

**Pendekar Egypt Holdings
ApS**
Sankt Peders Vej 6
2900 Hellerup
Business Registration No
25053044

Annual report 2018

The Annual General Meeting adopted the annual report on 31.05.2019

Chairman of the General Meeting



Name: Miguel Bruno Nobrega Gouveia

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2018	8
Balance sheet at 31.12.2018	9
Statement of changes in equity for 2018	11
Notes	12
Accounting policies	15

Entity details

Entity

Pendekar Egypt Holdings ApS
Sankt Peders Vej 6
2900 Hellerup

Central Business Registration No (CVR): 25053044

Registered in: Gentofte

Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Mark William Ling Lee Meng, Chairman
Adnan Abdulhadi A. Buhuligah

Executive Board

Miguel Bruno Nobrega Gouveia, Director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Pendekar Egypt Holdings ApS for the financial year 01.01.2018 - 31.12.2018.

The annual report is presented in accordance with the Danish Financial Statements Act.

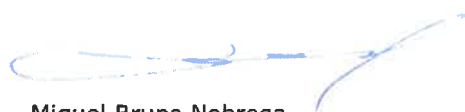
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 31.05.2019

Executive Board



Miguel Bruno Nobrega
Gouveia
Director

Board of Directors

Mark William Ling Lee Meng
Chairman

Adnan Abdulhadi A. Buhuligah

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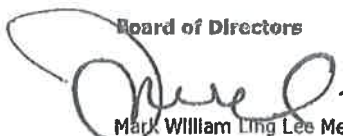
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Copenhagen, 31.05.2019

Executive Board



Miguel Bruno Nobrega
Gouveia
Director



Board of Directors
Mark William Ling Lee Meng
Chairman



Adnan Abdulhadi A. Buhullgah

Independent auditor's report

To the shareholders of Pendekar Egypt Holdings ApS

Opinion

We have audited the financial statements of Pendekar Egypt Holdings ApS for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark 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 conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

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

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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.


Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 31.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556



Flemming Larsen
State Authorised Public Accountant
Identification No (MNE) mne27790

Management commentary

Primary activities

The object of the Company is a investment holding company.

Development in activities and finances

In the year 1 January 2018 to 31 December 2018, the Company realized a loss of USD 477,377. The result for the year has been impacted of the following exceptional items:

- profit resulting from a debt waiver from the group companies of USD 178,280
- loss due to write-down of investment in subsidiary company of USD 643,723

In preparation of a larger restructuring (reduction) of group companies, certain group companies has waived their right to receive payment from group companies. In total group companies has waived their right to receive payment from the Danish company for an amount of USD 178,280. Management has deemed that these waivers are not taxable income for the Danish company. Consequently, the entire amount is charged to the income statement.

Effective 10 October 2018 the subsidiary company Sidi Krir Operating Company B.V. was liquidated and de-registered from the Netherlands Chamber of Commerce. At 31 January 2018, Sidi Krir Operating Company B.V. had an equity of USD 2,177,678 (compared to the book value in Pendekar Egypt Holdings ApS of USD 643,723). The assets were predominantly receivables with group companies. In connection with the above mentioned group restructuring, management in Sidi Krir Operating Company B.V. has waived the company's right to receive payment from group companies. Consequently, Sidi Krir Operating Company B.V. incurred a substantial loss in connection with the liquidation, and no liquidation proceeds were available for the Pendekar Egypt Holdings ApS. Therefore, Pendekar Egypt Holdings ApS has incurred a loss of USD 643,723 in 2018. Management has determined that there are no adverse Danish tax implications of the liquidation of Sidi Krir Operating Company B.V., nor the debt waivers granted by the subsidiary company prior to the liquidation resulting in the write-down of the investment in Netherland.

Management has determined that there is a risk that the debt waiver made by the subsidiary company Sidi Krir Operating Company B.V. to another group company Pendekar Maghred Ltd, in Bermuda; whereby the value of Sidi Krir Operating Company B.V. was substantially reduced to nil. Together with the subsequent liquidation of Sidi Krir Operating Company B.V, should be seen as a deemed dividend from Pendekar Egypt Holdings ApS to its parent company. Further, that Dividend withholding taxes should have been withheld by the Danish company.

However, management wants to explore/confirm if this is the case. Therefore, on 13 May 2019, Pendekar Egypt Holdings ApS management wrote to Danish tax authorities to seek a confirmation that the debt remission from the Dutch company in favour of Pendekar Maghred Ltd., in Bermuda, does not entail tax consequences for Pendekar Egypt Holdings ApS. Due to the uncertainty, management has set

Management commentary

up an accrual of USD 522.488 to cover the potential dividend withholding tax payment. Further management intend to report and pay the withholding tax, should the Danish tax authorities confirm that the debt-waiver made by the subsidiary company is a deemed dividend distribution. The USD 522.488 will be paid by the company PENDEKAR Ltd; Bermuda, and management has therefore also recognised a receivable for the same amount. The withholding tax has not impacted the income statement of Pendekar Egypt Holdings ApS in 2018.

As a result of the above the equity of Pendekar Egypt Holdings ApS amounts to USD nil as at 31 December 2018.

The Company will be dissolved by declaration in December 2019.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2018

	<u>Notes</u>	<u>2018 USD</u>	<u>2017 USD</u>
Administrative expenses	1	<u>(11.934)</u>	<u>(27.756)</u>
Operating profit/loss		(11.934)	(27.756)
Other financial income	2	178.280	0
Other financial expenses	3	<u>(643.723)</u>	<u>0</u>
Profit/loss for the year		<u>(477.377)</u>	<u>(27.756)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(477.377)</u>	<u>(27.756)</u>
		<u>(477.377)</u>	<u>(27.756)</u>

Balance sheet at 31.12.2018

	Notes	2018 USD	2017 USD
Investments in group enterprises		<u>0</u>	<u>643.723</u>
Fixed asset investments		<u>0</u>	<u>643.723</u>
Fixed assets		<u>0</u>	<u>643.723</u>
Receivables from group enterprises	4	<u>522.488</u>	<u>0</u>
Receivables		<u>522.488</u>	<u>0</u>
Current assets		<u>522.488</u>	<u>0</u>
Assets		<u>522.488</u>	<u>643.723</u>

Balance sheet at 31.12.2018

	Notes	2018 USD	2017 USD
Contributed capital		22.598	22.598
Retained earnings		<u>(22.598)</u>	<u>454.781</u>
Equity		<u>0</u>	<u>477.379</u>
Payables to group enterprises		0	139.586
Other payables	5	<u>522.488</u>	<u>26.758</u>
Current liabilities other than provisions		<u>522.488</u>	<u>166.344</u>
Liabilities other than provisions		<u>522.488</u>	<u>166.344</u>
Equity and liabilities		<u>522.488</u>	<u>643.723</u>
Contingent liabilities	6		
Related parties with controlling interest	7		
Group relations	8		

Statement of changes in equity for 2018

	Contributed capital USD	Retained earnings USD	Total USD
Equity beginning of year	22.598	454.779	477.377
Profit/loss for the year	0	(477.377)	(477.377)
Equity end of year	22.598	(22.598)	0

Notes

1. Administrative expenses

The Company has no employee during the year with the exception of the Executive board. No remuneration has been paid to the Board of Directors or the Executive Board.

	2018	2017
	USD	USD
2. Other financial income		
Financial income arising from group enterprises	178.280	0
	178.280	0

In preparation of a larger restructuring (reduction) of group companies, certain group companies have waived their right to receive payment from group companies. In total group companies have waived their right to receive payment from the Danish company for an amount of USD 178,280. Management has deemed that these waivers are not taxable income for the Danish company. Consequently, the entire amount is charged to the income statement. Subsequent to the debt waiver, the Company has no debt to the group companies.

	2018	2017
	USD	USD
3. Other financial expenses		
Other financial expenses	643.723	0
	643.723	0

Former investments in group enterprises comprise:

	Registered in	Corporate form	Equiry Interest
Sidi Krir Operating Company B.V.	Rotterdam	B.V.	100,0

Effective 10 October 2018 the subsidiary company Sidi Krir Operating Company B.V. was liquidated and de-registered from the Netherlands Chamber of Commerce. As at 31 January 2018 Sidi Krir Operating Company B.V. had an equity of USD 2,177,678 (compared to the book value in Pendekar Egypt Holdings ApS of USD 643,723). The assets were predominantly receivables with group companies. In connection with the above mentioned group restructuring management in Sidi Krir Operating Company B.V. has waived the company's right to receive payment from group companies. Consequently, Sidi Krir Operating Company B.V. incurred a substantial loss in connection with the liquidation, and no liquidation proceeds were available for the Pendekar Egypt Holdings ApS. Therefore, the Pendekar Egypt Holdings ApS has incurred a loss of USD 643,723 in 2018.

Notes

4. Receivables from group enterprises

The USD 522.488 withholding tax is to be paid on behalf of the parent company, and management has therefore also recognised a receivable for the same amount. The withholding tax has not impacted the income statement of Pendekar Egypt Holdings ApS in 2018.

5. Other payables

Other costs payable

2018	2017
USD	USD
<u>522.488</u>	<u>26.758</u>
522.488	26.758

Management has determined that there is a risk that the debt waiver made by the subsidiary company Sidi Krir Operating Company B.V. to another group company Pendekar Maghred Ltd, in Bermuda; whereby the value of Sidi Krir Operating Company B.V. was substantially reduced to nil. Together with the subsequent liquidation of Sidi Krir Operating Company B.V, should be seen as a deemed dividend from Pendekar Egypt Holdings ApS to its parent company. Further, that Dividend withholding taxes should have been withheld by the Danish company.

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6. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Pendekar NEPC Holdings ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed entities, and from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

Notes

7. Related parties with controlling interest

The following holds 100% of the Company's capital:

Pendekar Egypt Holdings Ltd; Cayman Islands

8. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Pendekar Energy (L) Ltd; Malaysia

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

The accounting policies applied to these financial statements are consistent with those applied last year.

Reporting currency is US dollar (USD).

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Administrative costs

Administrative costs comprise expenses incurred for the Entity's administrative functions.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Accounting policies

Other financial expenses

Other financial expenses comprise net capital losses on transactions in foreign currencies.

Balance sheet

Investments in group enterprises

Investments in group enterprises are recognised and measured at cost. To the extent that the equity in the group enterprise is reduced to an amount less than cost, the value of the investment will be written down on a USD for USD basis. Accumulated impairment losses will only exceed the cost, when the Entity has assumed obligations or guarantees, etc on behalf of the group enterprise or other consolidated enterprises.

Dividends from group enterprises are recognised in the income statement of the Parent as operating profit at the time of receipt.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.