



P5 CAPITAL HOLDINGS LTD.
(Company Registration No. 199806046G)
(Incorporated in the Republic of Singapore)

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A. BINDING MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED ACQUISITION OF SHARES IN THE CAPITAL OF GASHUBUNITED UTILITY PRIVATE LIMITED

1. INTRODUCTION

The Board of Directors (the "**Board**") of P5 Capital Holdings Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 10 November 2021 entered into a binding memorandum of understanding ("**MOU**") with Gashubunited Holding Private Limited ("**GHPL**", and together with the Company, the "**Parties**"). The MOU sets out the key understandings relating to the Parties' intention to explore the Company's proposed acquisition of such number of shares held by GHPL in Gashubunited Utility Private Limited ("**GUPL**") ("**Sale Shares**") as at the date of the completion of the Proposed Acquisition (the "**Completion**"), representing approximately 51.0% of the total shares in the capital of GUPL as at the date of Completion ("**Proposed Acquisition**").

2. INFORMATION ON GUPL AND GHPL

GUPL is a private company incorporated in Singapore on 1 April 2017. GUPL is principally engaged in the distribution of liquefied natural gas ("**LNG**") through a virtual pipeline approach, being the transportation of LNG via ISO tanks and cylinders. GUPL intends to focus on an initial roll-out of LNG distribution system in Singapore, while poising itself to capture other LNG distribution opportunities across Asia in the long term.

As at the date of the MOU, GUPL is a wholly-owned subsidiary of GHPL. GHPL is principally engaged in the business of providing a full range of smart energy efficient solutions and utility with natural gas at its core for sustainable future energy. GHPL's focus is in providing energy accessibility, energy security and efficiency, and cleaner energy and gas related services solutions which include gas piping installation and cleaner energy and co-generation solutions.

GUPL's focus is complemented by the technical expertise and existing customer relationships of GHPL and its group of subsidiaries. Following the Completion, GHPL will remain as a 49%-shareholder of GUPL.

Mr Lim Shao-Lin (“**Mr Lim**”) is a director and shareholder of GHPL holding 60.25% of the total shares in the capital of GHPL. He is also the Executive Director and Chief Executive Officer, and a controlling shareholder of the Company, with a direct interest of 83,699,808 shares (representing 12.14% of the total shares in the capital of the Company) and deemed interest of 80,000,000 shares (representing 11.6% of the total shares in the capital of the Company). Of the remaining shares in GHPL, 0.79% of the total shares in the capital of GHPL is held by Mr Lim’s associate, and 38.97% of the total shares in the capital of GHPL are held by unrelated parties.

As at the date of this announcement, save as disclosed herein, GHPL is not related to the Group, the Directors and controlling shareholders of the Company, and their respective associates.

3. SALIENT TERMS OF THE MOU

- 3.1 The Proposed Acquisition is conditional upon and subject to the Parties’ entry into a definitive sale and purchase agreement (“**Definitive SPA**”) within three months from the date of the MOU, and the MOU will expire automatically thereafter if the Definitive SPA is not entered into and the expiry date of the MOU is not extended.

In the event that the Proposed Acquisition could trigger a reverse takeover transaction (“**RTO**”) or a very substantial acquisition (“**VSA**”) under the Catalist Rules, the Company has the sole discretion to reduce the number of Sale Shares in order not to trigger such RTO or VSA.

3.2 Purchase Consideration Mechanism

The purchase consideration for the Sale Shares is S\$13,387,500 (“**Purchase Consideration**”), assuming the valuation of 100% of GUPL’s shares as S\$26,250,000 (“**Indicative Valuation**”).

The Purchase Consideration will be adjusted based on the final valuation of 100% of GUPL’s shares set out in the formal valuation report issued by the independent valuer to be appointed by the Company (“**Final Valuation**”), in the following manner:

- (i) Where the Final Valuation falls within the range of S\$20,000,000 to S\$26,249,999 (both values inclusive), the Purchase Consideration will be adjusted and determined according to the following formula:

$$P = A\% \times NV,$$

Where:

“P” = final Purchase Consideration;

“A%” = the shareholding interest of the Sale Shares, based on the total number of shares in GUPL as at such date; and

“NV” = the Final Valuation;

- (ii) Where the Final Valuation is equal to or higher than the Indicative Valuation, there will be no adjustment to the Purchase Consideration; and
- (iii) Where the Final Valuation is lower than S\$20,000,000, the MOU or the Definitive SPA (as the case may be) will cease and determine.

The Purchase Consideration will be satisfied by the issue of new ordinary shares in the capital of the Company (“**Shares**”) (“**Consideration Shares**”) to GHPL. The issue price of the Consideration Shares will be based on the volume weighted average of the prices of Shares traded on the SGX-ST during the three-month period preceding (but excluding) the date of the MOU, being S\$0.0305.

3.3 Subsequent to the MOU:

- (i) The Parties will use their best endeavours to negotiate and enter into the Definitive SPA within three months from the date of the MOU, or such later date as may be agreed;
- (ii) The Company will conduct necessary due diligence investigation work as it deems fit; and

- (iii) The Company will obtain the formal valuation report by the independent valuer to be appointed by the Company no later than three months after signing the Definitive SPA.
- 3.4 The Definitive SPA will be on terms to be mutually agreed in writing, including (i) the usual and customary terms for such transactions, and (ii) any conditions precedent or agreements arising from the outcome of due diligence investigations, on the basis of the Purchase Consideration (as may be adjusted in accordance with paragraph 3.2).
- 3.5 Conditions Precedent
- The conditions precedent for the Completion will include:
- (i) the issue of the opinion of the independent financial adviser appointed by the Company forming its view that the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders, and the terms of the Proposed Acquisition are fair and reasonable;
 - (ii) the Company obtaining shareholders' approval for the transactions contemplated in the Definitive SPA;
 - (iii) the grant of whitewash waiver by the Securities Industry Council to GHPL and its concert parties from the requirement to make a mandatory offer for the Shares under Rule 14 of the Singapore Code on Take-overs and Mergers as a result of the allotment and issue of Consideration Shares to GHPL ("**Whitewash Waiver**"); and
 - (iv) the approval and other compliance requirements of the relevant authorities in Singapore (including the listing and quotation notice from the SGX-ST for the admission, listing and quotation of the Consideration Shares on the Catalist).
- 3.6 Subject to the Parties' entry into the Definitive SPA, the Parties will execute (or procure the execution of) a shareholders' agreement to regulate the affairs of GUPL and the Parties' respective rights and obligations as shareholders of GUPL with effect from Completion, on terms to be mutually agreed in writing, which will include (i) Parties' entitlement to appoint directors in GUPL, (ii) board reserved matters, (iii) provisions to protect minority shareholder's interest, (iv) the management of day-to-day operations of GUPL, and (v) the Company's rights to access of information of GUPL, such as operating reports and financial statements.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Mr Lim, who is the Executive Director and Chief Executive Officer and a controlling shareholder of the Company, is also a director of and shareholder of GHPL holding 60.25% shareholding interest in GHPL. Of the remaining shares in GHPL, 0.79% of the total shares in the capital of GHPL is held by Mr Lim's associate. Save as disclosed herein, the Company and its Directors and controlling shareholders are not related to GHPL.

Accordingly, GHPL is an "interested person" within the meaning defined in Chapter 9 of the Catalist Rules and the Proposed Acquisition is an interested person transaction. If the Parties enter into the Definitive SPA, the Company will seek its shareholders' approval for the Proposed Acquisition as an interested person transaction, and appoint an independent financial adviser to provide its opinion in relation to the Whitewash Waiver and the interested person transaction in compliance with Chapter 9 of the Catalist Rules.

Save as disclosed above, none of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the MOU, other than through their respective shareholdings (if any), employment and/or directorship (as applicable) in the Company.

Mr Lim has abstained from the deliberation, decision and voting on any resolution in respect of the MOU.

5. CAUTION IN TRADING

Shareholders and potential investors should note that the MOU is subject to the fulfilment of, *inter alia*, the conditions set out above, including entering into the Definitive SPA and obtaining the relevant regulatory approvals. There is no certainty or assurance that the Definitive SPA will be entered into, or that the Proposed Acquisition will be completed. Shareholders and potential investors should exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial tax or other professional advisers.

The Company will keep shareholders updated on any material developments in relation to the MOU by way of announcements as and when appropriate.

B. TERMINATION OF MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED ACQUISITION OF SHARES IN THE CAPITAL OF GASHUBUNITED HOLDING PRIVATE LIMITED

The Board refers to the Company's announcement dated 8 June 2021 ("**8 June Announcement**") in relation to the Company's entry into a binding memorandum of understanding dated 8 June 2021 ("**8 June MOU**") with Mr Lim, for the proposed acquisition of 22,984,007 shares held by Mr Lim in GHPL, representing 60.25% of the total shares in the capital of GHPL as at the date of such announcement. Unless otherwise defined, all capitalised terms used herein in this section of the announcement shall have the same meanings ascribed to them in the 8 June Announcement.

The Board wishes to inform that, in conjunction with the Company's entry into the MOU with GHPL in respect of the Proposed Acquisition, the 8 June MOU has been terminated with effect from 10 November 2021 via mutual agreement between the Company and Mr Lim. For the avoidance of doubt, no Definitive SPA was entered into in respect of the proposed acquisition under the 8 June MOU.

The Board wishes to clarify that the Company's rationale for the termination of the 8 June MOU and entry into the MOU is due to the Company's intention to focus on the LNG distribution business of GUPL, which has outperformed the other business segments of GHPL and its subsidiaries as the LNG market continues to show signs of growth in response to a strong demand for LNG solutions.

By Order of the Board

Koh Beng Leong
Executive Director – Finance

10 November 2021