, the US Department of State and the US Department of Treasury);
 - d. the European Union;
 - e. the United Kingdom and any Governmental Agency thereof (including Her Majesty's Treasury);
76. If the Major Creditor has to remove MC's Director in accordance with the Regulation 75A(b) above, the Major Creditor reserves the right to replace MC's Director in accordance with the provisions of this Regulation 75(A). A Shareholder may require to appoint or remove a director nominated by it by signed notice to the Company. The appointment or removal shall take effect 3 Business Days after the date on which the relevant notice is delivered to the Company, unless the notice indicates otherwise (or unless applicable law requires Shareholders' resolution for such appointment or removal to take effect, in which case each Shareholder undertakes to vote in favour of the relevant resolution and otherwise procure that the relevant appointment or removal takes effect no later than within 10 Business Days after the date on which the relevant notice requiring appointment or removal of the director is delivered to the Company).
77. Each Shareholder undertakes to promptly procure the resignation or removal from the Board of such number of his appointee(s) to the Board to ensure that (i) the number of his appointee(s) on the Board shall at all times not exceed the total number of directors which he is entitled to appoint by virtue of Regulation 75; and (ii) notwithstanding anything in the Companies Act, that the director is of a fit and proper character.
78. The right of designation of a person for nomination and appointment to the Board conferred on a Shareholder under Regulation 76 shall include the right at any time, and from time to time, to remove from office any such person appointed to the Board as designated by the Shareholder, to replace any person who (for any reason whatsoever) ceases to be a director and to determine the period for which such person shall hold office as a director.



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79. 1) Any director shall be removed only with the written consent of the Shareholder who appointed him, save in the circumstances where the director is disqualified from acting as director under law in which event the office of that director shall be vacated and the Shareholder who nominated him shall be entitled to nominate a replacement pursuant to its rights under Regulations 76 and 77.
- 2) Regulations 76 to 79 shall not apply to MC's Director, in so far as that his/her appointment and removal from the Board is the sole prerogative of the Major Creditor, and the approval or consent of the Shareholders is not required. No Shareholder shall have any powers or authority in relation to MC's Director and no Shareholder shall take any action to remove MC's Director from the Board, and shall not participate in a Shareholder meeting, other than to give effect to the Major Creditor's instructions under Regulation 77, or propose any written resolutions or convene any meeting for the removal of any of MC's Director's authority and powers granted in these Regulations, or for the MC's Director's removal. The Shareholders have the right to request for a replacement of MC's Director (for the avoidance of doubt, with no corresponding the the Major Creditor obligation to replace MC's Director), but only if the Shareholders provide the Major Creditor for the Major Creditor's consideration sufficient and reasonable causes and clear evidence to support the Shareholders' request. Notwithstanding the aforesaid, the decision and power to replace lies solely with the Major Creditor, whose decision shall be final and binding on the Shareholders.
- 3) Save for situations described in Regulations 78, the Major Creditor shall procure that MC's Director shall not be disqualified from acting as director under law, in which event the office of MC's Director shall be vacated and the Major Creditor shall be entitled to nominate a replacement in accordance with Regulation 75A without the approval or consent of the Shareholders.
80. The remuneration of the directors shall from time to time be determined by the Company in general meeting.
81. The office of director shall become vacant if the director—
- ceases to be a director by virtue of the Act;
 - becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - becomes prohibited from being a director by reason of any order made under the Act;
 - becomes disqualified from being a director by virtue of section 148, 149, 154 or 155 of the Act;
 - becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder;



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- (f) subject to section 145 of the Act, resigns his office by notice in writing to the Company;
- (g) for more than 6 months is absent without permission of the directors from meetings of the directors held during that period;
- (h) without the consent of the Company in general meeting, holds any other office of profit under the Company except that of managing director or manager; or
- (i) is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare the nature of his interest in manner required by the Act.

Powers and duties of directors

- 82. The Board shall (subject to the requirements of Regulation 65 (*Reserved Board Matters*)) be responsible for the overall direction and supervision of the Company. The Board shall not, however, take any decision in relation to the Reserved Board Matters without the requisite approval under Regulation 65.
- 83. The directors may exercise all the powers of the Company in relation to any official seal for use outside Singapore and in relation to branch registers.
- 84. The directors may from time to time by power of attorney appoint any corporation, firm, or person or body of persons, whether nominated directly or indirectly by the directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities, and discretions (not exceeding those vested in or exercisable by the directors under these Regulations) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities, and discretions vested in him.
- 85. The directors shall cause minutes to be made —
 - (a) of all appointments of officers to be engaged in the management of the Company's affairs;
 - (b) of names of directors present at all meetings of the Company and of the directors; and
 - (c) of all proceedings at all meetings of the Company and of the directors.

Such minutes shall be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting.

Proceedings of directors



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Subject to the provisions of Regulation 65 (*Reserved Board Matters*), a resolution in writing, signed by the requisite majority of the directors as required for passing of the resolution, shall be as valid and effectual as if it had been passed at a meeting of the

Subject to the provisions of Regulation 65 (*Reserved Board Matters*), the Board shall decide on matters (other than *Reserved Board Matters*), by a simple majority vote of the directors appointed to the Board attending the relevant meeting. Each director present, whether in person or (where relevant) represented by an alternate, at any Board meeting shall have one vote (and, for the avoidance of doubt, any alternate present at a meeting shall be entitled (in the absence of his appointor(s)) to a separate vote on behalf of each director he represents in addition to his own vote (if any) as a director). The chairman of the Board shall be appointed at each meeting by simple majority vote of the directors and shall not have a casting vote.

Subject to Regulations 90 and 91 below.

A director may participate at a meeting by telephone conference, video conferencing, and audio visual or by means of similar communication equipment whereby all persons participating at the meeting are able to hear each other. The person participating in the meeting in the aforesaid manner shall be deemed for all purposes to be present in person at such meeting and shall be entitled to vote and be counted in a quorum accordingly.

Board shall take place at least two (2) times in each year.

A director shall be entitled to one vote for every director he represents. Meetings of the Board and if such alternate director represents more than one director, such alternate shall be entitled to exercise the vote of the Director appointing him at any meetings of authorities and to perform all functions of his appointor. Further, such alternate director appointing him is not present and generally to exercise all the powers, rights, duties and the Board and to attend and vote as a director at any such meetings at which the Director shall be entitled while holding office as such to receive notices of meetings of connection the provisions of the Regulations shall be complied with. Such alternate act as his alternate and to terminate the appointment of such person and in that written notice to the secretary of the Company and to the Shareholders, any person to appoint, by sending a A director shall be entitled at any time and from time to time to appoint, by sending a the quorum requirement for the meeting if they participate in the meeting personally.

The quorum for transacting business at a Board meeting containing the *Reserved Board Matters* shall be a simple majority of the directors elected to that Board, including always a director nominated by the Major Creditor. The quorum for transacting business at any other Board meeting shall be a majority of the directors elected to that Board. The directors may attend the meeting and be considered present for purposes of the quorum requirement for the meeting if they participate in the meeting personally.

Any director may convene a meeting of the Board to which he (or she) is appointed. At least 10 Business Days' written notice shall be given to each director (such notice can be given to each director and the Company's secretarial company) of any meeting of the Board unless all directors (or their alternates) approve a shorter notice period. Any such notice shall include an agenda identifying in reasonable detail the matters to be discussed at the meeting and shall, wherever practicable, be accompanied by copies of any relevant papers. If any matter is not identified in reasonable detail, the Board shall not decide on it unless all directors agree in writing.

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director duly convened and held. A written notification of confirmation of such resolutions in writing signed by a director shall be deemed to be his signature to such resolution in writing for the purpose of this Regulation 91. Any such resolution may consist of several documents in like form, each signed by one or more directors.

92. The chairman of the Board shall send the copy of the minutes of the meeting of the Board to each director and Shareholder by either reputable international courier service, email or otherwise in a way agreed by the Shareholders within 3 Business Days of the relevant Board meeting.

Advisory Board

93. The Shareholders and the Major Creditor (solely for the purposes of safeguarding the Major Creditor's interest under the Facility Agreements) shall form a committee in the Company (the "**Advisory Board**") which will make recommendations to the Board regarding all Reserved Board Matters. For the avoidance of doubt, any recommendations given by the Advisory Board to the Board shall not be legally binding on the Board and shall in no case restrict the legal powers of the Board.
94. The Advisory Board will make recommendations to the Board with respect to decisions to be taken at any Board meeting regarding all Reserved Board Matters.
95. The number of the members of the Advisory Board shall be seven (7), three (3) of which shall be appointed by the Major Creditor ("**MC's Advisors**") and four (4) shall be appointed by the Shareholders.
- 95A Notwithstanding any provision in these Regulations, and for the entire Duration of the Facilities, MC's Advisors shall not be removed except by a specific and duly authorised written waiver or release by the Major Creditor. Major Creditor shall have the right at any time and from time to time to remove from office any such person designated as a MC's Advisor and/or to replace any person who (for any reason whatsoever) ceases to be a MC's Advisors and to determine the period for which such person shall hold office as a MC's Advisors, provided the written notice has been given to the Shareholders prior to such appointment, replacement or removal of MC's Advisors.
96. A Shareholder may appoint or remove a member of the Advisory Board appointed by it by notice to the other Shareholder signed by it. The appointment or removal shall take effect when the notice is delivered to the other Shareholder, unless the notice indicates otherwise. The Chairman of the Advisory Board shall be elected by the majority of the members of the Advisory Board.

Solely for the purposes of safeguarding the Major Creditor's interest under the Facility Agreements, this Regulation 96 shall not apply to MC's Advisors, in so far as that his/her appointment and removal from the Advisory Board is the sole prerogative of the Major Creditor, and the approval or consent of the Shareholders or the rest of the Advisory are not required. No Shareholder shall have any power or authority



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in relation to MC's Advisors and no Shareholder shall take any action to remove MC's Advisors from the Advisory Board

97. Any member of the Advisory Board may request to convene a meeting of the Advisory Board by providing written notice to the Chairman. The Chairman shall convene the meeting within 10 Business Days of the receipt of such request, unless the notice from the requesting Advisory Board member indicates the longer period and unless all Advisory Board members agree otherwise. In case the Chairman does not convene the meeting of the Advisory Board within the period provided for by this Regulation 97, the member of the Advisory Board requesting to convene the meeting may convene it independently.
98. Meetings of the Advisory Board shall take place at least four (4) times in each year. At least 10 Business Days' written notice shall be given to each member of the Advisory Board of any meeting of the Advisory Board, unless all the members of the Advisory Board approve a shorter notice period. Such notice shall be sent by the Chairman or another member of the Advisory Board in accordance with Regulation 97 convening the respective meeting by both reputable international courier service and/or email or otherwise in a way agreed by the Shareholders and such notice shall include an agenda identifying in reasonable detail the matters to be discussed at the meeting and shall, wherever practicable, be accompanied by copies of any relevant papers (including drafts of the proposed resolutions). If any matter is not identified in reasonable detail, the Advisory Board shall not decide on it unless all of the members of the Advisory Board agree in writing
99. The Advisory Board shall decide on all Reserved Board Matters by voting, provided the approval is given by at least four (4) members of the Advisory Board, which shall include at least one (1) MC's Advisors. The members of the Advisory Board shall meet in person in any convenient location or participate in the meeting by other means (for example, by telephone, videoconference, Skype, etc) subject to Regulation 101. A decision of a member of the Advisory Board may be given as a written opinion or by signature of the proposed draft resolution by letter or fax or email directed to the Chairman provided that the Chairman receives such decision before the relevant meeting (for the avoidance of doubt, such member(s) of the Advisory Board shall be considered as present at the Advisory Board meeting).
100. Each member of the Advisory Board shall have one vote, provided that, if the number of Advisory Board members appointed by the Shareholders shall be less than the number of appointees each of them is entitled to appoint in accordance with Regulation 95, then each of the Shareholders shall have the right to authorise any appointed member of the Advisory Board to cast, in addition to their votes, any votes in place of the unappointed members, provided that the total number of votes which may be cast by the members of Advisory Board appointed by the Shareholders shall not exceed four (4), and those appointed by the Major Creditor shall not exceed three (3). The Chairman shall not have a casting vote.
101. The Chairman, or if he fails to do so within 5 Business Days after the relevant Advisory Board meeting, any other Advisory Board member, shall send the minutes of the meeting and the decision of the Advisory Board to the relevant Company Group



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Member (with a copy to each Shareholder and to the Major Creditor) by either reputable international courier service, email or otherwise in a way agreed by the Shareholders within 3 Business Days of the relevant Advisory Board meeting.

102. Subject to the provisions of Regulation 99 above, a resolution in writing, signed by the requisite majority of the members of the Advisory Board as required for passing of the resolution, shall be as valid and effectual as if it had been passed at a meeting of the director duly convened and held. Written resolutions on Reserved Board Matters must also be signed at least by one (1) MC's Advisor. Any such resolution may consist of several documents in like form, each signed in wet-ink by one or more members of the Advisory Board including at least one (1) MC's Advisor in the case of Reserved Board Matters. A written notification of confirmation via email, of such resolutions in writing from a member of the Advisory Board appointed by a Shareholder or by MC's Advisors (in the case of Reserved Board Matters) shall be deemed to be his wet-ink signature to such resolution in writing for the purpose of this Regulation 102.

Change of Control

103.

- 1) Subject to Regulation 32, each Shareholder shall, or shall procure that its relevant Beneficial Owner notify the Major Creditor in writing, before or immediately upon the following events:
 - (a) if it/he sells, transfers, disposes or otherwise deals with any right or interest in any shares of that Shareholder, whether directly or indirectly, (the *Transferred Interest*), or creates or permits to create any lien, pledge, fixed or floating charge or other encumbrance over the Transferred Interest in that Shareholder (except if it is granted to the Major Creditor), and it/he shall specify the identity of the proposed transferee or beneficiary and its beneficial owner, other material terms of the proposed transfer or encumbrance in each case whether directly or indirectly; and
 - (b) if it/he ceases to have a Controlling Interest (a *COC Event*) over such Shareholder (the *COC Shareholder*), save as specified in clause Regulation 32(2).
- 2) Subject to Regulation 32, it is not a COC Event if (to the extent applicable):
 - (a) the relevant transfer is made to immediate family members of the Beneficial Owner (spouse, parents and children) under procedure of inheritance (in which case the COC Event shall, for the purposes of this Regulation 103 be deemed not have occurred; however, this Regulation 103 shall apply to any further sale, transfer or disposal by the relevant legal successors of the Beneficial Owner); or
 - (b) all Shareholders and the Major Creditor have given their prior consent to such COC Event in writing; or



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- (c) the relevant sale, transfer or disposal is made between the Beneficial Owner and a Shareholder (or a member of a Shareholder's Group).

- 3) The COC Shareholder shall procure that the proposed transferee or beneficiary and its beneficial owner, agree to and be bound by the matters relating to MC's Director as set out in Regulation 75A.

104. *Transfer terms.*

- 1) This Regulation 104 sets out the terms on which any shares are to be transferred under Regulations 27 to 30 (*Transfers of Shares*) and Regulation 103 (*Change of Control*).
- 2) In this Regulation 104:
- (a) **Buyer** means any Party or the Third Party Purchaser (as the case may be) acquiring the Shares;
 - (b) **Outgoing Party's Loans** means any and all liabilities owed at that time by the JVC and/or any JVC Group Member to the Seller or any member of its Group under any loans, finance lease or other similar financing agreements, instruments or arrangements provided by the Major Creditor or any member of its Group to the JVC or any other JVC Group Member;
 - (c) **Relevant Notice** means the relevant Transfer Notice, or other equivalent notice (as the case may be); and
 - (d) **Transferring Shares** means the Shares or the COC Shares (as applicable); and
 - (e) **Seller** means a Party selling the Transferring Shares.
- 3) The completion of the sale and purchase of the Transferring Shares shall be subject to:
- (i) if required by the Major Creditor, upon the Major Creditor's receipt of the full repayment of the principal, interest and any other amounts owed by the JVC to the Major Creditor; or
 - (ii) if full repayment by the JVC to the Major Creditor under (i) is not required by the Major Creditor:
 - (a) the Buyer taking an assignment of, or making available equivalent finance in place of, the Outgoing Party's Loans so that the Seller and the members of its Group receive the full repayment (to their satisfaction and without any risks of clawback) of the principal, interest and any other amounts due to them under the Outgoing Party's Loans and are released in full (to their satisfaction and without any risks of recourse to them) from all and any of the



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obligations under and in connection with the Outgoing Party's Loans (including, for the avoidance of doubt, satisfaction of all the conditions indicated in Regulation 29); and

- (b) the Buyer assuming any obligations of the Seller and any member of its Group under (and procuring, to the full satisfaction of the Seller, the release of) any guarantees, suretyship, letters of credit, indemnities, letters of comfort, counter-indemnities and any other similar obligations or instruments provided by the Seller and any member of its Group to third parties in relation to the business of the JVC Group; and
- (c) if requested by the Buyer, the Seller ensuring that all the Directors appointed by it resign and the resignation(s) take effect without any liability on the JVC for compensation for loss of office or otherwise (except to the extent that the liability arises in relation to a service contract or an indemnity with a Director), provided always that if required by the Major Creditor, MC's Director shall continue to be a Director and the Buyer shall continue to be bound by the matters relating to MC's Director as set out in Regulation 75A.

105.

Triggering Events

- 1) A ***Triggering Event*** occurs in relation to a Shareholder (the ***Affected Shareholder***) if such Shareholder commits a breach of Regulations 52 to 64 (*Management of the Company*), Regulation 65 (*Reserved Board Matters*), Regulations 27 to 30 (*Transfer of Shares*), Regulation 103 (*Change of Control*), Regulation 104 (*Transfer Terms*) or other Regulations which is not remedied within sixty (60) days of a notice from the other Shareholder requiring such breach to be remedied.
- 2) If a Triggering Event occurs, the Affected Shareholder shall be obliged promptly notify the other Shareholder (the ***Non-Affected Shareholder***) and the Major Creditor of the Triggering Event.
- 3) Nothing in this Regulation 105 shall affect any party's right to claim damages or other compensation under applicable law for a breach or, where appropriate, to seek an immediate remedy of an injunction, specific performance or similar court order to enforce the defaulting party's obligations.

Secretary

- 106. The secretary shall in accordance with the Act 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. A director may be the secretary provided that where a director is the sole director of the Company, he shall not act or be appointed as the secretary of the Company.



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Seal

107. The directors shall provide for the safe custody of the seal, which shall only be used by the authority of the directors or of a committee of the directors authorised by the directors in that behalf, and every instrument to which the seal is affixed shall be signed by a director and shall be countersigned by the secretary or by a second director or by some other person appointed by the directors for the purpose.

Accounts

108. The directors shall cause proper accounting and other records to be kept and shall distribute copies of balance-sheets and other documents as required by the Act and shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting and other records of the Company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account or book or paper of the Company except as conferred by statute or authorised by the directors or by the Company in general meeting.

Dividends and reserves

109. The Company in general meeting may, subject to Regulation 65 (*Reserved Board Matters*), declare dividends, but no dividend shall exceed the amount recommended by the directors.
110. The directors may, subject to Regulation 65, from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the Company.
111. No dividend shall be paid otherwise than out of profits or shall bear interest against the Company.
112. The directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as reserves which shall, at the discretion of the directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending any such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares in the Company) as the directors may from time to time think fit. The directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.
113. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid 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.

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114. The directors may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
115. Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid-up shares, debentures or debenture stock of any other company or in any one or more of such ways and the directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the directors may settle the same as they think expedient, and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the directors.
116. Any dividend, interest, or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the electronic register of members or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses, or other money payable in respect of the shares held by them as joint holders.

Capitalisation of profits

117. The Company in general meeting may, subject to Regulation 65 (*Reserved Board Matters*), upon the recommendation of the directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted, distributed and credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the directors shall give effect to such resolution. A share premium account and a capital redemption reserve may, for the purposes of this regulation, be applied only in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
118. Whenever such a resolution as aforesaid shall have been passed the directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the



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allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or, as the case may require, for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

Notices

119. A notice may be given by the Company to any member either personally or by sending it by post to him at his registered address, or, if he has no registered address in Singapore, to the address, if any, in Singapore supplied by him to the Company for the giving of notices to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting on the day after the date of its posting, and in any other case at the time at which the letter would be delivered in the ordinary course of post.
120. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the electronic register of members in respect of the share.
121. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of the bankrupt, or by any like description, at the address, if any, in Singapore supplied for the purpose by the persons claiming to be so entitled, or, until such an address has been so supplied, by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
122. (1) Notice of every general meeting shall be given in any manner hereinbefore authorised to —
- (a) every member;
 - (b) every person entitled to a share in consequence of the death or bankruptcy of a member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting; and
 - (c) the auditor for the time being of the Company.
- (2) No other person shall be entitled to receive notices of general meetings.

Winding up

123. Subject to Regulation 65 (*Reserved Board Matters*), if the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide amongst the members in kind the whole or any part of the assets of the Company, whether they consist of property of the same kind or not, and may for that purpose set such value as he considers fair upon any property to be divided as aforesaid and may



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(subject to Regulation 128 below) determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, thinks fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

124. Subject to Regulation 65 (*Reserved Board Matters*),

- (a) Upon the Company being placed in liquidation, dissolution or winding up (whether voluntary or involuntary), the holder of the preference shares shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Company to the holders of ordinary shares by reason of its ownership thereof, an amount per issued and fully paid preference share equal to the subscription amount of each such preference share.
- (b) Upon the completion of the distributions specified in paragraph 128(a) above, all the remaining assets of the Company available for distribution shall be distributed among the holders of ordinary shares and preferences shares on a *pro rata* basis based on the number of shares held by each such holder.

Indemnity

125. Every director, managing director, agent, auditor, secretary, and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Act in which relief is granted to him by the Court in respect of any negligence, default, breach of duty or breach of trust.

BUSINESS OF THE JVC GROUP

126. The business of the JVC Group shall be the provision of some or all of the services related to design, engineering, procurement, building, execution and completion under various contract models (including construction, EPC (engineering, procure and construct) /turnkey, DBO (design, build, operate)) and other similar services acting as a general contractor (individually or jointly with others), subcontractor (including as sub-subcontractor) or service provider for the projects in the industrial (including energy, oil and gas, utility, manufacturing and aerospace), infrastructure (including auto-roads, motorways, railways) and social (including stadiums, hospitals, educational institutions, public facilities and other civil construction) sectors (the *Business*). The Business shall be conducted in the best interests of the JVC Group.



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NOTARIAL CERTIFICATE

TO ALL TO WHOM these presents shall come

I, Joethy Ramalingam, NOTARY PUBLIC duly admitted, authorised to practise in the Republic of Singapore, DO HEREBY CERTIFY

AND ATTEST that the attached is a **CERTIFICATE OF INCUMBENCY** dated 5th day of May 2022 relating to **ENTER ENGINEERING PTE. LTD. [UEN NO. 201008405G]** furnished by the Company Secretary Kang Yinyun, Silvia.



IN FAITH AND TESTIMONY whereof I the said notary have subscribed my name and set and affixed my seal of office at Singapore, this 6th day of May 2022.

NOTARY PUBLIC
SINGAPORE



By virtue of Rule 8(3)(c) of the Notaries Public Rules, a Notarial Certificate must be authenticated by the Singapore Academy of Law in order to be valid.

With effect from 16 September 2021, a Notarial Certificate shall be deemed to be validly authenticated by the affixing of an Apostille to the back of the Notarial Certificate.

APOSTILLE

(Convention de La Haye du 5 Octobre 1961)

This Apostille only certifies the authenticity of the signature, seal or stamp and the capacity of the person who has signed the attached Singapore public document, and, where appropriate, the identity of the seal or stamp. It does not certify the authenticity of the underlying document.

If this document is to be used in a country not party to the Hague Convention of the 5th of October 1961, it should be presented to the consular section of the mission representing that country.

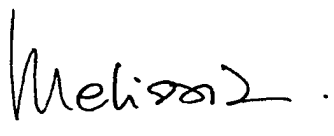
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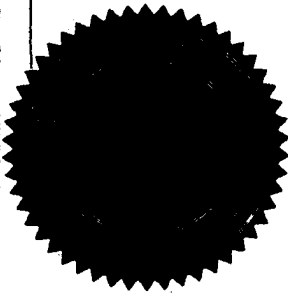
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or scan QR code:



Verification code: 56028611

1. Country:	Singapore
This public document	
2. Has been signed by:	Joethy Ramalingam
3. Acting in the capacity of:	Notary Public
4. Bears the seal/stamp of:	Notary Public
Certified	
5. At:	Singapore Academy of Law
6. The:	6th May 2022
7. By:	Melissa Goh, Head of Statutory Services, SAL
8. No.:	AC0M3I0CDC
9. Seal/Stamp:	10. Signature: 



ENTER ENGINEERING PTE. LTD.

UEN No.: 201008405G

Address: 138 Market Street, Suite 23/61, Level 24 CapitaGreen Building, Singapore 048946

(Hereinafter referred to as the "Company")

CERTIFICATE OF INCUMBENCY

I, Kang Yinyun, Silvia, being the Secretary of company, do hereby confirm that the following information is true and correct to the best of my knowledge and belief and that the same information was extracted from the Company's Registers and filed with Accounting and Corporate Regulatory Authority (ACRA):

1. The Company validly exists under the laws of Republic of Singapore as a Private Company Limited by Shares and is in full force and good standing.
2. The Company was incorporated on the 20th of April 2010.
3. The company is registered with accounting and Corporate Regulatory Authority (ACRA) with the Company Unique Entity Number (UEN) 201008405G.
4. The Issued Share Capital of the Company is fully paid 1000 SGD divided into 1000 Shares of 1 SGD each of an ordinary class.
5. The Director of the Company as at the date of this certificate is:

Names	Date of Appointment
TENGO ALFONSO SAMONTE	13/09/2018
EVGENIA SODNOMOVA	13/09/2018
SRIKUMAR SRINIVASAN	29/05/2020

6. The Secretary of the Company as the date of this certificate is **KANG YINYUN, SILVIA.**
7. The Shareholders of the Company as of 05/05/2022 are: KLINTWORTH INVESTMENTS LTD being the holder of 700 shares and LABORENO LTD being holder of 300 shares.
8. No litigation has been brought or is threatened against the Company or its assets.
9. There are no records of any order or resolution for the winding up of the Company or any notice of the appointment of a receiver over its assets.
10. The Registered Office of the Company is: 138 Market Street, Suite 23/61, Level 24 Capitagreen Building, Singapore 048946.

ENTER ENGINEERING PTE. LTD.

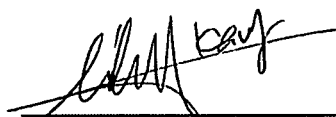
UEN No.: 201008405G

Address: 138 Market Street, Suite 23/61, Level 24 CapitaGreen Building, Singapore 048946

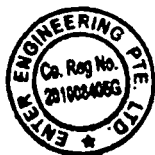
(Hereinafter referred to as the "Company")

11. The Company is registered with Inland Revenue Authority (IRAS) with the Tax Identification No.: 201008405G and as at the date of this certificate has settled all tax liabilities and there are no outstanding payments. There are no any tax arrears or any bad credit record notifications according to our records.

Dated this 05th Day of May 2022



KANG YINYUN, SILVIA
Secretary





ACCOUNTING AND CORPORATE
REGULATORY AUTHORITY

CERTIFICATE CONFIRMING INCORPORATION OF COMPANY

Company Name : ENTER ENGINEERING PTE. LTD. (name change effective from
29/08/2012)
UEN : 201008405G

This is to confirm that the company was incorporated under the Companies Act, on and
from 20/04/2010 and that the company is a **PRIVATE COMPANY LIMITED BY SHARES**.

The company was formerly known as:

S/N	Company Name	Effective From
1.	SANTO SGO CO. PTE. LTD.	20/04/2010

(Note: Only the five (5) most recent former names are listed. Any change in company name effected before 13
Jan 2003 will not be listed)



TAN YONG TAT
ASST REGISTRAR OF COMPANIES & BUSINESS NAMES
ACCOUNTING AND CORPORATE REGULATORY AUTHORITY
SINGAPORE

Dated : 05/05/2022
Receipt Number : ACRA220505143058



Authentication No. : E22344829M

APOSTILLE

(Convention de La Haye du 5 Octobre 1961)

This Apostille only certifies the authenticity of the signature, seal or stamp and the capacity of the person who signed the attached Singapore Public document, and, where appropriate, the identity of the seal or stamp. It does not certify the authenticity of the underlying document.


If this document is to be used in a country not party to the Hague Convention of the 5th of October 1961, it should be presented to the consular section of the mission representing that country.

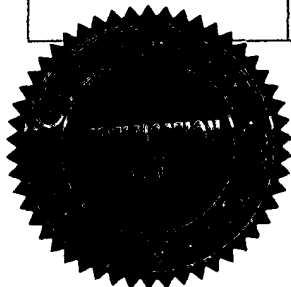
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1. Country:	Singapore
This public document	
2. Has been signed by:	Tan Yong Tat
3. Acting in the capacity of:	Assistant Registrar
4. Bears the seal/stamp of:	Accounting and Corporate Regulatory Authority
Certified	
5. At:	Singapore Academy of Law
6. The:	6th May 2022
7. By:	Melissa Goh, Head of Statutory Services, SAL
8. No.:	ACOM31060G
9. Seal/Stamp:	10. Signature: 



Enter Engineering PTE. LTD.

**Consolidated Financial Statements
for 2020
and Independent Auditors' Report**

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Independent Auditors' Report

To the Shareholders of Enter Engineering PTE.LTD.

Opinion

We have audited the consolidated financial statements of Enter Engineering PTE.LTD. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the independence requirements that are relevant to our audit of the consolidated financial statements in the Russian Federation and with the International Ethics Standards Board for Accountants 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 requirements in the Russian Federation and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Audited entity: Enter Engineering PTE.LTD.

Registration № 201008405G in the Accounting and Corporate Regulatory Authority.

Singapore, Singapore

Independent auditor: JSC "KPMG", a company incorporated under the Laws of the Russian Federation

Registration number in the Unified State Register of Legal Entities: No. 1027700125628.

Member of the Self-regulatory Organization of Auditors Association "Sodruzhestvo" (SRO AAS). Principal registration number of the entry in the Register of Auditors and Audit Organizations: No. 12006020351.



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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 ISAs 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated



financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

The engagement partner on the audit resulting in this independent auditors' report is:



Samarin Maxim
JSC "KPMG"
Moscow, Russia
31 August 2021

Enter Engineering PTE. LTD.
Consolidated Statement of Financial Position as at 31 December 2020

'000 USD	Note	31 December 2020	31 December 2019
Assets			
Property, plant and equipment	10	108 999	126 479
Loans receivable	11	100	3 978
Trade and other receivables	13	32 667	20 647
Deferred tax assets	8(b)	9 635	13 809
Non-current assets		151 401	164 913
Inventories	12	172 476	211 519
Loans receivable	11	6 387	1 410
Current tax assets		4 955	646
Trade and other receivables	13	73 943	80 901
Contract assets	5	176 502	85 827
Prepayments to suppliers		622 299	503 805
Cash and cash equivalents	14	122 991	114 554
Other assets		31 468	7 011
Current assets		1 211 021	1 005 673
Total assets		1 362 422	1 170 586

Enter Engineering PTE. LTD.
Consolidated Statement of Financial Position as at 31 December 2020

'000 USD	Note	31 December 2020	31 December 2019
Equity			
Share capital		1	1
Retained earnings		243 335	231 541
Equity attributable to owners of the Company		243 336	231 542
Non-controlling interests		3 742	3 935
Total equity	15	247 078	235 477
Liabilities			
Loans and borrowings	17	87 718	20 047
Deferred tax liabilities	8(b)	23 614	17 247
Non-current liabilities		111 332	37 294
Loans and borrowings	17	194 472	214 757
Trade and other payables	18	532 389	403 410
Contract liabilities	5	266 738	274 260
Current tax liabilities		7 375	3 132
Other liabilities		3 038	2 255
Current liabilities		1 004 012	897 814
Total liabilities		1 115 344	935 108
Total equity and liabilities		1 362 422	1 170 585

Enter Engineering PTE. LTD.
Consolidated Statement of Profit or Loss and Other Comprehensive Income for 2020

'000 USD	Note	2020	2019
Revenue	5	832 116	901 970
Cost of sales	6(b)	(721 407)	(718 146)
Gross profit		110 709	183 824
Other income	6(a)	3 551	5 487
General and administrative expenses	6(c)	(34 687)	(29 030)
Other expenses	6(d)	(11 457)	(9 995)
Impairment loss on trade receivables and contract assets	19 (c)(ii)	-	(36 361)
Results from operating activities		68 116	113 925
Finance income	7	1 677	11 513
Finance costs	7	(35 317)	(19 226)
Net finance costs	7	(33 640)	(7 713)
Profit before income tax		34 476	106 212
Income tax (expense)/credit	8(a)	(22 875)	2 425
Profit and total comprehensive income for the year		11 601	108 637

Profit attributable to:

Owners of the Company	11 794	109 552
Non-controlling interests	(193)	(914)
	11 601	108 638

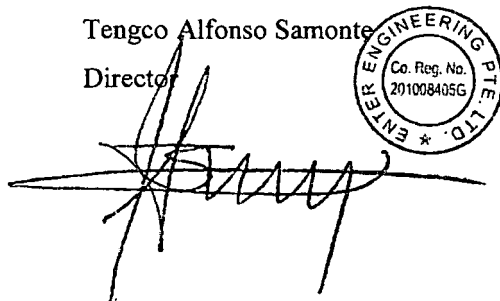
Total comprehensive income attributable to:

Owners of the Company	11 794	109 552
Non-controlling interests	(193)	(914)
	11 601	108 638

These consolidated financial statements were approved by management on 31 August 2021 and were signed on its behalf by:

Tengco Alfonso Samonte

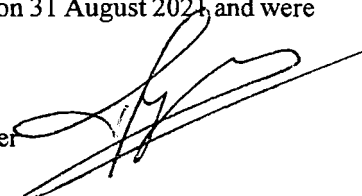
Director



A circular stamp of Enter Engineering PTE. LTD. with the text "Co. Reg. No. 201008405G" in the center. A handwritten signature is written over the stamp and extends to the left.

Alexandr Trush

Chief Financial Officer



A handwritten signature of Alexandr Trush.

Enter Engineering PTE. LTD.
Consolidated Statement of Changes in Equity for 2020

'000 USD	Attributable to equity holders of the Company			Non-controlling interests	Total equity
	Share capital	Retained earnings	Total		
Balance at 1 January 2019	1	141 269	141 270	4 849	146 119
Total comprehensive income					
Profit for the year	-	109 552	109 552	(914)	108 638
Total comprehensive income for the year	-	109 552	109 552	(914)	108 638
Transactions with owners of the Company					
Dividends	-	(17 400)	(17 400)	-	(17 400)
Transaction with beneficial owners acting in the capacity of owners	-	(1 880)	(1 880)	-	(1 880)
Total contributions and distributions		(19 280)	(19 280)	-	(19 280)
Balance at 31 December 2019	1	231 541	231 542	3 935	235 477

The consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 13 to 54.

Enter Engineering PTE. LTD.
Consolidated Statement of Changes in Equity for 2020

'000 USD

	Attributable to equity holders of the Company			Non-controlling interests	Total equity
	Share capital	Retained earnings	Total		
Balance at 1 January 2020	1	231 541	231 542	3 935	235 477
Total comprehensive income					
Profit for the year	-	11 794	11 794	(193)	11 601
Total comprehensive income for the year	-	11 794	11 794	(193)	11 601
Balance at 31 December 2020	1	243 335	243 336	3 742	247 078

The consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 13 to 54.

Enter Engineering PTE. LTD.
Consolidated Statement of Cash Flows for 2020

'000 USD	Note	2020	2019
Cash flows from operating activities			
Profit for the year		11 601	108 638
<i>Adjustments for:</i>			
Depreciation	10	40 497	36 516
Gain on disposal of property, plant and equipment	6	-	(1 705)
Gain on derecognition of liabilities	6	(1 970)	(2 610)
Net finance costs	7	33 640	7 713
Income tax expense/(credit)	8(a)	22 875	(2 425)
Other adjustments		471	271
		107 114	146 398
<i>Changes in:</i>			
Inventories		40 325	(26 619)
Trade and other receivables and contract assets		(92 928)	75 284
Prepayments issued to suppliers		(118 980)	(92 365)
Trade and other payables		115 396	64 810
Contract liabilities		(7 522)	33 073
Other assets and liabilities		(24 471)	19 788
Cash flows from operations before income taxes and interest paid		18 934	220 369
Income tax paid		(13 167)	(7 547)
Interest paid		(18 965)	(23 754)
Net cash (used in)/from operating activities		(13 198)	189 068
Cash flows from investing activities			
Repayment of loans receivable, including interest		4	1 763
Loans issued		(558)	(2 735)
Acquisition of property, plant and equipment		(13 724)	(51 291)
Net cash used in investing activities		(14 278)	(52 263)

Enter Engineering PTE. LTD.
Consolidated Statement of Cash Flows for 2020

'000 USD	Note	2020	2019
Cash flows from financing activities			
Proceeds from loans and borrowings		327 999	254 435
Repayment of loans and borrowings		(289 348)	(250 145)
Dividends paid		-	(17 400)
Payment of lease liabilities		(1 911)	(4 630)
Net cash from/(used in) financing activities		36 740	(17 740)
 Net increase/(decrease) in cash and cash equivalents			
		9 264	119 065
Cash and cash equivalents at 1 January	14	114 554	2 949
Effect of movements in exchange rates on cash and cash equivalents		(826)	(7 461)
Cash and cash equivalents at 31 December	14	122 991	114 553

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1. Reporting entity

(a) Business environment

The Group's operations are primarily located in the Republic of Uzbekistan. Consequently, the Group is exposed to the economic and financial markets of the Republic of Uzbekistan which display characteristics of an emerging market. The legal, tax, and regulatory frameworks continue to be developed and are subject to varying interpretations and frequent changes which, together with other legal and fiscal impediments, add to the challenges faced by entities operating in the Republic of Uzbekistan. The COVID-19 coronavirus pandemic has further increased uncertainty in the business environment.

During 2020 Uzbekistan continued reforms initiated by the President under the program *Action on five priority directions of development of the Republic of Uzbekistan in 2017-2021*. In the recent years the major currency conversion restrictions have been repealed, mandatory sale of foreign currency generated by export sales has been abolished, settlement period for export transactions has increased, one-stop-shop of government services has been introduced and other positive changes have been implemented.

The consolidated financial statements reflect management's assessment of the impact of the Uzbekistan business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

(b) Organisation and operations

Enter Engineering PTE. LTD. (the "Company") is incorporated and domiciled in the Republic of Singapore with its registered office and principal place of business at 138 Market street, #24-23/61, CapitaGreen, Singapore (048946).

The principal business activities of the Company and its subsidiaries (together "the Group") comprise construction and modernization of pipeline facilities, construction of oil refineries and gas processing plants and other oil and gas production facilities, development and operation of oil and gas fields, provision of engineering services, civil infrastructure construction and other construction related activities. Occasionally the Group also performs import and sale of construction materials and other goods and provides warehousing services.

The Company's immediate parent company is KLINTWORTH INVESTMENTS LTD (Cyprus), which owned 51% interest in the Company in 2020 and 2019 and is ultimately controlled by Mr. Bakhtiyor Fazilov, who has the power to direct the transactions of the Group at his own discretion and for his own benefit. He also has a number of other business interests outside the Group.

The other shareholders of the Company were:

	2020	2019
GAUDANIO HOLDINGS LIMITED	19%	19%
LABORENO LTD	30%	30%

GAUDANIO HOLDINGS LIMITED is ultimately controlled by JSC Gazprombank. Laboreno Ltd is also ultimately owned by Mr. Bakhtiyor Fazilov.

2. Basis of accounting

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"). These consolidated financial statements are not prepared for statutory purposes or any other filing requirements of the Republic of Singapore.

(b) Going concern

2020 financial year has seen significant global market turmoil triggered by the outbreak of the coronavirus and a sharp decrease in the oil price, which have in turn affected the stock market indices, the drop of quotations of the most shares and financial instruments. These developments are further increasing the level of uncertainty underlying assumptions and estimates used in the consolidated financial statements, as well as a risk level of operating in the Republic of Uzbekistan. The Group's management continuously analyses the impact of these circumstances on the financial position of the Group. The industry, in which the Group operates, has not been significantly affected by some current restrictions in the form of forced suspension of operations or outflow of consumers due to the self-isolation regime. All construction works on the Group's projects have been continuing in accordance with the previously approved production programs. Since the main customers of the Group are state-owned enterprises and government agencies of the Republic of Uzbekistan, it is expected that financing of the construction of large infrastructure projects will continue in the foreseeable future, and, in this regard, the Group's management believes that the current situation will not significantly affect the ability of the Group to operate during at least 12 months after the reporting date.

Also Management is closely monitoring the situation and taking measures to prevent the spread of COVID-19 in all regions of its presence. Due to the Company's efforts to prevent the spread of COVID-19, the implementation of projects has not been suspended and work on construction sites is going on with the projects' schedules.

Due to the unfavorable situation caused by the new coronavirus infection in the world and in Uzbekistan, the Company takes necessary measures to comply with the requirements of legislation and best practices in the organization of an appropriate level of safe working conditions and health protection of all personnel involved in the facilities.

3. Functional and presentation currency

The consolidated financial statements are presented in United States Dollar (USD) which is the functional currency of the Company. USD is the currency that mainly influences sales prices for contracts with customers and is the currency in which funds from financing activities are generated and receipts from operating activities are retained.

The results and financial position of subsidiaries whose functional currency is different from the presentation currency are translated into presentation currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income presented are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences shall be recognised in other comprehensive income.

4. Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Notes 5 and 25(b) – revenue from contracts with customers;
- Note 19 (c)(ii) – financial guaranties;
- Note 19 (c)(ii) – allowances for trade receivables and prepayments to suppliers.
- Note 8 – recognition of deferred tax assets: availability of future taxable profit against which tax loss carry-forwards can be used.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is 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.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 19(b) – financial instruments.

5. Revenue

(a) Revenue streams

The Group generates revenue primarily from construction and modernization of pipeline facilities, construction of oil refineries and gas processing plants and other oil and gas production facilities, development and operation of oil and gas fields, provision of engineering services, civil infrastructure construction and other construction related activities

Other sources of revenue include sale of construction materials and other goods and provides warehousing services.

(b) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by major contracts:

'000 USD	2020	2019
Construction contracts revenue – recognized over time:	830 038	897 857
Construction of the synthetic fuel Production Plant UzGTL	358 887	366 587
Expansion of production capacity of the Shurtan gas-chemical complex	135 695	151 752
Construction of Gas liquid plant in Boysun region	76 349	3 663
Samarkand touristic center	63 383	-
Construction of process facilities on “Uzbekteftegazdobycha” fields on “turnkey” basis 2 stage	56 621	-
Construction of process facilities on “Uzbekteftegazdobycha” fields on “turnkey” basis 1 stage	45 450	151 779
Multi-functional ice arena “Humo”	-	92 605
COVID center in Tashkent	29 811	-
Construction of a plant for the production of ammonia and carbamide at Navoiyazot JSC	19 601	28 669
Engineering, procurement and construction of Kandym group of fields and development of northern part of Shady area.	9 504	25 563
Procurement and Construction of central processing facility complex and Development of the Kandym group of fields	3 707	15 479
Other contracts with customers – recognized over time	31 032	61 760
Other revenue – recognised at point of time	2 076	4 113
Total revenues	832 116	901 970

(c) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

'000 USD	Note	31 December 2020	31 December 2019
Long-term receivables, which are included in 'trade and other receivables'	13	32 667	20 647
Short term receivables, which are included in 'trade and other receivables'	13	70 281	75 517
Contract assets		176 502	85 827
Contract liabilities and advances received from customers		(266 738)	(274 260)

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on construction contracts. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

The contract liabilities primarily relate to the advance consideration received from customers on construction contracts.

The retentions on construction contracts are amounts of progress billings that are not paid until the satisfaction of conditions specified in the contract for the payment of such amounts or until defects have been rectified. The amount of USD 210 321 thousand recognised in contract liabilities at the beginning of the period has been recognised as revenue for the period ended 31 December 2020.

(d) Performance obligations

The amount of revenue recognised in the period ended 31 December 2020 from performance obligations satisfied (or partially satisfied) in previous periods is USD 31 million (reduction in previously recognized revenue). This is mainly due to changes in the estimate of future costs and progress in the stage of completion of construction.

Performance obligations on construction contracts unsatisfied (or partially unsatisfied) as at 31 December 2020 amount to USD 2 857 mln be recognised as revenue as follows: 2021 – USD 706 mln, 2022 – USD 1 467 mln, 2022 – USD 684 mln.

6. Income and expenses

(a) Other income

'000 USD	2020	2019
Gain on derecognition of liabilities	1 970	2 610
Gain on disposal of property, plant and equipment	-	1 705
Other	1 581	1 172
	3 551	5 487

(b) Cost of sales

'000 USD	2020	2019
Construction materials	352 396	315 442
Employee remuneration and related taxes and charges	151 641	144 769
Construction services provided by subcontractors	57 220	89 813
Construction site expenses	68 632	61 166
Transport services	19 520	33 757
Depreciation of property, plant and equipment	36 787	33 671
Fuel and energy consumption	16 960	12 043
Bank guaranty fees	9 295	10 279
Rent expenses	2 863	2 492
Other	6 093	14 713
	721 407	718 146

(c) General and administrative expenses

'000 USD	2020	2019
Employee remuneration and related taxes and charges	17 864	14 294
Professional services	5 913	4 162
Depreciation of property and equipment	3 711	2 846
Travel expenses	1 632	1 666
Materials	1 732	1 584
Taxes other than income tax	1 317	391
Rent expenses	44	161
Other	2 474	3 926
	34 687	29 030

(d) Other expenses

'000 USD	2020	2019
Bank fees and charges	1 655	3 153
Charity	2 197	743
Written-off other receivables	6 191	1 206
Other	1 414	4 893
	11 457	9 995

7. Net finance costs

'000 USD	2020	2019
Foreign exchange gain, net	-	9 008
Interest income on loans receivable measured at amortized costs	1 677	2 505
Finance income	1 677	11 513
Interest expense on loans and borrowings measured at amortised cost	(20 302)	(18 118)
Foreign exchange loss, net	(14 243)	-
Interest expenses on leases	(772)	(1 108)
Finance costs	(35 317)	(19 226)
Net finance costs recognised in profit or loss	(33 640)	(7 713)

8. Income taxes

(a) Amounts recognised in profit or loss

The Group's applicable income tax rate for entities operating in Uzbekistan was 15 % in 2020 and 12% in 2019 as Group's operations are concentrated in Uzbekistan.

'000 USD	2020	2019
Current tax expense		
Current year	12 327	3 640
	12 327	3 640
Deferred tax expense		
Origination and reversal of temporary differences	6 018	(2 109)
Adjustments to deferred tax attributed to changes in tax rates	4 529	(3 956)
	10 548	(6 065)
Tax expense/(credit) recognised in profit or loss	22 875	(2 425)

Reconciliation of effective tax rate:

	2020		2019	
	'000 USD	%	'000 USD	%
Profit before income tax	34 476	100%	106 213	100%
Tax using the Company's domestic tax rate	5 171	15%	12 746	12%
Effect of tax incentives	(8 203)	(24)%	(15 854)	(15)%
Non-deductible expenses	10 847	31%	8 473	8%
Effect of change in tax rate(*)	4 529	13%	(6 521)	(6)%
Other effects	10 530	31%	(1 269)	(1)%
	22 875	65%	(2 425)	(2)%

(*) The corporate income tax rate in Uzbekistan changed from 16,75% as at 31 December 2018 to 12% as at 31 December 2019. Furthermore, the Government increased the tax rate to 15% effective 1 January 2020. The effect represents remeasurement of deferred tax assets/liability to the rate inacted as at reporting date.

(b) **Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities as at 31 December 2020 and 2019 are attributable to the following:

'000 USD	Assets		Liability		Net	
	2020	2019	2020	2019	2020	2019
Property, plant and equipment	570	114	(1 930)	(2 622)	(1 360)	(2 508)
Inventories	2 800	773	(1 566)	(5 595)	1 233	(4 821)
Trade and other receivables and contract assets	46	-	(23 912)	(10 353)	(23 866)	(10 353)
Loans receivable	25	25	-	-	25	25
Loans and borrowings	-	-	(413)	(413)	(413)	(413)
Trade and other payables	1 041	1 138	-	-	1 041	1 138
Tax loss carry-forwards	9 360	13 493	-	-	9 360	13 493
Tax assets/(liabilities)	13 842	15 544	(27 822)	(18 982)	(13 980)	(3 438)
Set off of tax	(4 207)	(1 735)	4 207	1 735	-	-
Net tax assets/(liabilities)	9 635	13 809	(23 614)	(17 247)	(13 980)	(3 438)

All changes in deferred tax assets and liabilities were recognised in profit or loss.

9. Disclosure of non-IFRS measures

Management presented EBITDA and net debt as Management monitors these performance measures at the consolidated level and believes that these measures are relevant to an understanding of the Group's financial performance.

EBITDA and net debt are not defined performance measures in IFRS. The Group's definition of EBITDA and net debt may not be comparable with similarly titled performance measures and disclosures by other entities.

EBITDA

'000 USD	Note	2020	2019
Profit before income tax		34 476	106 213
- Depreciation	10	40 497	36 516
- Interest expense on loans and borrowings measured at amortised cost	7	20 302	19 226
EBITDA		95 275	161 955

Net debt

'000 USD	Note	31 December 2020	31 December 2019
Loans and borrowings less lease liabilities	17	263 455	222 811
Cash and cash equivalents	14	(122 991)	(114 554)
Net debt		140 464	108 257

10. Property, plant and equipment

'000 USD	Buildings and facilities	Plant and equipment	Transport vehicles	Other	Assets under construction	Total
<i>Cost</i>						
Balance at 1 January 2019	27 413	146 267	26 815	1 584	10 526	212 605
Additions	10 809	51 010	3 822	217	5 810	71 668
Disposals	-	-	-	-	(3 159)	(3 159)
Transfers	235	4 794	38	227	(5 294)	-
Balance at 31 December 2019	38 457	202 071	30 675	2 028	7 883	281 114
Balance at 1 January 2020	38 457	202 071	30 675	2 028	7 883	281 114
Additions	1 446	16 269	5 637	-	7 919	31 271
Disposals	(1)	(9 875)	(12)	-	(64)	(9 952)
Transfers	-	4 641	361	250	(5 251)	-
Balance at 31 December 2020	39 902	213 106	36 661	2 278	10 487	302 433
<i>Depreciation</i>						
Balance at 1 January 2019	(13 062)	(89 138)	(14 798)	(1 122)	-	(118 120)
Depreciation for the year	(7 056)	(24 742)	(4 444)	(274)	-	(36 516)
Balance at 31 December 2019	(20 118)	(113 880)	(19 242)	(1 396)	-	(154 636)
Balance at 1 January 2020	(20 117)	(113 880)	(19 242)	(1 396)	-	(154 636)
Depreciation for the year	(7 055)	(28 193)	(5 493)	(299)	-	(41 040)
Disposal	-	2 241	-	-	-	2 241
Balance at 31 December 2020	(27 172)	(139 832)	(24 735)	(1 695)	-	(193 434)
<i>Carrying amounts</i>						
At 1 January 2019	14 351	57 129	12 017	462	10 526	94 485
At 31 December 2019	18 339	88 191	11 433	632	7 883	126 478
At 31 December 2020	12 730	73 274	11 926	583	10 487	108 999

Depreciation expense for 2020 of USD 38 319 thousand (2019: USD 33 671 thousand) has been charged to cost of sales, USD 3 036 thousand (2019: USD 2 846 thousand) to general and administrative expenses.

During 2019 the Group did not identify impairment indicators with regards to its property, plant and equipment.

(a) Security

At 31 December 2020 properties with a carrying amount of USD 5 879 thousand are subject to a registered debenture to secure bank loans (see Note 17).

11. Loans receivable

'000 USD	31 December 2020	31 December 2019
<i>Non-current</i>		
Corporate loans due from related parties - at amortized cost	-	3 878
Corporate loans - at FVTPL	100	100
	100	3 978
<i>Current</i>		
Corporate loans due from related parties - at amortized cost	4 404	4
Corporate loans - at amortized cost	1 983	1 406
	6 387	1 410

The Group's exposure to credit, currency and interest rate risks related to other investments is disclosed in note 19.

12. Inventories

'000 USD	31 December 2020	31 December 2019
Raw materials and consumables	138 605	104 077
Materials transferred for processing	19 896	76 711
Work in progress	12 041	22 052
Fuel	1 934	8 654
Goods for resale	-	25
	172 476	211 519

13. Trade and other receivables

'000 USD	31 December 2020	31 December 2019
Retention	32 667	20 647
Non-current trade and other receivables	32 667	20 647
Trade receivables	44 972	48 427
Retention	25 309	27 090
Other receivables	3 662	5 384
Total current trade and other receivables	73 943	80 901
Total trade and other receivables	106 610	101 548

The Group's exposure to credit and currency risks and bad debt provision related to trade and other receivables are disclosed in note 19.

Trade and other receivables also include amounts due from related parties of the Group, which are disclosed in note 22.

14. Cash and cash equivalents

The amounts of cash and cash equivalents comprise of bank balances denominated mainly in USD and UZS.

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 19.

15. Capital and reserves

(a) Share capital and additional paid-in capital

The authorised, issued and fully paid for share capital of the Company amounted to SGD 1 000 as at 31 December 2020 and 31 December 2019. The Company has only one class of shares carrying one vote per share. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Share capital of the Company was translated to the Group's functional currency (USD) at the historic rate of 0,727 SGD/USD (20 April 2010).

(b) Dividends

The following dividends were declared and paid by the Company for the year ended 31 December.

'000 USD	2020	2019
USD 17,4 per ordinary share	-	17 400

16. Capital management

The Group has no formal policy for capital management but management seeks to maintain a sufficient capital base for meeting the Group's operational and strategic needs, and to maintain confidence of market participants. This is achieved with efficient cash management, constant monitoring of Group's revenues and profit, and long-term investment plans mainly financed by the Group's operating cash flows. With these measures the Group aims for steady profits growth.

17. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see note 19.

'000 USD	31 December 2020	31 December 2019
<i>Non-current liabilities</i>		
Secured related party bank loans	80 207	14 051
Lease liabilities	7 240	5 683
Bank loans	271	313
	87 718	20 047
<i>Current liabilities</i>		
Current portion of secured related party bank loans	181 407	207 834
Current portion of lease liabilities	11 495	6 310
Bank loans	1 570	613
	194 472	214 757
	282 190	234 804

(a) Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

'000 USD	Currency	Nominal interest rate	Year of maturity	31 December 2020	31 December 2019
Secured related party bank borrowings	USD	7,55%	2020-2024	226 277	203 812
Letter of credit	CNY	1,75-2%	2020-2021	19	13 556
Letter of credit	EUR	1,75-2,25%	2020-2022	35 318	4 517
Bank loans	UZS	20-22%	2020-2022	1 842	926
Lease liabilities	USD	8,3%	2020-2023	15 178	9 126
Lease liabilities	UZS	17,9-22%	2020-2023	3 557	1 457
Lease liabilities	EUR	0%	2021	-	1 410
Total interest-bearing liabilities				282 191	234 804

The loans received from a related party bank are secured with the shares of the Company, 95% of shares of Eriell Group International Limited (Jersey) owned by the beneficial owner of the Company and contract revenue for contracts with total price exceeding USD 2 billion.

The nominal values of the loans and borrowings as at 31 December 2020 and 31 December 2019 was not significantly different from their carrying amounts, measured at amortized cost.

(b) Reconciliation of movements of liabilities to cash flows arising from financing activities

'000 USD	Secured related party bank borrowings	Lease liabilities	Bank loans	Total
Balance at 1 January 2020	221 885	11 993	926	234 805
Proceeds from loans and borrowings	275 833	-	11 509	287 342
Repayment of loans and borrowings	(278 990)	-	(10 362)	(289 352)
Repayment of finance lease liabilities, less paid interest	-	(1 911)	-	(1 911)
Interest paid	(18 065)	(800)	(900)	(19 765)
Letters of credit	40 657	-	-	40 657
Total changes from financing cash flows	19 435	(2 711)	246	18 052
The effect of changes in foreign exchange rates	2 022	-	(270)	1 752
Accrued interest	17 595	800	940	19 335
Borrowing costs	675	-	-	675
New leases	-	8 653	-	8 653
Total other changes	20 292	9 453	670	30 415
Balance at 31 December 2020	261 613	18 735	1 843	282 190

'000 USD	Secured related party bank borrowings	Loans from related parties	Loans from third parties	Lease liabilities	Bank loans	Total
Balance at 1 January 2019	178 391	4 812	6 706	10 666	2 429	203 004
Proceeds from loans and borrowings	246 376	-	788	-	7 271	254 435
Repayment of loans and borrowings	(236 327)	(4 754)	(786)	(4 630)	(8 278)	(254 775)
Interest paid	(14 706)	(640)	(1 171)	-	(1 106)	(17 623)
Letters of credit	30 747	-	-	-	-	30 747
Total changes from financing cash flows	26 090	(5 394)	(1 169)	(4 630)	(2 113)	17 414
The effect of changes in foreign exchange rates	-	415	60	21	(517)	(21)
Accrued interest	16 780	166	1 154	(1 108)	1 127	18 119
Borrowing costs capitalized	625	-	-	-	-	625
New leases	-	-	-	7 044	-	7 044
Net-off financial liabilities against receivables and prepayments and reclassifications	-	-	(6 751)	-	-	(6 751)
Total other changes	17 405	166	(5 597)	5 936	1 127	19 037
Balance at 31 December 2019	221 886	-	-	11 993	926	234 804

18. Trade and other payables

'000 USD	31 December 2020	31 December 2019
Trade payables to suppliers	462 351	369 641
Payables to employees	14 668	12 654
Other payables	6 324	7 670
Other taxes payable	34 443	7 244
Employees' unused vacations	14 603	6 201
Total trade and other payables	532 389	403 410

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 19.

Trade and other payables also include amounts due from related parties of the Group, which are disclosed in note 22.

19. Fair values and risk management

(a) Accounting classifications and fair values

The fair values of financial assets and liabilities were not significantly different from their carrying amounts as at the reporting date.

(b) Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial instruments not measured at fair value			
Type	Valuation technique	Significant unobservable inputs	
Loans and borrowings, trade and other receivables and payables, loans receivable and other financial liabilities	<i>Discounted cash flows:</i> The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.	Risk-adjusted discount rate is determined individually for each financial instrument recognised Increase/decrease in risk-adjusted discount rate results in decrease/increase of financial instrument's fair value.	

(c) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk (see 19(c)(ii));
- liquidity risk (see 19(c)(iii));
- market risk (see 19(c)(iv)).

(i) Risk management framework

The Management of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's finance department is responsible for developing and monitoring the Group's risk management policies. The finance department reports regularly to the Group's Management on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in securities.

The carrying amount of financial assets represents the maximum credit risk exposure.

Loans receivable

The entity from time to time issues loans to related and third parties. The carrying amount of such loans was USD 6 487 thousand as at 31 December 2020 (2019: USD 5 388 thousand). All these loans are unsecured, however, since most of the amounts comprises of the loans issued to related parties, the Group's management believes that the amounts will be repaid in due time. The Group classified them as receivables at Stage 1. The external credit risk grade was assessed to be equal BBB-, resulting in Probability of default of 0,71%. Thus, the amount of ECL on the loans receivable is not significant and no impairment was recognized.

Trade and other receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of the Group's customer base, including the default risk of the industry and country, in which customers operate. The credit risk is geographically concentrated in Uzbekistan.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references.

In 2020 and 2019 revenue from one group of customers (Uzbekneftegaz) represented over 60% of the Group's total revenue. Concentration of revenues from related parties is disclosed in Note 22.

The Group's contracts usually require an annual advance payment from its customers of up to 30% of the anticipated annual work amount. The Group typically uses this amount to finance some of its raw materials, fuel and labour costs. However, the Group is typically required to provide its customers with a bank guarantee covering the refund of this amount if the Group fails to perform its contractual obligations. Most of the Group's construction contracts provide for monthly progress payments in arrears based on a schedule of works performed during that month. The Group issues its invoices to customers in accordance with terms specified in the relevant contract, which generally require payment within 1 to 30 days after the invoice date. To ensure the timely collection of its account receivables and to minimise the incurrence of bad debts, the Group has implemented management controls and established collection monitoring and investigation procedures to manage its accounts receivable and work-in-progress. It regularly monitors the status of accounts receivable and work-in-progress and actively seeks to manage the risk of non-payment or late payment. The Group establishes an allowance for impairment that represents its estimate of losses in respect of amounts due from customers on construction contracts, trade and other receivables. At the beginning the Group estimates the amount of impairment based on the incurred losses, then the additional amount of impairment in respect of expected in the future additional credit losses. The Group works with very limited number of customers, therefore, the impairment is calculated on individual basis. There are receivables classified as default as at 31 December 2020 and 31 December 2019 in the amount of USD 33 386 thousand.

The following table provides information about the exposure to the credit risk in respect of trade and other receivables and contract assets as at 31 December 2020, calculated based on credit ratings issued by rating agencies:

000'USD	Rating	Gross carrying amount	Impairment loss allowance
Low risk	BBB- to AAA	75 831	-
Fair risk	BB- to BB+	193 104	-
Substandard risk	B- to CCC	15 463	(1 286)
Default		33 386	(33 386)
		317 784	(34 672)

Cash and cash equivalents

The Group held cash and cash equivalents of USD 122 628 thousand at 31 December 2020 (31 December 2019: USD 114 554 thousand), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated Ba to Baa, based on rating agency Moody's ratings. The Group considers that its cash and cash equivalents have low credit risk.

Guarantees provide by the Group to secure liabilities of related parties

The Group considers that financial guarantee contracts entered into by the Group to guarantee the liabilities of related parties are insurance arrangements, and accounts for them as such. In this respect, the Group treats the guarantee contract as a contingent liability until such time as it becomes probable that the Group will be required to make a payment under the guarantee. The Group's policy is to provide financial guarantees only to related parties. In the reporting period no such guarantees were provided.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash inflows.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

31 December 2020

31 December 2020		Contractual cash flows				
'000 USD	Carrying amount	Total	On demand	Less than 2 mths	2-12 mths	1-2 yrs
Non-derivative financial liabilities						
Secured related party bank loans	261 614	310 579	-	-	193 737	116 842
Bank loans	1 841	1 881	-	-	1 392	489
Lease liabilities	18 735	18 735	-	-	11 495	7 240
Trade and other payables	532 389	532 389	-	29 271	503 118	-
	814 579	863 583	-	29 271	709 742	124 570

31 December 2019

31 December 2019		Contractual cash flows				
'000 USD	Carrying amount	Total	On demand	Less than 2 mths	2-12 mths	1-2 yrs
Non-derivative financial liabilities						
Secured related party bank loans	221 885	255 660	-	20 406	211 959	23 295
Bank loans	926	1 595	-	731	676	188
Lease liabilities	11 993	12 002	-	-	5 689	6 313
Trade and other payables	403 410	403 410	-	403 410	-	-
	638 214	672 667	-	424 547	218 324	29 796

(iv) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between currencies in which sales, purchases and borrowings are denominated. The functional currency of the Group's companies is primarily the U.S. Dollar (USD).

Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily USD. In addition, interest on borrowings is denominated in the currency of the borrowing. This provides an economic hedge without a need to enter into derivatives contracts.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The Group's exposure to foreign currency risk as at 31 December 2020 was as follows:

'000 USD	UZS- denominated	RUB- denominated	EUR- denominated	CNY- denominated
Loans receivable	704	4 270	134	-
Trade and other receivables	16 576	460	-	-
Cash and cash equivalents	2 296	184	54 366	24
Loans and borrowings	(4 566)	(852)	(35 318)	19
Trade and other payables	(47 379)	(19 039)	(136 185)	(12 349)
Net exposure to currency risk	(32 369)	(14 976)	(117 002)	(12 325)

The Group's exposure to foreign currency risk as at 31 December 2019 was as follows:

'000 USD	UZS- denominated	RUB- denominated	EUR- denominated	CNY- denominated
Loans receivable	728	3 878	102	-
Trade and other receivables	5 706	444	-	-
Cash and cash equivalents	552	131	100 541	72
Loans and borrowings	(926)	-	(4 517)	(13 556)
Trade and other payables	(27 536)	(15 978)	(175 017)	(16 552)
Net exposure to currency risk	(21 476)	(11 525)	(78 891)	(30 036)

The following significant exchange rates have been applied during the year:

	Reporting date spot rate	
	2020	2019
USD 1 equal to UZS	10 482,18	9 514,74
USD 1 equal to RUB	74,16	61,9057
USD 1 equal to EUR	0,8194	0,8949
USD 1 equal to CNY	6,5408	6,9954

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD, as indicated below, against all other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss before taxes by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

'000 USD	Strengthening		Weakening	
	Equity	Profit or loss	Equity	Profit or loss
31 December 2020				
UZS (10% movement)	(3 237)	(3 237)	3 237	3 237
RUB (10% movement)	(1 498)	(1 498)	1 498	1 498
EUR (10% movement)	(11 700)	(11 700)	11 700	11 700
CNY (10% movement)	(1 233)	(1 233)	1 233	1 233

'000 USD	Strengthening		Weakening	
	Equity	Profit or loss	Equity	Profit or loss
31 December 2019				
UZS (10% movement)	(2 148)	(2 148)	2 148	2 148
RUB (10% movement)	(1 153)	(1 153)	1 153	1 153
EUR (10% movement)	(7 889)	(7 889)	7 889	7 889
CNY (10% movement)	(3 004)	(3 004)	3 004	3 004

Interest rate risk

Changes in interest rates impact primarily loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt). Management does not have a formal policy of determining how much of the Group's exposure should be to fixed or variable rates. However, at the time of raising new loans or borrowings management uses its judgment to decide whether it believes that a fixed or variable rate would be more favourable to the Group over the expected period until maturity.

Exposure to interest rate risk

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was as follows:

'000 USD	Carrying amount	
	31 December 2020	31 December 2019
Fixed rate instruments		
Financial assets	2 083	1 506
Financial liabilities	(282 191)	(234 599)
	(280 208)	(233 093)
Variable rate instruments		
Financial assets	4 404	3 882
Financial liabilities	(213)	(205)
	4 191	3 677

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed-rate financial instruments as fair value through profit or loss or as available-for-sale. Therefore a change in interest rates at the reporting date would not have an effect in profit or loss or in equity.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss before taxes by insignificant amount. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(d) Master netting or similar agreements

The Group may enter into sales and purchase agreements with the same counterparty in the normal course of business. The related amount receivable and payable do not always meet the criteria for offsetting in the consolidated statement of financial position. This is because the Group may not have any currently legally enforceable right to offset recognised amounts, because the right to offset may be enforceable only on the occurrence of future events.

20. Significant subsidiaries and unconsolidated structured entities

Significant subsidiaries

Subsidiary	Country of incorporation	2020	2019
		Ownership /voting	Ownership /voting
LLC ENTER MACHINERIES SERVICES	Republic of Uzbekistan	100%	100%
LLC Enter Exim Technology	Republic of Uzbekistan	100%	100%
NSGD-EE Services and Trading DMCC	UAE	100%	100%
Belmarosa Limited	Cyprus	51%	51%
LLC Point vision	Republic of Uzbekistan	51%	51%
LLC Oil and gas design	Republic of Uzbekistan	51%	51%
JV LLC UZLITI ENGINEERING	Republic of Uzbekistan	100%	50%
LLC Nadymstroygazdobycha	Russian Federation	100%	100%
LLC ENTER CEMENT	Republic of Uzbekistan	100%	100%
LLC Steel structure & solutions	Republic of Uzbekistan	100%	100%

21. Contingencies

(a) Insurance

The insurance industry in Uzbekistan is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Group does not have full coverage for its plant facilities, business interruption, or third party liability in respect of property or environmental damage arising from accidents on Group property or relating to Group operations. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Group's operations and financial position.

(b) Taxation contingencies

The taxation system in the Republic of Uzbekistan continues to evolve and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes contradictory and subject to varying interpretation by different tax authorities.

Taxes are subject to review and investigation by various levels of authorities, which have the authority to impose severe fines, penalties, and interest charges. A tax year generally remains open for review by the tax authorities during the five subsequent years.

All these circumstances may create tax risks in the Republic of Uzbekistan that are more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Uzbekistan tax legislation, official pronouncements and court decisions. However, the interpretations of the tax authorities and courts, especially due to reform of the supreme courts that are resolving tax disputes, could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

(c) Penalties

The Group has delays in fulfilling obligations under some construction contracts. The likelihood of contractual penalties is approximately 25 million USD. The Company's management is confident that the likelihood of an unfavorable outcome is low.

22. Related parties

(a) Parent and ultimate controlling party

The Company's immediate parent companies and the Company's ultimate controlling party are disclosed in note 1(b).

(b) Related party transactions

'000 USD	Transaction value for the year ended 31 December		Outstanding balance as at 31 December	
	2020	2019	2020	2019
Sale of goods and services:	236 004	42 959	65 051	31 292
Entities under common control with the Company's beneficiary owner	236 004	42 959	65 051	31 292
Purchase of goods and services:	194	11 196	4 530	7 527
Entities with significant influence	-	-	722	2 468
Entities under common control with the Company's shareholders	194	11 196	3 808	5 059
Loans receivable:	1 577	3 854	4 574	3 882
Parent company	4	3 304	134	2
Entities under common control with the Company's shareholders	1 573	550	4 440	3 880
Loans and borrowings and leases liabilities:	15 764	16 946	261 819	221 885
Parent company	-	-	-	-
Entities with significant influence	15 764	16 780	261 614	221 680
Entities under common control with the Company's shareholders	-	166	205	205
Bank guarantees acquired:	9 272	10 279	*	*
Entities with significant influence (fees accrued)	9 295	10 279	*	*
Entities under common control with the Company's shareholders (fees accrued)	-	-	*	*
Loans received				
Entities with significant influence	275 833	246 377	*	*
Loans repaid			*	*

'000 USD	Transaction value for the year ended 31 December		Outstanding balance as at 31 December	
	2020	2019	2020	2019
Entities with significant influence	278 990	236 327	*	*
Entities under common control with the Company's shareholders	-	4 754	*	*

*The amounts relate to bank guaranties acquired from related party bank in favour of Group's customers (see also note 19(c)(ii)). Transaction during the year comprise fees paid to related party banks for these guaranties.

Information about loans receivable from related parties that were issued on terms other than market terms is provided in note 11.

Information on loans and borrowings received from related parties on terms different from market terms is provided in note 17(a).

23. Subsequent events

After the reporting date the Group acquired related party bank borrowings of USD 198 million, maturing in 2024 and bearing interest of 7,55% p.a. and repaid loans and borrowings of USD 145 million.

In 2021 the Group purchased 100% shares of OOO INVESTMENT PHARM HOLDING for USD 1,4 million.

In 2021 the Group concluded contracts for reconstruction of Ferganskiy MPZ. Contract price is USD 344,89 million.

24. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis. Fair value measurements were applied for measuring financial assets and liabilities at initial recognition and for the purposes of measuring potential impairment of non-monetary assets.

25. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow:

(a) Basis of consolidation	40
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(a) Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a ‘concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group (see note 25(a)(iii)).

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquire; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(ii) *Non-controlling interests*

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iv) *Acquisitions from entities under common control*

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as at the date when the Group obtains control over the business, therefore, the comparative information is not revised. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the financial statements. Any difference between the carrying amount of Group's share in the net assets of the acquired entities and consideration paid is recognised directly in equity.

(v) *Loss of control*

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(vi) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) *Revenue*

The Group has two key types of contracts with customers:

- a) Construction contracts;
- b) Design services
- c) Contracts on sales of finished goods and materials.

(i) *Revenue from construction contracts*

The Group has determined that for construction contracts the customer controls all assets created during the construction phase that is carried out at the customer's construction site. In addition, the construction is conducted in accordance with the customer's project documentation and therefore the assets being created do not have an alternative use. If a customer prematurely terminates a contract, then the Group is entitled to a reimbursement of costs incurred to date, including a reasonable profit margin. Therefore revenue from these contracts and the associated costs are recognised over time - i.e. before the transfer of the completed construction asset to the customer.

Construction contracts usually require an annual advance payment from its customers of up to 30% of the anticipated annual work amount. Most contracts provide for monthly payments for the works performed.

Revenue and costs are recognised in profit or loss and other comprehensive income over time using an input method for estimation of the stage of completion of the performance obligation under the contract.

The Group applies the practical expedient and does not adjust the contract price to account for time value of money of advances received from customers since as at the time of receipt of these advances it is expected that they will be settled by works performed during the period of not more than one year. The contract price includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments.

Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

As soon as the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss and other comprehensive income in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to the share of the costs incurred to date in the total estimated contract costs.

(ii) *Revenue from design services*

Revenue is recognised over time as the services are provided. Invoices issued on a monthly basis and are usually payable within 30 days.

(iii) *Revenue from sale of materials*

The Group sells construction materials to outside customers. Customers obtain control of these products when the goods are dispatched from the Group's warehouse. Invoices are generated and revenue is recognised at that point in time. Invoices are usually payable within 30 days. No discounts, loyalty points or returns are offered for these products.

(c) *Finance income and costs*

The Group's finance income and finance costs include:

- the net gain or loss on financial assets at FVTPL
- interest income;
- interest expense;

- the foreign currency gain or loss on financial assets and financial liabilities;
- impairment losses recognised on financial assets (other than trade receivables).

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(d) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising in translation are recognised in profit or loss, except for differences arising on the translation of available-for-sale equity instruments which are recognised in other comprehensive income.

(e) Employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

To the extent that the Group's contributions to social programs benefit the community at large and are not restricted to the Group's employees, they are recognised in profit or loss as incurred.

(f) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from dividends.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes, penalties and late-payment interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Property, plant and equipment

(i) *Recognition and measurement*

Items of property, plant and equipment, are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Any gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

(ii) *Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) *Depreciation*

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Depreciation is based on the cost of an asset less its estimated residual value.

Depreciation is generally recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets

are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of significant items of property, plant and equipment for the current and comparative periods are as follows:

- buildings and facilities 8-35 years;
- plant and equipment 5-12 years;
- transport vehicles 3-10 years;
- other 3-5 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) Financial instruments

(i) *Recognition and initial measurement*

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) *Classification and subsequent measurement*

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is

classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(j) Impairment

(i) Non-derivative financial assets

Financial instruments and contract assets

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be BBB- or higher per Rating Agency Moody's.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 3 year past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(l) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the consolidated statement of financial position.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(i) Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(ii) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of

terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract._

26. New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

(a) *Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)*

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated. The Group has determined that all contracts existing at 31 December 2020 will be completed before the amendments become effective.

(b) *Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)*

The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to:

- changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities; and
- hedge accounting.

(i) *Change in basis for determining cash flows*

The amendments will require an entity to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform by updating the effective interest rate of the financial asset or financial liability.

(ii) *Hedge accounting*

The amendments provide exceptions to the hedge accounting requirements in the following areas.

- Allow amendment of the designation of a hedging relationship to reflect changes that are required by the reform.
- When a hedged item in a cash flow hedge is amended to reflect the changes that are required by the reform, the amount accumulated in the cash flow hedge reserve will be deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.
- When a group of items is designated as a hedged item and an item in the group is amended to reflect the changes that are required by the reform, the hedged items are allocated to sub-groups based on the benchmark rates being hedged.

- If an entity reasonably expects that an alternative benchmark rate will be separately identifiable within a period of 24 months, it is not prohibited from designating the rate as a non-contractually specified risk component if it is not separately identifiable at the designation date.

Due to absence of hedge accounting the Group does not expect an effect because of IBOR transition.

(iii) Disclosure

The amendments will require the Group to disclose additional information about the entity's exposure to risks arising from interest rate benchmark reform and related risk management activities.

(iv) Transition

The Group plans to apply the amendments from 1 January 2021. Application will not impact amounts reported for 2020 or prior periods.

(c) Other standards

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- COVID-19-Related Rent Concessions (Amendment to IFRS 16).
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 *Insurance Contracts and amendments to IFRS 17 Insurance Contracts*.



ENTER ENGINEERING PTE. LTD.
and its Subsidiaries
Registration Number: 201008405G

Annual Report
Year ended 31 December 2019

Directors' statement

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2019.

In our opinion:

- (a) the financial statements set out on pages FS1 to FS61 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

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

Tengco Alfonso Samonte
Evgenia Sodnomova
Srikumar Sriivasan

Directors' interests

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act.

Share options

- (a) Options to take up unissued shares

During the financial year, no option to take up unissued shares of the Company or its related corporation was granted.

- (b) Options exercised

During the financial year, there were no shares of the Company or its related corporation issued by virtue of the exercise of an option to take up unissued shares.

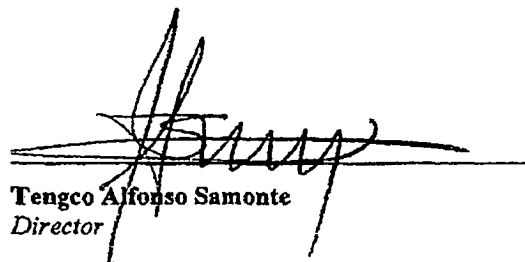
- (c) Unissued shares under options

At the end of the financial year, there were no unissued shares of the Company or its related corporation under options.

Auditors


The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

Signed by the Board of Directors



Tengco Alfonso Samonte
Director

Evgenia Sodnomova
Director



Srikumar Srinivasan
Director

20 April 2021



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Independent auditors' report

Members of the Company
ENTER ENGINEERING PTE. LTD.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of ENTER ENGINEERING PTE. LTD. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS61.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and statement of changes in equity 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 '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *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 contained in the annual report. Other information defined as all information in the annual report other than the financial statements and our auditors' report thereon.



We have obtained all other information prior to the date of this auditors' report.

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

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

Auditors' 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 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 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 controls.
- Obtain an understanding of internal controls 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 Group's internal controls.
- 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 Group'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 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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 controls that we identify during our audit.



ENTER ENGINEERING PTE. LTD.
and its Subsidiaries
Independent auditors' report
Year ended 31 December 2019

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 and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.


KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
20 April 2021

Statements of financial position
As at 31 December 2019

		Group		Company	
	Note	2019	2018	2019	2018
		US\$'000	US\$'000	US\$'000	US\$'000
Assets					
Property, plant and equipment	4	126,446	94,452	117,992	83,283
Prepayments issued for property, plant and equipment		33	33	33	33
Loans receivable	5	3,978	100	3,978	100
Trade and other receivables	8	20,647	52,831	20,647	52,831
Deferred tax assets	6	13,809	14,136	96	25
Subsidiaries	21	—	—	5,407	4,988
Non-current assets		164,913	161,552	148,153	141,260
Inventories	7	211,519	181,900	200,361	173,144
Loans receivable	5	1,410	4,492	351	4,026
Current tax receivable		646	5,582	95	67
Trade and other receivables	8	80,901	141,525	170,162	158,334
Contract assets	15	85,827	62,375	66,711	39,469
Prepayments to suppliers		503,805	414,416	456,319	423,789
Cash and cash equivalents	9	114,554	2,949	112,947	2,038
Other assets		7,011	3,697	1,472	726
Current assets		1,005,673	816,936	1,008,418	801,593
Total assets		1,170,586	978,488	1,156,571	942,853
Equity					
Share capital		1	1	1	1
Foreign currency translation reserve		(28)	(28)	—	—
Retained earnings		231,569	141,297	258,811	158,418
Equity attributable to owners of the Company		231,542	141,270	258,812	158,419
Non-controlling interests		3,935	4,849	—	—
Total equity		235,477	146,119	258,812	158,419
Liabilities					
Loans and borrowings	12	20,047	20,510	19,521	19,138
Trade and other payables	13	—	—	11	11
Deferred tax liabilities	6	17,247	24,460	16,896	21,117
Non-current liabilities		37,294	44,970	36,428	40,266

The accompanying notes form an integral part of these financial statements.

Statements of financial position (continued)
As at 31 December 2019

		Group		Company	
	Note	2019	2018	2019	2018
		US\$'000	US\$'000	US\$'000	US\$'000
Loans and borrowings	12	214,757	171,910	217,010	174,571
Trade and other payables	13	403,410	357,620	373,129	379,339
Contract liabilities	15	274,260	241,187	267,707	179,748
Current tax liabilities		3,132	10,693	1,668	5,623
Other liabilities		2,256	5,989	1,817	4,887
Current liabilities		897,815	787,399	861,331	744,168
Total liabilities		935,109	832,369	897,759	784,434
Total equity and liabilities		1,170,586	978,488	1,156,571	942,853

The accompanying notes form an integral part of these financial statements.

Consolidated statement of profit or loss and other comprehensive income
Year ended 31 December 2019

	Note	2019 US\$'000	2018 US\$'000
Revenue	15	901,970	516,465
Cost of sales	16	(718,146)	(448,322)
Gross profit		<u>183,824</u>	<u>68,143</u>
Other income	17	5,488	1,930
General and administrative expenses	18	(29,030)	(23,781)
Other expenses	19	(46,356)	(3,912)
Results from operating activities		<u>113,926</u>	<u>42,380</u>
Finance income	20	11,513	17,540
Finance costs	20	(19,226)	(9,894)
Net finance (costs)/income		<u>(7,713)</u>	<u>7,646</u>
Profit before tax		106,213	50,026
Income tax credit/(expense)	6	2,425	(9,759)
Profit for the year		<u>108,638</u>	<u>40,267</u>
Profit attributable to:			
Owners of the Company		109,552	40,002
Non-controlling interests		(914)	265
Profit for the year/Total comprehensive income for the year		<u>108,638</u>	<u>40,267</u>
Total comprehensive income attributable to:			
Owners of the Company		109,552	40,002
Non-controlling interests		(914)	265
Total comprehensive income for the year		<u>108,638</u>	<u>40,267</u>

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity
Year ended 31 December 2019

	Note	Attributable to equity holders of the Company				Non-controlling interests US\$'000	Total equity US\$'000
		Share capital US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000		
Balance at 1 January 2018		1	(28)	83,311	83,284	4,584	87,868
Total comprehensive income							
Profit for the year		—	—	40,002	40,002	265	40,267
Total comprehensive income		—	—	40,002	40,002	265	40,267
Transactions with owners of the Company							
Acquisition of subsidiary	10(c)	—	—	14,358	14,358	—	14,358
Loss on initial recognition of financial assets	10(b)	—	—	(148)	(148)	—	(148)
Deferred income tax effect	6(c)	—	—	25	25	—	25
Transaction with beneficial owners acting in the capacity of owners	10(b)	—	—	3,749	3,749	—	3,749
Total contributions and distributions		—	—	17,984	17,984	—	17,984
Balance at 31 December 2018		1	(28)	141,297	141,270	4,849	146,119

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity (continued)
Year ended 31 December 2019

	Note	Attributable to equity holders of the Company				Non-controlling interests US\$'000	Total equity US\$'000
		Share capital US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000		
Balance at 1 January 2019		1	(28)	141,297	141,270	4,849	146,119
Total comprehensive income							
Profit for the year		—	—	109,552	109,552	(914)	108,638
Total comprehensive income		—	—	109,552	109,552	(914)	108,638
Transactions with owners of the Company							
Dividends	10(d)	—	—	(17,400)	(17,400)	—	(17,400)
Transaction with beneficial owners acting in the capacity of owners		—	—	(1,880)	(1,880)	—	(1,880)
Total contributions and distributions		—	—	(19,280)	(19,280)	—	(19,280)
Balance at 31 December 2019		1	(28)	231,569	231,542	3,935	235,477

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows
Year ended 31 December 2019

	Note	2019 US\$'000	2018 US\$'000
Cash flows from operating activities			
Profit for the year		108,638	40,267
Adjustments for:			
Depreciation of property, plant and equipment	4	36,516	25,832
Gain on disposal of property, plant and equipment		(1,705)	–
Gain on derecognition of liabilities	17	(2,610)	–
Net finance cost/(income)	20	7,713	(7,646)
Income tax (credit)/expense	6	(2,425)	9,759
Other adjustments		272	(560)
		<u>146,399</u>	<u>67,652</u>
Changes in:			
- inventories		(26,619)	30,026
- trade and other receivables and contract assets		75,284	(57,995)
- prepayments issued to suppliers		(92,365)	(199,219)
- trade and other payables		64,810	(19,961)
- contract liabilities		33,073	51,534
- other assets and liabilities		19,788	(1,647)
Cash flow generated from/(used in) operations		<u>220,370</u>	<u>(129,610)</u>
Income tax paid		(7,547)	(4,470)
Interest paid		(23,754)	(16,392)
Net cash from/(used in) operating activities		<u>189,069</u>	<u>(150,472)</u>
Cash flows from investing activities			
Repayment of loans receivable, including interest		1,763	253
Loan issued		(2,735)	(653)
Acquisition of property, plant and equipment		(51,291)	(28,972)
Acquisition of subsidiary, net of cash acquired		–	(60)
Net cash used in investing activities		<u>(52,263)</u>	<u>(29,432)</u>
Cash flows from financing activities			
Proceeds from loans and borrowings		254,435	213,890
Repayment of loans and borrowings		(250,145)	(48,387)
Dividends paid		(17,400)	–
Payment of finance lease liabilities, less amount attributable to interest		(4,630)	(36)
Net cash (used in)/from financing activities		<u>(17,740)</u>	<u>165,467</u>
Net increase/(decrease) in cash and cash equivalents		119,066	(14,437)
Cash and cash equivalents at 1 January		2,949	20,282
Effect of exchange rate fluctuations on cash held		(7,461)	(2,896)
Cash and cash equivalents at 31 December	9	<u>114,554</u>	<u>2,949</u>

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Directors of the Company on 20 April 2021.

1 Reporting entity

(a) Organisation and operations

ENTER ENGINEERING PTE. LTD. (the “Company”) is incorporated and domiciled in the Republic of Singapore with its registered office and principal place of business at 138 Market street, #24-23/61, CapitaGreen, Singapore 048946.

The principal business activities of the Company and its subsidiaries (together “the Group”) comprise construction and modernization of pipeline facilities, construction of oil refineries and gas processing plants and other oil and gas production facilities, development and operation of oil and gas fields, provision of engineering services, civil infrastructure construction and other construction related activities. Occasionally the Group also performs import and sale of construction materials and other goods and provides warehousing services.

The Company’s immediate parent company is KLINTWORTH INVESTMENTS LTD (Cyprus), which owned 51% interest in the Company in 2019 and 2018 which is ultimately controlled by Mr. Bakhtiyor Fazilov, who has the power to direct the transactions of the Group at his own discretion and for his own benefit. He also has a number of other business interests outside the Group.

The other shareholders of the Company were:

	2019	2018
GAUDANIO HOLDINGS LIMITED	19%	19%
LABORENO LTD	30%	30%

GAUDANIO HOLDINGS LIMITED is ultimately controlled by JSC Gazprombank, a registered company incorporated in the Russian Federation.

LABORENO LTD is a registered company incorporated in the Republic of Cyprus.

(b) Business environment

The Group’s operations are primarily located in Uzbekistan. Consequently, the Group is exposed to the economic and financial markets of Uzbekistan which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue to develop but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Uzbekistan. The consolidated financial statements reflect management’s assessment of the impact of the Uzbekistan business environment on the operations and the financial position of the Group. The future business environment may differ from management’s assessment.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in United States Dollars (USD or US\$) which is the functional currency of the Company. All financial information presented in USD have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Notes 3.11 and 15 – revenue from construction contracts.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Note 3.5(iii) – determination of useful lives and residual values of property, plant and equipment;
- Note 3.11 and 15 – recognition of revenue on unfinished construction contracts based on the estimate of the expected costs to complete the construction and percentage of completion;
- Notes 14(c)(ii) and 24 – recognition and measurement of provisions and contingencies related to provided financial guarantees to related parties; and
- Note 14(c)(ii) – measurement of allowances for trade and other receivables and contract assets.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of FRS, including the level in the fair value hierarchy in the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is 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 (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 14(b) – financial instruments.

2.5 Changes in accounting policies

Leases

The Group initially applied FRS 116 Leases from 1 January 2019.

The Group applied FRS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under FRS 17 and related interpretations. The Group initially applied FRS 116 using a modified retrospective approach with a one-time increase in non-current assets and financial liabilities as at 1 January 2019 in the amount of USD 10,584 thousands, reflected at the present value of future lease payments, discounted at the Group's incremental borrowing rate of 1 January 2019.

The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in FRS 16 have not generally been applied to comparative information.

(i) Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under INT FRS 104 *Determining whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in FRS 116.

On transition to FRS 116, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied FRS 116 only to contracts that were previously identified as leases. Contracts that were not identified as leases under FRS 17 and FRIC 4 were not reassessed for whether there is a lease under FRS 116. Therefore, the definition of a lease under FRS 116 was applied only to contracts entered into or changed on or after 1 January 2019.

(ii) As a lessee

As a lessee, the Group leases many assets including buildings, plant and equipment, transport vehicles. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under FRS 116, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property the Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

(iii) Leases classified as operating leases under FRS 17

Previously, the Group classified property leases as operating leases under FRS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019 (see Note 2.5(v)). Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Group used a number of practical expedients when applying FRS 116 to leases previously classified as operating leases under FRS 17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

(iv) Leases classified as finance leases under FRS 17

The Group leases a number of items of production equipment. These leases were classified as finance leases under FRS 17. For these finance leases, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 were determined at the carrying amount of the lease asset and lease liability under FRS 17 immediately before that date.

(v) Impact on financial statements

On transition to FRS 116, the Group recognised additional right-of-use assets and additional lease liabilities. The impact of the transition is below.

	<u>1 January 2019</u> US\$'000
Right-of-use assets – property, plant and equipment	10,584
Lease liabilities	<u>10,584</u>

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rate applied is 8.3% for USD contracts and 17.9% for UZS contracts.

	<u>1 January 2019</u>
	US\$'000
Operating lease commitments at 31 December 2018	12,068
Discounted using the incremental borrowing rate at 1 January 2019	10,400
Finance lease liabilities recognised as at 31 December 2018	
– Recognition exemption for leases with less than 12 months of lease term at transition	(324)
– Extension options reasonably certain to be exercised	508
Lease liabilities recognised at 1 January 2019	<u>10,584</u>

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except for those disclosed in Note 2.5. The accounting policies have been applied consistently by Group entities.

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combinations* as at the date of acquisition, which is the date on which control is transferred to the Group.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests (NCI) in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

(ii) Non-controlling interests

Non-controlling interests (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iv) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as at the date when the Group obtains control over the business, therefore, the comparative is not revised. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the financial statements. Any difference between the carrying amount of Group's share in the net assets of the acquired entities and consideration paid is recognised directly in equity.

(v) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any NCI and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to USD at exchange rates at the reporting date. The income and expenses of foreign operations are translated to USD at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income (OCI) and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified and measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised loans and borrowings and trade and other payables (excluding amounts due to customers under construction contracts, payables to employees, employees unused vacation provision and other taxes payable).

(iii) Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different (referred to as 'substantial modification'), then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

The Group performs a quantitative and qualitative evaluation of whether the modification is substantial, i.e. whether the cash flows of the original financial asset and the modified or replaced financial asset are substantially different. The Group assesses whether the modification is substantial based on quantitative and qualitative factors in the following order: qualitative factors, quantitative factors, combined effect of qualitative and quantitative factors. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In making this evaluation the Group analogizes to the guidance on the derecognition of financial liabilities.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

If a modification (or exchange) does not result in the derecognition of the financial liability the Group applies accounting policy consistent with the requirements for adjusting the gross carrying amount of a financial asset when a modification does not result in the derecognition of the financial asset, i.e. the Group recognises any adjustment to the amortised cost of the financial liability arising from such a modification (or exchange) in profit or loss at the date of the modification (or exchange).

Changes in cash flows on existing financial liabilities are not considered as modification, if they result from existing contractual terms, e.g. changes in fixed interest rates initiated by banks due to changes in the CBR key rate, if the loan contract entitles banks to do so and the Group have an option to either accept the revised rate or redeem the loan at par without penalty. The Group treats the modification of an interest rate to a current market rate using the guidance on floating-rate financial instruments. This means that the effective interest rate is adjusted prospectively.

Group performs a quantitative and qualitative evaluation of whether the modification is substantial considering qualitative factors, quantitative factors and combined effect of qualitative and quantitative factors. The Group concludes that the modification is substantial as a result of the following qualitative factors:

- change the currency of the financial liability;
- change in collateral or other credit enhancement;
- inclusion of conversion option;
- change in the subordination of the financial liability.

For the quantitative assessment the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

(iv) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set-off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(vi) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

(vii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.4 Intra-group financial guarantees

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are initially measured at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantee is transferred to profit or loss.

3.5 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment, are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Any gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

- | | |
|----------------------------|------------|
| • Buildings and facilities | 8-35 years |
| • Plant and equipment | 5-12 years |
| • Transport vehicles | 3-10 years |
| • Others | 3-5 years |

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate. If estimates of the residual values or useful lives are revised, the amount of depreciation charges in the future periods will be changed.

3.6 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.7 Impairment

Non-derivative financial assets and contract assets

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost; and
- contract assets (as defined in FRS 115).

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.9 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.10 Revenue

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those POs.

The transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Company does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

(i) Revenue from construction contracts

A contract with a customer is classified by the Group as a construction contract when the contract relates to work on construction and modernisation of pipeline facilities, construction of oil refineries and gas processing plants and other oil and gas production facilities, development and operation of oil and gas fields, provision of engineering services, civil infrastructure construction under the control of the customer and therefore the Group's construction activities create or enhance an asset under the customer's control.

When the outcome of a PO can be reasonably measured, construction revenue is recognised over time as each PO is satisfied and when the Group has an enforceable right to payment for performance completed to date. The progress towards the completed satisfaction of each PO is measured using the input method based on cost incurred relative to total estimated costs.

The likelihood of the Group suffering contractual penalties for late completion are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Any increase or decrease in estimated revenue or costs due to change in circumstances are reflected in the profit or loss in the period in which the change become known by management.

The Group uses practical expedient as provided by FRS 115, and does not adjust the promised amount of consideration for the effects of a significant financing component, as the period between the transfer of the promised service and payment is one year or less.

Progress billings to the customer are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

(ii) Goods sold

The Group sells several types of construction products of its own production and construction materials to outside customers. Customers obtain control of these products when the goods are dispatched from the Group's warehouse. Invoices are generated and revenue is recognised at that point in time. Invoices are usually payable within 30 days. No discounts, loyalty points or returns are offered for these products

3.11 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense; and
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.12 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from dividends. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale, and the Group has not rebutted this presumption. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes, penalties and late-payment interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

3.13 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new FRSs, interpretations and amendments to FRSs are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- *Amendments to References to Conceptual Framework in FRS Standards*
- *Definition of a Business* (Amendments to FRS 103)
- *Definition of Material* (Amendments to FRS 1 and FRS 8)
- *FRS 117 Insurance Contracts*

4 Property, plant and equipment

Group	Buildings and facilities US\$'000	Plant and equipment US\$'000	Transport vehicles US\$'000	Others US\$'000	Assets under construction US\$'000	Total US\$'000
Cost						
At 1 January 2018	24,912	127,343	23,279	1,428	5,767	182,729
Acquisition through business combination	538	430	20	5	—	993
Additions	477	18,509	3,516	118	6,416	29,036
Disposals	(171)	(15)	—	—	—	(186)
Transfers	1,657	—	—	33	(1,690)	—
At 31 December 2018	27,413	146,267	26,815	1,584	10,493	212,572
At 1 January 2019	27,413	146,267	26,815	1,584	10,493	212,572
Recognition of right- of-use asset on initial application of FRS 116	4,816	5,768	—	—	—	10,584
Adjusted balance at 1 January 2019	32,229	152,035	26,815	1,584	10,493	223,156
Additions	5,993	45,242	3,822	217	5,810	61,084
Disposals	—	—	—	—	(3,158)	(3,158)
Transfers	235	4,794	38	227	(5,294)	—
At 31 December 2019	38,457	202,071	30,675	2,028	7,851	281,082
Accumulated depreciation						
At 1 January 2018	(9,726)	(70,290)	(11,137)	(953)	—	(92,106)
Depreciation	(3,165)	(18,837)	(3,661)	(169)	—	(25,832)
Disposals	(171)	(11)	—	—	—	(182)
At 31 December 2018	(13,062)	(89,138)	(14,798)	(1,122)	—	(118,120)
At 1 January 2019	(13,062)	(89,138)	(14,798)	(1,122)	—	(118,120)
Depreciation	(7,056)	(24,742)	(4,444)	(274)	—	(36,516)
At 31 December 2019	(20,118)	(113,880)	(19,242)	(1,396)	—	(154,636)
Carrying amounts						
At 1 January 2018	15,186	57,053	12,142	475	5,767	90,623
At 31 December 2018	14,351	57,129	12,017	462	10,493	94,452
At 1 January 2019	19,167	62,897	12,017	462	10,493	105,036
At 31 December 2019	18,339	88,191	11,433	632	7,851	126,446

Depreciation expense for 2019 of USD 33,671 thousand (2018: USD 22,380 thousand) has been charged to cost of sales. USD 2,845 thousand (2018: USD 3,452 thousand) to general and administrative expenses.

During 2019, the Group did not identify impairment indicators with regards to its property, plant and equipment.

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Company	Buildings and facilities US\$'000	Plant and equipment US\$'000	Transport vehicles US\$'000	Others US\$'000	Assets under construction US\$'000	Total US\$'000
Cost						
At 1 January 2018	14,410	124,716	21,022	1,395	5,649	167,192
Additions	198	18,453	2,815	65	5,370	26,901
Disposals	(113)	(14)	—	—	—	(127)
Transfers	1,642	—	—	—	(1,642)	—
At 31 December 2018	16,137	143,155	23,837	1,460	9,377	193,966
At 1 January 2019	16,137	143,155	23,837	1,460	9,377	193,966
Recognition of right- of-use asset on initial application of FRS 116	4,816	5,768	—	—	—	10,584
Adjusted balance at 1 January 2019	20,953	148,923	23,837	1,460	9,377	204,550
Additions	3,072	45,405	3,583	248	5,207	57,515
Transfers	3,156	4,631	—	148	(7,935)	—
At 31 December 2019	27,181	198,959	27,420	1,856	6,649	262,065
Accumulated depreciation						
At 1 January 2018	(5,494)	(69,588)	(9,975)	(618)	—	(85,675)
Depreciation for the year	(2,802)	(18,786)	(3,298)	(122)	—	(25,008)
At 31 December 2018	(8,296)	(88,374)	(13,273)	(740)	—	(110,683)
At 1 January 2019	(8,296)	(88,374)	(13,273)	(740)	—	(110,683)
Depreciation for the year	(5,309)	(24,121)	(3,802)	(158)	—	(33,390)
At 31 December 2019	(13,605)	(112,495)	(17,075)	(898)	—	(144,073)
Carrying amounts						
At 1 January 2018	8,916	55,128	11,047	777	5,649	81,517
At 31 December 2018	7,841	54,781	10,564	720	9,377	83,283
At 1 January 2019	12,657	60,549	10,564	720	9,377	93,867
At 31 December 2019	13,576	86,464	10,345	958	6,649	117,992

Depreciation expense for 2019 of USD 30,930 thousand (2018: USD 21,826 thousand) has been charged to cost of sales. USD 2,460 thousand (2018: USD 3,182 thousand) to general and administrative expenses.

5 Loans receivable

Group	2019 US\$'000	2018 US\$'000
<i>Non-current</i>		
Corporate loans due from related parties - at amortised cost	3,878	—
Corporate loans	100	100
	<u>3,978</u>	<u>100</u>
<i>Current</i>		
Corporate loans from related parties – at amortised cost	4	3,952
Corporate loans – at amortised cost	1,406	540
	<u>1,410</u>	<u>4,492</u>
Total loans receivable	<u>5,388</u>	<u>4,592</u>
Company		
<i>Non-current</i>		
Corporate loans due from related parties - at amortised cost	3,878	—
Corporate loans	100	100
	<u>3,978</u>	<u>100</u>
<i>Current</i>		
Corporate loans from related parties - at amortised cost	74	4,026
Corporate loans – at amortised cost	277	—
	<u>351</u>	<u>4,026</u>
Total loans receivable	<u>4,329</u>	<u>4,126</u>

The Group's exposure to credit, currency and interest rate risks related to other investments is disclosed in note 14.

6 Income tax (credit)/expense

a) Amounts recognised in profit or loss

The Group's applicable income tax rate for entities operating in Uzbekistan was 12% in 2019 and 16.75% in 2018. The applicable income tax rate for Group's head office, based in Singapore, comprised 17.00% in years 2019 - 2018.

	2019 US\$'000	2018 US\$'000
Current tax expense		
Current year	4,461	5,325
Deferred tax (credit)/expense		
Origination and reversal of temporary differences	(2,930)	4,434
Adjustments to deferred tax attributed to changes in tax rates	(3,956)	—
	(6,886)	4,434
Tax (credit)/expense recognised in profit or loss	(2,425)	9,759
Income tax credit attributable to gain and losses recognised directly in equity	—	(25)
Tax credit recognised directly in equity	—	(25)
Total tax (credit)/expense	(2,425)	9,734

In December 2018, a new corporate tax law was enacted in Uzbekistan. Consequently, as of 1 January 2019, the corporate tax rate in Uzbekistan will be reduced from 16.75% to 12%. This change resulted in a gain of US\$ 3,956 thousand related to the re-measurement of deferred tax assets and liabilities of the Group, being recognised during the year ended 31 December 2019.

Reconciliation of effective tax rate:

	2019 US\$'000	%	2018 US\$'000	%
Profit before tax	106,213	100%	50,026	100%
Tax using the Company's domestic tax rate	18,056	17%	8,504	17%
Tax-exempt income	(19,423)	(18)%	(3,441)	(7)%
Non-deductible expenses	4,166	4%	5,171	10%
Effect of change in tax rate	(3,956)	(4)%	—	—
Effect of foreign exchange differences	(1,268)	(1)%	(475)	(1)%
	(2,425)	(2)%	9,759	19%

b) **Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities as at 31 December 2019 and 2018 are attributable to the following:

Group	Assets		Liabilities		Net	
	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000
Property, plant and equipment	114	10	(2,622)	(5,653)	(2,508)	(5,643)
Inventories	774	4,036	(5,594)	(1,161)	(4,820)	2,875
Trade and other receivables and contract assets	—	—	(10,353)	(24,071)	(10,353)	(24,071)
Loans receivable	25	25	—	—	25	25
Loans and borrowings	—	—	(413)	(413)	(413)	(413)
Trade and other payables	1,138	5,475	—	—	1,138	5,475
Tax loss carry-forwards	13,493	11,428	—	—	13,493	11,428
Tax assets/(liabilities)	15,544	20,974	(18,982)	(31,298)	(3,438)	(10,324)
Set off of tax	(1,735)	(6,838)	1,735	6,838	—	—
Net tax assets/(liabilities)	13,809	14,136	(17,247)	(24,460)	(3,438)	(10,324)

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Company	Assets		Liabilities		Net	
	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000
Property, plant and equipment	82	—	(2,473)	(5,485)	(2,391)	(5,485)
Inventories	765	4,032	(5,493)	(1,045)	(4,728)	2,987
Trade and other receivables	—	—	(10,353)	(19,645)	(10,353)	(19,645)
Loans receivable	25	25	—	—	25	25
Loans and borrowings	—	—	(413)	(413)	(413)	(413)
Trade and other payables	1,060	1,439	—	—	1,060	1,439
Tax assets/(liabilities)	1,932	5,496	(18,732)	(26,588)	(16,800)	(21,092)
Set off of tax	(1,836)	(5,471)	1,836	5,471	—	—
Net tax assets/(liabilities)	96	25	(16,896)	(21,117)	(16,800)	(21,092)

c) Movement in deferred tax balances

	1 January 2019 US\$'000	Recognised in profit or loss US\$'000	31 December 2019 US\$'000
Property, plant and equipment	(5,643)	3,135	(2,508)
Inventories	2,875	(7,695)	(4,820)
Trade and other receivables	(24,071)	13,718	(10,353)
Loans receivable	25	—	25
Loans and borrowings	(413)	—	(413)
Trade and other payables	5,475	(4,337)	1,138
Tax loss carry-forwards	11,428	2,065	13,493
Tax assets/(liabilities)	<u>(10,324)</u>	<u>6,886</u>	<u>(3,438)</u>

	1 January 2018 US\$'000	Recognised in profit or loss US\$'000	Acquired US\$'000	Recognised directly in equity US\$'000	31 December 2018 US\$'000
Property, plant and equipment	(8,159)	2,639	(123)	—	(5,643)
Inventories	20,818	(17,943)	—	—	2,875
Trade and other receivables	(35,387)	11,309	7	—	(24,071)
Loans receivable	129	(129)	—	25	25
Loans and borrowings	(413)	—	—	—	(413)
Trade and other payables	4,953	512	10	—	5,475
Tax loss carry-forwards	—	(822)	12,250	—	11,428
Tax assets/(liabilities)	<u>(18,059)</u>	<u>(4,434)</u>	<u>12,144</u>	<u>25</u>	<u>(10,324)</u>

7 Inventories

	2019 US\$'000	2018 US\$'000
Group		
Raw materials and consumables	202,840	179,147
Goods for resale	25	393
Fuel	8,654	2,360
	<u>211,519</u>	<u>181,900</u>
Company		
Raw materials and consumables	192,157	170,400
Goods for resale	10	393
Fuel	8,194	2,351
	<u>200,361</u>	<u>173,144</u>

8 Trade and other receivables

	Note	2019 US\$'000	2018 US\$'000
Group			
<i>Non-current trade and other receivables</i>			
Trade receivables	15	–	33,365
Retention*		20,647	19,466
		<u>20,647</u>	<u>52,831</u>
<i>Current trade and other receivables</i>			
Trade receivables	15	48,427	112,068
Retention*		27,090	25,074
Other receivables		5,384	4,383
		<u>80,901</u>	<u>141,525</u>
Total trade and other receivables		<u>101,548</u>	<u>194,356</u>

Company	Note	2019 US\$'000	2018 US\$'000
<i>Non-current trade and other receivables</i>			
Trade receivables	15	–	33,365
Retention*		20,647	19,466
		<u>20,647</u>	<u>52,831</u>
<i>Current trade and other receivables</i>			
Trade receivables	15	140,691	132,119
Retention*		27,090	25,074
Other receivables		2,381	1,141
		<u>170,162</u>	<u>158,334</u>
Total trade and other receivables		<u>190,809</u>	<u>211,165</u>

- * Retention relates to the condition in the contract agreement of guaranteeing deduction of part of the payment for a certain period in order to ensure the obligations of the contractor and to cover the costs of the customer to eliminate the shortcomings of the work performed. If there are no claims to the quality of work during the warranty period or if the contractor eliminates the defects in a timely manner, the customer returns the amount of guarantee retention.

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in note 14.

Trade and other receivables also include amounts due from related parties of the Group, which are disclosed in note 24.

9 Cash and cash equivalents

The amounts of cash and cash equivalents comprise of bank balances denominated mainly in US Dollars (USD) and Uzbekistan Som (UZS).

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 14.

10 Capital and reserves

a) Share capital

	Number of shares	
	2019	2018
Fully paid ordinary shares, with no par value:		
At 1 January and 31 December	1,000	1,000

The authorised, issued and fully paid for share capital of the Company amounted to SGD1,000 as at 31 December 2019 and 31 December 2018. The Company has only one class of shares carrying one vote per share. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. The Group did not hold any Company's shares in 2019 or 2018.

Share capital of the Company was translated to the Company's functional currency (USD) at a historic spot rate of 0.727 SGD/USD (20 April 2010).

b) Gains and losses recognised directly in equity

In 2017 the Group entered into certain transactions which resulted in cash payments of USD12,907 thousand, made to entities controlled by the beneficial owner of the Group. Such payments were accounted for directly in equity as the transactions were made on behalf of the owners acting in their capacity of the owners. In 2018 there was return of money in the amount of USD3,749 thousand.

In addition, the Group also entered into loan agreements with related parties on non-market terms and third parties also received on non-market terms and concluded with assistance of the beneficial owner of the Group. As a result, the net difference between the fair values of the loans and their nominal values at the date of recognition in 2018 was USD 148 thousand (2017: USD761 thousand).

c) Acquisition of subsidiary under common control

On 17 October 2018 the Group acquired 100% share of LLC “Nadymstroygazdobycha”, a company registered in the Russian Federation, in a transaction under common control, for a consideration of USD10 thousand. As at the date of acquisition, the acquired entity had the following significant assets and liabilities:

Non-current assets	US\$'000
Property, plant and equipment	993
Deferred tax assets	12,144
Current assets	
Inventories	1,028
Trade and other receivables	4,117
Cash and cash equivalents	5
Current liabilities	
Loans and borrowings	(21)
Trade and other payables	(3,898)
Total identifiable net assets	14,368
Total consideration transferred	(10)
Net increase in equity	14,358

d) Dividends

The following dividends were declared and paid by the Company for the year ended 31 December.

	2019	2018
	US\$'000	US\$'000
USD 17,400 per ordinary share	17,400	–

11 Capital management

The Group has no formal policy for capital management but management seeks to maintain a sufficient capital base for meeting the Group’s operational and strategic needs, and to maintain confidence of market participants. This is achieved with efficient cash management, constant monitoring of Group’s revenues and profit, and long-term investment plans mainly financed by the Group’s operating cash flows. With these measures the Group aims for steady profits growth.

12 Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see note 14.

	2019	2018
	US\$'000	US\$'000
Group		
<i>Non-current liabilities</i>		
Secured related party bank loans	14,051	19,351
Bank loans	313	1,100
Finance lease liabilities	5,683	59
	<u>20,047</u>	<u>20,510</u>
<i>Current liabilities</i>		
Current portion of secured related party bank loans	207,834	159,040
Loans from third parties	–	6,847
Current portion of loans from related parties	–	4,812
Bank loans	613	1,188
Current portion of finance lease liabilities	6,310	23
	<u>214,757</u>	<u>171,910</u>
Total loans and borrowings	<u>234,804</u>	<u>192,420</u>
Company		
<i>Non-current liabilities</i>		
Secured related party bank loans	13,846	19,138
Finance lease liabilities	5,675	–
	<u>19,521</u>	<u>19,138</u>
<i>Current liabilities</i>		
Current portion of secured related party bank loans	207,834	159,040
Loans from third parties	1	6,707
Current portion of loans from related parties	2,927	8,824
Current portion of finance lease liabilities	6,248	–
	<u>217,010</u>	<u>174,571</u>
Total loans and borrowings	<u>236,531</u>	<u>193,709</u>

(a) Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate per annum	Year of maturity	2019 US\$'000	2018 US\$'000
Group					
Secured related party bank loans	USD	1.75% - 2%; 7.55%	2019-2022	221,885	178,178
Loans from related parties	RUR	*	2018-2019	–	4,812
Loans from related parties	USD	**	2018-2020	–	213
Bank loans	UZS	20% - 22%	2019-2021	926	2,288
Loans from third parties	USD	4.1%	2019	–	6,707
Loans from third parties	UZS	0%	2018-2019	–	140
Finance lease liabilities	EUR	0%	2021	1,410	–
Finance lease liabilities	USD	8.3%	2020-2021	9,126	–
Finance lease liabilities	UZS	17.9% - 22%	2019-2023	1,457	82
Total interest-bearing liabilities				234,804	192,420
Company					
Secured related party bank loans	USD	1.75% - 2%; 7.55%	2018-2020	221,680	178,178
Loans from related parties	RUR	*	2018-2019	–	4,812
Loans from related parties	USD	**	2018-2020	2,927	4,012
Loans from third parties	USD	4.1%	2019	–	6,707
Finance lease liabilities	EUR	0%	2021	1,410	–
Finance lease liabilities	USD	8.3%	2020-2021	9,126	–
Finance lease liabilities	UZS	17.9% - 22%	2019-2023	1,388	–
Total interest-bearing liabilities				236,531	193,709

* Key rate officially published by the Central bank of Russia minus 1% per annum.

** Nominal rates fall in interval of 7.15% - 7.95% per annum.

The loans received from a related party bank are secured with the shares of the Company, 95% of shares of Eriell Group International Limited (Jersey) owned by the beneficial owner of the Company and contract revenue for contracts with total price exceeding USD2 million.

The nominal values of the loans and borrowings as at 31 December 2019 and 31 December 2018 did not differ significantly from their carrying amounts, measured at amortized cost.

(b) Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	Secured related party bank borrowings US\$'000	Loans from related parties US\$'000	Loans from third parties US\$'000	Finance lease liabilities US\$'000	Bank loans US\$'000	Total US\$'000
Balance at 1 January						
2019 before FRS						
116 application	178,391	4,812	6,706	82	2,429	192,420
FRS 116 application	–	–	–	10,584	–	10,584
Adjusted balance at 1 January 2019	178,391	4,812	6,706	10,666	2,429	203,004
Proceeds from loans and borrowings	246,376	–	788	–	7,271	254,435
Repayment of loans and borrowings	(236,327)	(4,754)	(786)	(4,630)	(8,278)	(254,775)
Effect of changes of foreign currencies	–	415	60	21	(517)	(21)
Accrued interest	16,779	166	1,154	(1,108)	1,127	18,118
Interest paid	(14,706)	(640)	(1,171)	–	(1,106)	(17,623)
Borrowing costs	625	–	–	–	–	625
Lease acquired	–	–	–	7,044	–	7,044
Letters of credit	30,747	–	–	–	–	30,747
Net-off financial liabilities against receivables and prepayments*	–	–	(6,751)	–	–	(6,751)
Balance at 31 December 2019	221,885	(1)	–	11,993	926	234,804

* - In 2019, the Group entered into a loan agreement with its customer. Subsequently, the Group agreed with the customer to offset the amount of loan payable due to the customer of US\$6,751 thousand against accounts receivable due from the customer for services provided.

Group	Secured related party bank borrowings US\$'000	Loans from related parties US\$'000	Loans from third parties US\$'000	Finance lease liabilities US\$'000	Bank loans US\$'000	Total US\$'000
Balance at 1 January 2018	28,012	5,493	124	354	—	33,983
Proceeds from loans and borrowings	197,181	—	14,363	—	2,346	213,890
Repayment of loans and borrowings	(47,587)	(437)	(363)	—	—	(48,387)
Repayment of finance lease liabilities, less paid interest	—	—	—	(36)	—	(36)
Effect of changes of foreign currencies	—	(2,462)	(20)	(236)	(58)	(2,776)
Accrued interest	5,390	2,400	245	—	—	8,035
Interest paid	(5,443)	—	—	—	—	(5,443)
Borrowing costs	625	—	—	—	—	625
Gain on initial recognition of financial liabilities at fair value	—	31	—	—	—	31
Net-off financial liabilities against receivables and prepayments*	—	—	(7,502)	—	—	(7,502)
Balance at 31 December 2018	178,178	5,025	6,847	82	2,288	192,420

* - In 2018, the Group entered into a loan agreement with its customer. Subsequently, the Group agreed with the customer to offset the amount of loan payable due to the customer of US\$7,502 thousand against accounts receivable due from the customer for services provided.

13 Trade and other payables

Group	2019 US\$'000	2018 US\$'000
Trade payables to suppliers	369,641	340,515
Payables to employees	12,654	9,351
Employees' unused vacations	7,670	2,327
Other taxes payable	7,244	2,725
Other payables	6,201	2,702
Total trade and other payables	403,410	357,620

Company	2019 US\$'000	2018 US\$'000
Other payables due to related corporations	11	11
Total non-current trade and other payables	11	11
Trade payables to suppliers	346,096	364,016
Payables to employees	11,950	9,157
Employees' unused vacations	5,190	2,073
Other taxes payable	3,006	1,907
Other payables	6,887	2,186
Total current trade and other payables	373,129	379,339
Total trade and other payables	373,140	379,350

Other payables represent balances advanced by the third parties through transactions registered on a public exchange and are settled in USD. These operations enable the Group to satisfy its foreign currency demands (mostly related to converting USD to UZS) and short-term financing requirements.

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 14.

Trade and other payables also include amounts due from related parties of the Group, which are disclosed in note 24.

14 Financial instruments

(a) Accounting classifications and fair values

The fair values of financial assets and liabilities were not significantly different from their carrying amounts as at the reporting date.

(b) Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial instruments not measured at fair value			
Type	Valuation technique	Significant unobservable inputs	
Loans and borrowings, trade and other receivables and payables, loans receivable and other financial liabilities	<i>Discounted cash flows:</i> The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.	Risk-adjusted discount rate is determined individually for each financial instrument recognised	
		Increase/decrease in risk-adjusted discount rate results in decrease/increase of financial instrument's fair value.	

(c) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

(i) Risk management framework

The Management of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's finance department is responsible for developing and monitoring the Group's risk management policies. The finance department reports regularly to the Group's Management on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in securities.

The carrying amount of financial assets represents the maximum credit risk exposure.

Loans receivable

The entity from time to time issues loans to related and third parties. The carrying amount of such loans was USD5,388 thousand as at 31 December 2019 (2018: USD4,592 thousand). All these loans are unsecured, however, since most of the amounts comprises of the loans issued to related parties, the Group's management believes that the amounts will be repaid in due time. The Group classified them as receivables at Stage 1. The external credit risk grade was assessed to be equal to BBB-, resulting in probability of default of 0.71%. Thus, the amount of ECL on the loans receivable is not significant and no impairment was recognized.

Trade and other receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of the Group's customer base, including the default risk of the industry and country, in which customers operate. The credit risk is geographically concentrated in Uzbekistan.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references.

The Group's contracts usually require an annual advance payment from its customers of up to 30% of the anticipated annual work amount. The Group typically uses this amount to finance some of its raw materials, fuel and labour costs. However, the Group is typically required to provide its customers with a bank guarantee covering the refund of this amount if the Group fails to perform its contractual obligations. Most of the Group's construction contracts provide for monthly progress payments in arrears based on a schedule of works performed during that month. The Group issues its invoices to customers in accordance with terms specified in the relevant contract, which generally require payment within 1 to 30 days after the invoice date. To ensure the timely collection of its account receivables and to minimise the incurrence of bad debts, the Group has implemented management controls and established collection monitoring and investigation procedures to manage its accounts receivable and work-in-progress. It regularly monitors the status of accounts receivable and work-in-progress and actively seeks to manage the risk of non-payment or late payment. The Group establishes an allowance for impairment that represents its estimate of losses in respect of amounts due from customers on construction contracts, trade and other receivables. At the beginning the Group estimates the amount of impairment based on the incurred losses, then the additional amount of impairment in respect of expected in the future additional credit losses. The Group works with very limited number of customers, therefore, the impairment is calculated on individual basis. There are past due receivables as at 31 December 2019 in the amount of USD 35,155 thousand. The Group classified them as Stage 3 receivables.

The following table provides information about the exposure to the credit risk in respect of trade and other receivables and amounts due from customers on construction contracts as at 31 December 2019, calculated based on credit ratings issued by rating agencies:

000*USD	Rating	Gross carrying amount	Impairment loss allowance
Low risk	BBB- to AAA	125,870	–
Fair risk	BB- to BB+	51,318	–
Substandard risk	B- to CCC	172,921	(35,155)
		350,109	(35,155)

Cash and cash equivalents

The Group held cash and cash equivalents of USD114,554 thousand at 31 December 2019 (2018: USD2,949 thousand), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated Ba to Baa, based on rating agency Moody's ratings. The Group considers that its cash and cash equivalents have low credit risk. On initial application of FRS 109, the Group did not recognise an impairment. The amount of allowance did not change during 2018.

(iii) Guarantees issued by the Group in favour of related parties

The Group considers that financial guarantee contracts entered into by the Group to guarantee the indebtedness of related parties are insurance arrangements, and accounts for them as such. In this respect, the Group treats the guarantee contract as a contingent liability until such time as it becomes probable that the Group will be required to make a payment under the guarantee. The Group's policy is to provide financial guarantees only to related parties.

As at 31 December 2018 the Group has an outstanding balance of guarantees issued in favour of its related party - E.E.G. Enter Engineering Group Limited - to secure the related party's obligations under a credit agreement amounted to USD51,188 thousand. The guarantee matured in December 2019.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash inflows.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

Group
31 December 2019

US\$'000

Non-derivative financial liabilities

	Carrying amount	Contractual cash flows				
		Total	On demand	Less than 2 months	2-12 months	1-2 years
Secured related party bank loans	221,885	255,660	—	20,406	211,959	23,295
Bank loans	926	1,595	—	731	676	188
Lease liabilities	11,993	12,002	—	—	5,689	6,313
Trade and other payables	403,410	403,410	18,855	384,555	—	—
	638,214	672,667	18,855	405,692	218,324	29,796

Group
31 December 2018

US\$'000

Non-derivative financial liabilities

	Carrying amount	Contractual cash flows				
		Total	On demand	Less than 2 months	2-12 months	1-2 years
Secured related party bank loans	178,178	186,241	—	2,456	164,631	19,154
Bank loans	2,288	2,648	—	816	1,375	457
Loans due to related parties	5,025	5,157	—	—	5,157	—
Loans due to third parties	6,847	6,892	—	—	6,892	—
Finance lease liabilities	82	100	—	—	33	67
Trade and other payables	357,620	357,620	11,678	345,942	—	—
Other financial liabilities	2,784	2,784	—	—	2,784	—
Guarantees issued in favour of related parties	51,188	51,188	51,188	—	—	—
	604,012	612,630	62,866	349,214	180,872	19,678

Company
31 December 2019

US\$'000

Non-derivative financial liabilities

	Carrying amount	Total	On demand	Less than 2 months	2-12 months	1-2 years
Secured related party bank loans	221,680	255,455	—	20,406	211,754	23,295
Loans due to related parties	2,927	2,927	—	—	2,927	—
Loans due to third parties	1	1	—	—	1	—
Trade and other payables	373,140	373,140	17,140	356,000	—	—
Lease liabilities	11,923	12,002	—	—	5,689	6,313
	609,671	643,535	17,140	376,406	220,371	29,608

Company
31 December 2018

US\$'000

Non-derivative financial liabilities

	Carrying amount	Total	On demand	Less than 2 months	2-12 months	1-2 years
Secured related party bank loans	178,178	186,241	—	2,456	164,631	19,154
Loans due to related parties	8,824	8,824	—	—	8,824	—
Loans due to third parties	6,707	6,892	—	—	6,892	—
Trade and other payables	379,350	379,350	11,230	368,109	—	11
Other liabilities	2,784	2,784	—	—	2,784	—
Guarantees issued in favour of related parties	51,188	51,188	51,188	—	—	—
	627,031	633	62,418	370,565	183,131	19,165

(ii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between currencies in which sales, purchases and borrowings are denominated. The functional currencies of Group companies are primarily the U.S. Dollars (USD).

Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily USD. In addition, interest on borrowings is denominated in the currency of the borrowing. This provides an economic hedge without a need to enter into derivatives contracts.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The Group's exposure to foreign currency risk as at 31 December 2019 was as follows:

US\$'000	UZS- denominated	RUR- denominated	EUR- denominated	CNY- denominated
Loans receivable	728	3,878	102	–
Trade and other receivables	5,706	444	–	–
Cash and cash equivalents	552	131	100,541	72
Loans and borrowings	(926)	–	(4,517)	(13,556)
Trade and other payables	(27,536)	(15,978)	(175,017)	(16,552)
Net exposure to currency risk	(21,476)	(11,525)	(78,891)	(30,036)

The Group's exposure to foreign currency risk as at 31 December 2018 was as follows:

US\$'000	UZS- denominated	RUR- denominated	EUR- denominated	CNY- denominated
Loans receivable	542	3,954	148	–
Trade and other receivables	3,656	236	508	–
Cash and cash equivalents	1,032	232	203	4
Loans and borrowings	(2,429)	(4,812)	–	–
Trade and other payables	(10,544)	(10,331)	(183,211)	(8,398)
Net exposure to currency risk	(7,743)	(10,721)	(182,352)	(8,394)

The Company's exposure to foreign currency risk was as follows:

	UZS- denominated US\$'000	RUR- denominated US\$'000	EUR- denominated US\$'000	CNY- denominated US\$'000
2019				
Loans receivable	349	3,878	—	—
Trade and other receivables	—	494	9,947	—
Cash and cash equivalents	131	6	100,532	62
Loans and borrowings	(2,837)	—	(4,460)	(13,556)
Trade and other payables	(32,233)	(15,070)	(124,271)	(10,417)
Net exposure to currency risk	(34,590)	(10,692)	(18,252)	(23,911)
2018				
Loans receivable	—	3,954	—	—
Trade and other receivables	3,656	236	508	—
Cash and cash equivalents	588	38	146	4
Loans and borrowings	(3,991)	(4,812)	—	—
Trade and other payables	(10,544)	(10,331)	(181,893)	(8,398)
Net exposure to currency risk	(10,291)	(10,915)	(181,239)	(8,394)

The following significant exchange rates have been applied during the year:

	Reporting date spot rate	
	2019	2018
USD 1 equal to UZS	9,514.74	8,340.28
USD 1 equal to RUB	61.9057	69.4706
USD 1 equal to EUR	0.8949	0.8797
USD 1 equal to CNY	6.9954	6.9048

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD, as indicated below, against all other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss before taxes by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Group		Company	
	Equity	Profit or loss	Equity	Profit or loss
	US\$'000	US\$'000	US\$'000	US\$'000
31 December 2019				
UZS (10% strengthening)	(2,148)	(2,148)	(3,495)	(3,495)
RUR (10% strengthening)	(1,153)	(1,153)	(1,069)	(1,069)
EUR (10% strengthening)	(7,889)	(7,889)	(1,825)	(1,825)
CNY (10% strengthening)	(3,004)	(3,004)	(2,391)	(2,391)
UZS (10% weakening)	2,148	2,148	3,495	3,495
RUR (10% weakening)	1,153	1,153	1,069	1,069
EUR (10% weakening)	7,889	7,889	1,825	1,825
CNY (10% weakening)	3,004	3,004	2,391	2,391
31 December 2018				
UZS (10% strengthening)	(774)	(774)	(1,029)	(1,029)
RUR (10% strengthening)	(1,072)	(1,072)	(1,092)	(1,092)
EUR (10% strengthening)	(18,235)	(18,235)	(18,124)	(18,124)
CNY (10% strengthening)	(839)	(839)	(839)	(839)
UZS (10% weakening)	774	774	1,029	1,029
RUR (10% weakening)	1,072	1,072	1,092	1,092
EUR (10% weakening)	18,235	18,235	18,124	18,124
CNY (10% weakening)	839	839	839	839

Interest rate risk

Changes in interest rates impact primarily loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt). Management does not have a formal policy of determining how much of the Group's exposure should be to fixed or variable rates. However, at the time of raising new loans or borrowings management uses its judgment to decide whether it believes that a fixed or variable rate would be more favourable to the Group over the expected period until maturity.

Exposure to interest rate risk

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was as follows:

US\$'000	Group		Company	
	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000
Fixed rate instruments				
Financial assets	1,506	637	451	100
Financial liabilities	(234,599)	(187,395)	(236,531)	(188,897)
	<u>(233,093)</u>	<u>(186,758)</u>	<u>(236,080)</u>	<u>(188,797)</u>
Variable rate instruments				
Financial assets	3,882	3,954	3,878	4,026
Financial liabilities	(205)	(5,025)	–	(4,812)
	<u>3,677</u>	<u>(1,071)</u>	<u>3,878</u>	<u>(786)</u>

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed-rate financial instruments as fair value through profit or loss or as available-for-sale. Therefore, a change in interest rates at the reporting date would not have an effect in profit or loss or in equity.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss before taxes by insignificant amount. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(b) Master netting or similar agreements

The Group may enter into sales and purchase agreements with the same counterparty in the normal course of business. The related amount receivable and payable do not always meet the criteria for offsetting in the statement of financial position. This is because the Group may not have any currently legally enforceable right to offset recognised amounts, because the right to offset may be enforceable only on the occurrence of future events.

15 Revenue

(a) Revenue streams

The Group generates revenue primarily from construction and modernization of pipeline facilities, construction of oil refineries and gas processing plants and other oil and gas production facilities, development and operation of oil and gas fields, provision of engineering services, civil infrastructure construction and other construction related activities.

Other sources of revenue include sale of construction materials and other goods and provides warehousing services.

(b) Disaggregation of revenue from contracts with customers

All construction works performed by the Group in 2019 and 2018 are located in Uzbekistan. Terms of payment are within 1 to 30 days after the invoice date.

In the following table, revenue from contracts with customers is disaggregated by main contracts lines:

	2019 US\$'000	2018 US\$'000
<i>Construction contracts revenue – recognised over time:</i>		
Construction of the synthetic fuel Production Plant UzGTL	366,587	178,250
Construction of process facilities on “Uzbekteftegazdobycha” fields on “turnkey” basis	151,779	91,029
Expansion of production capacity of the Shurtan gas-chemical complex	151 752	4,880
Multi-functional ice arena “Humo”	92,605	103,661
Construction of a plant for the production of ammonia and carbamide at Navoiyazot JSC	28,669	40,789
Engineering, procurement and construction of Kandym group of fields and development of northern part of Shady area.	25,563	17,449
Construction of roads to central processing facility complex of the Kandym group of fields	–	21,892
Procurement and Construction of central processing facility complex and Development of the Kandym group of fields	15,479	11,533
Other	65,423	45,952
	<u>897,857</u>	<u>515,435</u>
Other revenue – recognised at point of time	4,113	1,030
Total revenue	<u>901,970</u>	<u>516,465</u>

(c) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	Note	2019 US\$'000	2018 US\$'000
Long-term receivables, which are included in 'trade and other receivables'	8	20,647	52,831
Short term receivables, which are included in 'trade and other receivables'	8	75,517	137,142
Contract assets		85,827	62,375
Contract liabilities and advances received from customers		<u>(274,260)</u>	<u>(241,187)</u>

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on construction contracts. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

The contract liabilities primarily relate to the advance consideration received from customers on construction contracts.

The retentions on construction contracts are amounts of progress billings that are not paid until the satisfaction of conditions specified in the contract for the payment of such amounts or until defects have been rectified. The amount of USD197,783 thousand recognised in contract liabilities at the beginning of the period has been recognised as revenue for the period ended 31 December 2019.

(d) Performance obligations

The amount of revenue recognised in the period ended 31 December 2019 from performance obligations satisfied (or partially satisfied) in previous periods is USD 25.6 million (reduction in previously recognized revenue). This is mainly due to changes in the estimate of future costs and progress in the stage of completion of construction.

Performance obligations on construction contracts unsatisfied (or partially unsatisfied) as at 31 December 2019 amount to USD 1,679 million (USD 2,690 million as at 31 December 2018). It is expected that the performance obligation will be recognised as revenue as follows: 2020 – USD 1,215 million, 2021 – USD 411 million, 2022 – 52 million.

16 Cost of sales

	Group	
	2019	2018
	US\$'000	US\$'000
Construction materials	315,442	260,076
Employee remuneration and related taxes and charges	144,769	29,618
Construction services provided by subcontractors	89,813	42,138
Construction site expenses	61,166	45,059
Transport services	33,757	14,653
Depreciation of property, plant and equipment	33,671	22,380
Fuel and energy consumption	12,043	6,454
Bank guaranty fees	10,279	10,498
Cost of goods sold	126	238
Other	14,588	11,769
Rent expenses	2,492	5,439
	<u>718,146</u>	<u>448,322</u>

17 Other income

	Group	
	2019	2018
	US\$'000	US\$'000
Income from derecognition of liabilities	2,610	774
Gain on disposal of property, plant and equipment	1,705	—
Reimbursements received from counterparties	11	75
Other	1,162	1,081
	<u>5,488</u>	<u>1,930</u>

18 General and administrative expenses

	Group	
	2019	2018
	US\$'000	US\$'000
Employee remuneration and related taxes and charges	14,294	7,647
Professional services	4,162	4,172
Depreciation of property, plant and equipment	2,846	3,452
Travel expenses	1,666	1,861
Materials	1,584	1,427
Taxes other than income tax	391	82
Rent expenses	161	1,266
Other	3,926	3,874
	<u>29,030</u>	<u>23,781</u>

19 Other expenses

	Group	
	2019	2018
	US\$'000	US\$'000
Write-off of trade receivables	36,361	45
Bank fees and charges	3,153	2,721
Charity	743	1
Other	6,099	1,145
	<u>46,356</u>	<u>3,912</u>

20 Finance income and finance costs

	Group	
	2019	2018
	US\$'000	US\$'000
Foreign exchange gain, net	9,008	16,912
Interest income on loans receivable measured at amortized costs	2,505	628
Finance income	<u>11,513</u>	<u>17,540</u>
Interest expense on loans and borrowings measured at amortised cost	(18,118)	(8,035)
Change in fair value of financial assets at FVTPL	–	(1,859)
Interest expenses on finance leases	(1,108)	–
Finance costs	<u>(19,226)</u>	<u>(9,894)</u>
Net finance (costs)/income recognised in profit or loss	<u>(7,713)</u>	<u>7,646</u>

21 Significant subsidiaries

		2019	2018
Subsidiary	Principal place of business/ Country of incorporation	Ownership/ voting rights	Ownership/ Voting rights
LLC “ENTER MACHINERIES SERVICES”	Republic of Uzbekistan	100%	100%
LLC “Enter Exim Technology”	Republic of Uzbekistan	100%	100%
NSGD-EE Services and Trading DMCC	UAE	100%	100%
Belmarosa Limited*	Cyprus	51%	51%
LLC “Point vision”	Republic of Uzbekistan	51%	51%
LLC “Oil and gas design”	Republic of Uzbekistan	51%	51%
JV LLC UZLITIENGINEERING	Republic of Uzbekistan	50%	50%
LLC Nadymstroygazdobycha	Russian Federation	100%	100%
LLC ENTER CEMENT	Republic of Uzbekistan	100%	–
LLC Steel structure & solutions	Republic of Uzbekistan	100%	–

* Belmarosa Limited is a parent company of LLC “Point vision” and LLC “Oil and gas design”.

22 Non-controlling interests

The following subsidiaries have non-controlling interest (NCI) that are immaterial to the Group.

Name	Principal places of business/Country of incorporation	Ownership interests held by NCI	
		2019 %	2018 %
Belmarosa LTD	Republic of Cyprus	49%	49%
LLC "Point vision"	Republic of Uzbekistan	49%	49%
LLC "Oil and gas design"	Republic of Uzbekistan	49%	49%

The following is summarised financial information for the subsidiaries' non-controlling interest based on the amounts reported in the Group's consolidated financial statements:

	2019 US\$'000	2018 US\$'000
Total comprehensive income attributable to NCI	(914)	265
Net assets attributable to NCI	3,935	4,849

23 Contingencies

(a) Insurance

The insurance industry in Uzbekistan is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Group does not have full coverage for its plant facilities, business interruption, or third party liability in respect of property or environmental damage arising from accidents on Group property or relating to Group operations. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Group's operations and financial position.

(b) Taxation contingencies

The taxation system in Uzbekistan is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by various levels of authorities, which have the authority to impose severe fines and interest charges. A tax year generally remains open for review by the tax authorities for five subsequent calendar years; however, under certain circumstances a tax year may remain open longer.

These circumstances may create tax risks in Uzbekistan that are more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

24 Related parties

(a) Parent and ultimate controlling party

The Company's immediate holding companies and the Company's ultimate controlling party are disclosed in note 1(a).

(b) Other related party transactions

	Transaction value for the year ended 31 December		Outstanding balance as at 31 December	
	2019	2018	2019	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Sale of goods and services:				
Entities under common control with the Company's shareholders	27,985	19,223	62,788	28,125
	27,985	19,223	62,788	28,125
Purchase of goods and services:				
Entities with significant influence	—	—	2,468	42,656
Entities under common control with the Company's shareholders	11,196	10,153	5,059	5,485
	11,196	10,153	7,527	48,141
Loans receivable:				
Parent company	3,304	4	2	148
Entities under common control with the Company's shareholders	550	1,051	3,880	4,440
	3,854	1,055	3,882	4,588

	Transaction value for the year ended 31 December		Outstanding balance as at 31 December	
	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000
Loans and borrowings and finance leases:				
Parent company	–	11	–	4,812
Entities with significant influence	16,780	5,173	221,680	178,178
Entities under common control with the Company's shareholders	166	302	205	213
	16,946	5,486	221,885	183,203
Bank guaranties acquired:				
Entities with significant influence (fees accrued)	10,279	10,476	*	*
Entities under common control with the Company's shareholders (fees accrued)	–	209	*	*
	10,279	10,685	*	*
Loans received				
Entities with significant influence	246,377	197,181	–	–
Loans repaid				
Entities with significant influence	236,327	47,587	–	–
Entities under common control with Company's shareholders	4,754	–	–	–

* The amounts relate to bank guaranties acquired from related party banks in favour of Group's counterparties (see also note 14(c)(ii)). Transaction during the year comprise fees paid to related party banks for these guaranties.

Information about financial guaranties issued by the Group in favour of its related parties is provided in note 14(c)(ii).

Information about loans receivable from related parties that were issued on terms other than market terms is provided in note 5.

In 2017 the Group entered into certain transactions which resulted in cash payments of USD12,907 thousand made to entities controlled by the beneficial owner of the Company. Such payments were accounted for directly in equity as the transactions were made on behalf of the owners acting in the capacity of the owners.

25 Subsequent events

On August 14, 2020 Enter Engineering PTE. LTD. purchased 50% shares in the charter capital of JV "UZLITI ENGINEERING" LLC held by AO O'ZLITINEFTGAZ.

The price of the abovementioned transaction amounts to USD131,611.

Management is closely monitoring the situation and taking measures to prevent the spread of COVID-19 in all regions of its presence. Due to the Company's efforts to prevent the spread of COVID-19, the implementation of projects has not been suspended and work on construction sites is going on with the projects' schedules. A flexible work schedule was also adopted at the Company's offices in Tashkent and the regions with the possibility to work on a remote basis.

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CERTIFICATE OF REGISTRATION OF AN OVERSEA COMPANY

(Registration of UK establishment)

Company Number **FC039597**

UK Establishment No. BR024703

The Registrar of Companies, hereby certifies that

ENTER ENGINEERING UK

has this day been registered under the Companies Act 2006 as having established a UK establishment in the United Kingdom

Given at Companies House on **27th June 2022**



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**